

# BANKING INDUSTRY TRIPARTITE COUNCIL

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## RESOLUTION NO. 1 Series of 2011

### *“Adopting the Banking Industry Voluntary Code of Good Practice on Dispute Settlement and Outsourcing/Subcontracting of Certain Bank Functions”*

**WHEREAS**, the National Tripartite Industrial Peace Council (NTIPC) issued Resolution No. 3, series of 2010,<sup>1</sup> endorsing and extending tripartite support to DOLE-initiated reforms in labor arbitration and adjudication system and in strengthening tripartism and social dialogue;

**WHEREAS**, being an integral part of the NTIPC, the Banking Industry Tripartite Council (BITC) concurs with and supports these initiatives. In the implementation of item 6 of TIPC Resolution No. 3 to develop responsible and mature engagement of the social partners through industry self-regulation and Voluntary Code of Good Practices, the tripartite partners hereby agree to adopt a Banking Industry Voluntary Code of Good Practice to enhance the enterprise-level bipartite dialogue and afford an industry venue for any industry issues.

**NOW THEREFORE, BE IT RESOLVED, AS WE HEREBY RESOLVE TO** adopt and abide by, without force or compulsion, the following terms of the Banking Industry Voluntary Code of Good Practice:

#### **1. Dispute Settlement**

- 1.a) The union or in the absence thereof, any employees' organization in the bank, and the bank management shall in good faith resolve any issues arising from the interpretation or implementation of the collective bargaining agreement and those arising from interpretation or enforcement of company personnel policies through the Grievance Machinery established in the collective bargaining agreement, or pursuant to Sections 1 and 2, Rule XIX of Department Order No. 40, Series of 2003, as amended, and all unresolved grievance or issues shall be submitted to voluntary arbitration.
- 1.b) Anything and any issue/s that prevails or has an industry implication and cannot be resolved by both the union or any employees' organization and management at the enterprise level may request the Banking Industry Tripartite Council (BITC) for conciliation-mediation services.

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<sup>1</sup> TIPC Resolution No. 3, s. 2010, is considered as the mother resolution relating to all reforms that will be introduced and instituted following the 22-point Labor and Employment Agenda issued by President Benigno S. Aquino III on 2 September 2010.

- 1.c) The BITC upon receipt of such a request shall constitute a "**Committee of Five**" composed of one representative from the Department of Labor and Employment while the workers/employees' and the banks in the BITC shall have two (2) representatives each who are not parties to the issue/s and must be impartial.

The "**Committee of Five**" shall render conciliation-mediation services as a panel. Although conciliation-mediation is itself a voluntary process, any settlement agreements reached shall bind the parties.

The Committee shall reduce the agreement in writing, ensure that the parties fully understand the contents thereof, sign the same in their presence, and have the document attested as the parties' true and voluntary act.

In case no settlement agreement is reached within 30 days from the filing of the request for conciliation-mediation services, the issue/s will have to go through the existing dispute settlement process.

## **2. Outsourcing/Subcontracting of Certain Bank Functions**

We recognize sub-contracting and outsourcing of banking activities as a prerogative of management as may be aligned with Article 248 of the Labor Code of the Philippines, as amended. However, we take cognizance that said prerogative has a direct impact on the economic condition of affected bank employees. In furtherance of instilling transparency and a harmonious relationship, the workers/employees and management are encouraged to maintain open and continuous dialogue. While it is understood that subcontracting/outsourcing shall only be undertaken within the confines of the law and jurisprudential holdings of the Supreme Court, the following principles shall likewise be observed:

2.a) The Bank Management must ensure that sub-contracting or outsourcing of bank functions conform with the requirements of law, including but not limited to the Labor Code of the Philippines, as amended, as well as the guidelines set by the Department of Labor and Employment (DOLE) and the Bangko Sentral ng Pilipinas (BSP);

2.b) Bank management must engage the affected employees and the union, if any, in a pro-active discussion prior to the implementation of subcontracting or outsourcing arrangement, most specially if said subcontracting or outsourcing would result in the termination of regular employees or reduction or splitting of an organized bargaining unit.

Moreover, management will attempt, on best effort basis, to:

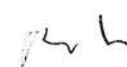
- i. Transfer the affected employees to other departments within the bank; or
- ii. Coordinate the service provider of the outsourced bank activity to absorb the affected employees.

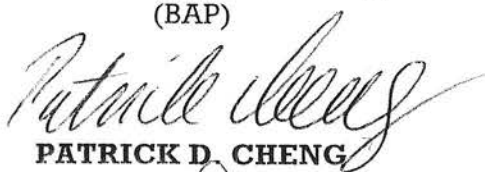
2.c) Should the preceding provision not be successful, coordination with the Department of Labor and Employment (DOLE) shall be pursued for the latter to extend assistance to would-be affected employees through livelihood programs and other interventions.

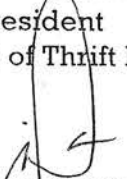


Unanimously adopted by the Members of the Banking Industry Tripartite Council this 1<sup>st</sup> day of December 2011, Manila, Philippines.

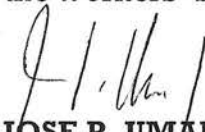
**For the Management Sector**


  
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**IAN ERIC S. PAMA**  
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**For the Workers' Sector**

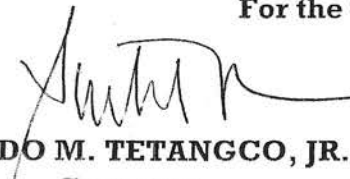
  
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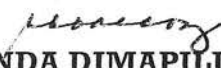
  
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**ATTY. JOSE SONNY G. MATULA**  
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Federation of Free Workers (FFW)

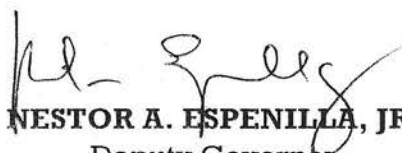
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**For the Government Sector**

  
**AMANDO M. TETANGCO, JR.**  
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(BSP)

  
**ROSALINDA DIMAPILIS-BALDOZ**  
Secretary  
Department of Labor and Employment  
(DOLE)

**Witnesses:**

  
**NESTOR A. ESPENILLA, JR.**  
Deputy Governor  
Bangko Sentral ng Pilipinas

  
**HANS LEO J. CACDAC**  
Undersecretary  
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