

Rules on the Investigation and Prohibition of the Importation of Goods Produced through Forced Labor

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I. Overview

On 23 July 2026, the Department of Trade and Industry (DTI), the Department of Labor and Employment (DOLE), and the Department of Finance (DOF) jointly issued **Joint Administrative Order No. 26-01, Series of 2026 (JAO)**, which establishes the rules governing the investigation and regulation of imported goods suspected or determined to have been produced wholly or in part through forced labor. The JAO aims to prevent the importation into the Philippines of goods produced wholly or in part through forced labor, strengthen coordination and enforcement among the relevant government agencies, ensure that importation practices are consistent with the Philippines' commitments under its domestic labor laws and applicable international labor treaties and standards, and protect consumers, workers, and legitimate businesses from the adverse effects of goods produced through forced labor.



II. Coverage

The JAO applies to all imported goods, including raw materials, intermediate goods, components, and finished products, regardless of the sector or country of origin, where **there is reasonable ground to believe** that such goods were mined, extracted, produced, manufactured, harvested, processed, assembled, packaged, handled, or transported wholly or in part through forced labor.

It should be noted that the JAO regulates only the importation of goods into the Philippines. Unlike some foreign regimes (e.g., the EU Forced Labour Regulation, which also covers exports), the JAO does not prohibit the exportation of goods from the Philippines, nor does it apply to goods produced and sold within the Philippines.

Under Section 3(b) of the JAO, “forced labor” is defined as “all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily,” as defined by the International Labour Organization (ILO). This definition substantially follows Article 2(1) of the ILO Forced Labour Convention, 1930 (No. 29), which the Philippines has ratified. Accordingly, the key elements are (i) the threat of a penalty and (ii) the absence of a voluntary offer by the person concerned, and ILO guidance (such as the ILO Indicators of Forced Labour) may serve as a useful reference in assessing whether these elements are present.

The JAO covers:

- a. All importers, consignees, brokers, and other persons involved in the importation of goods into the Philippines; and

- b. All imported goods entering the Philippines, including areas designated by law as special and/or economic zones, whether for consumption, warehousing, processing, distribution, resale, or other commercial purposes.

The JAO however is not applicable to goods shipped prior to its effectivity (15 days after its publication in the Official Gazette or in a newspaper of general circulation), as evidenced by the Bill of Lading, Airway Bill, or equivalent transport document.

III. Inter-Agency Committee and Its Powers

The JAO created an Inter-Agency Committee for the Investigation of Imports Produced by Forced Labor (Committee), which is chaired by the DTI, with the DOLE as Vice-Chairperson and the DOF, the Bureau of Customs (BOC), the Board of Investments (BOI), and the Philippine Economic Zone Authority (PEZA) as members.

The Committee has, among others, the power to: (i) receive, evaluate, and act upon complaints, referrals, and information concerning imported goods suspected of having been produced wholly or in part through forced labor; (ii) conduct or coordinate investigations, request relevant information and documents from concerned parties and government agencies, and evaluate evidence; and (iii) endorse its findings and recommendations to the BOC and other competent authorities for appropriate action (Section 4.1).

It should be noted that the Committee itself does not prohibit importation. Its functions are investigative, coordinative, and recommendatory, and the actual prohibition of importation is to be implemented by the BOC and other competent authorities based on the Committee's findings.

IV. Investigation Procedure

A. Initiation of Investigation

The Committee may initiate an investigation upon the submission to the Chairperson of: (a) a complaint filed by any natural or juridical person; (b) a referral from any government agency; (c) information received from foreign governments, international organizations, labor organizations, civil society organizations, or other credible sources; or (d) information obtained through its own monitoring and intelligence activities (Section 5).

Thus, an investigation may be triggered not only by government agencies, but also by private parties such as competitors and NGOs, as well as by foreign governments. However, all complaints, referrals, or information submitted to the Committee "shall be accompanied by supporting information, documents, or evidence sufficient to establish reasonable grounds for the conduct of an investigation." Accordingly, an unsubstantiated allegation alone should not, in principle, be sufficient to trigger an investigation.

B. Notice and Opportunity to Respond

An importer subject of an investigation shall be notified by the Committee and shall be given fifteen (15) working days from receipt of the notice to submit "a written explanation and supporting documents demonstrating that the imported goods were not produced wholly or in part through forced labor" (Section 6).

In effect, the importer is expected to affirmatively demonstrate the absence of forced labor in its supply chain within a relatively short period. It may be difficult to meet this deadline if the importer starts collecting documents from its overseas suppliers only after receiving the notice.

C. Investigation Findings and Customs Enforcement

Upon completion of the investigation, the Committee shall prepare a report of its findings and recommendations. Where “substantial evidence exists that imported goods were produced wholly or in part through forced labor,” the Committee shall endorse the findings to the BOC and other competent authorities “for the prohibition of the importation of such goods,” in accordance with customs laws and other applicable rules and regulations (Section 7).

Notably, the JAO applies different standards at different stages. The coverage of the JAO (Section 2) and the initiation of an investigation (Section 5) are based on “reasonable ground(s),” whereas the endorsement for the prohibition of importation requires “substantial evidence that imported goods **were produced** wholly or in part through forced labor”, and it looks insufficient with “reasonable ground(s).” The JAO does not explain how these standards will be applied in practice, including the kind and degree of evidence that would be considered sufficient, and it remains to be seen whether the implementing guidelines will clarify this point.

What Actions Should Foreign Companies Do?

The JAO directly applies to importers and other persons involved in the importation of goods into the Philippines, including companies located in economic zones (e.g., PEZA-registered enterprises importing raw materials and components), while foreign companies exporting goods to the Philippines may also be indirectly affected, as Philippine importers may request supply chain documentation from them. Foreign companies exporting goods to or operating within the Philippines must ensure that its supply chain of goods, including all raw materials and sub-components, comply with international labor standards and are not produced wholly or partially through forced labor, in order to avoid their goods being prohibited from importation into the Philippines.

Considering the short period of fifteen (15) working days to respond to a notice from the Committee, foreign companies are advised to maintain all available records and documentation of the processing and manufacturing of its goods as evidence in case it is ever called for an investigation by the Inter-Agency Committee. They should also await the implementing guidelines to be issued by the DTI, DOLE, DOF, and BOC to confirm the streamlined procedure and investigation process in case of any complaints.

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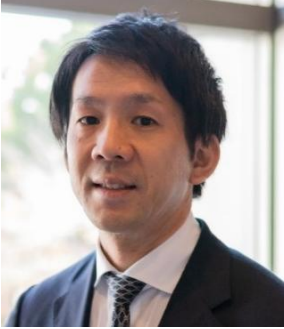
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