

DUMEZ COMPANY AND TRANS-ORIENT ENGINEERS, INC., PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION AND VERONICO EBILANE, RESPONDENTS.

G.R. No. 74495. July 11, 1996

Ponente: HERMOSISIMA, JR., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-74495/>

HERMOSISIMA, JR., J.:

Before us is a petition for certiorari assailing the Decision[1] of the National Labor Relations Commission (hereafter, NLRC)[2] in an illegal dismissal case[3] involving an overseas contract worker who contracted a debilitating illness while rendering services under a subsisting job contract in Riyadh, Saudi Arabia. The assailed Decision affirmed the award[4] by the Workers' Assistance and Adjudication Office of the Philippine Overseas Employment Administration (hereafter POEA) in favor of private respondent in the amount of U.S.\$1,110.00 or its peso equivalent as and for his medical compensation benefits.

The facts of the case are not in dispute:

On May 21, 1982, petitioner Dumez Company, a French company, through petitioner Trans-Orient Engineers, Inc., a corporation organized and existing under the laws of the Philippines, engaged the services of private respondent Veronico Ebilane as carpenter for one of its projects in the Middle East, with Riyadh, Saudi Arabia, as his place of actual employment. The parties executed and signed a one-year overseas employment agreement embodying the terms and conditions of private respondent's employment.

Private respondent commenced performance of said contract on July 3, 1982. On August 31, 1982, while at the job site, private respondent was suddenly seized by abdominal pain and rushed to the Riyadh Central Hospital where appendectomy was performed on him. During his confinement, he developed right-sided weakness and numbness and difficulty of speaking which was found to have been caused by Atrial Fibrillation and CVA embolism.

In a letter dated September 22, 1982, petitioners formally terminated private respondent's employment effective September 29, 1982, up to which time petitioners paid private respondent his salaries under his employment contract. Thereafter, on October 13, 1982, private respondent was repatriated to Manila.

On November 23, 1982, private respondent filed a complaint for illegal dismissal against petitioners. Such complaint was filed with the Workers' Assistance and Adjudication Office of the POEA.

Private respondent asseverates that he had been terminated pursuant to the provision of Section 1 (d) of the employment agreement which refers to termination of an employee who is unqualified. He maintains that such ground for termination did not exist in his case and, thus, his dismissal was without cause.[5]

On January 24, 1984, the POEA Administrator rendered the assailed Decision ordering petitioners to pay private respondent medical compensation benefits in the amount of U.S.\$1,110.00 or its peso equivalent. Notwithstanding an explicit finding made in the assailed Decision that "there can be no dispute that complainant could be

terminated for medical reasons," still petitioners were found to have failed to perform its obligation to give private respondent his "daily allowance for each day of work disability, including holidays." [6]

Believing that the POEA Administrator erred in finding them liable for private respondent's medical compensation benefits, petitioners appealed to the NLRC. In a Resolution [7] promulgated on March 25, 1986, the NLRC affirmed in toto the assailed Decision and dismissed the appeal for lack of merit.

Petitioners thus came to this Court on a petition for certiorari [8] seeking the voiding of the Resolution of the NLRC. In the meantime, petitioners prayed that a temporary restraining order be issued to enjoin the POEA from enforcing the assailed Resolution.

As prayed for, we issued a temporary restraining order enjoining the POEA and the NLRC from enforcing the assailed Resolution. [9]

On November 17, 1986, the Solicitor General filed a Comment "as his own, considering that he is unable to agree with the position adopted by public respondent National Labor Relations Commission." [10] The Solicitor General does not dispute private complainant's entitlement, under Saudi Arabia law, to medical benefits corresponding to the period of his physical incapacity. It is his position, however, that while payment of said medical benefits is explicitly mandated by the Social Insurance Law of Saudi Arabia,

"x x x the same law x x x is equally explicit that the liability decreed therein devolves 'at the General Organization's expense,' and not on the employer of the private respondent." [11]

Significantly, neither the private nor the public respondent has filed any pleading to refute the aforementioned postulate of the Solicitor General.

Understandably, the sole error attributed to the NLRC and the POEA is that there is no legal basis to require petitioners to pay private respondent medical compensation benefits equal to 75% of his salaries for four (4) months.

Petitioners are correct.

The POEA Administrator, in finding petitioners liable to private respondent for medical benefits accruing to the latter under the Social Insurance Law of Saudi Arabia, took judicial notice of the said law. To this extent, the POEA Administrator's actuations are legally defensible. We have earlier ruled in *Norse Management Co. (PTE) vs. National Seamen Board* [12] that evidence is usually a matter of procedure of which a mere quasi-judicial body is not strict about. Although in a long line of cases, we have ruled that a foreign law, being a matter of evidence must be alleged and proved, in order to be recognized and applied in a particular controversy involving conflicts of laws, jurisprudence on this matter was not meant to apply to cases before administrative or quasi-judicial bodies in the light of the well-settled rule that administrative and quasi-judicial bodies are not bound strictly by technical rules. [13] Nonetheless, only to this extent were the acts of the POEA Administrator amply supported by the law. Her actual application thereof, however, is starkly erroneous.

Section 6(a) of the Overseas Employment Agreement entered into and signed by the private parties herein, provides that "Workmen's Compensation insurance benefits will be provided within the limits of the compensation law of the host country." [14] That compensation for disability was to be provided in accordance with the law of the host country, Saudi Arabia, is a necessary consequence of the compulsory coverage under the General Organization for Social Insurance Law of Saudi Arabia (hereafter, "GOSI Law of Saudi Arabia"), upon all workers, regardless of nationality, sex or age, who render their services within the territory of Saudi Arabia by virtue of a labor contract.

Article 49 of the GOSI Law of Saudi Arabia provides that the General Organization shall pay to the beneficiaries the insurance compensation, the employer being under no obligation to pay any allowance to the insured or to his heirs unless the injury has been intentionally caused by the employer or the injury has occurred by reason of the latter's gross error or failure to abide by the GOSI Law or the rules relating to occupational health and safety.[15]

Under the GOSI Law of Saudi Arabia as pleaded by petitioners clearly the obligation to pay medical benefits as compensation for work-related injury or illness, devolves upon the General Organization and not upon petitioners. Furthermore, after taking judicial notice of the GOSI Law of Saudi Arabia, the POEA Administrator considered the said law as one of a similar nature as that of our own compensation laws. Thus, in awarding the medical benefits to private respondent, she rationalized the same by quoting Article 166 of the Labor Code of the Philippines which provides that "the State shall promote and develop a tax-exempt employees' compensation program whereby employees x x x in the event of work-connected disability or death, may promptly secure adequate income benefit and medical or related benefits." Indeed, we may postulate further that the policies underlying our compensation laws and the GOSI Law of Saudi Arabia being similar, the nature thereof could not be so dissimilar. Suffice it to say that our own compensation program imposes on the employer nothing more than the obligation to remit monthly premiums to the State Insurance Fund and it is the latter, not the employer, on which is laid the burden of compensating the employee for any disability; in fact, once the employer pays his share to the fund, all obligation on his part to his employees is ended.[16] No showing at all has there been that petitioners had failed to comply with its obligations as employer under the GOSI Law of Saudi Arabia.

WHEREFORE, the petition for certiorari is GRANTED. The decisions of the POEA Administrator and of the NLRC are hereby ANNULLED and SET ASIDE. No pronouncement as to costs.

SO ORDERED.

Padilla (Chairman), Bellosillo, Vitug, and Kapunan, JJ., concur.

[1] Resolution promulgated on March 25, 1986; Rollo, pp. 12-15.

[2] Third Division composed of Commissioners Guillermo C. Medina, Gabriel M. Gatchalian and Miguel B. Varela.

[3] BES Case No. 82-3104, entitled, "Veronico Ebilane vs. Dumez Company and Trans-orient Engineers, Inc."

[4] Decision dated January 24, 1984, and penned by POEA Administrator Patricia A. Sto. Tomas; Rollo, pp. 16-20.

[5] Decision, *supra*, p. 1; Rollo, p. 16.

[6] *Ibid*, p. 4; Rollo, p. 19.

[7] Rollo, pp. 12-15.

[8] Received by the Court on May 17, 1986.

[9] Resolution of the First Division, dated June 4, 1986; Rollo, p. 21; Temporary Restraining Order dated June 4, 1986; Rollo, pp. 22-23

[10] Comment dated November 17, 1986, p. 1; Rollo, p. 43.

[11] Comment, *supra*, p. 3; Rollo, p. 45.

[12] 117 SCRA 486.

[13] Norse Management Co. (PTE) vs. National Seamen Board, *supra*, p. 490.

[14] Petition dated May 16, 1986, paragraph 12, p. 3; Rollo, p. 4.

[15] Petition, paragraph 19, p. 7; Rollo, p. 8.

[16] De Jesus vs. Employees' Compensation Commission, et al., 142 SCRA 92; San Miguel Corp. vs. NLRC, 164 SCRA 372.

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.