

ADOPTION OF STANDARD FORMAT OF ESCROW AGREEMENT

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Further to Sections 1-C, and 17-C, Rule II, Book II of the POEA Rules and Regulations, as amended on Requirements for Issuance/Renewal of License specifically on the submission of Escrow Agreement in the amount of P200,000.00 with an accredited reputable Banking corporation, the attached standard format of Escrow Agreement shall be adopted:

The Escrow Agreement shall contain among others, the following conditions:

1. It is understood that the escrow deposit in the amount of not less than P200,000.00 shall remain intact at all times during the validity of the license. Upon expiration of the validity period if the agency manifests the intention not to renew its license, the aforesaid amount shall remain in deposit for a period of at least four (4) years.
2. The deposit in escrow shall not be withdrawn or released except upon proper authorization/clearance by the Administration, and shall answer for all valid and legal claims of an overseas contract worker arising from recruitment violation or breach of the employment contract.
3. Should the deposit in escrow be reduced by reason of enforcement of a final judgment/resolution arising from recruitment violations or breach of overseas employment contract duly adjudicated by the Administration, the same shall be replenished within fifteen (15) days from notice by the Administration, upon advise by the bank, violation of which shall result in the suspension of agency's license without further notice.
4. The deposit in escrow shall be subject to spot verification anytime by the Administration's duly authorized representatives.
5. The bank may, invest the escrow deposit in government securities, provided that the same shall be available any time on demand by the Administration.
6. The parties to the escrow agreement shall be free to stipulate other conditions and obligations not inconsistent with the policy of the Administration.

This Memorandum Circular shall take effect immediately.

For strict compliance.

Adopted: 1991

Filed: 20 September 1991

(Sgd.) JOSE N. SARMIENTO

Administrator

ANNEX**ESCROW AGREEMENT****KNOW ALL MEN BY THESE PRESENTS:**

This escrow agreement, made and entered into the _____, Philippines, by and between:

_____, a company duly organized and existing under and by virtue of the laws of the Philippines and is an applicant for issuance/renewal of a license to engage in the recruitment and placement of overseas contract workers, with the registered principal office at _____, represented by _____ herein referred to the FIRST PARTY;

_____, a banking corporation duly organized and existing under the laws of the Philippines, with principal office at _____ represented by _____ hereinafter referred to as the ESCROW/AGENT/SECOND PARTY;

Philippine Overseas Employment Administration (POEA) an attached agency of the Department of Labor and Employment (DOLE), with principal office at POEA Bldg., Edsa corner Ortigas, Mandaluyong, Metro Manila, represented by _____ hereinafter referred to as the THIRD PARTY;

WITNESSETH: THAT

WHEREAS, the FIRST PARTY has applied for issuance/renewal of license with the THIRD PARTY to engage in the recruitment and placement of overseas contract workers;

WHEREAS, Sections 1-C and 17-C, Rule II, Book II of the POEA Rules and Regulations Governing Overseas Employment, as amended requires the deposit in escrow in the amount of Two Hundred Thousand Pesos (P200,000.00) to answer for whatever legal and valid claims an overseas contract worker (OCW) may lodge against the FIRST PARTY;

WHEREAS, on ____ 19 ____, in compliance with the aforesaid licensing requirement, the FIRST PARTY has deposited in escrow to the ESCROW AGENT/SECOND PARTY the sum of Two Hundred Thousand Pesos (P200,000.00), Philippine currency, the receipt whereof is likewise acknowledged by the latter; and

WHEREAS, for the final consummation of the above transaction the parties hereto have obligated themselves individually to comply with certain conditions more particularly stipulated hereunder;

NOW, THEREFORE, for and in consideration of the premises, and more specifically the mutual commitments herein set forth, the parties hereto have voluntarily agreed and covenanted as follows:

1. That the deposit in escrow in the amount of Two Hundred Thousand Pesos (P200,000.00) shall remain intact at all times during the validity of the license (for a period of two years) and an additional four (4) years if not renewed upon its expiration or should the license be revoked or otherwise cancelled for whatever legal grounds; provided further that said escrow deposit may be subject to spot verification by duly authorized representatives of the THIRD PARTY;
2. That the deposit in escrow shall not be released/withdrawn by the ESCROW AGENT/SECOND PARTY and FIRST PARTY unless and until proper authorization/clearance from the duly authorized official of the THIRD PARTY is first secured;
3. That in case the deposit in escrow is reduced by reason of enforcement of a final judgment/resolution arising

from recruitment violations or breach of overseas employment contract duly adjudicated by the THIRD PARTY, the FIRST PARTY shall forthwith replenish the same within fifteen (15) days from notice by the THIRD PARTY; provided that the SECOND PARTY shall at all times advise THIRD PARTY wherever the escrow deposit is reduced or same is no longer intact; provided further that violation of the provision shall result in the suspension of license of the FIRST PARTY without further notice;

4. That the SECOND PARTY may invest the escrow deposit in government securities, provided that said escrow deposit shall be available any time on demand by the THIRD PARTY.

5. That this Agreement shall in no case be pre-terminated without prior notice to and clearance by the THIRD PARTY; provided further that violation of this provision shall be sufficient cause for revocation of license of the FIRST PARTY;

6. That the SECOND PARTY, cognizant of the foregoing terms and conditions above stipulated, does hereby agree to act as escrow agent for the FIRST and THIRD PARTY, and to discharge the duties and perform the undertakings in accordance therewith; and

7. That the service fee to be due and payable to the ESCROW AGENCY/SECOND PARTY in any event shall be for the account of the FIRST PARTY.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands at the place first above written on this ____ day of ____ 19 ____.

FIRST PARTY THIRD PARTY

ESCROW AGENT/SECOND PARTY

SIGNED IN THE PRESENCE OF:

(NOTARIAL ACKNOWLEDGMENT)

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