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EXECUTIVE ORDER No. **857** December 13, 1982
GOVERNING THE REMITTANCE TO THE **PHILIPPINES** OF FOREIGN
EXCHANGE EARNINGS OF FILIPINO WORKERS ABROAD...

EXECUTIVE ORDER NO. 857 December 13, 1982

**GOVERNING THE REMITTANCE TO THE PHILIPPINES OF FOREIGN EXCHANGE
EARNINGS OF FILIPINO WORKERS ABROAD AND FOR OTHER PURPOSES**

WHEREAS, existing laws and regulations governing remittances of foreign exchange earnings of overseas Filipino workers to their families, dependents and/or beneficiaries have not been fully effective in ensuring that they are coursed through official financial institutions of the Philippine Government or their authorized agents;

WHEREAS, it is necessary to protect the welfare of families, dependents and beneficiaries of Filipino workers abroad and to ensure that the foreign exchange earnings of these workers are remitted through authorized financial institutions of the Philippine Government in line with the country's economic development program;

WHEREAS, non-compliance with these aforesaid laws and regulations and recourse to the use of unauthorized and unofficial financing institutions has led to the detriment of the country's balance of payments and economic development program;

WHEREAS, it is imperative that the mandatory remittance requirement be fully complied with by all concerned through the institution of appropriate remittance facilities and the imposition of effective sanctions;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the **Philippines**, by virtue of the powers vested in me by the Constitution, do hereby order and promulgate:

Sec. 1. It shall be mandatory for every Filipino contract worker abroad to remit regularly a portion of his foreign exchange earnings to his beneficiary in the **Philippines** through the Philippine banking system. Licensed agencies and other entities authorized by the Ministry of Labor and Employment to recruit Filipino workers for overseas employment are similarly required to remit their workers' earnings as provided for in this Order.

Sec. 2. All contracts of employment and agency or service agreements submitted to the Ministry of Labor and Employment shall contain a proviso that shall make it mandatory for workers to remit to the **Philippines** in foreign exchange at least the following portions of their earnings;

- a) Seamen or mariners: Seventy (70) percent of basic salary;
- b) Workers of Filipino contractors and construction companies: Seventy (70) percent of basic salary;
- c) Doctors, engineers, teachers, nurses and other professional workers whose contract provide for free board and lodging: Seventy (70) percent of basic salary;
- d) All other professional workers whose employment contracts do not provide for free board and lodging facilities: Fifty (50) percent of basic salary;
- e) Domestic and other service workers: Fifty (50) percent of basic salary;
- f) All other workers not falling under the aforementioned categories: Fifty (50) percent of basic salary. *lawphil.net*

Sec. 3. Passports issued to Filipino contract workers shall have an initial period of validity of one year provided that the Ministry of Foreign Affairs may adjust, as circumstances may require, the

initial passport validity period. The passport shall be renewable every year upon submission of usual requirements and presentation of documentary proof of compliance to the remittance requirement in the percentages provided for in this Order. The Ministry of Foreign Affairs shall not extend or renew the passport of any contract worker unless proof of his compliance with the mandatory remittance requirement is submitted.

Sec. 4. The Ministry of Labor and Employment shall not approve the renewal of employment contracts and agency or service agreements unless proof of remittance of foreign exchange earnings is submitted.

Sec. 5. For purposes of this Order, proof of compliance with the mandatory remittance requirement as mentioned in Section 1 hereof, may consist of any of the following documents or such alternative as may be approved by the Central Bank of the **Philippines** showing that the contract worker had in fact effected aforesaid remittance and had caused the surrender of the same for pesos through the Philippine banking system:

- a. Confirmed bank (foreign) remittance form;
- b. Certification from employer, duly authenticated, that remittance has been effected;
- c. Certification as to the surrender for pesos to the Philippine banking system; and
- d. Receipt of International Postal Money Order.

Sec. 6. Remittances of foreign exchange earnings may be undertaken individually by the contract worker or collectively through the employer under a payroll deduction scheme, in accordance with Central Bank regulations and applicable guidelines.

Sec. 7. As a prerequisite for accreditation by the Ministry of Labor and Employment, an employer shall commit to provide facilities to effect the remittances and monitoring of foreign exchange earnings of Filipino workers in his employ. *lawphil.net*

Sec. 8. The Central Bank of the **Philippines** shall cause necessary arrangements to be made with the appropriate financing institutions to handle the remittances called for in this Order. In the absence of appropriate banking facilities, the Embassy or Consulate nearest to the job site, in accordance with local laws and regulations, may act in the interim as the channel for remittance of foreign exchange earnings. The Ministry of Foreign Affairs shall immediately inform the Central Bank of the **Philippines** these arrangements and shall remit all funds thereto.

Sec. 9. Contract workers who fail to comply with the requirements of this Order shall be suspended or excluded from the list of eligible workers for overseas employment. In cases of subsequent violations, he shall be repatriated from the job site at the expense of the employer or at his expense, as the case may be.

Filipino or foreign employers and/or their representatives who fail to comply with the requirements under this Order shall be excluded from the overseas employment program. In the case of local private employment agencies and entities, failure to comply with the provisions hereof shall be a ground for cancellation of their license or authority to recruit workers for overseas employment, without prejudice to their liabilities under existing laws and regulations.

Sec. 10. The Ministries of Labor and Employment and Foreign Affairs and the Central Bank of the **Philippines** shall draw up the necessary rules and procedures for the proper implementation of this Order within ten (10) days from the signing hereof.

Sec. 11. All provisions of existing orders, rules and regulations inconsistent herewith are hereby repealed.

Sec. 12. This Order shall take effect thirty (30) days after the promulgation of implementing rules and procedures.

Done in the City of Manila, this 13th day of December, in the year of Our Lord, Nineteen Hundred and Eighty Two.