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REVISED PROCEDURAL GUIDELINES IN THE CONDUCT OF VOLUNTARY ARBITRATION PROCEEDINGS

Pursuant to the rule-making authority of the Secretary of Labor and Employment under Section 28 of Executive Order No. 126, series of 1987, and the Labor Code of the Philippines, as amended and its Implementing Rules and Regulations (IRR), the following Guidelines governing proceedings before a Voluntary Arbitrator or Panel of Voluntary Arbitrators is hereby adopted and promulgated:

RULE I TITLE AND CONSTRUCTION

Section 1. Title. This Guidelines shall be known as the "Revised Procedural Guidelines in the Conduct of Voluntary Arbitration Proceedings."

Section 2. Construction and Objectives. This Guidelines shall be liberally construed to carry out the objectives of the Labor Code of the Philippines, as amended, to promote the use of the grievance procedure and voluntary arbitration as integral components of the collective bargaining process, and as consensual, expeditious, economical and preferred modes of labor dispute settlement and resolution.

Section 3. Rules of proceedings; primacy of parties' agreement. The rules governing the proceedings before a Voluntary Arbitrator or Panel of Voluntary Arbitrators shall be the subject of agreement between the parties to a labor dispute and their chosen Arbitrator. In the absence of agreement on any aspect of the proceedings, the pertinent provisions of this Guidelines and the Implementing Rules and Regulations of the Labor Code, as amended, shall apply. The Revised Rules of Court shall apply in a supplementary manner, consistent with the objectives of the Code.

RULE II DEFINITION OF TERMS

Section 1. Definition of Terms.

- (a) "**Accredited Voluntary Arbitrator (AVA)**" refers to Voluntary Arbitrator as defined in item (y) of this Section who is accredited by the National Conciliation and Mediation Board (NCMB).
- (b) "**Alternate Voluntary Arbitrator (AIVA)**" refers to the Voluntary Arbitrator chosen by the parties or appointed by the Regional Conciliation and Mediation Branch from the list of AVAs to continue the proceedings of the previous Voluntary Arbitrator in the event of the latter's absence, death, incapacity or withdrawal based on valid grounds.
- (c) "**Arbitration Clause**" refers to the provision in a Collective Bargaining Agreement requiring that grievances, if unsettled, shall be finally resolved by a Voluntary Arbitrator or Panel of Voluntary Arbitrators.

- (d) **"Award or Decision"** refers to any order, resolution, award or decision of the Voluntary Arbitrator finally disposing the issues in dispute.
- (e) **"Board"** refers to the NCMB created under Executive Order No. 126 of 1987, as amended, and attached to the Department of Labor and Employment, with the primary function of conducting conciliation and mediation over collective labor disputes and promoting consensual modes of dispute resolution including voluntary arbitration, and administering the voluntary arbitration program. It includes the Regional Conciliation and Mediation Branches (RCMBs) and any sub-regional or satellite office established in the various administrative regions nationwide.
- (f) **"Collective Bargaining Agreement (CBA)"** refers to the contract between a duly recognized or certified exclusive bargaining agent of workers and the employer, shipowner or principal, concerning wages, hours of work, and all other terms and conditions of employment in the appropriate bargaining unit or those on board the vessel or ship.
- (g) **"Department of Labor and Employment (DOLE)"** refers to the national government agency mandated under Executive Order No. 292 or the Administrative Code of 1987 to formulate policies, implement programs and serve as the policy-coordinating arm of the executive branch in the field of labor and employment.
- (h) **"Disputed amount"** refers to the amount determined by the Voluntary Arbitrator or Panel of Voluntary Arbitrators, to be legally due the seafarer, including moral damages, exemplary damages, nominal damages, attorney's fees, and other similar awards, that is not immediately executory pending an appeal or judicial review, unless the seafarer or the seafarer's heirs, assigns, or successors-in-interest as judgment obligee posts a sufficient bond to ensure the full restitution of the amount in case the award is reversed. The seafarer's bond shall be maintained until final resolution of the appeal or judicial review.
- (i) **"Grievance"** is any controversy, issue or dissatisfaction arising from the interpretation or implementation of the CBA, company rules and regulations, personnel policies, and established practices within an employer-employee relationship.
- (j) **"Grievance Procedure"** refers to the system of grievance settlement as provided for in the CBA, or the grievance machinery of a Labor-Management Cooperation Council or any similar mechanism established by the employees and the employer in an unorganized company or enterprise. It usually consists of successive steps starting at the level of the grievant and the immediate supervisor including, as necessary, voluntary arbitration as the terminal step.
- (k) **"Judgment obligee"** refers to a person in whose favor a final decision or award has been issued, which decision or award may be satisfied voluntarily by, or enforced, through a writ of execution against the judgment obligor.
- (l) **"Judgment obligor"** refers to a person or entity against whom a final decision or award has been issued and who is under obligation to satisfy the full amount thereof in favor of the judgment obligee. In case the decision or award is enforced through a writ of execution, the amount shall include all lawful fees stated therein.
- (m) **"Labor Management Cooperation Council (LMCC)"** refers to any council within a company or enterprise where labor and management, through their chosen representatives, work together to enhance partnership and accomplish certain

goals, including the prevention or settlement of workplace grievances, using mutually acceptable means.

- (n) **“National Labor Relations Commission (NLRC)”** refers to the agency attached to the DOLE created under Executive Order No. 292 or the Administrative Code of 1987 and the Labor Code of the Philippines, as amended, with jurisdiction to hear and decide labor disputes as enumerated in the Labor Code, as amended, and other special laws.
- (o) **“Notice to Arbitrate (NTA)”** refers to a formal demand made by one party to the other for the resolution of an unresolved grievance through voluntary arbitration, in case of refusal of the other party in a CBA or LMCC to submit the same to voluntary arbitration.
- (p) **“Notice of Selection”** refers to the notice to the Voluntary Arbitrator or Panel of Voluntary Arbitrators selected through raffle by the RCMB Director in accordance with Section 3, Rule III.
- (q) **“Ponente”** refers to the Chairperson or member of the Panel of Voluntary Arbitrators to whom the writing of the decision or resolution is assigned after the Panel has deliberated on the merits of the case.
- (r) **“Productivity Incentive Program (PIP)”** refers to a formal agreement voluntarily established by the labor-management committee containing measures to improve productivity, working conditions, and labor-management relations, enhance efficiency, and generate savings. It also refers to a scheme by which workers receive their share of productivity gains.
- (s) **“Regional Branch Director”** refers to the head of the RCMB and includes a designated officer-in-charge thereof.
- (t) **“Seafarer’s Bond”** refers to the cash or surety bond posted by the seafarer or the seafarer’s heirs, assigns, or successors-in-interest as judgment obligee, for the immediate execution, pending appeal or judicial review, of the disputed amount in the decision of the Voluntary Arbitrator or Panel of Voluntary Arbitrators.
- (u) **“Settlement”** refers to the agreement voluntarily entered into by the parties resulting in the resolution of a grievance or dispute.
- (v) **“Submission Agreement”** refers to a written agreement by the parties submitting a dispute to voluntary arbitration. It shall contain the issues for resolution, the chosen Voluntary Arbitrator or Panel of Voluntary Arbitrators, the cost of arbitration, and a stipulation to abide by and comply with the arbitral decision or award.
- (w) **“Undisputed amount”** refers to the amount determined by the Voluntary Arbitrator or Panel of Voluntary Arbitrators to be legally due the seafarer, including unpaid salaries and wages, statutory monetary and welfare benefits, amounts admitted by the judgment obligor or determined by a third doctor in compensation claims where disability grading is contested, and other monetary awards which are immediately executory pending an appeal or judicial review.
- (x) **“Voluntary Arbitration”** refers to the mode of settling labor disputes by which the parties submit the resolution of their dispute to a competent, trained, and impartial third person or persons who shall decide on the merits of the case and whose decision shall be final and executory.
- (y) **“Voluntary Arbitrator (VA)”** refers to any person named or designated in the CBA by the parties as their Voluntary Arbitrator, or one chosen by the parties pursuant

to a selection procedure agreed upon in the CBA or in the grievance machinery of the LMCC, or selected with the supervision of the RCMBs in case either or both parties fail to select a Voluntary Arbitrator or in case either of the parties refuses to submit to voluntary arbitration. The term includes AVAs and AIVAs.

- (z) **"Wage Distortion"** refers to a situation where an increase in prescribed wage rates results in the elimination or severe contraction of intentional quantitative differences in wage or salary rates between and among employee groups in a company or enterprise as to effectively obliterate the distinctions embodied in such wage structure based on skills, length of service, or other logical bases of differentiation.
- (aa) **"Wage Order"** refers to the order issued by the Regional Tripartite Wages and Productivity Board prescribing the minimum wage rates in a particular region.
- (bb) **"Walk-In Settlement"** refers to an agreement by the parties whose terms are adopted into an order by the Voluntary Arbitrator or Panel of Voluntary Arbitrators after validation and due diligence proceedings to ensure voluntariness and fairness of its terms and conditions.

RULE III JURISDICTION OF VOLUNTARY ARBITRATOR OR PANEL OF VOLUNTARY ARBITRATORS

Section 1. Exclusive and Original Jurisdiction. The Voluntary Arbitrator or Panel of Voluntary Arbitrators shall have exclusive and original jurisdiction over the following cases:

- (a) All unresolved grievances arising from the interpretation or implementation of a CBA;
- (b) All unresolved grievances arising from the interpretation or implementation of company personnel policies;
- (c) All unresolved wage distortion issues arising from the application of any wage orders in an organized company or enterprise; and
- (d) All unresolved grievances arising from the interpretation and implementation of the productivity incentive programs under Republic Act No. 6971.

For this purpose, all grievances which are not settled or resolved within seven (7) calendar days from exhaustion of the grievance procedure shall automatically be referred to voluntary arbitration.

The Voluntary Arbitrator or Panel of Voluntary Arbitrators, upon agreement of the parties, shall also hear and decide all other labor disputes including unfair labor practices and bargaining deadlocks.

Before or at any stage of the compulsory arbitration process, either or both of the parties may opt to submit their dispute to voluntary arbitration with due notice to the NLRC.

Section 2. When Jurisdiction is Acquired. The Voluntary Arbitrator or Panel of Voluntary Arbitrators shall acquire jurisdiction over a dispute upon receipt and acceptance of any of the following:

- (a) Submission agreement duly signed by both parties.
- (b) Notice to Arbitrate when the Voluntary Arbitrator or Panel of Voluntary Arbitrators is named in the CBA, or in the grievance machinery of an LMCC or any similar mechanism in an unorganized company or enterprise.

- (c) Notice of Selection as Voluntary Arbitrator or Panel of Voluntary Arbitrators in either of the following circumstances:
- (1) In the event that parties fail to select an arbitrator; or
 - (2) In the absence of a named arbitrator in the CBA or in the grievance machinery of an LMCC, or any similar mechanism in an unorganized company or enterprise and the party upon whom the notice to arbitrate is served does not favorably reply within seven (7) calendar days from receipt of such notice.

Section 3. Modes of Submission to Voluntary Arbitration. Submission to Voluntary Arbitrator or Panel of Voluntary Arbitrators may either be through the following:

- (a) **Direct submission.** Unresolved grievances from organized or unorganized company or enterprise shall automatically be submitted to voluntary arbitration through the agreed selection procedure of the parties.

Upon receipt of the Submission Agreement, the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall provide a copy of the same to the RCMB concerned, properly docketed.

The parties shall furnish the RCMB concerned with a copy of all pleadings submitted. The Voluntary Arbitrator or Panel of Voluntary Arbitrators shall furnish the RCMB minutes of the proceedings and two (2) copies of the decision or orders, immediately after the issuance thereof. The RCMB shall keep one copy for its file and shall transmit the other copy to the Central Office.

- (b) **Referral from NCMB after conciliation-mediation.** Upon agreement of the parties, unresolved issues raised in an actual strike or lockout, notice of strike or lockout, preventive mediation or request for assistance may be referred to voluntary arbitration for decision.
- (c) **Referral from NLRC or DOLE.** Cases falling within the exclusive and original jurisdiction of the Voluntary Arbitrator or Panel of Voluntary Arbitrators but initially filed with either the Regional Arbitration Branches of the NLRC or the Regional Offices of the DOLE shall be decided by the Voluntary Arbitrator or Panel of Voluntary Arbitrators upon referral of said cases pursuant to paragraph 2, Article 274 of the Labor Code, as amended by Republic Act No. 6715 and Department Order No. 40-03.
- (d) **Referral of Request for Assistance.** Either or both parties to the dispute may pre-terminate the conciliation-mediation proceedings and, if both parties so agree, refer the unresolved issues to voluntary arbitration.
- (e) **Notice to Arbitrate.** If a grievance remains unresolved despite the exhaustion of the grievance procedure and one party refuses to submit the same to voluntary arbitration, the following procedure shall be observed:
- (1) The willing party shall serve a Notice to Arbitrate upon the unwilling party, copy furnished the named or designated Voluntary Arbitrator or Panel of Voluntary Arbitrators in the CBA, or in the grievance machinery of an LMCC or any similar mechanism in an unorganized company or enterprise, if any, and the RCMB. In the absence of any agreement, the notice shall be served within ten (10) calendar days from the termination of the grievance proceeding;
 - (2) Where the unwilling party does not favorably respond after seven (7) calendar days from receipt of the Notice to Arbitrate, the named or designated Voluntary Arbitrator or Panel of Voluntary Arbitrators in the CBA,

or in the grievance machinery of an LMCC or any similar mechanism in an unorganized company or enterprise, shall immediately commence voluntary arbitration proceedings; and

- (3) In the absence of a named or designated Voluntary Arbitrator or Panel of Voluntary Arbitrators in the CBA, or in the grievance machinery of an LMCC or any similar mechanism in an unorganized company or enterprise, the RCMB shall supervise the selection process in the presence of either or both parties.

Section 4. Manner of Selection of Voluntary Arbitrator or Panel of Voluntary Arbitrators. The Voluntary Arbitrator or Panel of Voluntary Arbitrators shall be selected according to the parties' CBA, or the grievance machinery of an LMCC or any similar mechanism in an unorganized company or enterprise. If the CBA or appropriate mechanism does not specify the number of arbitrators, the case shall be heard and resolved by a Sole Arbitrator, unless the parties agree otherwise. In the absence of any provision to the contrary in the CBA or LMCC, the parties shall agree on the selection mechanism for the appointment of a Voluntary Arbitrator or Panel of Voluntary Arbitrators to whom they shall submit the dispute for resolution.

If one of the parties refuses to participate in the arbitration proceedings after due notice, or if the parties cannot mutually agree on a common Voluntary Arbitrator or Panel of Voluntary Arbitrators, the RCMB shall designate the Voluntary Arbitrator or Panel of Voluntary Arbitrators through the following procedures:

(a) Sole Arbitrator

The Sole Arbitrator shall be selected through raffle from a list of not more than five (5) nominees submitted by each of the parties.

(b) Panel of Voluntary Arbitrators

The parties shall name their respective nominees to the Panel, and the Chairperson shall be selected through raffle from a list of not more than five (5) nominees submitted by each of the parties.

When a party fails to submit a nominee and/or list of nominees, the RCMB Director shall draw for the defaulting party the latter's nominee/s from NCMB's list of AVAs. Thereafter, the drawn nominee or list of nominees shall be deemed as if submitted by the party in default, and shall form part of the pool of both parties' nominees from which to choose the Voluntary Arbitrator or Panel of Voluntary Arbitrators to resolve the case.

The failure of a party to appear on the second scheduled selection date and time shall be deemed a waiver of its right to participate in the selection proceedings. Thereafter, the RCMB Director shall proceed with the selection through the conduct of the raffle.

The sole arbitrator or PVA/Chairman of PVA whose names were drawn shall be notified through a Notice of Selection, copy furnished both parties.

However, no Voluntary Arbitrator or member or Chairperson of the Panel of Voluntary Arbitrators shall be appointed or selected by the parties if he or she has five (5) or more pending cases. Such ineligibility for appointment or selection shall continue until all five (5) pending cases are disposed of.

Section 5. Contents of Submission Agreement. The submission agreement shall contain, among other information, the following:

- (a) The agreement to submit to voluntary arbitration;
- (b) The specific issue/s to be arbitrated;
- (c) The name/s of the Voluntary Arbitrator or Panel of Voluntary Arbitrators;
- (d) Sharing scheme as to the cost of arbitration as provided in the CBA;
- (e) The names, addresses and contact numbers of the parties; and
- (f) The agreement to perform or abide by the decision.

Section 6. Contents of a Notice to Arbitrate. The notice shall contain, among other information, the following:

- (a) The names, addresses and contact numbers of the party upon whom the notice is made;
- (b) The arbitration clause of the CBA or in the grievance machinery of an LMCC;
- (c) The specific issue/s to be arbitrated;
- (d) The relief/s sought; and
- (e) The name, address and contact numbers of the initiating party requesting arbitration.

RULE IV PROCEEDINGS BEFORE THE VOLUNTARY ARBITRATOR OR PANEL OF VOLUNTARY ARBITRATORS

Section 1. Nature of Proceedings. The proceedings before a Voluntary Arbitrator or Panel of Voluntary Arbitrators are non-litigious in nature. They are not governed by technical rules applicable to court or judicial proceedings, but must at all times comply with the requirements of due process.

Section 2. Caption and Title. In all cases submitted to a Voluntary Arbitrator or Panel of Voluntary Arbitrators by the parties, the aggrieved party shall be called the "Complainant" and the opposing party the "Respondent."

The full names of the parties, whether natural or juridical persons or entities authorized by law, shall be stated in the caption of the pleading, award or decision and in all summons, notices, and processes to be served upon them.

Section 3. Where to File Pleadings. All pleadings relative to the voluntary arbitration case shall be filed directly with the chosen Voluntary Arbitrator or Panel of Voluntary Arbitrators during the conference or hearing called for the purpose, or at his or her or their designated business addresses, or professional offices, copy furnished the RCMB having jurisdiction over the workplace of the complainant. These may be filed with the appropriate docketing unit of the RCMB, as the case may be.

Section 4. Service of Notices and Awards. All notices, summonses, orders, decisions, and resolutions shall be served either through personal service, private courier, or registered mail to the parties to the dispute and their counsel or authorized representative. The notice of conference may also be served through electronic mail aside from the aforementioned modes of service. Where parties are numerous, service shall be made on the counsel of record or authorized representative and upon such number of complainants as may be practicable.

For purposes of appeal, the period shall be counted from receipt of such decisions, resolutions, or orders by the counsel or representative of record.

Section 5. Appearance. The complainant must personally appear during the initial conference, except when he or she is incapacitated, is residing abroad, or it is impossible for him or her to appear due to fortuitous events. In such cases, the complainant may be represented by an authorized heir.

Section 6. Representation. The parties may appear personally or through their representatives. In the latter case, the representatives must be duly authorized in writing to appear, unless they are appearing as counsels for the party.

The complete names and office addresses or any change in the addresses of counsels or representatives shall be made of record and the parties shall be properly informed.

A paralegal may be allowed to participate in the proceedings, subject to the condition that a counsel directs and supervises all delegated tasks.

A counsel who has rendered legal services in connection with the voluntary arbitration proceedings may claim a ten percent attorney's lien for unpaid legal fees, in accordance with Section 37, Rule 138 of the Rules of Court and Section 47, Canon III of the Code of Professional Responsibility and Accountability.

Section 7. Modes of Conference. Conduct of conference may be in person or through online platforms, as may be agreed by the parties.

Section 8. Setting of Initial Conference; Notice to Parties. The Voluntary Arbitrator or Panel of Voluntary Arbitrators, within two (2) working days from acceptance of the Submission Agreement or Notice of Selection, shall set the date, time and place of the initial conference with due notice to the parties sent through personal service, electronic mail, or private courier.

During the initial conference, the parties and the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall endeavor to explore all possible options for settlement of the dispute through conciliation and mediation. Should the parties arrive at any settlement as to the whole or any part of the dispute, the same shall be reduced in writing and signed by the parties before the Voluntary Arbitrator or Panel of Voluntary Arbitrators. The signed agreement shall form part of the conciliated-mediated decision. Such decision carries with it a waiver by the parties to file an appeal and commitment to implement the same.

Section 9. Mandatory Conciliation-mediation Conference. Conciliation-mediation efforts shall be exerted by the Voluntary Arbitrator or Panel of Voluntary Arbitrators for the purpose of assisting the parties in reaching a voluntary settlement of the dispute or a conciliated decision within 30 calendar days from acceptance of the case. The 30 calendar-day period shall include the period for the conduct of the initial conference.

In case of non-appearance of either party for two consecutive conciliation-mediation conferences, despite due notice, the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall terminate such conference and issue an order requiring both parties to submit their respective position papers within ten (10) calendar days from receipt of the said order; otherwise, the case shall be deemed submitted for decision based on available records.

Section 10. Limitation on Authority to Bind Party. Legal counsels and other representatives of parties shall be presumed to have the full authority to bind their clients or principals in all matters of procedure. However, they cannot, without a Special Power of Attorney or written consent, enter into a compromise agreement with the opposing party in full or partial discharge of a client's or principal's claim.

Section 11. Formulation of Rules. The parties and the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall jointly formulate and adopt rules on the following:

- (a) Schedule and frequency of conferences, subject to the 90-day Process Cycle Time (PCT) and venue of conferences;

- (b) Period and manner of submission of position paper and other pleadings subject to the provision of Section 13 hereof;
- (c) Submission of other relevant documents, including the CBA;
- (d) Conduct of clarificatory conference, if needed; and
- (e) Cost of arbitration including schedule of payment of arbitration fees.

Section 12. *Stipulations of Facts.* In the absence of any settlement, the parties shall, with the assistance of the Voluntary Arbitrator or Panel of Voluntary Arbitrators, enter into stipulation of facts, leaving the presentation and examination of evidence only to such facts that are still in dispute.

Section 13. *Simplification of Issues and Admissions.* The Voluntary Arbitrator or Panel of Voluntary Arbitrators must see to it that the parties clearly understand the issues submitted to arbitration. If, after conferring with the parties, the Voluntary Arbitrator or Panel of Voluntary Arbitrator finds the necessity to clarify or simplify the issues, the latter shall assist the parties in the reformulation of the same.

Where necessary and upon consultation with the parties, the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall assist the parties in clarifying, simplifying or reformulating the issues.

Section 14. *Submission of Position Papers and Other Pleadings.* The parties shall simultaneously submit verified position papers and other pleadings within ten (10) calendar days from the termination of the mandatory conciliation-mediation conference. The reply shall be submitted within ten (10) calendar days from receipt by either party of the position paper.

The position paper and reply shall only cover issues and causes of action agreed upon by the parties, accompanied by supporting documents and affidavits, if any.

Notwithstanding the foregoing periods for the submission of pleadings and other documents, parties may agree on the dates and venue of submission taking into consideration the expeditious disposition of the case.

In the event that the position paper or pleadings are filed through registered mail or private courier service agreed upon by the parties, the date of mailing shall be considered as the date of filing thereof.

The party filing a pleading shall serve the opposing party with a copy thereof including other documents. No pleading shall be considered without proof of service to the opposing party except if filed simultaneously during a schedule set before the Voluntary Arbitrator or Panel of Voluntary Arbitrators. The RCMB concerned shall be given copies of all submissions.

Section 15. *Clarificatory Conference or Conduct of Ocular Inspection.* Should the need for a clarificatory conference or ocular inspection be established, the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall notify both parties on the conduct of the same. Whenever necessary, the Voluntary Arbitrator or Panel of Voluntary Arbitrators may also order the appearance of witnesses to testify and produce documents, provided that the relevancy of the testimony and the materiality of documents have been demonstrated.

The clarificatory conference and/or inspection must be done within twenty (20) calendar days from the filing of the replies.

Section 16. *Case Submitted for Decision.* The case is deemed submitted for decision after the filing of the replies or the lapse of the period to file the same, or after the conduct of clarificatory conference and/or ocular inspection. For this purpose, an order

stating that the case has been officially submitted for decision shall be immediately issued by the Voluntary Arbitrator or Panel of Voluntary Arbitrators.

Section 17. Selection of Alternate Voluntary Arbitrator. In case of absence, death, incapacity or withdrawal based on valid grounds of the original Voluntary Arbitrator at any stage of the proceedings, the RCMB Director shall facilitate the selection of the Alternate Voluntary Arbitrator in accordance with Section 4, Rule III.

RULE V WALK-IN SETTLEMENTS

Section 1. Walk-in Settlements. When the parties submit for confirmation the validity and finality of their settlement, the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall perform due diligence to ascertain the voluntariness, fairness, veracity and enforceability of the terms and conditions of the settlement.

Section 2. Performance of Due Diligence. Accordingly, the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall:

- (a) Compel the attendance of all the parties to the settlement at a conference;
- (b) Conduct separate interviews with the parties to determine whether the settlement is voluntary;
- (c) Examine and validate in the presence of both parties the terms and conditions of the settlement *vis-a-vis* the CBA for workers covered by such agreement. For land-based and sea-based workers not covered by a CBA, the standard employment contract shall be used.
- (d) Ensure that the parties, particularly the worker, fully understand the content of the settlement, the mode of payment, and its enforceability in case of non-compliance by either party; and
- (e) Issue an Order adopting the terms of the settlement after its completeness and validity have been determined, and that the same is not unconscionable, contrary to law, morals, customs, and public policy.

Section 3. Effect of order. The Order shall be final and immediately executory and shall be entered into the records of the Voluntary Arbitrator or Panel of Voluntary Arbitrators on walk-in settlements. It shall carry a waiver of both parties to file an appeal and a commitment to faithfully comply and implement the same immediately.

RULE VI DECISION OR AWARD

Section 1. Decision or Award. The decision or award, which is the final disposition of issues submitted to voluntary arbitration, must state in clear, concise and definite terms the facts and the law upon which it is based.

In case the decision or award of the Voluntary Arbitrator or Panel of Voluntary Arbitrators involves a monetary award, the amount granted and the formula used in the computation, if any, shall be specified.

In case the decision grants a monetary award to a Filipino seafarer, the provisions of DOLE Department Order No. 247, Series of 2025, or the Implementing Rules and Regulations on the Execution of Decisions of the National Labor Relations Commission and Voluntary Arbitrators Pursuant to Presidential Decree No. 442, Otherwise Known as the Labor Code, as Amended, in Relation to Section 59 of Republic Act No., 12021, otherwise known as "Magna Carta of Filipino Seafarers" shall be observed. The Voluntary Arbitrator or Panel of Voluntary Arbitrators shall explicitly state the specific amounts due the seafarer, particularly but not limited to the following:

- (a) Any unpaid salary or wage, including the amount equivalent to the unexpired portion of the contract in cases arising from illegal dismissal under Section 10 of Republic Act No. 8042, as amended by Republic Act No. 10022, and any remuneration capable of being expressed in monetary value as stipulated in the Standard Employment Contract or in the applicable CBA;
- (b) Any unpaid statutory monetary and welfare benefits, including those arising from Section 34 (m) to (q), Sections 36 to 40, Sections 42 and 43, and Sections 48 to 51 of Republic Act No. 12021, and Section 37-A of Republic Act No. 8042, as amended by Republic Act No. 10022;
- (c) Any undisputed amount, which is admitted by a party to be legally due the other party; provided that in case the disability grading is submitted to the determination by a third doctor in accordance with existing or applicable rules and regulations, the amount corresponding to the disability grading of the third doctor shall be deemed admitted and undisputed;
- (d) Any disputed amount determined to be legally due the seafarer; and
- (e) Damages, including moral damages, exemplary damages, nominal damages, attorney's fees, and other similar awards.

Monetary awards falling under paragraphs (a), (b), and (c) above shall be deemed as undisputed amounts, while those under paragraphs (d) and (e) shall be deemed as disputed amounts.

Section 2. Manner of Case Disposition by Panel of Voluntary Arbitrators.

Where the case is heard by a Panel of Voluntary Arbitrators, the members of the said Panel shall deliberate among themselves before assigning the writing of a decision or award to the Ponente. Minutes of the deliberation, including the assignment of the writing of the decision, shall be prepared and signed by the Chairperson and the members of the PVA.

The decision shall include a certification by the Chairperson of the Panel of Voluntary Arbitration that said deliberation was indeed conducted. Minutes of deliberation summarizing the respective positions of the panel members and the discussions leading to the final decision shall be attached to the certification.

If there is a dissenting opinion, the same shall be submitted within five (5) calendar days after the deliberation, but in no case to exceed the twenty (20) calendar days from submission of the case for decision or award; otherwise, the dissenting opinion shall not be considered part of the records of the case and the dissenting Voluntary Arbitrator shall be deemed not to have taken part in the decision or award.

Section 3. Period to Render a Decision. The decision must be rendered within the period agreed upon by the parties but in no case shall it exceed twenty (20) calendar days from submission of the case for decision or a total of 90 calendar days from the date of acceptance of the case.

The 90-calendar day prescribed period may be extended only upon written agreement of the parties. However, in no case shall the extension go beyond 30 calendar days.

Section 4. Decision Based on Partial or Complete Settlement in the Course of Arbitration. In the event that the parties settle their dispute, either in part or in full, in the course of the arbitration proceedings, the terms of settlement shall be reduced to writing. The full settlement shall be adopted as the decision, while the partial settlement shall form part of the decision of the Voluntary Arbitrator or Panel of Voluntary Arbitrators, provided that when such settlement is found contrary to law, morals, customs and public

policy, the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall resolve the issues involved based on the evidence submitted and the records available as if there is no settlement.

Section 5. Finality of Decision. The decision or award of the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall be final and executory after ten (10) calendar days from receipt of the copy thereof by the counsel or authorized representative on record or by the parties in the absence of a counsel or authorized representative, unless a motion for reconsideration is seasonably filed.

Section 6. Motion for Reconsideration. A party may file a motion for reconsideration of a decision, award, or order of the Voluntary Arbitrator or Panel of Voluntary Arbitrators based on the ground of palpable or patent errors within ten (10) calendar days from receipt thereof, with proof of service on the adverse party.

A motion for reconsideration shall be resolved by the Voluntary Arbitrator or Panel of Voluntary Arbitrators within ten (10) calendar days from receipt of the motion. The decision or award shall be final and executory after ten (10) calendar days from receipt of the resolution disposing of the motion for reconsideration.

A second motion for reconsideration from the same party shall be deemed a prohibited pleading.

Section 7. Effect of filing a Motion for Reconsideration. The pendency of a motion for reconsideration filed on time and by the proper party shall stay the execution of the decision, award, or order sought to be reconsidered.

RULE VII VOLUNTARY COMPLIANCE OF DECISION OR AWARD

Section 1. Compliance with the Decision or Award. The Voluntary Arbitrator or Panel of Voluntary Arbitrators decision or award is immediately executory and binding upon the parties, who are under obligation to faithfully comply with and implement it.

Section 2. Joint Manifestation of Compliance. Both parties shall comply voluntarily and faithfully with the terms of the decision or award. A joint manifestation of compliance or satisfaction of judgment signed by both parties shall be submitted to the Voluntary Arbitrator or Panel of Voluntary Arbitrator and shall form part of the records of the case.

Section 3. Full Satisfaction of Decision or Award. The submission by both parties of the joint manifestation of compliance renders the full satisfaction of the decision or award.

RULE VIII EXECUTION PROCEEDINGS

Section 1. Enforcement of Decision or Award. In the absence of a temporary restraining order or any injunctive relief, the decision of the Voluntary Arbitrator or Panel of Voluntary Arbitrators which has become final and executory shall not be stayed.

With respect to decision or monetary awards involving Filipino seafarers, the provisions of DOLE Department Order No. 247, Series of 2025, on execution of judgment and award herein integrated as Rule IX of this Guidelines shall apply.

In instances of non-compliance by either or both parties, a Motion to Enforce or Execute the Award may be filed with the Voluntary Arbitrator or Panel of Voluntary

Arbitrators who may issue a writ of execution directing the Sheriff of the NLRC or DOLE to enforce or execute the final decision.

Section 2. *Schedule of Pre-execution Conference.* Within two (2) working days from the receipt of the Motion for the Issuance of a Writ of Execution, the Voluntary Arbitrator or Panel of Voluntary Arbitrators or in case of his or her or their incapacity, the Labor Arbiter, before whom the motion is filed, may schedule a pre-execution conference to thresh out matters relevant to execution.

Section 3. *Issuance of a Writ.* A writ of execution may be issued on motion, upon a decision or order that has become final and executory.

Section 4. *Enforcement of Writ.* The Sheriff or other authorized officer shall be guided by the Revised Procedural Guidelines in the Execution of Voluntary Arbitration Awards/Decisions. The NLRC Manual on Execution of Judgment, the Memorandum of Agreement executed between the NLRC and the NCMB, the Administrative Order No. 47, Series of 2024, Amending the Procedural Guidelines in the Execution of Voluntary Arbitration Awards/Decision in Connection with the Process of Deposit, Processing and Payment of Execution Fees Arising from the Enforcement of Voluntary Arbitration Awards or Decisions Collected by the Sheriff of the National Labor Relations Commission, Republic Act No. 12021 otherwise known as the Magna Carta of Filipino Seafarers, its Implementing Rules and Regulations, Department Order No. 247, Series of 2025 or the Implementing Rules and Regulations on the Execution of Decisions of the National Labor Relations Commission and Voluntary Arbitrators Pursuant to Presidential Decree No. 442, Otherwise Known as the Labor Code, as Amended, in Relation to Section 59 of Republic Act No., 12021, Otherwise Known as "Magna Carta of Filipino Seafarers," and the Revised Rules of Court, shall be applied with suppletory effect.

Section 5. *Designation of Special Sheriffs.* Only the Secretary of Labor and Employment or duly authorized representative may designate Special Sheriffs to ensure compliance with the decision of Voluntary Arbitrator or Panel of Voluntary Arbitrators.

Section 6. *Effect of Pendency of Petition for Review or Certiorari with the Court.* The filing and pendency of a Petition for review with the Court of Appeals or certiorari with the Supreme Court shall not stop the execution of the decision of the Voluntary Arbitrator or Panel of Voluntary Arbitrators unless the Court issues a restraining order or an injunction.

Section 7. *Effect of Reversal or Annulment of Executed Judgment.* Where the executed judgment is totally or partially reversed or annulled by the Court of Appeals or the Supreme Court with finality, the Voluntary Arbitrator or Panel of Voluntary Arbitrators may, on motion, issue such orders of restitution or reparation of damages, provided that reinstatement wages paid pending appeal shall not be subject of restitution.

Section 8. *Entry of Judgment.* The Voluntary Arbitrator or Panel of Voluntary Arbitrators shall issue an Entry of Judgment in the form of a certification after the expiration of the ten-day reglementary period for filing a Motion for Reconsideration and if no such motion is received from the parties.

RULE IX EXECUTION OF SEAFARER'S MONETARY AWARD

Section 1. *Execution of Judgment and Monetary Awards.* The Voluntary Arbitrator or Panel of Voluntary Arbitrators upon motion, shall issue a writ of execution of all final and executory decisions involving seafarers. In case no appeal is taken, all the monetary awards referred to in Section 1, Rule VI of this Guidelines shall be immediately executory.

The monetary awards under paragraphs (a), (b), and (c) of Section 1, Rule VI of the Guidelines shall be immediately executory upon finality of such decision or resolution, even pending appeal or judicial review with the courts.

The monetary awards under paragraphs (d) and (e) of Section 1, Rule VI of the Guidelines shall be immediately executory upon finality of such decision or resolution, even pending appeal or judicial review with the courts, provided that the seafarer as judgment obligee posts sufficient seafarer's bond in accordance with the immediately succeeding section.

Section 2. Execution of Disputed Amount and Posting of Seafarer's Bond. At any time during the pendency of an appeal or judicial review with the courts questioning the decision or resolution of the Voluntary Arbitrator or Panel of Voluntary Arbitrators, the seafarer as judgment obligee may file a motion for the immediate execution of the disputed amount in the decision or resolution. The motion shall be supported by a seafarer's bond sufficient to ensure the full restitution of the amount in case the decision or resolution is reversed.

The bond shall be issued by a reputable bonding company from the list of bonding companies duly accredited by the Supreme Court, and shall be valid and effective from the date of deposit or posting until the case is finally decided, resolved or terminated, or the award is satisfied.

No writ of execution under this Section shall issue to execute the disputed amount except upon due notice and hearing called for this purpose.

Section 3. Stay of Immediate Execution of Disputed Amount. Except the undisputed amount as referred to in Section 1(w), Rule II, Section 1, Rule VI, and Section 1 of this Rule, the final decision or resolution of the Voluntary Arbitrator or Panel of Voluntary Arbitrators is immediately executory after ten (10) calendar days from receipt of the decision or resolution by the parties or counsel.

In case the losing party intends to appeal or file a petition for certiorari with the appropriate court questioning the decision or resolution of the Voluntary Arbitrator or Panel of Voluntary Arbitrators, it shall:

- (a) File a manifestation to the Voluntary Arbitrator or Panel of Voluntary Arbitrators, as the case may be, of such intention within ten (10) calendar days from receipt of the decision or resolution subject of the intended appeal or petition; or
- (b) Furnish the Voluntary Arbitrator or Panel of Voluntary Arbitrators a copy of its appeal or petition, with a verified manifestation that the appeal or petition was filed with the appropriate court within the reglementary period to perfect an appeal or to file a petition.

Compliance by the losing party with the above conditions shall automatically stay the immediate execution of the decision or resolution; provided that the filing of the manifestation to file an appeal or petition for certiorari shall not be required if the appeal or petition was filed within ten (10) calendar days from receipt of the decision or resolution subject of the appeal or petition.

Section 4. Reimbursement and Release of Seafarer's Bond. Where the seafarer ultimately prevails on appeal or judicial review, the disputed amount shall be immediately executory. The losing party shall likewise reimburse the seafarer for the total cost of the seafarer's bond, inclusive of related costs to maintain it.

If the losing party does not voluntarily comply with the satisfaction of the disputed amount or the reimbursement of the costs of the seafarer's bond, the seafarer as

judgment obligee may file a motion for execution of the disputed and reimbursable amounts, in accordance with the applicable rules on execution of judgments.

If the award corresponding to the disputed amount is reversed by the appropriate court, and such reversal has become final and executory, the Labor Arbiter or the Voluntary Arbitrator or Panel of Voluntary Arbitrators, upon motion, shall release the proceeds of the seafarer's bond to the prevailing party.

RULE X REPORTORIAL REQUIREMENTS

Section 1. *Monitoring and Reporting Requirements.* The Voluntary Arbitrator or Panel of Voluntary Arbitrators shall furnish the Board, through the RCMB, with all copies of decisions, resolutions and orders relative to all cases handled within two (2) days from issuance thereof. The RCMB shall keep one copy for their file and shall transmit the other copy to the Central Office.

To accurately document all case information and updates, the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall also accomplish the monitoring form prescribed by the NCMB for all cases handled, to be attached to the copy of the decision submitted to RCMB.

Further, the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall turn over the entire records of his or her handled case to the RCMB concerned within a month from its disposition.

Section 2. *Maintenance of Case Records.* The RCMB shall maintain records of voluntary arbitration cases falling within their area of jurisdiction.

RULE XI DATE OF EFFECTIVITY

Section 1. *Effectivity.* These Guidelines shall take effect fifteen (15) days after publication in one (1) newspaper of general circulation.

Manila, Philippines, AUG 15 2025.

