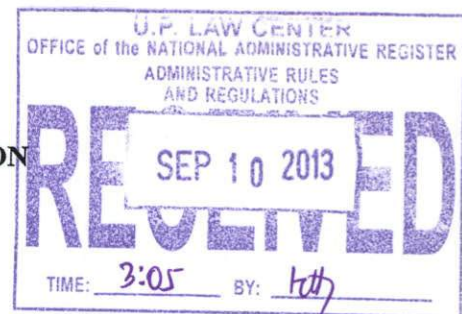




Republic of the Philippines  
Department of Labor and Employment  
**NATIONAL LABOR RELATIONS COMMISSION**  
Quezon City

En Banc Resolution No. 03-13  
(Series of 2013)



**WHEREAS**, to ensure the efficient and effective enforcement of the Commission's judgments, "Guidelines for Accreditation of Surety Companies" was presented for consideration of the Commission *en banc*;

**WHEREFORE, RESOLVED AS IT IS HEREBY RESOLVED**, that the proposed "Guidelines for the Accreditation of Surety Companies" is **ADOPTED** and **APPROVED**. Thus:

**A. Procedure for Accreditation of Surety Companies**

Unless accredited and authorized by the Commission, no surety company or its authorized agents shall be allowed to transact business with the NLRC.

The surety company shall file three (3) verified copies of the application for accreditation with the Legal and Enforcement Division. The surety company must be able to transact surety business in the entire Philippines.

The following documents shall be attached to the duly accomplished application form:

- 1.) Certified copy of a valid Certificate of Accreditation and Authority issued by the Office of the Court Administrator, Supreme Court;
- 2.) Secretary Certificate showing the surety company's authorized signatories, their specimen signatures and three (3) black and white copies of their latest 2x2 photographs;
- 3.) Certified copy of the Authority To Transact Surety Business upon official recognizance, stipulations, bonds and undertakings issued by the Office of the Executive Secretary under the Office of the President;
- 4.) Certified copy of the current Certificate of Authority from the Insurance Commission; and
- 5.) Certified copy of latest Statement of Assets and Liabilities, and audited Financial Statements filed with the Bureau of Internal Revenue.

An application fee of Five Thousand Pesos (P5,000.00) and an additional fee of Five Hundred Pesos (P500.00) for each authorized agent shall be imposed upon the applicant. An application for accreditation that fails to comply with any of the above-listed requirements shall not be processed by the Legal and Enforcement Division, and the applicant shall be notified of the deficiency or defect therein.

The surety company shall be required to make a One Million Peso (P1,000,000.00) escrow deposit in any bank of its choice. The escrow deposit shall answer for the liabilities of the accredited surety company and its authorized agents in case of non-payment of its obligations pertaining to surety bonds. The bank shall be required to report to the Commission on the next business day after a withdrawal is made from the escrow account. In case of reduction of the One Million Peso (P1,000,000.00) escrow deposit in view of the levy made by the Sheriff, the

Management and Fiscal Division shall notify the concerned surety company to deposit an amount equivalent to the amount levied from the escrow deposit within ten (10) days from notice. Otherwise, the Certificate of Accreditation and Authority shall be suspended or revoked.

The Legal and Enforcement Division shall furnish a copy of the Certificate of Accreditation and Authority and a list of accredited surety companies and their authorized agents to all Presiding/Commissioners and all Deputy/Executive Clerks of Court. The same shall likewise be posted on the Commission's website.

Pending accreditation by the Supreme Court, the surety company may still issue bonds in the Commission provided that, within 120 days from the posting of the bond, the Certificate of Accreditation and Authority from the Supreme Court shall be submitted. The surety company is required to submit to the Commission its Certificate of Accreditation and Authority from the Supreme Court every six (6) months.

**B. Suspension or Cancellation of the Certificate of Accreditation and Authority**

The following are the grounds for the suspension or cancellation of the Certificate of Accreditation and Authority:

1. The surety company has committed fraudulent or illegal acts in transacting bonds and declared blacklisted by the Commission;
2. Failure of the surety company to pay the bond within fifteen (15) days from notice to pay from the sheriff;
3. Non-renewal or cancellation of the Certificate of Authority by the Insurance Commission;
4. Failure to maintain the required One Million Peso (P1,000,000,00) deposit despite notice from the MFO;
5. Violation of the lawful order/s of the Commission relative to bonds issued by the surety company; and
6. Other grounds that may be thereafter prescribed by the Commission.

**C. Lifetime of Bonds**

In accordance with **Section 6, Rule VI of the 2011 NLRC Rules of Procedure, as amended**, the surety bond shall be valid and effective from the date of deposit or posting, until the case is finally decided, resolved or terminated, or the award satisfied. This condition shall be deemed incorporated in the terms and conditions of the surety bond, and shall be binding on the appellants and the bonding company.

The surety company shall notify the Commission and the parties to the action or proceeding of any act, event, or circumstances that may affect its business or operations, such as corporate rehabilitation; amendment of its articles of incorporation that shortens corporate lifetime, bankruptcy; insolvency; or issuance of writs of execution, attachment, or garnishment against it. The notice, which shall be given within ten (10) days from the occurrence of the act, event, or circumstance, shall have as attachments thereto, certified true copies or authenticated documents evidencing the same act, event or circumstance.



D. Cessation of Bonding Transactions with the Commission by the Surety Company; Withdrawal of the Escrow Deposit

In the event the surety company decides to cease from engaging in bonding transactions with the Commission, it shall file a letter-request to that effect addressed to the Chairman with a request for the withdrawal of the One Million Peso (P1,000,000.00) escrow deposit.


The withdrawal of the One Million Peso (P1,000,000.00) escrow deposit shall be approved upon submission of the following documents:

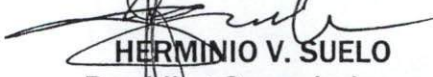
- 1.) Sworn request for withdrawal of the cash deposit from the surety company addressed to the Chairman;
- 2.) Board resolution issued by the surety company requesting for the withdrawal of the cash deposit;
- 3.) Clearances from all the Regional Arbitration Branches and Divisions indicating that the surety company/authorized agents have no outstanding obligations pertaining to judicial bonds;
- 4.) Sworn statement that the surety company has not been involved in any action or proceeding that may affect its business or operations, such as corporate rehabilitation; amendment of its articles of incorporation that shortens corporate lifetime, bankruptcy; insolvency; or issuance of writs of execution, attachment or garnishment against it; and
- 5.) The last Certificate of Accreditation and Authority issued to the surety company by the Commission.

Signed this 15<sup>th</sup> day of March 2013 at Quezon City, Philippines.





  
GERARDO C. NOGRALES  
Chairman


  
RAUL T. AQUINO  
Presiding Commissioner


  
HERMINIO V. SUELO  
Presiding Commissioner


  
JOSEPH GERARD E. MABILOG  
Presiding Commissioner


  
BARIO ROD M. TALON  
Presiding Commissioner

  
ALEX A. LOPEZ  
Presiding Commissioner


  
LEONARDO L. LEONIDA  
Presiding Commissioner


  
VIOLETA O. BANTUG  
Presiding Commissioner

  
PERLITA B. VELASCO  
Commissioner

  
JOSEPH GERARD E. MABILOG  
Presiding Commissioner


  
VIOLETA O. BANTUG  
Presiding Commissioner

  
BARIO-ROD M. TALON  
Presiding Commissioner

  
PERLITA B. VELASCO  
Commissioner

  
ROMEO L. GO  
Commissioner

  
TERESITA D. CASTILLON-LORA  
Commissioner

  
ERLINDA T. AGUS  
Commissioner

  
GREGORIO O. BILOG III  
Commissioner


  
PABLO C. ESPIRITU, JR.  
Commissioner

  
ISABEL G. PANGANIBAN-ORTIGUERRA  
Commissioner

  
NIEVES E. VIVAR-DE CASTRO  
Commissioner


  
NUMERIANO D. VILLENA  
Commissioner

  
ANGELO ANG PALANA  
Commissioner

  
MERCEDES R. POSADA-LACAP  
Commissioner

  
DOLORES M. PERALTA-BELEY  
Commissioner


  
JULIE C. RENDOUQUE  
Commissioner

  
JOSE G. GUTIERREZ  
Commissioner

  
PROCULO T. SARMEN  
Commissioner

  
DOMINADOR B. MEDROSO, JR.  
Commissioner

Attested by:

  
ELENITA F. CRUZ  
Executive Clerk of Court IV

