

JAPAN P&I NEWS

No.789-15/12/9

To the Members

Dear Sirs,

Philippines – Seafarers Protection Act Signed into Law

We have obtained information about a new law “An Act Protecting Seafarers Against Ambulance Chasing and Imposition of Excessive Fees and Providing Penalties Therefor” (simply called the Seafarers Protection Act), from our correspondents in the Philippines, Del Rosario Pandiphil Inc. Please find the attached their circular.

The Act recognizes that seafarers, who have suffered disability or death, have fallen victims to an unfair scheme where unscrupulous lawyers promise them huge monetary award in exchange for exorbitant fees and intends to put an end to such situation.

Yours faithfully,

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Attachment: Information provided by Del Rosario Pandiphil Inc.

Link to the Act: <http://www.gov.ph/2015/11/26/republic-act-no-10706/>

Seafarers Protection Act signed into law

On 26 November 2015, the President of the Republic of the Philippines signed into law Republic Act No. 10706 which is “An Act Protecting Seafarers Against Ambulance Chasing and Imposition of Excessive Fees and Providing Penalties Therefor” or simply called the Seafarers Protection Act.

The Act recognizes that seafarers, who have suffered disability or death, have fallen victims to an unfair scheme where unscrupulous individuals promise them huge monetary award in exchange for exorbitant fees.

The Act now prohibits any person to engage in ambulance chasing or the act of soliciting, personally or through an agent, from seafarers or their heirs, the pursuit of any claim against their employers for the purpose of recovery of monetary claim or benefit including legal interest arising from accident, illness or death, in exchange for an amount or fee which shall be retained or deducted from the monetary claim or benefit granted to or awarded to the seafarer or their heirs.

When a contract or arrangement is entered into between a seafarer and/or his heirs and a party representing them on the claim where such representative would be entitled to fees, such fees shall not exceed 10% of the compensation or benefit awarded to the seafarer or his heirs.

Any person who violates Section 3 of the Act (Prohibition on Ambulance Chasing) shall be punished by a fine not less than PHP50,000.00 but not more than PHP100,000.00 or imprisonment of not less than 1 year but not more than 2 years or both fine and imprisonment. The same penalties shall be imposed upon any person who shall be in collusion in the commission of the prohibited act.

The Act will take effect on 16 December 2015 although the Secretary of Labor and Employment, in coordination with the Maritime Industry Authority and the Philippine Overseas Employment Administration, were still tasked to promulgate the necessary rules and regulations for the effective implementation of the Act.

Author’s Note: Criminal liability is limited only to violation of “Ambulance Chasing”. There is no criminal sanction if violation is based on Section 4 or the provision on “Imposition of Excessive Fees”. However, in promoting the interest and welfare of the Filipino seafarers, the encouraging effects of the law may be summarized as follows: (a) the seafarer, as compared to the existing practice, cannot anymore be legally required to pay their lawyers or attorney’s fees more than 10% of the total amount received, either by way of amicable settlement or an amount awarded by the labor courts; and (b) a limited amount to be paid as attorney’s fees would mean additional amount of compensation to be received by the seafarers.

By: **Ruben Del Rosario, President, Del Rosario Pandiphil Inc.**

<http://delrosario-pandiphil.com/>