

BANK OF THE PHILIPPINE ISLANDS, PETITIONER, VS. BANK OF THE PHILIPPINE ISLANDS EMPLOYEES UNION- METRO MANILA, 22 AUGUST 2012 RESPONDENT.

G.R. No. 175678. August 22, 2012

Ponente: PERALTA, J.

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PERALTA, J.:

For resolution of this Court is the Petition for Review under Rule 45 of the Revised Rules of Court, dated January 20, 2007, of petitioner Bank of the Philippine Islands (BPI) which seeks to reverse and set aside the Court of Appeals' (CA) Decision[1] and Resolution,[2] dated June 8, 2006 and November 29, 2006, respectively, in CA-G.R. SP No. 83387.

The antecedent facts follow.

Respondent Bank of the Philippine Islands Employees Union-Metro Manila (BPIEU-MM), a legitimate labor organization and the sole and exclusive bargaining representative of all the regular rank-and-file employees of petitioner BPI in Metro Manila and petitioner BPI have an existing Collective Bargaining Agreement (CBA)[3] which took effect on April 1, 2001. The CBA provides for loan benefits and relatively low interest rates. The said provisions state:

Article VIII - Fringe Benefits

x x x x

Section 14. Multi-Purpose Loan, Real Estate Secured Housing Loan and Car Loan. - The Bank agrees to continue and maintain its present policy and practice, embodied in its Collective Bargaining Agreement with the Union which expired on 31 March 2001, extending to qualified regular employees the multi-purpose and real estate secured housing loans, subject to the increased limits and provisions hereinbelow, to wit:

(a) Multi-Purpose Loan not exceeding FORTY THOUSAND PESOS (P40,000.00), payable within the period not exceeding three (3) years via semi-monthly salary deductions, with interest at the rate of eight percent (8%) per annum computed on the diminishing balance.

(b) Real Estate-Secured Housing Loan not exceeding FOUR HUNDRED FIFTY THOUSAND " PESOS (P450,000.00), payable over a period not exceeding fifteen (15) years via semi-monthly salary deductions, with interest at the rate of nine percent (9%) per annum computed on the diminishing balance.

The rate of interest on real estate secured loans, however, may be reduced to six percent (6%) per annum, subject to the following conditions:

1. If the loan is accepted for coverage by the Home Insurance and Guaranty Corporation (HIGC).
2. The HIGC premium shall be paid by the borrower.

3. The borrower procures a Mortgage Redemption Insurance coverage from an insurance company selected by the BANK.
4. The BANK may increase the six percent (6%) interest if the HIGC or the Government imposes new conditions or restrictions necessitating a higher interest in order to maintain the BANK'S position before such conditions or restrictions were imposed.
5. Such other terms or conditions imposed or which may be imposed by the HIGC.
6. It is distinctly understood that the rate of interest shall automatically revert to nine percent (9%) per annum upon cancellation of the HIGC coverage for any cause.

The BANK shall make strong representations with the Bangko Sentral ng Pilipinas for a second upgrade and/or availment under the Housing Loan Program.

(c) Car Loan. - The BANK shall submit a revised plan for the approval of the Bangko Sentral ng Pilipinas which shall incorporate a car loan program in its existing Housing Loan Program. The said car loan shall be a sub-limit under the program such that any availment thereof shall operate to decrease the available housing loan limit. Therefore, the combined amount of both housing and car loans that may be availed of shall not exceed FOUR HUNDRED FIFTY THOUSAND PESOS (P450,000.00). This supplemental revision of the loan program shall be subject to the rules and regulations {e.g., amount of sub-limit, credit ratio, type and age of vehicle, interest rate, etc.) which the BANK may promulgate, and to the terms of the approval of the Bangko Sentral ng Pilipinas.

The multi-purpose and housing loans stated in the next preceding paragraphs, as well as the car loan which shall be incorporated in the housing loan program, shall be subject further to the applicable provisions, guidelines and restrictions set forth in the Central Bank Circular No. 561, as amended by Central Bank Circular No. 689, and to the rules, regulations and policies of the BANK on such loans insofar as they do not violate the provisions, guidelines and restrictions set forth in said Central Bank Circular No. 561, as amended.

Section 15. Emergency Loans. - The BANK agrees to increase the amount of emergency loans assistance, upon approval by the Central Bank of the Philippines, from a maximum amount of Ten Thousand Pesos (P10,000.00) to a maximum amount of Fifteen Thousand Pesos (P15,000.00) to qualified employees intended to cover emergencies only, i.e., expenses incurred but could not be foreseen such as those arising from natural calamities, emergency medical treatment and/or hospitalization of an employee and/or his immediate family and other genuine emergency cases of serious hardship as the BANK may determine. Hospital expenses for caesarian delivery of a female employee or an employee's wife not covered by the Group Hospitalization Insurance Plan shall qualify for the emergency loan.

Emergency loans shall be payable in twenty-four (24) months via semi-monthly salary deductions and shall be charged interest at the minimal rate of Seven percent (7%) per annum for the first P10,000.00 and Nine percent (9%) for the additional P5,000.00 computed on the diminishing balance. The emergency loan assistance program shall be governed by the rules, regulations and policies of the BANK and such amendments or modifications thereof which the BANK may issue from time to time.[4]

Thereafter, petitioner issued a "no negative data bank policy"[5] for the implementation/availment of the manpower loans which the respondent objected to, thus, resulting into labor-management dialogues. Unsatisfied with the result of those dialogues, respondent brought the matter to the grievance machinery and afterwards, the issue, not having been resolved, the parties raised it to the Voluntary Arbitrator.

In his decision, the Voluntary Arbitrator found merit in the respondent's cause. Hence, the dispositive portion of the said decision reads as follows:

WHEREFORE, viewed in the light of the foregoing circumstances, this Arbitrator hereby rules:

1. That the imposition of the NO NEGATIVE DATA BANK as a new condition for the implementation and availment of the manpower loan benefits by the employees evidently violates the CBA;
2. That all employees who were not allowed or deprived of the manpower loan benefits due to the NO NEGATIVE DATA BANK POLICY be immediately granted in accordance with their respective loan benefits applied for;
3. That the respondent herein is ordered likewise to pay ten percent (10%) of the total amount of all loans to be granted to all employees concerned as Attorney's Fees; and
4. That the parties herein are directed to report compliance with the above directives within ten (10) days from receipt of this ORDER.

SO ORDERED.[6]

Aggrieved, petitioner appealed the case to the CA via Rule 43, but the latter affirmed the decision of the Voluntary Arbitrator with the modification that the award of attorney's fees be deleted. The dispositive portion states:

WHEREFORE, premises considered, the Voluntary Arbitrator's Decision dated April 5, 2004 is hereby AFFIRMED with the MODIFICATION that the award of attorney's fees is hereby deleted.

SO ORDERED.[7]

Petitioner filed a motion for reconsideration, but it was denied in a Resolution[8] dated November 29, 2006.

Hence, the present petition.

Petitioner raises the following arguments:

- A. The "No NDB policy" is a valid and reasonable requirement that is consistent with sound banking practice and is meant to inculcate among officers and employees of the petitioner the need for fiscal responsibility and discipline, especially in an industry where the element of trust is paramount.
- B. The "No NDB policy" does not violate the parties' Collective Bargaining Agreement.
- C. The "No NDB policy" conforms to existing BSP regulations and circulars, and to safe and sound banking practices.[9]

Respondent, on the other hand, claims that the petition did not comply with Section 4, Rule 45 of the Revised Rules of Court and must be dismissed outright in accordance with Section 5 of the same rule; that the CA did not commit any reversible error in the questioned judgment to warrant the exercise of its discretionary appellate jurisdiction; and that the Voluntary Arbitrator and the CA duly passed upon the same issues raised in the instant petition and their decisions are based on substantial evidence and are in accordance with law and jurisprudence.[10]

In its Reply[11] dated September 21, 2007, petitioner reiterates the issues it presented in its petition. It also argues that the present petition must not be dismissed based on mere technicality.

Subsequently, the parties submitted their respective memoranda.

Petitioner's arguments are mere rehash of those it raised in the CA. It insists that the rationale behind the use of the "no negative data bank policy" aims to encourage employees of a banking institution to exercise the highest

standards of conduct, considering the bank's fiduciary relationship with its depositors and clients. It likewise contends that a scrutiny of the CBA reveals an express conformity to petitioner's prerogative to issue policies that would guide the parties in the availment of manpower loans under the CBA.

Furthermore, petitioner avers that the subject policy does not only conform to the provisions of the parties' CBA, but it is also in harmony with the circulars and regulations of the Bangko Sentral ng Pilipinas.

The petition lacks merit.

In a petition for review on certiorari, this Court's jurisdiction is limited to reviewing errors of law in the absence of any showing that the factual findings complained of are devoid of support in the records or are glaringly erroneous.[13] Firm is the doctrine that this Court is not a trier of facts, and this applies with greater force in labor cases.[14] The issues presented by the petitioner are factual in nature. Nevertheless, the CA committed no error in its questioned decision and resolution.

A CBA refers to the negotiated contract between a legitimate labor organization and the employer concerning wages, hours of work and all other terms and conditions of employment in a bargaining unit, including mandatory provisions for grievances and arbitration machineries.[15] As in all other contracts, there must be clear indications that the parties reached a meeting of the minds.[16] Therefore, the terms and conditions of a CBA constitute the law between the parties.[17]

The CBA in this case contains no provision on the "no negative data bank policy" as a prerequisite in the entitlement of the benefits it set forth for the employees. In fact, a close reading of the CBA would show that the terms and conditions contained therein relative to the availment of the loans are plain and clear, thus, all they need is the proper implementation in order to reach their objective. The CA was, therefore, correct when it ruled that, although it can be said that petitioner is authorized to issue rules and regulations pertinent to the availment and administration of the loans under the CBA, the additional rules and regulations, however, must not impose new conditions which are not contemplated in the CBA and should be within the realm of reasonableness. The "no negative data bank policy" is a new condition which is never contemplated in the CBA and at some points, unreasonable to the employees because it provides that before an employee or his/her spouse can avail of the loan benefits under the CBA, the said employee or his/her spouse must not be listed in the negative data bank, or if previously listed therein, must obtain a clearance at least one year or six months as the case may be, prior to a loan application.

It must be remembered that negotiations between an employer and a union transpire before they agree on the terms and conditions contained in the CBA. If the petitioner, indeed, intended to include a "no negative data bank policy" in the CBA, it should have presented such proposal to the union during the negotiations. To include such policy after the effectivity of the CBA is deceptive and goes beyond the original agreement between the contracting parties.

This Court also notes petitioner's argument that the "no negative data bank policy" is intended to exact a high standard of conduct from its employees. However, the terms and conditions of the CBA must prevail. Petitioner can propose the inclusion of the said policy upon the expiration of the CBA, during the negotiations for a new CBA, but in the meantime, it has to honor the provisions of the existing CBA.

Article 1702 of the New Civil Code provides that, in case of doubt, all labor legislation and all labor contracts shall be construed in favor of the safety and decent living of the laborer. Thus, this Court has ruled that any doubt or ambiguity in the contract between management and the union members should be resolved in favor of the latter.[18] Therefore, there is no doubt, in this case, that the welfare of the laborers stands supreme.

WHEREFORE, the Petition for Review under Rule 45 of the Revised Rules of Court, dated January 20, 2007, of petitioner Bank of the Philippine Islands, is hereby DENIED and the Court of Appeals' Decision and Resolution, dated June 8, 2006 and November 29, 2006, respectively, are hereby AFFIRMED.

SO ORDERED.

Velasco, Jr., (Chairperson), Abad, Mendoza, and Perlas-Bernabe, JJ., concur.

[1] Penned by Associate Justice Mariflor P. Punzalan Castillo, with Associate Justices Remedios A. Salazar-Fernando and Noel G. Tijam, concurring; rollo, pp. 30-41.

[2] Id at. 42-43.

[3] Rollo, pp. at 84-105.

[4] Id. at 96-98.

[5] As bank employees, one is expected to practice the highest standards of financial prudence and sensitivity to basic rules of credit and management of his/her financial resources and needs, it is for this reason that Management deemed fit that reference to the Negative Data Bank (NDB) and other sources of financial data handling shall be made for purposes of evaluation of manpower loans.

xxx These procedures apply to all employees, whether officer or staff, regardless of loan type (multi-purpose, emergency, car, housing).

NDB (whether record is in his own name or spouse's)

1. Outstanding obligation should be fully paid at least one year prior to loan application.

- even if cleared/fully paid, but within the one-year penalty box, the application will not be considered.

2. Clearance certification should be obtained from the card company/lending company/bank/court:

- if card or lending company, the date of full payment should be clearly indicated in the certification.

- if closed account due to mishandling, date of account closure.

- if court case, date of dismissal of case.

3. Employees will be asked to explain in writing the reason/circumstances for being in the NDB.

4. Final approval of the loan will be with the HR Head, SVP Jess Razon.

- if provincial Business Center account, the employee to submit 2 and 3 to BC with his/her loan application; BC to send to HR for evaluation and approval prior to implementation of the loan.

Suspended/Past Due (not vet in NDB) Accounts within the Unibank.

1. Outstanding obligation should be fully paid at least six months prior to the loan application.

- even if cleared/fully paid, but within the 6-month penalty box.

2. Clearance certification from BCC or other Unibank unit where the obligation occurred.

Other Past Due Obligation

Management reserves the right to evaluate an employee's credit-worthiness based on his handling of other

obligations, outside of NDB or Unibank units, as basis for granting manpower loans. This is particularly considered in the case of housing loan take-out, if the employee-applicant has been grossly delinquent in his payments to the previous financing company. (Id. at 49-50).

[6] Id. at 60-61.

[7] Id. at 40.

[8] Id. at 42-43.

[9] Id. at 16.

[10] Comment dated June 7, 2007, id. at 118-129.

[11] Rollo, pp. 134-138.

[12] Id. at 143-181.

[13] *Reluya v. Dumarpa*, G.R. No. 148848, August 5, 2003, 408 SCRA 315, 326.

[14] *Gerlach v. Reuters Limited, Phils.*, G.R. No. 148542, January 17, 2005, 448 SCRA 535, 545.

[15] *University of the Immaculate Conception, Inc. v. Secretary of Labor and Employment, et al.*, G.R. No. 146291, January 23, 2002, 374 SCRA 471, 480, citing *Manila Fashions v. National Labor Relations Commission*, 111 Phil. 121 (1996).

[16] Id. at 480-481.

[17] *Mactan Workers Union v. Aboitiz*, G.R. No. L-30241, June 30, 1972, 45 SCRA 577, 581.

[18] *Holy Cross- of Davao College, Inc. v. Holy Cross of Davao Faculty Union-KAMAPI*, G.R. No. 156098, June 27, 2005, 461 SCRA 319, *Babcock-Hitachi (Phils.) Inc. v. Babcock Hitachi (Phils.) Inc., Makati Employees Union*, G.R. No. 156260, March 10, 2005, 453 SCRA 156, 161; *Mindanao Steel Corporation v. Minsteel-Free Workers Organization Cagayan de Oro*, G.R. No. 130693, March 4, 2004, 424 SCRA 614, 618 and *Plastic Town Center Corporation v. National Labor Relations Commission*, G.R. No. 81176, April 19, 1989, 172 SCRA 580, 587.

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