REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

RECEIVED
MAR 04 2020
RECORDS MGT. DIVISION

February 11, 2020

REVENUE MEMORANDUM CIRCULAR NO. 19-2020

SUBJECT : Publishing the Daily Minimum Wage Rates in Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) under Wage Order No. BARMM-01

TO : All Internal Revenue Officials, Employees and Others Concerned

---

For the information and guidelines of all internal revenue officers, employees and others concerned, we are publishing Wage Order No. BARMM-01 which was issued on November 13, 2019 and published at Mindanao Expose' on December 17, 2019:

WAGE ORDER NO. BARMM-01

PROVIDING FOR A NEW MINIMUM WAGE INCREASE FOR NON-AGRICULTURE AND AGRICULTURE SECTORS IN THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

WHEREAS, per R.A. 6727, otherwise known as the Wage Rationalization Act, the Bangsamoro Tripartite Wages and Productivity Board is mandated to determine and fix the minimum wage rates applicable in the Bangsamoro Region;

WHEREAS, the Regional Wage Board in the defunct ARMM issued the last Wage Order No. ARMM-17 providing for a basic increase at P 15.00/day for both Non-Agriculture and Agriculture Sectors, making the Minimum Wage Rates at P 280.00/day and P 270.00/day respectively which took effect last June 15, 2018; while the Regional Wage Board XII issued Wage Order No. 20 providing for a basic wage increase of P16.00/day for Non-Agriculture and P18.00/day for Agriculture, Retail and Service Establishments making the Minimum Wage Rates at P 311.00/day and P 290.00/day respectively which took effect last May 11, 2018;

WHEREAS, the Bangsamoro Tripartite Wages and Productivity Board (BTWPB-BARMM), by *motu propio*, conducted Public Consultations/Dialogues with the Tripartite Sectors region wide on September 11, 2019 (for Maguindanao) at Em Manor Hotel Cotabato City; September 12, 2019 (for Cotabato City and the 63 Barangays in North Cotabato) at Pagana Kutawato Restaurant, Cotabato City; September 18, 2019 (for Marawi City and Lanao del Sur) at Ayala Resort Hotel, MSU Campus, Marawi City, September 21, 2019 (for Basilan, Sulu and Tawi-Tawi) at Grand Astoria Hotel, Zamboanga City, and Consultation/Dialogue with the Employers Sector in Cotabato City last October 28, 2019 at Royal Hall, Pagana Kutawato Restaurant, Cotabato City;

WHEREAS, after the conduct of said public consultations, BTWPB-BARMM made the following assessments, to wit:

a) That both the EMPLOYERS and WORKERS support a minimum wage increase for all sectors;
b) That the EMPLOYERS shall continue to develop and improve their policies on non-wage benefits, bonuses and other related incentives;
c) That all sectors supported the productivity based scheme on the company level, in a form of income augmentation;
d) That the BARMM, under the leadership of Interim Chief Minister AHOD BALAWAG EBRAHIM, intends to primarily address poverty reduction by encouraging more investors to come, generation of employment opportunities, productivity improvement through skills trainings, and strategize proper utilization of mineral resources for economic and industrial development;

WHEREAS, Section 2, Article V of Republic Act No. 11054 provides that the Bangsamoro Government shall execute its authority over, among others, "labor, employment, and occupation," without prejudice to the general supervision of the President of the Republic of the Philippines. Relatedly, Section 10, Article IX of the same law, guarantees the rights of workers to, among others, security of tenure, humane conditions of work, and a living wage. Thus, with the effectivity of Republic Act No. 11054, Cotabato City and the 63 Barangays in North Cotabato form part of the BARMM in which any Minimum Wage issuance, and other related concerns on wages and productivity shall eventually be integrated in the New Wage Order issued by BTWPB-BARMM, and henceforth;

Section 1. New Minimum Rate. Upon effectivity of this Wage Order, all minimum wage earners of the private sector in BARMM shall receive a basic wage increase of **TWENTY PESOS (P 20.00)** per day for the Provinces of Maguindanao, Lanao del Sur, Basilan, Sulu, Tawi-Tawi and Cities of Marawi and Lamitan; **FOURTEEN PESOS (P14.00/day)** for the Non-Agriculture Sector and **TEN PESOS (P10.00/day)** for the Agriculture Sector in Cotabato City and 63 Barangays in North Cotabato respectively.

The NEW MINIMUM WAGE RATES of the covered workers in the private sector shall be as follows:

FOR PROVINCES OF MAGUINDANAO, LANAO DEL SUR, BASILAN, SULU, TAWI-TAWI AND THE CITIES OF MARAWI AND LAMITAN

Sector/Industry	Minimum Wage Under W.O. No. ARMM-17	Basic Wage Increase	New Minimum Wage Under W.O. NO. BARMM-01
A. Non – Agriculture (Industrial/Manufacturing/ Construction/Commercial /Mining/Academe)	P280.00/day	P20.00/day	P300.00/day
B. Agriculture • Plantation • Non-Plantation	P270.00/day	P20.00/day	P290.00/day

FOR COTABATO CITY AND THE 63 BARANGAYS IN NORTH COTABATO

Sector/Industry	Minimum Wage Under W.O. No. 20(Region 12)	Basic Wage Increase	New Minimum Wage Under W.O. No. BARMM-01
A. Non – Agriculture (Industrial/Manufacturing/ Construction/Commercial /Mining/Academe)	P311.00/day	P14.00/day	P325.00/day
B. Agriculture • Plantation • Non-Plantation	P290.00/day	P10.00/day	P300.00/day

Section 2. Coverage. This Wage Order applies to all minimum wage earners in the region, except family drivers, those employed in the personal service of another, and workers in registered Barangay Micro Business Enterprises with Certificates of Authority pursuant to R. A. 9178.

Section 3. Productivity Based Wages. In order to sustain rising levels of wages and enhance competitiveness, business establishments are encouraged strongly to adopt productivity improvement tools, Labor Management Cooperation, as well as implementing gain-sharing programs that will provide more incentives to the workers through increased productivity. Accordingly, the Board shall provide the necessary studies and technical assistance pursuant to Republic Act No. 6971 or the Productivity Incentives Act of 1990".

Section 4. Basis of Minimum Wage. The minimum basic wage rates prescribed under this Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 5. Workers Paid by Results. All workers paid by results, including those who are paid on piecework, "takay", "pakyaw" or task basis, shall be entitled to receive the prescribed minimum basic wage rate per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours work a day.

All recognized learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically modified insofar as their wage clauses are concerned to reflect the new prescribed wage rates.

All qualified handicapped workers shall receive the full amount of increase in this Order pursuant to R. A. 7277.

Section 7. Application to Private Educational Institution. In the case of private educational institutions, the share of covered workers and employees in the increase of tuition fees for school year 2019-2020 shall be considered as compliance with the minimum basic wage increase set forth herein; provided, that if such minimum basic wage increase is less than the prescribed adjustment, the employer shall pay the difference in the school year 2020-2021.

Private educational institutions which have not increased their tuition fees for the school year 2019-2020, may defer compliance with the provisions of this Order until the beginning of School Year 2020-2021.

In any case, all private educational institutions shall implement the Minimum Basic Wage increase prescribed herein starting School Year 2020-2021.

Section 8. Appeal to the Commission. Any party aggrieved by this Wage Order may file a verified appeal with the Commission through the Board within ten (10) calendar days from the publication of this Order.

Section 9. Effect of Filing of Appeal. The filing of the appeal does not operate to stay the Order unless the party appealing such Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for payment of the corresponding basic wage increase to employees affected by the Order, in the event such Order is affirmed.

Section 10. Exemptions. Upon application with and as determined by the Board, in accordance with the NWPC Guidelines No. 02, Series of 2007 (The Amended Rules on Exemption), the following may be exempted from the applicability of this Wage Order:

a. Retail and Service Establishments regularly employing not more than 10 workers.
b. Distressed Establishments;
c. New Business Enterprises; and
d. Establishments adversely affected by calamities such as Natural and Human-Induced Disasters.

Section 11. Complaints for Non-Compliance. Complaints for non-compliance with this Order shall be filed with the Ministry of Labor and Employment (MOLE) having jurisdiction over the workplace and shall be subjected to the mandatory thirty (30) day conciliation and mediation process under Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Article 128 and 129 of the Labor Code as amended.

Section 12. Non-Diminution of Benefits. Nothing in this Order shall be construed to reduce any existing wage rates, allowances and benefits of any form under existing laws, decrees, issuances, executive orders and/or under any contract or agreement between the workers and employers.

Section 13. Penal Provision. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to comply to this Order, shall be subjected to the penal provisions under R. A. 6727, as amended by R. A. 8188.

Section 14. Prohibition Against Injunction. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceedings before the Board.

Section 15. Freedom to Bargain. This Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages with their respective employers.

Section 16. Reporting Requirement. Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2020 and every year thereafter in accordance with the form prescribed by the Ministry.

Section 17. Repealing Clause. All orders, issuances, rules and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended, or modified accordingly.

Section 18. Separability Clause. If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 19. Implementing Rules. The Board shall prepare the necessary Rules to implement this Order subject to approval of the Interim Chief Minister of BARMM.

Section 20. Effectivity. This Order shall take effect fifteen (15) days after publication in at least one (1) newspaper of general circulation in the region.

Approved this **13th** day **of November, 2019,** Cotabato City, Bangsamoro Region, Philippines.

HON. JONATHAN P. ACOSTA
Workers' Representative

HON. ATTY. JOSEPH B. GO, JR.
Employers' Representative

HON. JOVAL C. MAQUINTO
Workers' Representative

HON. DATU HARON U. BANDILA
Employers' Representative

HON. MOHAJIRIN T. ALI
Vice Chairperson
Executive Director, BPDA-BARMM

HON. ABUAMRI A. TADDIK
Vice Chairperson
Minister, MTIT-BARMM

HON. MP ROMEO K. SEMA
Board Chairperson
Minister, MOLE-BARMM

Attested by:

LILIAN RUTH C. CABANBAN
Board Secretary VI

All concerned are hereby enjoined to be guided accordingly and to give this Circular as wide a publicity as possible.

BUREAU OF INTERNAL REVENUE
RECEIVED
MAR 04 2020
RECORDS MGT. DIVISION

CAESAR R. DULAY
Commissioner of Internal Revenue

033295

BUREAU OF INTERNAL REVENUE
INTERNAL COMMUNICATIONS DIVISION

J-5