

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 89



Introduced by TUCP Partylist Representative
HON. RAYMOND DEMOCRITO C. MENDOZA

EXPLANATORY NOTE

The TUCP Party-list once again files the proposed Union Formation bill to ensure and strengthen the rights of workers to self-organization and freedom of association by making it easier to form and join a union. Approved by the House of Representatives on third and final reading in the 19th Congress, the immediate passage of this bill, bolstered by the invocation of Section 48 of the Rules of the House of Representative which allows fast-tracking of priority bills that were approved on third reading in the previous Congress, is part and parcel in upgrading our standing in the global community in terms of compliance with international labor standards and addressing the inclusion of the Philippines in the ten worst countries for workers in the International Trade Union Confederation (ITUC) Global Rights Index. Strengthening labor rights through this measure directly supports our whole-of-society efforts to position the Philippines as a competitive global investment hub where tariff-free access, foreign direct investments, and free trade agreements are increasingly tied to the protection of fundamental labor rights and international labor standards.

The right to self-organization is a universal human and workers' right as embodied in the ILO Convention No. 87 on Freedom of Association. The Convention emphasizes workers' right to establish and join organizations of their choosing "subject only to the rules of the organization concerned, xxx without previous authorization."

The Philippine Labor Code, however, has many provisions found by the ILO Committee of Experts in the Application of Conventions and Recommendations (CEACR) as prior restraint in the exercise of the freedom of association and inconsistent with the ILO Convention No. 87. Among the key findings is the excessive registration requirement for independent union, which is 20 percent minimum membership in Article 240(c), and the ten locals/chapters requirement for registration of a federation or national union in Article 244.

Hence, this Bill proposes to remove the 20 percent minimum membership requirement for registration of independent unions, and the ten unions or locals for federations or national unions are lowered to five. An independent union or a local/chapter only has to give notice of its creation to the Department of Labor and

Employment (DOLE) to be entitled to the rights and privileges of a legitimate labor organization to appropriately reflect the policy that 'registration' of unions is ministerial on the part of DOLE.

Additionally, the Bill emphasizes that the union constitution and by-laws, not administrative authority or regulation, should govern the elections of union officers. The same principle applies to the cancellation, now dissolution, of a union or labor organization.

In view of the foregoing, the passage of this Bill is earnestly sought.



HON. RAYMOND DEMOCRITO C. MENDOZA
TUCP Partylist Representative

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AN ACT
FURTHER STRENGTHENING UNION ORGANIZATION AND
DISALLOWING CANCELLATION OF UNION REGISTRATION,
AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 442, AS
AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE
PHILIPPINES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. This Act shall be known as the “*Union Formation Act.*”

SEC. 2. The title of Chapter I, Title IV of Book V of Presidential Decree (PD) No. 442, as amended, is hereby amended to read as follows:

“Chapter I
[Registration and Cancellation] **UNION FORMATION AND**
DISSOLUTION”

SEC. 3. Article 240 of PD No. 442, as amended, is hereby amended to read as follows:

“ART. 240. Requirements of [Registration] **NOTIFICATION**. – A federation, national union or industry or trade union center or an independent union shall acquire legal personality and shall be entitled to the rights and privileges granted by law to legitimate labor organizations upon [issuance of the certificate of registration based on] **NOTIFICATION OF ITS FORMATION WITH** the following requirements:

- a) Fifty pesos (P50.00) [registration] **NOTIFICATION** fee;
- b) The names of its officers, their addresses, the principal address of the labor organization, the minutes of the organizational meetings and the list of the workers who participated in such meetings;

- c) In case the applicant is an independent union, the names of all its members comprising at least [twenty percent (20%)] **TEN PERCENT (10%)** of all the employees in the bargaining unit where it seeks to operate;
- d) If the [applicant] **NOTIFYING** union has been in existence for one or more years, copies of its annual financial reports; and
- e) Four copies of the constitution and by-laws of the [applicant] **NOTIFYING** union, minutes of its adoption or ratification, and the list of the members who participated in it.”

SEC. 4. Article 241 of PD No. 442, as amended, is hereby amended to read as follows:

“ART. 241. Chartering and Creation of a Local Chapter. - A duly registered federation or national union may directly create a local chapter by issuing a charter certificate indicating the establishment of the local chapter. The chapter shall acquire legal personality [only for purposes of filing a petition for certification election] from the date it was issued a charter certificate **AND SHALL BE ENTITLED TO THE RIGHTS AND PRIVILEGES OF A LEGITIMATE LABOR ORGANIZATION UPON SUBMISSION OF ITS CHARTER CERTIFICATE TO THE DEPARTMENT OF LABOR AND EMPLOYMENT.**

Xxx xxx”

SEC. 5. Article 242 of PD No. 442, as amended, is hereby amended to read as follows:

“ART. 242. Action on [Application] **NOTIFICATION.** – [The Bureau shall act on all applications for registration within thirty (30) days from filing.] **THE LABOR RELATIONS DIVISION IN THE REGIONAL OFFICE OR THE BUREAU, AS THE CASE MAY BE, SHALL ACT ON ALL NOTICES OF UNION FORMATION AND INCLUDE THE NOTIFYING UNIONS IN THE ROSTER OF LEGITIMATE LABOR ORGANIZATIONS WITHIN TEN (10) DAYS FROM RECEIPT OF NOTICE THEREOF.**

All requisite documents and papers shall be certified under oath by the secretary or the treasurer of the organization, as the case may be, and attested to by its president.”

SEC. 6. Article 244 of PD No. 442, as amended, is hereby amended to read as follows:

“ART. 244. Additional Requirements for Federations or National Unions.
[Subject to
Article 238, if the applicant for registration is a] A federation or a national union [, it]
shall, in addition to the requirements of the preceding Articles **HEREOF**, submit the
following:

- a) Proof of the affiliation of at least [ten (10)] **FIVE (5)** locals or chapters,
each of which must be a duly recognized collective bargaining agent in the
establishment or industry in which it operates, supporting the registration
of such applicant federation or national union; and
- b) The names and addresses of the companies where the locals or chapters
operate and the list of all the members in each company involved.”

SEC. 7. Article 245 of PD No. 442, as amended, is hereby amended to read as
follows:

“ART. 245. [Cancellation of Registration] **DISSOLUTION OF A
LEGITIMATE LABOR ORGANIZATION.** – [The certificate of registration of
any] A legitimate labor organization, whether national or local, may be [cancelled]
DISSOLVED AND MAY BE DELISTED by the Bureau, after due hearing, [only on
the grounds specified] in **ACCORDANCE WITH** Article [239] **247** hereof.”

SEC. 8. Article 246 of PD No. 442, as amended, is hereby amended to read as
follows:

“ART. 246. Effect of a Petition [for Cancellation of Registration] **TO DELIST
A LABOR ORGANIZATION.** - A petition [for cancellation of] **TO DELIST A**
union [registration] **FROM THE ROSTER OF LEGITIMATE LABOR
ORGANIZATIONS** shall not suspend the proceedings for certification election nor
shall it prevent the filing of a petition for certification election.

In case of [cancellation] **DELISTING**, nothing herein shall restrict the right of
the union to
seek just and equitable remedies in the appropriate courts.”

SEC. 9. Article 248 of PD No. 442, as amended, is hereby amended to read as
follows:

“ART. 248. Voluntary [Cancellation of Registration] **DISSOLUTION.** – [The
registration of a] A legitimate labor organization may be [cancelled] **DISSOLVED** by
the organization itself: *Provided*, That at least two-thirds of its general membership
votes, in a meeting duly called for that purpose to dissolve the organization: *Provided*,
further, That an application to [cancel registration] **DELIST THE
ORGANIZATION FROM THE ROSTER OF LEGITIMATE LABOR**

ORGANIZATIONS is thereafter submitted by the board of the organization, attested to by the president thereof.”

SEC. 10. Article 250 of PD No. 442, as amended, is hereby amended to read as follows:

“ART. 250. Rights and Conditions of Membership in a Labor Organization. -
The
following are the rights and conditions of membership in a labor organization:

Xxx xxx

(c) The members shall [directly] **DULY** elect their officers, [in the local union, as well as their national officers in] **INCLUDING THOSE OF** the national union or federation, to which they or their [local] union is affiliated, [by secret ballot] **IN ACCORDANCE WITH THE UNION CONSTITUTION AND BY-LAWS** at intervals of five (5) years. No qualification requirement for candidacy to any position shall be imposed other than membership in good standing in subject labor organization. The secretary or any other responsible union officer shall furnish the Secretary of Labor and Employment with a list of the newly-elected officers, together with the appointive officers or agents who are entrusted with the handling of funds, within thirty (30) calendar days after the election of officers or from the occurrence of any change in the list of officers of the labor organization;

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SEC. 11. If any portion or provision of this Act is declared unconstitutional or invalid, the other provisions hereof shall remain in full force and effect.

SEC. 12. All laws, presidential decrees, proclamations, executive orders, issuances, rules and regulations, or parts thereof, inconsistent with this Act are hereby modified accordingly.

SEC. 13. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,