

FIFTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

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SENATE  
S. No. 1464

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Introduced by Senator Miriam Defensor Santiago

#### EXPLANATORY NOTE

The Constitution provides:

Article II, Section 18. The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.

Article XIII, Section 3. The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.

The Labor Code (P. D. No. 442) was enacted to revise and consolidate all labor and social laws to afford protection to labor, promote employment, and human resources development. It was subsequently amended by laws addressed to meet the special and peculiar needs of various classes of workers under different conditions.

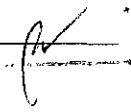
The bill complements these laws in seeking to: (1) to remove the restraints on nationwide commerce caused by activities detrimental to traveling sales crew workers; (2) to require the employers for such workers to register under this Act; and (3) to assure necessary protections for such employees.\*

*Miriam Defensor Santiago*  
MIRIAM DEFENSOR SANTIAGO

\* This bill was originally filed during the Thirteenth Congress, First Regular Session.

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SENATE  
S. No. **1464**

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Introduced by Senator Miriam Defensor Santiago

1 AN ACT  
2 TO PROTECT EMPLOYEES OF TRAVELING SALES CREWS

*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

3 SECTION 1. *Short Title.* – This Act shall be known as the “Traveling Sales Crews  
4 Protection Act.”

5 SECTION 2. *Declaration of Policy.* – The State shall afford protection to labor, promote  
6 full employment, and equality of employment opportunities for all.

7 SECTION 3. *Definition of Terms.* – For the purpose of this Act, the term:

8 (A) “Certificate of registration” means a Certificate issued by the Secretary under  
9 Section 4.

10 (B) “Employ” means to suffer or to permit to work;

11 (C) “Goods” means wares, products, commodities, merchandise, or articles or subjects  
12 of interstate commerce of any character, or any part or ingredient of the same.

13 (D) “Person” means any individual partnership, association, joint stock company, trust,  
14 cooperative, or corporation;

15 (E) “Sale” or “sell” include any sale, exchange, contract to sell, consignment for sale,  
16 shipment for sale, or other disposition of goods;

17 (F) “Secretary” means secretary of Labor and Employment; and

18 (G) “Traveling sales crew worker” means an individual who –

19 (1) Is employed as a sales person or in related support work;

20 (2) Travels with a group of sales persons, including a supervisor; and

1 (3) Is required to be absent overnight from his or her permanent place of  
2 residence.

3 The term "Traveling Sales Crew Worker" does not include any  
4 individual who meets the requirements above if such individual is traveling to  
5 a trade show or convention; or any immediate family member of a traveling  
6 sales crew employer.

7 SECTION 4. – *Registration of Employers and Supervisors of Traveling Sales Crew*  
8 *Workers.* –

9 (A) *Registration Requirement.* –

10 (1) *In General.* – No person shall engage in any form of employment of traveling  
11 sales crew workers, unless such person has a certificate of registration from  
12 the Secretary.

13 (2) *Supervision.* – A traveling sales crew employer shall not hire, employ, or use  
14 any individual as a supervisor of a traveling sales crew, unless such individual  
15 has a certificate of registration from the Secretary.

16 (3) *Display of Certificate of Registration.* – Each traveling sales crew employer  
17 and each registered traveling sales crew supervisor shall carry at all times  
18 while engaging in traveling sales crew activities a certificate of registration  
19 from the Secretary and, upon request, shall exhibit that certificate to all  
20 persons with whom they intend to deal.

21 (B) *Application for Registration.* – Any person desiring to be issued a certificate of  
22 registration from the Secretary, as either a traveling sales crew employer or  
23 traveling sales crew supervisor, shall file with the Secretary a written application  
24 that contains the following:

25 (1) A declaration, subscribed and sworn by the applicant, stating the applicant's  
26 permanent place of residence, the type or types of sales activities to be  
27 performed, and such other relevant information as the Secretary may require.

1 (2) A statement identifying each vehicle to be used to transport any member of  
2 any traveling sales crew and, if the vehicle is or to be owned and controlled by  
3 the applicant, documentation showing that the applicant is in compliance with  
4 the requirements with respect to each such vehicle.

5 (3) A statement identifying, with as much specificity as the Secretary may require,  
6 each facility or real property to be used to house any member of any traveling  
7 sales crew and, if the facility or real property is or will be owned or controlled  
8 by the applicant, documentation showing that the applicant is in compliance  
9 with respect to each such facility or real property.

10 (4) A set of fingerprints of the applicant.

11 (C) *Issuance of Certificate of Registration.* –

12 (1) *In General.* – In accordance with regulations, and after any investigation  
13 which the Secretary may deem appropriate, the Secretary shall issue a crew  
14 supervisor, to any person who meets the standards for such registration.

15 (2) *Refusal to Issue or Renew; Suspension and Revocation.* – The Secretary may  
16 refuse to issue or renew, or may suspend or revoke, a Certificate of  
17 Registration if the applicant for or holder of the Certificate –

18 (a) Has knowingly made any misrepresentation in the application for such  
19 Certificate of Registration;

20 (b) Is not the real party in interest with respect to the application of  
21 Certificate of registration and the real party in interest is a person  
22 who–

23 (i) Has been refused issuance or renewal of Certificate;

24 (ii) Has had a Certificate suspended or revoked; or

25 (iii) Does not qualify for a Certificate under this section;

26 (c) Has failed to comply with this title or any regulation promulgated  
27 under this title;

28 (d) Has failed to pay any court judgment obtained by the Secretary or any  
29 other person under this title or any regulation promulgated under this

1 title; or to comply with any final order issued by the Secretary as a  
2 result of a violation of this title or any regulation promulgated under  
3 this title;

4 (e) Has been convicted within the five (5) years preceding the date on  
5 which the application was filed or the Certificate was issued, of any  
6 crime relating to the sale, distribution or possession of unlawful  
7 objects, in connection with or incident to any traveling crew activities;  
8 or

9 (f) Has failed to satisfy any other requirement which the Secretary may by  
10 regulation establish.

11 (D) *Administrative Proceedings and Judicial Review.* –

12 (1) *In General.* – A person who is refused the issuance or renewal of a Certificate  
13 of Registration, or whose Certificate of Registration is suspended or revoked,  
14 shall be afforded an opportunity for an agency hearing, upon a request made  
15 within thirty (30) days after the date of issuance of the notice of refusal,  
16 suspension, or revocation. If no hearing is requested as provided for in this  
17 subsection, the refusal, suspension, or revocation shall constitute a final and  
18 unappealable order.

19 (2) *Review.* – Any person against whom an order has been entered after an agency  
20 hearing under this subsection may obtain review pursuant to the implementing  
21 rules and regulations.

22 (E) *Transfer or Assignment of Certificate; Expiration; Renewal.* –

23 (1) *Transfer or Assignment.* – A Certificate of Registration may not be transferred  
24 or assigned.

25 (2) *Expiration.* – Unless earlier suspended or revoked, a certificate of Registration  
26 shall expire twelve (12) months from the date of issuance.

27 (3) *Extension.* – A Certificate of Registration may be temporarily extended, at the  
28 Secretary's discretion, by a filing of an application with the Secretary at least  
29 thirty (30) days prior to the Certificate's expiration date.

1 (4) *Renewal.* – A Certificate of Registration may be renewed through the  
2 application process provided for in subparagraphs (2) and (3).

3 (F) *Notice of Address Change; Amendment of Certificate of Registration.* – During the  
4 period for which a Certificate of Registration is in effect, the traveling sales crew  
5 employer or supervisor named on the Certificate shall –

6 (1) Provide to the Secretary within thirty (30) days a notice of each change of  
7 permanent place of residence; and

8 (2) Apply to the Secretary to amend the Certificate of Registration whenever the  
9 person intends to –

10 (a) Engage in any form of traveling sales crew activity not identified on  
11 the Certificate;

12 (b) Use or cause to be used any vehicle not covered by the Certificate to  
13 transport any traveling sales crew worker; or

14 (c) Use or cause to be used any facility or real property not covered by the  
15 Certificate to house any traveling sales crew worker.

16 (G) *Filing Fee.* – The Secretary shall require the payment of a fee by an employer filing  
17 an application for the issuance or renewal of a Certificate of Registration. Sums  
18 collected pursuant to this section shall be applied by the Secretary toward  
19 reimbursement of the costs of administering the title.

20 SECTION 5. *Obligations of Employees of Traveling Sales Crew Workers.* –

21 (B) *Disclosure of Terms and Conditions of Employment.* –

22 (1) *Written Disclosure.* – At the time of recruitment, each traveling sales crew  
23 worker shall be provided with a written disclosure of the following  
24 information, which shall be accurate and complete to the best of the  
25 employer's knowledge:

26 (a) The people or places of employment, stated with as much specificity  
27 as possible;

28 (b) The wage rate or rates to be paid;

1 (c) The type or types of work on which the worker may be employed;

2 (d) The period of employment;

3 (e) The transportation, housing, and any other employee benefit to be  
4 provided, and any costs to be charged to the worker for each such  
5 benefit;

6 (f) The existence of any strike or other concerted work stoppage,  
7 slowdown, or interruption of operations by employees at the place of  
8 employment;

9 (g) Whether workers' compensation insurance is provided and, if so, the  
10 name of the workers' compensation insurance carrier, the name of the  
11 policyholder of such insurance, the name and the telephone number of  
12 each person who must be notified by an injury or death, and the time  
13 period within such notice must be given.

14 (2) *Records and Statements.* – Each employer of traveling sales crew workers shall -

15 (a) With respect to each such worker, make, keep, and preserve records  
16 for three (3) years of the basis on which wages are paid; number of  
17 piecework units earned, if paid on a piecework basis; number of hours  
18 worked; total pay period earnings; specific sums withheld and the  
19 purpose of each sum withheld; and net pay; and

20 (b) Provide to each worker on a monthly basis, an itemized written  
21 statement of the information required under subparagraph (1).

22 (B) *Payment of Wages When Due.* – Each traveling sales crew worker shall be paid the  
23 wages owed that worker when due.

24 (C) *Costs of Goods, Services, and Business Expenses.* –

25 (1) *Prohibition.* – No employer or traveling sales crew workers shall -

26 (a) Require any worker to purchase any goods or services solely from  
27 such employer; or

1 (b) Impose on any worker any of the employer's business expenses,  
2 such as the costs of maintaining and operating a vehicle used to  
3 transport the traveling sales crew.

4 (2) *Inclusion as Part of Wages.* – An employer may include as part of the wages  
5 paid to traveling sales crew worker the reasonable cost to the employer of  
6 furnishing board, lodging, or other facilities to such worker, so long as –

7 (a) Such facilities are customarily furnished by such employer to the  
8 employees of the employer; and

9 (b) Such cost does not exceed the fair market value of such facility and  
10 does not include any profit to the employer.

11 (D) *Safety and Health in Transportation.* -

12 (1) *Standards.* – An employer of traveling sales crew worker shall provide  
13 transportation for such workers in a manner that is consistent with the  
14 following standards:

15 (a) The employer shall ensure that each vehicle which the employer uses  
16 or causes to be used for such transportation conforms to the standards  
17 prescribed by the Secretary under paragraph (B) and conforms to the  
18 other applicable safety standards.

19 (b) The employer shall ensure that each driver of each such vehicle has a  
20 valid and appropriate license, as provided by law, to operate the  
21 vehicle.

22 (c) The employer shall have an insurance policy.

23 (2) *Promulgation by Secretary.* – The Secretary shall prescribe, by regulation,  
24 such safety and health hazards as may be appropriated for vehicles used to  
25 transport traveling sales crew workers. In establishing such standards, the  
26 Secretary shall consider –

27 (a) The type of vehicle used;

28 (b) The passenger capacity of the vehicle;

29 (c) The distance which such workers will be carried by such vehicle;



- 1 (d) The type of roads and highways on which such workers will be carried  
2 in the vehicle;
- 3 (e) The extent to which a proposed standard would cause an undue burden  
4 on an employer of traveling sales crew workers; and
- 5 (f) Any standard prescribed by the Secretary of Transportation.

6 (E) *Safety and Health in Housing.* – An employer of traveling sales crew workers shall  
7 provide housing for such workers in a manner that is consistent with the following standards:

8 (1) If the employer owns or controls the facility or real property which is used for  
9 housing traveling sales crew workers, the employer shall be responsible for  
10 ensuring that the facility or real property complies with substantive safety and  
11 health standards applicable to that housing. Prior to occupancy by such  
12 workers, the facility or real property shall be certified by a local health  
13 authority or other appropriate agency as meeting applicable safety and health  
14 standards. Written notice shall be posted in the facility or real property, prior  
15 to and throughout the occupancy by such workers, informing such workers  
16 that the applicable safety and health standards are met.

17 (2) If the employer does not own or control the facility or real property which is  
18 used for housing traveling sales crew workers, the employer shall be  
19 responsible for ensuring that the owner or operator of such facility or real  
20 property complies with substantive safety and health standards applicable to  
21 that housing. Such assurance by the employer shall include the verification  
22 that the owner or operator of such facility or real property is licensed and  
23 insured in accordance with all applicable State and local laws. The employer  
24 shall obtain such assurance prior to housing any workers in the facility or real  
25 property.

26 (F) *Insurance of Vehicles.* – An employer of traveling sales crew workers shall ensure  
27 that there is in effect, for each vehicle used to transport such workers, an insurance policy or a  
28 liability bond which insures the employer against liability for damage to persons and property  
29 arising from the ownership, operation, or the causing to be operated of such vehicle for such

1 purpose. The level of insurance or liability bond required shall be determined by the Secretary  
2 considering at least the factors set forth in paragraph (D)(2) of this section and any relevant law.

3 SECTION 6. *Implementing Rules and Regulations.* – The Secretary of Labor and  
4 Employment, in coordination with other government agencies, non-governmental organizations  
5 or labor associations shall, within sixty (60) days from the effectivity of this Act, issue such rules  
6 and regulations necessary for its proper implementation.

7 SECTION 7. *Penalties.* – Any person, corporation, trust, firm, partnership, association or  
8 entity found violating this Act shall be punished by a fine not exceeding Twenty Five Thousand  
9 Pesos (P25,000.00) or imprisonment of not less than thirty (30) days nor more than six (6)  
10 months, or both such fine and imprisonment at the discretion of the court.

11 If the violation is committed by a corporation, trust or firm, partnership, association or  
12 any other entity, the penalty of imprisonment shall be imposed on the entity's responsible  
13 officers, including, but not limited to, the president, vice-president or executive officer, general  
14 manager, managing director or the partner directly responsible.

15 SECTION 8. *Separability Clause.* – If any provision or part hereof is held invalid or  
16 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain  
17 valid and subsisting.

18 SECTION 9. *Repealing Clause.* – Any law, presidential decree or issuance, executive  
19 order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent  
20 with, the provision of this Act is hereby repealed, modified or amended accordingly.

21 Section 10. *Effectivity Clause.* – This Act shall take effect fifteen days (15) days after its  
22 publication in at least two (2) newspapers of general circulation.

Approved,