



**MEMORANDUM CIRCULAR No. 04**  
Series of 2007

**TO : ALL CONCERNED**  
**SUBJECT : GUIDELINES ON THE DIRECT HIRING OF FILIPINO WORKERS**

Pursuant to Article 18 of the Labor Code of the Philippines, as amended, and Governing Board Resolution No. 04, Series of 2007, the following guidelines are hereby issued to govern the direct hiring of Filipino workers for overseas employment.

**I. Coverage**

These Guidelines shall cover employers wishing to directly hire Filipino workers who may be classified into any of the following:

**1. Individual Employers**

- a. Members of the diplomatic corps and international organizations
- b. Immediate members of royal family and family of heads of State/government
- c. Ministers, Deputy Ministers and other senior government officials of the host country
- d. Employers residing in countries where foreign placement agencies do not operate
- e. Filipino expatriates and residents with capacity to hire Filipino workers
- f. Others as may be approved by the Secretary of Labor and Employment

**2. Institutional Employers**

- a. Employers who are hiring on a one time basis
- b. Employers who need workers immediately and have submitted an Undertaking to tie-up with licensed Philippine agencies for its next recruitment.

**II. Pre-Qualification of Employers Wishing to Directly Hire Filipino Workers**

Employers wishing to directly hire Filipino workers shall be pre-qualified by the Philippine Overseas Labor Office and the POEA under the following criteria:

1. No derogatory track record at the jobsite and in the Philippines
2. No involvement of an intermediary in the recruitment process whether in the Philippines or in the jobsite
3. Submission of all the following documentary requirements:
  - a. Business/commercial registration and/or identification documents
  - b. Sample employment contract for the workers to be directly hired
  - c. Proof of capability to hire Filipino workers under the terms and conditions offered
  - d. Undertaking by the employer relating to the following:
    - i. No charging of placement fee from the worker
    - ii. Provision of a performance bond equivalent to the worker's three months salary to guarantee compliance of the employer with the provisions of the employment contract

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- iii. Provision of a repatriation bond in the amount of US \$5,000 or its peso equivalent to guarantee the following:
  - iii. a. actual cost incurred for the repatriation of remains and subsequent burial following death from any cause;
  - iii. b. actual cost incurred for repatriation from other causes such as violation/non-compliance with the contract, rules and regulations of the company and Philippine laws as well as the laws of the host country, except when violation is attributable to the worker or when worker voluntarily resigns or returns to the Philippines.
- iv. Provision of a medical insurance for the worker at an amount equivalent to those provided to nationals of the host country.

### **III. Procedures for the Direct Hiring of Filipino Workers**

1. Employers directly hiring Filipino workers shall submit their request for direct hiring to the Philippine Overseas Labor Office (POLO) for pre-qualification. Upon evaluation and pre-qualification by the POLO, the same shall be forwarded to POEA. In case there is no POLO in the jobsite, the pre-qualification / authentication of employment contract shall be performed by Philippine Embassy in the jobsite.

The request for direct hiring as pre-qualified by the POLO shall be sent to POEA by the POLO. The authenticated documents of employers in jobsites where there is no POLO shall be sent directly to POEA by the employer.

2. The POEA shall evaluate the documents from the POLO / employer and endorse the request to the Office of the Secretary of Labor and Employment. The approval of the request to directly hire Filipino workers by the Secretary of Labor and Employment shall be communicated directly to the POLO and POEA.
3. Upon receipt of the approval by the Secretary of Labor and Employment, the POLO shall verify the employment contract(s) of the worker(s).
4. The employment contract verified by the POLO shall be submitted to POEA by the worker(s). The POEA shall evaluate and process the documents subject to compliance with the documentary requirements as provided in these guidelines.
5. The process cycle time from the time of filing of the request by the employer up to the issuance of the POEA exit clearance shall not exceed one month, unless for any delay caused by either the employer or the worker.
6. The approval of the request to direct hire by the Secretary of Labor and Employment authorizes an employer to process its directly hired workers but it does not include the authority to recruit workers personally or through agents.

### **IV. Requirements for Verification of Individual Employment Contract of Direct Hires by the Philippine Overseas Labor Office (POLO)**

The POLO shall verify the individual employment contract of direct hires upon receipt of advise from the DOLE on the approval of the request for direct hiring. The following documents shall be presented by the employer and evaluated by the POLO for the verification of the individual employment contracts of direct hires:

1. Individual employment contract

2. Undertaking from the Employer to faithfully comply with the provisions of the employment contract, to treat the worker humanely and to notify the Philippine Embassy/POLO of any developments about the condition and employment of the worker.
3. Certificate of worker coverage under a performance bond equivalent to the worker's three months salary and secured at no cost to the worker.
4. Certificate of medical insurance secured at no cost to the worker

#### **IV. Documentary Requirements for the Processing of Direct Hires**

A copy of the approval to directly hire Filipino workers by the Secretary of Labor and Employment shall be submitted together with the following requirements for processing of direct hires.

##### **1. For Skill Categories Other Than Household Service Workers**

- a. Valid passport
- b. Employment contract duly signed by the employer and worker and verified by the POLO or authenticated by the Philippine Embassy nearest the jobsite. (For drivers bound for the Middle East, a personal accident insurance and motor vehicle insurance duly verified by the POLO shall be submitted)
- c. Visa/employment or work permit, or equivalent document
- d. Certificate of medical fitness to work from a DOH-accredited medical clinic
- e. Certificate of attendance to the Pre-Departure Orientation Seminar (PDOS) conducted by POEA
- f. Duly accomplished OFW Information Sheet
- g. Undertaking from the Employer to faithfully comply with the provisions of the employment contract, to treat the worker humanely and to notify the Philippine Embassy/POLO of any developments about the condition and employment of the worker
- h. Certificate of worker coverage under a performance bond equivalent to the worker's three months salary and secured at no cost to the worker
- i. Certificate of worker coverage under a repatriation bond in the amount of US\$5,000 or its peso equivalent secured at no cost to the worker
- j. Certificate of medical insurance secured at no cost to the worker

##### **2. For Household Service Workers (HSWs)**

- a. Valid passport
- b. Employment contract or offer of employment or equivalent document duly signed by the employer and worker and duly verified by the POLO or authenticated by the Philippine Embassy nearest the jobsite. (For family drivers bound for the Middle East, a personal accident insurance and motor vehicle insurance duly verified by the POLO shall be submitted)
- c. Visa/employment or work permit, or equivalent document
- d. Certificate of medical fitness to work issued by a DOH-accredited medical clinic
- e. Certificate of attendance to the Pre Departure Orientation Seminar (PDOS) conducted by POEA
- f. Duly accomplished OFW Information Sheet
- k. Undertaking from the Employer to faithfully comply with the provisions of the employment contract, to treat the worker humanely and to notify the Philippine Embassy/POLO of any developments about the condition and employment of the worker.
- g. Certificate of worker coverage under a performance bond equivalent to the worker's three months salary secured at no cost to the worker

- i. Certificate of worker coverage under a repatriation bond in the amount of US\$5,000 or its peso equivalent secured at no cost to the worker
- h. Certificate of medical insurance secured at no cost to the worker
- i. Negative pregnancy test, in the case of a female HSW
- j. TESDA National Certificate II for HSW
- k. OWWA Certificate on Language and Culture Orientation

#### **V. Exemption from Pre-Employment Medical Examination**

All direct hires shall be required to undergo a pre-employment medical examination at a DOH-accredited medical clinic of their choice and submit a medical certificate of medical fitness to work except in the following instances:

1. The worker has undergone a medical examination as a requirement of issuance of visa provided that a copy of the medical certificate is submitted to the POEA and was issued not more than three (3) months prior to the submission for processing.
2. Where the host country requires medical examination upon arrival at the jobsite AND the employer guarantees in writing that the worker/s will be repatriated at the employer's expense should a medical problem arise,

#### **VI. Exemption from Attendance in the Pre-Departure Orientation Seminar (PDOS)**

All direct hires, except those with previous employment in the same jobsite are exempted from the PDOS conducted by POEA. Workers belonging to the professional category may be administered a special briefing on relevant information requirements.

#### **VII. Ban on Direct Hiring by Employers Accredited/Registered with a licensed Philippine Recruitment Agency (PRA)**

Foreign employers who are registered/accredited with licensed Philippine recruitment agencies are not allowed to directly hire workers.

#### **VIII. Transitory Provisions**

Direct hires whose contracts were verified and/or those whose visas are issued on or before the effectivity of this Memorandum Circular shall be processed by the POEA under the old procedure for processing of name hires.

#### **IX. Registration at the POEA Regional Centers/Extension Units**

Workers may also be processed as direct hires at any of the POEA Regional Centers and Regional Extension Units in the provinces in accordance with these Guidelines.

#### **X. Repealing Clause**

All previous issuances that are inconsistent with the provisions of this Memorandum Circular are hereby modified, amended and/or repealed accordingly.

For guidance and strict compliance.

  
**ROSALINDA DIMAPILAS-BALDOZ**  
Administrator