



No More Immediate Enforcement of Money Judgments According to the New NLRC Rules

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Manning agents, foreign principals and P & I Clubs can now breathe a sigh of relief. NLRC has adopted a new procedure on execution, which will allow respondent manning agent to pay the judgment award within thirty (30) days from receipt of the final decision of the NLRC.

On 11 March 2014, NLRC sitting En Banc (full court), adopted and promulgated amendments to NLRC 2011 Rules of Procedure. The most important amendment is contained in Section 9 (d) of Rule XI which says that “for monetary judgment on cases involving overseas Filipino workers, the manner of execution shall be in accordance with Republic Act (R.A.) No. 10022”.

R.A. No. 10022 prescribes the following procedures in the enforcement of NLRC money judgment award or settlement, viz:

**“For the payment of money claims under sub-paragraph (f),
the following rules shall govern:**

- 1. After a decision has become final and executory or a settlement/compromise agreement has been reached between the parties at the NLRC, Labour Arbiter (LA) shall issue an order requiring the respondent recruitment/manning agency to pay the amount adjudged or agreed upon within thirty (30) days; (*Underscoring for emphasis*)**
- 2. The recruitment/manning agency shall then immediately file a notice of claim with its insurance provider for the amount of liability insured, attaching therewith a copy of the decision or compromise agreement;**

3. **Within ten (10) days from the filing of Notice of Claim, the insurance company shall make payment to the recruitment/manning agency the amount adjudged or agreed upon, or the amount of liability insured, whichever is lower. After receiving the insurance payment, the recruitment/manning agency shall immediately pay the migrant worker's claim in full, taking into account that in case the amount of insurance coverage is insufficient to satisfy the amount adjudged or agreed upon, it is liable to pay the balance thereof;**
4. **In case the insurance company fails to make payment within ten (10) days from the filing of the claim, the recruitment/manning agency shall pay the amount adjudged or agreed upon within the remaining days of the thirty-day period, as provided in the first subparagraph hereof; (*Underscoring for emphasis*)**
5. **If the worker's claim was not settled within the aforesaid thirty-day period, the recruitment/manning agency's performance bond or Escrow deposit shall be forthwith garnished to satisfy the migrant worker's claim. (*Underscoring for emphasis*)**

For the full text of R.A. 10022, please click the following link <http://www.crewclaims-lubpi.com/pbn.html>

Reasons Why the Industry Should Be Happy With the Amended Rule on Execution

1. Respondent manning agent is given a maximum of thirty (30) days counted from the date of receipt of the order of the NLRC Labour Arbiter (LA) requiring the payment of the judgment award or compromised settlement amount.

The 30-day period can be wisely used to secure a Temporary Restraining Order (TRO) from the Court of Appeals (CA) to stop the enforcement of the NLRC judgment award.

2. Only the POEA Escrow Deposit of the respondent manning agent can be garnished to satisfy NLRC judgment award.

Why is this better than current NLRC procedure on execution? POEA issues notice to the manning agent whenever an order of garnishment is served on the Escrow deposit. No big surprises of finding the NLRC sheriff at your doorstep raring to pounce on your bank deposits. R.A. 10022 is silent on the recourse of the NLRC in case the POEA Escrow Deposit is not sufficient to satisfy the judgment award.

This is a welcome departure from the former NLRC Rules on Execution, where the NLRC Sheriff can enforce judgment; **first**, on the cash bond – the amount deposited in the NLRC Treasury as Appeal bond; **second**, bank deposits of the respondent manning agent; **third**, surety bond; **fourth**, personal assets of directors and officers of the responding manning agent. **(Section 9. Rule XI, NLRC Rules of Procedure)**.

The amended NLRC Rules of Procedure has been in effect for several months now. The amendments were adopted by NLRC sitting En Banc on 11 March 2014 and should have taken effect fifteen (15) days from its publication in newspaper with major circulation. This means that respondent manning agents can invoke the 30-day period to pay in vigorously opposing any NLRC attempt to immediately enforce judgment.

The manning industry joyfully welcomed the 2011 NLRC rule allowing Restitution – recovery of the judgment award in case the NLRC decision is modified, reversed or annulled by the CA or Supreme Court. Alas, the exultation is short-lived. According to NLRC, in a letter dated 17 September 2014 in response to the formal query posed by this writer;

“With respect to your question on restitution, the Commission En Banc resolved that the Labour Arbiter will only act on a claim for restitution only if the same is ordered by the CA or SC. x x x .”

Simply put, the remedy of restitution is available to diligent respondents who remembered to ask CA or SC to include restitution in its decision reversing or annulling the NLRC decision. Without the direct order of restitution from the CA or SC it is a sad case of victory on paper.

The question begs, is this a classic case of justice denied?

The letter exchanges with NLRC may be viewed and downloaded at <http://www.crewclaims-lubpi.com/jmg.html>

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