

Aspects of Philippine Law and Jurisprudence on Service Contracting Arrangements

Dennis G. Soliven

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This Article examines the Labor Code and its Implementing Rules which deal with service contracting arrangements. The two types of such arrangements are job contracting and labor-only contracting, the latter prohibited by the Implementing Rules. The Author concludes, as taken from the PBC Case (146 SCRA 374), that the most important factor to consider in determining whether an arrangement is a prohibited labor-only contracting or permissible job contracting arrangement is whether or not the contractor carries on an independent business and undertakes the contracted work on his own account, free from the control and direction of his employer or principal in all matters connected with the performance of the work except as to the results thereof.