

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 6594



Introduced by:

HON. CHRISTOPHERSON "COCO" M. YAP

EXPLANATORY NOTE

This bill removes administrative cancellation of union registration and replaces it with compliance measures grounded in due process. It follows the direction already taken by Congress and the Supreme Court, which recognize that cancellation is an extreme sanction that undermines the constitutional right to self-organization. Because dissolution extinguishes a union's legal personality and deters workers from organizing, the law should categorically disallow administrative cancellation and adopt corrective remedies that preserve the organization while addressing any defects.

Legislative and judicial developments already support this shift. Congress, through Republic Act 9481, limited employer interference in organizing and insulated certification elections from cancellation attacks by establishing that cancellation petitions do not suspend certification proceedings. The Supreme Court has likewise warned against overuse of cancellation, emphasizing that dissolution is comparable to extinguishing the life of a labor organization. It has restricted cancellation to cases involving fraud so grave that it vitiates consent and has rejected technical defects or non-statutory grounds as bases for dissolution. These rulings reflect the legislative policy of promoting self-organization and preventing dissolution on technicalities.

Strengthening union formation also complements the tripartite framework established under Republic Act 10395, which advances social dialogue and industrial peace. Although reforms in existing law have curbed some abuses, cancellation petitions continue to be deployed as tools to delay organizing and intimidate workers. Retaining cancellation as a penalty fosters harassment filings, forum shopping, and strategic disruption of certification elections. Removing this sanction aligns the Labor

Code with contemporary doctrine, protects workers' voice, and directs disputes toward democratic and judicial remedies.

The bill replaces cancellation with corrective orders, administrative fines, and officer focused sanctions that do not dissolve the union. It reinforces the employer as bystander rule, ensures that certification elections proceed despite administrative challenges, and clarifies that representational issues are resolved through elections rather than attacks on registration. Technical errors trigger notice to correct and appropriate fines rather than dissolution, and safeguards are introduced to deter bad faith litigation. Ongoing cancellation cases are converted into corrective or disciplinary proceedings while certification elections continue without interruption.

Ultimately, the measure completes the legislative trajectory that began with earlier reforms by removing a sanction that jurisprudence has already confined to the narrowest circumstances. By preserving union legal personality and promoting democratic resolution of disputes, the bill strengthens the right to self-organization and supports a more stable system of tripartite dialogue and industrial peace.

In the Nineteenth Congress, the House of Representatives approved a similar measure on Third Reading as House Bill No. 9430 on December 12, 2023.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.


CHRISTOPHERSON "ZOCO" M. YAP
Representative, Second District of Southern Leyte

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AN ACT
FURTHER STRENGTHENING UNION ORGANIZATION AND DISALLOWING
CANCELLATION OF UNION REGISTRATION, AMENDING FOR THE PURPOSE
PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE
LABOR CODE OF THE PHILIPPINES

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

SECTION 1. This Act shall be known as the “*Union Formation Act.*”

SECTION 2. The title of Chapter I, Title IV of Book V of Presidential Decree (PD) No. 442, as 4 amended, is hereby amended to read as follows:

“Chapter I
[Registration and Cancellation] **UNION FORMATION AND DISSOLUTION**”

SECTION 3. It is the primary responsibility of the State to protect and uphold the rights of all workers and promote their welfare, and to afford full protection to labor, local and overseas, organized and unorganized.

The State shall protect the constitutionally guaranteed and universally recognized rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law.

As stated in International Labour Organization (ILO) Convention No. 87, workers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. Workers' organizations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programs.

SECTION 4. Article 240 of PD No. 442, as amended, is hereby amended to read as follows:

"ART. 240. Requirements of [Registration] **NOTIFICATION**. – A federation, national union or industry or trade union center or an independent union shall acquire legal personality and shall be entitled to the rights and privileges granted by law to legitimate labor organizations upon [issuance of the certificate of registration based on] **NOTIFICATION OF ITS FORMATION WITH** the following requirements:

- (a) Fifty pesos (P50.00) [registration] **NOTIFICATION** fee;
- (b) The names of its officers, their addresses, the principal address of the labor organization, the minutes of the organizational meetings and the list of the workers who participated in such meetings;
- (c) In case the applicant is an independent union, the names of all its members comprising at least [twenty percent (20%)] **TEN PERCENT (10%)** of all the employees in the bargaining unit where it seeks to operate;
- (d) If the [applicant] **NOTIFYING** union has been in existence for one (1) or more years, copies of its annual financial reports; and
- (e) [Four] **ELECTRONIC** copies **IN RELATION TO** [of] the constitution and by-laws of the [applicant] **NOTIFYING** union, minutes of its adoption or ratification, and the list of the members who participated in it."

SECTION 5. Article 241 of PD No. 442, as amended, is hereby amended to read as follows:

"ART. 241. Chartering and Creation of a Local Chapter. – A duly registered federation or national union may directly create a local chapter by issuing a charter certificate indicating the establishment of the local chapter. The chapter

shall acquire legal personality [only for purposes of filing a petition for certification election] from the date it was issued a charter certificate **AND SHALL BE ENTITLED TO THE RIGHTS AND PRIVILEGES OF A LEGITIMATE LABOR ORGANIZATION UPON SUBMISSION OF ITS CHARTER CERTIFICATE TO THE DEPARTMENT OF LABOR AND EMPLOYMENT.**

x x x.”

SECTION 6. Article 242 of PD No. 442, as amended, is hereby amended to read as follows:

“ART. 242. Action on [Application] **NOTIFICATION.** – [The Bureau shall act on all applications for registration within thirty (30) days from filing.] **THE LABOR RELATIONS DIVISION IN THE REGIONAL OFFICE OR THE BUREAU, AS THE CASE MAY BE, SHALL ACT ON ALL NOTICES OF UNION FORMATION AND INCLUDE THE NOTIFYING UNIONS IN THE ROSTER OF LEGITIMATE LABOR ORGANIZATIONS WITHIN TEN (10) DAYS FROM RECEIPT OF NOTICE THEREOF.**

All requisite documents and papers shall be certified under oath by the secretary or the treasurer of the organization, as the case may be, and attested to by its president.”

SECTION 7. Article 244 of PD No. 442, as amended, is hereby amended to read as follows:

“ART. 244. Additional Requirements for Federations or National Unions. – [Subject to Article 238, if the applicant for registration is a] **A** federation or a national union [, it] shall, in addition to the requirements of the preceding Articles **HEREOF**, submit the following:

- (a) Proof of the affiliation of at least [ten (10)] **FIVE (5)** locals or chapters, each of which must be a duly recognized collective bargaining agent in the establishment or industry in which it operates, supporting the registration of such applicant federation or national union; and
- (b) The names and addresses of the companies where the locals or chapters operate [and the list of all the members in each company involved].”

SECTION 8. Article 245 of PD No. 442, as amended, is hereby amended to read as follows:

“ART. 245. [Cancellation of Registration] **DISSOLUTION OF A LEGITIMATE LABOR ORGANIZATION.** – [The certificate of registration of any] A legitimate labor organization, whether national or local, may be [cancelled] **DISSOLVED AND MAY BE DELISTED** by the Bureau, after due hearing, [only on the grounds specified] in **ACCORDANCE WITH** Article [239] **247** hereof.”

SECTION 9. Article 246 of PD No. 442, as amended, is hereby amended to read as follows:

“ART. 246. Effect of a Petition [for Cancellation of Registration] **TO DELIST A LABOR ORGANIZATION.** – A petition [for cancellation of] **TO DELIST A** union [registration] **FROM THE ROSTER OF LEGITIMATE LABOR ORGANIZATIONS** shall not suspend the proceedings for certification election nor shall it prevent the filing of a petition for certification election.

In case of [cancellation] **DELISTING**, nothing herein shall restrict the right of the union to seek just and equitable remedies in the appropriate courts.”

SECTION 10. Article 248 of PD No. 442, as amended, is hereby amended to read as follows:

“ART. 248. Voluntary [Cancellation of Registration] **DISSOLUTION.** – [The registration of a] A legitimate labor organization may be [cancelled] **DISSOLVED** by the organization itself: *Provided*, That at least two-thirds of its general membership votes, in a meeting duly called for that purpose to dissolve the organization: *Provided, further*, That an application to [cancel registration] **DELIST THE ORGANIZATION FROM THE ROSTER OF LEGITIMATE LABOR ORGANIZATIONS** is thereafter submitted by the board of the organization, attested to by the president thereof.”

SECTION 11. Article 250 of PD No. 442, as amended, is hereby amended to read as follows:

“ART. 250. Rights and Conditions of Membership in a Labor Organization. – The following are the rights and conditions of membership in a labor organization:

x x x

(c) The members shall [directly] **DULY** elect their officers, [in the local union, as well as their national officers in] **INCLUDING THOSE OF** the national union or federation, to which they or their [local] union is affiliated, [by secret ballot] **IN ACCORDANCE WITH THE UNION CONSTITUTION AND BY-LAWS** at intervals of five (5) years. No qualification requirement for candidacy to any position shall be imposed other than membership in good standing in subject labor organization. The secretary or any other responsible union officer shall furnish the Secretary of Labor and Employment with a list of the newly-elected officers, together with the appointive officers or agents who are entrusted with the handling of funds, within thirty (30) calendar days after the election of officers or from the occurrence of any change in the list of officers of the labor organization;

x x x.”

SECTION 12. Article 253, Title V of the Labor Code is hereby amended to read as follows:

“ART. 253. Coverage and Employees’ Right to Self-Organization. – All persons employed in [commercial] **SERVICE**, industrial and agricultural enterprises and in religious, charitable, medical, or educational institutions, whether operating for profit or not, **REGARDLESS OF EMPLOYMENT STATUS, INCLUDING THOSE EMPLOYED IN SPECIAL ECONOMIC ZONES**, shall have the right to self-organization and to form, join, or assist labor organizations of their own choosing for purposes of collective bargaining **WITHOUT PREVIOUS AUTHORIZATION**. Ambulant, intermittent and itinerant workers, self-employed people, rural workers [and those without any definite employers] may form labor organizations for their mutual aid and protection.

EMPLOYEES HIRED UNDER CONTRACTORS, SUBCONTRACTORS, MANPOWER AGENCIES, LABOR COOPERATIVES AND OTHER THIRD PARTY ENTITIES SHALL HAVE THE RIGHT TO FORM OR JOIN UNIONS AND THE RIGHT TO COLLECTIVELY BARGAIN IN THE PRINCIPAL TRADE OR BUSINESS.

ANY EMPLOYEE, WHETHER EMPLOYED FOR A DEFINITE PERIOD OR NOT, SHALL, BEGINNING ON HIS OR HER FIRST DAY OF SERVICE, HAVE THE RIGHT TO FORM, JOIN OR ASSIST LABOR ORGANIZATIONS.”

SECTION 13. Chapter II, Article 259 of the Labor Code is hereby amended to read as follows:

“ART. 259. Unfair Labor Practices of Employers. – It shall be unlawful for an employer to commit any of the following unfair labor practices:

(a) To interfere with, restrain or coerce employees in the exercise of their right to self-organization, **TO COLLECTIVE BARGAINING AND NEGOTIATIONS, AND TO ENGAGE IN PEACEFUL CONCERTED ACTIVITIES, INCLUDING THE RIGHT TO STRIKE IN ACCORDANCE WITH THIS CODE;**

(b) To require as a condition of employment that a person or an employee shall not join a labor organization or shall withdraw from one to which [he belongs] **THEY BELONG;**

(c) To contract out services or functions being performed by union members **AND EMPLOYEES WHO ARE ORGANIZING A UNION** when such will interfere with, restrain or coerce employees in the exercise of their right to self-organization;

(d) TO CONDUCT A PERFORMANCE REVIEW OR ASSESSMENT OF EMPLOYEES DURING THE FORMATION OF A UNION UP TO ONE (1) YEAR AFTER THE FILING OF UNION NOTIFICATION THAT MAY UNDERMINE THE SECURITY OF TENURE AND UNION MEMBERSHIP OF AN EMPLOYEE;

(e) TO TERMINATE OR CAUSE THE TERMINATION OF AN EMPLOYEE DURING THE FORMATION OF A UNION UP TO ONE (1) YEAR AFTER THE FILING OF UNION NOTIFICATION DUE TO INSTALLATION OF LABOR-SAVING DEVICES, REDUNDANCY, CLIENT PULLOUT, RETRENCHMENT TO PREVENT LOSSES OR THE CLOSING OR CESSATION OF OPERATION OF THE ESTABLISHMENT OR UNDERTAKING;

[[d)] **(F)** To initiate, dominate, assist or otherwise interfere with the formation or administration of any labor organization, including the giving of financial or other support to it or its organizers or supporters;

[[e)] **(G)** To discriminate in regard to wages, hours of work and other terms and conditions of employment in order to encourage or discourage membership in any labor organization. Nothing in this Code or in any other law shall stop the

parties from requiring membership in a recognized collective bargaining agent as a condition for employment, except those employees who are already members of another union at the time of the signing of the collective bargaining agreement. Employees of an appropriate bargaining unit who are not members of the recognized collective bargaining agent may be assessed a reasonable fee equivalent to the dues and other fees paid by members of the recognized collective bargaining agent, if such non-union members accept the benefits under the collective bargaining agreement: *Provided*, That the individual authorization required under Article 242, paragraph (o) of this Code shall not apply to the non-members of the recognized collective bargaining agent;

[(f)] **(H)** To dismiss, discharge or otherwise prejudice or discriminate against an employee for having given or being about to give testimony under this Code;

[(g)] **(I)** To violate the duty, **OR REFUSE**, to bargain collectively [as prescribed by this Code] **WITH THE EMPLOYEES**;

[(h)] **(J)** To pay negotiation or attorney's fees to the union or its officers or agents as part of the settlement of any issue in collective bargaining or any other dispute; or

[(i)] **(K)** To violate a collective bargaining agreement.

The provisions of the preceding paragraph notwithstanding, only the officers and agents of corporations, associations or partnerships who have actually participated in, authorized or ratified unfair labor practices shall be held criminally liable."

SECTION 14. A new section denominated as ART. 272-A is inserted after ART. 272 of PD No. 442, to read as follows:

"ART. 272-A. ANY LEGITIMATE LABOR ORGANIZATION MAY FILE A REQUEST FOR SOLE AND EXCLUSIVE BARGAINING AGENT/REPRESENTATIVE (SEBA) CERTIFICATION IN THE REGIONAL OFFICE WHICH ISSUED ITS CERTIFICATE OF REGISTRATION OR CERTIFICATE OF CREATION OF CHARTERED LOCAL."

SECTION 15. A new section denominated as ART. 272-B is inserted after ART. 272-A of PD No. 442, to read as follows:

“ART. 272-B. THE REQUEST FOR CERTIFICATION SHALL INDICATE:

- (A) THE NAME AND ADDRESS OF THE REQUESTING LEGITIMATE LABOR ORGANIZATION;**
- (B) THE NAME AND ADDRESS OF THE COMPANY WHERE IT OPERATES;**
- (C) THE BARGAINING UNIT SOUGHT TO BE REPRESENTED;**
- (D) THE APPROXIMATE NUMBER OF EMPLOYEES IN THE BARGAINING UNIT; AND**
- (E) THE STATEMENT OF THE EXISTENCE OR NON-EXISTENCE OF OTHER LABOR ORGANIZATIONS OR COLLECTIVE BARGAINING AGREEMENT.”**

SECTION 16. A new section denominated as ART. 272-C is inserted after ART. 272-B of PD No. 442, to read as follows:

“ART. 272-C. WITHIN ONE (1) DAY FROM THE SUBMISSION OF THE REQUEST, THE REGIONAL DIRECTOR SHALL:

- (A) DETERMINE WHETHER THE REQUEST IS COMPLIANT WITH THE PRECEDING ARTICLE AND WHETHER THE BARGAINING UNIT SOUGHT TO BE REPRESENTED IS ORGANIZED OR NOT; AND**
- (B) REQUEST A COPY OF THE PAYROLL FOR PURPOSES OF SEBA CERTIFICATION PURSUANT TO THE NEXT PRECEDING ARTICLE.**

IF THE REGIONAL DIRECTOR FINDS THE SUBMISSION DEFICIENT, THE REQUESTING UNION OR LOCAL SHALL BE ADVISED TO COMPLY WITHIN TEN (10) DAYS FROM NOTICE. FAILURE TO COMPLY WITHIN THE PRESCRIBED PERIOD SHALL BE DEEMED AS A WITHDRAWAL OF THE REQUEST FOR SEBA CERTIFICATION.”

SECTION 17. A new section denominated as ART. 272-D is inserted after ART. 272-C of PD No. 442, to read as follows:

“ART. 272-D. IF THE REGIONAL DIRECTOR FINDS THE ESTABLISHMENT UNORGANIZED WITH ONLY ONE (1) LEGITIMATE LABOR ORGANIZATION,

THEY SHALL CALL A CONFERENCE WITHIN FIVE (5) WORKDAYS FOR THE SUBMISSION OF THE FOLLOWING:

- (A) THE NAMES OF EMPLOYEES IN THE COVERED BARGAINING UNIT WHO SIGNIFY THEIR SUPPORT FOR THE CERTIFICATION, PROVIDED, THAT SAID EMPLOYEES COMPRISE AT LEAST MAJORITY OF THE NUMBER OF EMPLOYEES IN THE COVERED BARGAINING UNIT; AND**
- (B) CERTIFICATION UNDER OATH BY THE PRESIDENT OF THE REQUESTING UNION OR LOCAL THAT ALL DOCUMENTS SUBMITTED ARE TRUE AND CORRECT BASED ON THEIR PERSONAL KNOWLEDGE.**

THE SUBMISSION SHALL BE PRESUMED TO BE TRUE AND CORRECT UNLESS CONTESTED UNDER OATH BY ANY MEMBER OF THE BARGAINING UNIT DURING THE VALIDATION CONFERENCE. FOR THIS PURPOSE, THE EMPLOYER OR ANY REPRESENTATIVE OF THE EMPLOYER SHALL NOT BE DEEMED A PARTY-IN-INTEREST BUT ONLY AS A BY-STANDER TO THE PROCESS OF CERTIFICATION.

IF THE REQUESTING UNION OR LOCAL FAILS TO COMPLETE THE REQUIREMENTS FOR SEBA CERTIFICATION DURING THE CONFERENCE, THE REQUEST FOR SEBA CERTIFICATION SHALL BE REFERRED TO THE APPROPRIATE MEDIATOR-ARBITER FOR THE CONDUCT OF CERTIFICATION ELECTIONS.

IN NO CASE SHALL "NO UNION" BE INCLUDED IN THE BALLOT FOR THE CERTIFICATION ELECTIONS."

SECTION 18. A new section denominated as ART. 272-E is inserted after ART. 272-D of PD No. 442, to read as follows:

"ART. 272-E. IF THE REGIONAL DIRECTOR FINDS THE REQUIREMENTS COMPLETE, THEY SHALL ISSUE DURING THE CONFERENCE A CERTIFICATION AS SOLE AND EXCLUSIVE BARGAINING AGENT ENJOYING THE RIGHTS AND PRIVILEGES OF AN EXCLUSIVE BARGAINING AGENT OF ALL THE EMPLOYEES IN THE COVERED BARGAINING UNIT.

THE REGIONAL DIRECTOR SHALL CAUSE THE POSTING OF THE SEBA CERTIFICATION FOR FIFTEEN (15) DAYS IN AT LEAST TWO (2)

CONSPICUOUS PLACES IN THE ESTABLISHMENT OR COVERED BARGAINING UNIT.”

SECTION 19. A new section denominated as ART. 272-F is inserted after ART. 272-E of PD No. 442, to read as follows:

“ART. 272-F. UPON THE ISSUANCE OF THE CERTIFICATION AS SOLE AND EXCLUSIVE BARGAINING AGENT, THE CERTIFIED UNION OR LOCAL SHALL ENJOY ALL THE RIGHTS AND PRIVILEGES OF AN EXCLUSIVE BARGAINING AGENT OF ALL THE EMPLOYEES IN THE COVERED BARGAINING UNIT.

THE CERTIFICATION SHALL BAR THE FILING OF A PETITION FOR CERTIFICATION ELECTION BY ANY LABOR ORGANIZATION FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF ITS ISSUANCE. UPON EXPIRATION OF THIS ONE (1)-YEAR PERIOD, ANY LEGITIMATE LABOR ORGANIZATION MAY FILE A PETITION FOR CERTIFICATION ELECTION IN THE SAME BARGAINING UNIT REPRESENTED BY THE CERTIFIED LABOR ORGANIZATION, UNLESS A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE EMPLOYER AND THE CERTIFIED LABOR ORGANIZATION WAS EXECUTED AND VALIDLY REGISTERED WITH THE REGIONAL OFFICE.”

SECTION 20. A new section denominated as ART. 272-G is inserted after ART. 272-F of PD No. 442, to read as follows:

“ART. 272-G. IF THE REGIONAL DIRECTOR FINDS THE ESTABLISHMENT UNORGANIZED WITH MORE THAN ONE LEGITIMATE LABOR ORGANIZATION, THEY SHALL REFER THE SAME TO THE APPROPRIATE MEDIATOR-ARBITER FOR THE CONDUCT OF CERTIFICATION ELECTION.

THE CERTIFICATION ELECTION SHALL BE CONDUCTED IN ACCORDANCE WITH ARTICLE 269.”

SECTION 21. A new section denominated as ART. 272-H is inserted after ART. 272-G of PD No. 442, to read as follows:

“ART. 272-H. IF THE REGIONAL DIRECTOR FINDS THE ESTABLISHMENT ORGANIZED, THEY SHALL REFER THE SAME TO THE MEDIATOR-ARBITER FOR THE DETERMINATION OF THE PROPRIETY OF CONDUCTING A CERTIFICATION ELECTION IN ACCORDANCE WITH ARTICLE 268.”

SECTION 22. If any portion or provision of this Act is declared unconstitutional or invalid, the other provisions hereof shall remain in full force and effect.

SECTION 23. All laws, presidential decrees, proclamations, executive orders, issuances, rules and regulations, or parts thereof, inconsistent with this Act are hereby modified accordingly.

SECTION 24. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,