

DOLE issues Revised Guidelines in the Conduct of Voluntary Arbitration Proceedings for Labor Disputes

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I. Overview

On August 15, 2025, the Department of Labor and Employment (DOLE) signed Department Order No. 255, series of 2025, or the Revised Procedural Guidelines in the Conduct of Voluntary Arbitration Proceedings. The Revised Guidelines revamped the existing 2021 Revised Procedural Guidelines and aim to further promote voluntary arbitration as a less tedious and non-adversarial mode of dispute resolution mechanism.

The major amendments to the Guidelines include:

- Clarifying jurisdictional parameters for voluntary arbitrators over issues raised;
- A more streamlined procedure for submitting voluntary arbitration cases;
- Incorporating key reforms introduced in the Magna Carta for Filipino Seafarers;
- Enabling a more digitalized procedure; and
- Establishing a clearer framework for walk-in settlements.

II. Jurisdiction

Grievances between employers and employees may now be referred to either a sole Voluntary Arbitrator (Arbitrator) or a Panel of Voluntary Arbitrators (Panel). Grievances are now defined as any controversy, issue or dissatisfaction arising from the interpretation or implementation of the CBA, company rules and regulations, personnel policies, and established practices within an employer-employee relationship.

The Revised Guidelines added new modes of submission to voluntary arbitration, namely:

- a. Direct Submission – automatic submission through the agreed selection procedure of the parties, in the case of unresolved grievances
- b. Referral from the National Conciliation and Mediation Board (NCMB) – upon agreement of the parties, in the case of unresolved issues raised in an actual or notice of strike or lockout, preventive mediation, or request for assistance
- c. Referral from the National Labor Relations Commission (NLRC) or DOLE – for cases that fall within the exclusive and original jurisdiction of the Arbitrator or Panel but were initially filed with the NLRC or DOLE
- d. Referral of Request for Assistance – upon pre-termination of the conciliation-mediation proceedings by either or both parties to the dispute, and upon their agreement to refer the unresolved issues to voluntary arbitration
- e. Notice to Arbitrate – if a grievance remains unresolved despite the exhaustion of the grievance procedure and one party refuses to submit to voluntary arbitration

The Arbitrator or Panel shall acquire jurisdiction over the dispute upon receipt and acceptance of a submission agreement signed by the parties, a Notice to Arbitrate if the name of the Arbitrator or Panel is provided in the CBA or grievance mechanism, or a Notice of Selection if the Arbitrator or Panel is not named in the CBA or grievance mechanism or the parties are unable to select.

III. Proceedings and Settlements

A. Digitization

In keeping up with technological advancements, the Revised Guidelines now provide for the digitization of the arbitration proceedings. The notice of conference may now be served via electronic mail, and conferences may now be held either in person or through online platforms.

B. Walk-in Settlements

A major addition to the Revised Guidelines is the framework for walk-in settlements.

Under the Revised Guidelines, should the parties arrive at any settlement as to the whole or part of the dispute, they shall reduce the settlement to writing and sign it before the Arbitrator or Panel. The Arbitrator or Panel shall perform due diligence, in the form of interviews, examination, etc., to ascertain the validity of the terms and conditions of the settlement. Once ascertained that the settlement is complete and valid, the Arbitrator shall issue an Order adopting the terms of the settlement, which shall be final and immediately executory.

The signed settlement agreement shall form part of the conciliated-mediated decision and also constitutes a waiver of the parties' right to appeal and a commitment to their compliance and implementation of the same.

However, if the settlement is found to be contrary to law, morals, customs, and public policy, the Arbitrator or Panel shall disregard the settlement and resolve the issues involved based on the evidence submitted and the records available.

IV. Decision or Award

A decision or award of the Arbitrator or Panel which has become final and executory shall not be stayed or stopped, not even by the filing and pendency of a Petition for Review with the Court of Appeals or a Petition for Certiorari with the Supreme Court, except upon the issuance of a temporary restraining order or any injunctive relief.

The Revised Guidelines also place a special emphasis on the compliance by the parties to the decision or award, requiring them to submit a joint manifestation of compliance or satisfaction of judgment to the Arbitrator or Panel. If either or both parties fail to comply with the decision or award, a Motion to Enforce or Execute the Award may be filed with the Arbitrator or Panel who may then issue a writ of execution for the enforcement or execution of the final decision.

V. What Should Companies Do?

Foreign companies, particularly those with an existing collective bargaining agreement or grievance machinery for employees, are advised to take note of the streamlined guidelines, which introduce the digitization of conferences, the streamlined framework for settlement, and the increased instances for referral to voluntary arbitration, for the conduct of voluntary arbitration proceedings in the event of any labor disputes with their employees.



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