

JMM PROMOTIONS & MANAGEMENT, INC., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND ULPIANO L. DE LOS SANTOS, RESPONDENTS.

G.R. No. 109835. November 22, 1993

Ponente: CRUZ, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-109835/>

CRUZ, J.:

The sole issue submitted in this case is the validity of the order of respondent National Labor Relations Commission dated October 30, 1992, dismissing the petitioner's appeal from a decision of the Philippine Overseas Employment Administration on the ground of failure to post the required appeal bond.[1]

The respondent cited the second paragraph of Article 223 of the Labor Code, as amended, providing that:

In case of a judgment involving a monetary award, an appeal by the employer may be perfected only upon the posting of a cash or surety bond issued by a reputable bonding company duly accredited by the Commission in the amount equivalent to the monetary award in the judgment appealed from.

and Rule VI, Section 6 of the new Rules of Procedure of the NLRC, as amended, reading as follows:

Section 6. Bond. - In case the decision of a Labor Arbiter involves a monetary award, an appeal by the employer shall be perfected only upon the posting of a cash or surety bond issued by a reputable bonding company duly accredited by the Commission or the Supreme Court in an amount equivalent to the monetary award.

The petitioner contends that the NLRC committed grave abuse of discretion in applying these rules to decisions rendered by the POEA. It insists that the appeal bond is not necessary in the case of licensed recruiters for overseas employment because they are already required under Section 4, Rule II, Book II of the POEA Rules not only to pay a license fee of P30,000.00 but also to post a cash bond of P100,000.00 and a surety bond of P50,000.00, thus:

Upon approval of the application, the applicant shall pay a license fee of P30,000.00. It shall also post a cash bond of P100,000.00 and surety bond of P50,000.00 from a bonding company acceptable to the Administration and duly accredited by the Insurance Commission. The bonds shall answer for all valid and legal claims arising from violations of the conditions for the grant and use of the license, and/or accreditation and contracts of employment. The bonds shall likewise guarantee compliance with the provisions of the Code and its implementing rules and regulations relating to recruitment and placement, the Rules of the Administration and relevant issuances of the Department and all liabilities which the Administration may impose. The surety bonds shall include the condition that the notice to the principal is notice to the surety and that any judgment against the principal in connection with matters falling under POEA's jurisdiction shall be binding and conclusive on the surety. The surety bonds shall be co-terminus with the validity period of license. (Emphasis supplied)

In addition, the petitioner claims it has placed in escrow the sum of P200,000.00 with the Philippine National

Bank in compliance with Section 17, Rule II, Book II of the same Rule, "to primarily answer for valid and legal claims of recruited workers as a result of recruitment violations or money claims."

Required to comment, the Solicitor General sustains the appeal bond requirement but suggests that the rules cited by the NLRC are applicable only to decisions of the Labor Arbiters and not of the POEA. Appeals from decisions of the POEA, he says, are governed by the following provisions of Rule V, Book VII of the POEA Rules:

Section 5. Requisites for Perfection of Appeal. The appeal shall be filed within the reglementary period as provided in Section 1 of this Rule; shall be under oath with proof of payment of the required appeal fee and the posting of a cash or surety bond as provided in Section 6 of this Rule; shall be accompanied by a memorandum of appeal which shall state the grounds relied upon and the arguments in support thereof; the relief prayed for; and a statement of the date when the appellant received the appealed decision and/or award and proof of service on the other party of such appeal.

A mere notice of appeal without complying with the other requisites aforesaid shall not stop the running of the period for perfecting an appeal.

Section 6. Bond. In case the decision of the Administration involves a monetary award, an appeal by the employer shall be perfected only upon the posting of a cash or surety bond issued by a reputable bonding company duly accredited by the Commission in an amount equivalent to the monetary award. (Emphasis supplied)

The question is, having posted the total bond of P150,000.00 and placed in escrow the amount of P200,000.00 as required by the POEA Rules, was the petitioner still required to post an appeal bond to perfect its appeal from a decision of the POEA to the NLRC?

It was.

The POEA Rules are clear. A reading thereof readily shows that in addition to the cash and surety bonds and the escrow money, an appeal bond in an amount equivalent to the monetary award is required to perfect an appeal from a decision of the POEA. Obviously, the appeal bond is intended to further insure the payment of the monetary award in favor of the employee if it is eventually affirmed on appeal to the NLRC.

It is true that the cash and surety bonds and the money placed in escrow are supposed to guarantee the payment of all valid and legal claims against the employer, but these claims are not limited to monetary awards to employees whose contracts of employment have been violated. The POEA can go against these bonds also for violations by the recruiter of the conditions of its license, the provisions of the Labor Code and its implementing rules, E.O. 247 (reorganizing the POEA) and the POEA Rules, as well as the settlement of other liabilities the recruiter may incur.

As for the escrow agreement, it was presumably intended to provide for a standing fund, as it were, to be used only as a last resort and not to be reduced with the enforcement against it of every claim of recruited workers that may be adjudged against the employer. This amount may not even be enough to cover such claims and, even if it could initially, may eventually be exhausted after satisfying other subsequent claims.

As it happens, the decision sought to be appealed grants a monetary award of about P170,000.00 to the dismissed employee, the herein private respondent. The standby guarantees required by the POEA Rules would be depleted if this award were to be enforced not against the appeal bond but against the bonds and the escrow money, making them inadequate for the satisfaction of the other obligations the recruiter may incur.

Indeed, it is possible for the monetary award in favor of the employee to exceed the amount of P350,000.00, which is the sum of the bonds and escrow money required of the recruiter.

It is true that these standby guarantees are not imposed on local employers, as the petitioner observes, but there is a simple explanation for this distinction. Overseas recruiters are subject to more stringent requirements because of the special risks to which our workers abroad are subjected by their foreign employers, against whom there is usually no direct or effective recourse. The overseas recruiter is solidarily liable with the foreign employer. The bonds and the escrow money are intended to insure more care on the part of the local agent in its choice of the foreign principal to whom our overseas workers are to be sent.

It is a principle of legal hermeneutics that in interpreting a statute (or a set of rules as in this case), care should be taken that every part thereof be given effect, on the theory that it was enacted as an integrated measure and not as a hodge-podge of conflicting provisions. *Ut res magis valeat quam pereat*.^[2] Under the petitioner's interpretation, the appeal bond required by Section 6 of the aforementioned POEA Rule should be disregarded because of the earlier bonds and escrow money it has posted. The petitioner would in effect nullify Section 6 as a superfluity but we do not see any such redundancy; on the contrary, we find that Section 6 complements Section 4 and Section 17. The rule is that a construction that would render a provision inoperative should be avoided; instead, apparently inconsistent provisions should be reconciled whenever possible as parts of a coordinated and harmonious whole.

Accordingly, we hold that in addition to the monetary obligations of the overseas recruiter prescribed in Section 4, Rule II, Book II of the POEA Rules and the escrow agreement under Section 17 of the same Rule, it is necessary to post the appeal bond required under Section 6, Rule V, Book VII of the POEA Rules, as a condition for perfecting an appeal from a decision of the POEA.

Every intendment of the law must be interpreted in favor of the working class, conformably to the mandate of the Constitution. By sustaining rather than annulling the appeal bond as a further protection to the claimant employee, this Court affirms once again its commitment to interests of labor.

WHEREFORE, the petition is DISMISSED, with costs against the petitioner. It is so ordered.

Davide, Jr. and Quiason, JJ., concur.

Bellosillo, J., on leave.

[1] Order issued by NLRC Commissioner Domingo H. Zapanta, Second Division, dated October 30, 1992.

[2] "That the thing may rather have effect than be destroyed." *Simonds v. Walker*, 100 Mass. 113; *National Pemberton Bank v. Lougee*, 108 Mass. 373, 11 Am. Rep. 367. Charitable bequests are also governed by this maxim. *King v. Richardson*, C.C.A. N.C., B6 F.2d 849, 858.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.