

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

HOUSE OF REPRESENTATIVES

H.B. No. 3876

INTRODUCED BY THE HON. ANGELO B. PALMONES
and HON. CATALINA C. BAGASINA

AN ACT
AMENDING REPUBLIC ACT NO. 5487 OTHERWISE KNOWN AS "AN ACT TO
REGULATE THE ORGANIZATION AND OPERATION OF PRIVATE
DETECTIVE, WATCHMEN OR SECURITY GUARD AGENCIES" AND FOR
OTHER PURPOSES

EXPLANATORY NOTE

Section 6 of RA No. 5487 prescribes that "no person shall engage in the business of, or act either as a private detective, or detective agency; and **either engage in the occupation, calling or employment of watchman** or in the business of watchman's agency without first having obtained the necessary permit from the Chief, Philippine Constabulary (now the Philippine National Police - PNP) which permit as approved is prerequisite in obtaining a license or license certificate". RA No. 5487 does not prescribe the duration of the validity of the license of Watchmen or Security Guards. The Implementing Rules and Regulations of RA No. 5487 does.

Section 9 of Rule V of the IRR provides that the Private Security Personnel License Card shall have duration or validity for two (2) years. Furthermore, Section 13 d of Rule V of the IRR prescribes that "all licensed security personnel must undergo in-service re-training at least once in every two (2) years preferably two months before his/her birth month. The certificate of in-service training shall be a prerequisite among others, for the renewal of license to exercise profession".

Security Guards or Watchmen have taken issue on the frequency of renewing their license. They aver that drivers renew their licenses every three (3) years and their responsibility to their clients (passengers) especially the professional drivers of passenger vehicles is as tremendous if not more so than a Security Guard. Furthermore, drivers do not undergo driver's training before renewal of their license. Some Security Guards aver that the subject and content of training remain the same training-after-training.

Corollary to the issue of renewal of license is the cost of training. Security Guards (SG) say that the cost of training is about P3,500 and this is a big drain from their take-home pay. And this brings the other issue. While RA 5487 provides that the salary of Security Guards should conform to the minimum wage they profess that they are not receiving the minimum wage.

They claim that their monthly salary is P7,900 when they should be receiving P9,600. Given the deductions for SSS (P200/mo), Pag-ibig (P100/mo), Phil-Health (P100/mo) there is not much left after these deductions. Some Agencies, the Security Guards claim, also demand that that they make a Cash Bond Deposit which ranges from P100 to P400 per month. The Cash Bond is supposed to cover any unpaid obligations of the SG. The SGs are not paid interest on their Cash Bond Deposit. One SG also claimed that when he terminated his employment with the Agency his Cash Bond deposit was not reimbursed to him.

The other issue that surfaced from the SGs is the duration of service they are required to render, 12 hours per shift which should only be 8 hours and they do not get overtime pay. Others claim that they are not paid the 13th month pay.

In the face of these complaints the amendment to RA 5487 and its implementing rules and regulations are highly timely.



ANGELO B. PALMONES



CATALINA C. BAGASINA

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OTHER PURPOSES

Section 1 – Section 6 of RA No. 5487 otherwise known as the "Act to Regulate the Organization and Operation of Private Detective, Watchman or Security Guard Agencies" is amended as follows:

Section 6. License Necessary. No person shall engage in the business of, or act either as a private detective, or detective agency; and either engage in the occupation, calling or employment of watchman or in the business of watchman's agency without first having obtained the necessary permit from the Chief, Philippine Constabulary (now the Philippine National Police – PNP) which permit as approved is prerequisite in obtaining a license or license certificate: Provided, That all existing private detective or watchman or security guard agencies shall have a period of one (1) year from the approval of this Act to secure the said license: Provided, further, That existing agencies, and any new agency which may hereafter apply for a license, certify under oath that their private detectives, watchmen or security guards, have received the appropriate training from either the Philippine Constabulary (now the PNP), the National Bureau of Investigation, any local police department, or any other public institution duly recognized by the government to conduct police training, **Provided further that renewal of license of private detective, or detective agency or watchman/security guard shall be every three (3) years and that retaining is a requirement for renewal of license and such training shall also be required every (3) years immediately prior to application of renewal of license.**

Section 2 - Cash Bonds. Cash bonds are collected by Agencies from their security guard-employees to cover financial obligations they may have incurred during their employment in the Agency. Such Cash Bonds shall be deposited in government banks. The Agency shall

make full disclosure on the amount collected including the interest earned by the Cash Bonds. The Agency shall pay the contributors of the Cash Bonds a yearly dividend equal to the interest earned by the contributions of the security guards/watchmen. The Agency shall be prohibited under penalty from using the Cash Bond contributions for business purposes that will benefit only the Agency and its officers. After deducting whatever financial obligations the security guard/watchman may have incurred, the remainder of his/her contributions to Cash Bonds shall be reimbursed to him/her upon termination of service or retirement from the Agency.

Section 3 – Compensation of security guards/watchmen. Section 15 of RA No. 5487 provides that the compensation of security guards/watchmen shall not be lower than what is prescribed by the Minimum Wage Law. To the contrary many security guards/watchmen aver that they are receiving salaries way below the minimum wage. The PNP shall make an inventory of Agencies that do not comply with the Minimum Wage Law and submit a yearly report to Congress. Penalties prescribed under the Minimum Wage Law against those that do not conform to it shall be instituted by the PNP.

The PNP shall also include in its inventory of Agencies those that are not paying the 13th month pay and those that are not shall be obligated to do or suffer penalty under Section 4 of this Act.

Section 4 – Penalty for Violating Section 2 and Section 3 of this Act. Any Agency found guilty for violating Section 2 of this Act shall be fined a minimum of Ten Thousand pesos (P10,000) for first offense and cancellation of its License to Operate or an imprisonment of its Executive Officer for not less than one (1) year or both. A second violation of Section 2 shall have a penalty of permanent cancellation of its License to Operate, a fine of One Hundred Thousand pesos (P100,000) or an imprisonment of 3 years or both.

Agencies found upon due investigation by the PNP that they are not paying the 13th month pay shall have their license to operate cancelled and forever barred from operating again. In addition they shall pay they employees whatever amount they have failed to pay.

Section 5 – Repealing Clause. All laws, decrees, orders, rules and regulations or portions thereof, inconsistent with this Act are hereby repealed or modified accordingly.

Section 6 – This Act shall take effect 15 days after its complete publication in two newspapers of general circulation.

Approved