

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

13th Congress
First Regular Session

HOUSE BILL NO. 3781



Introduced by Representative Harlin Cast. Abayon

EXPLANATORY NOTE

The attached proposed bill seeks to govern remittances of foreign exchange earnings of overseas Filipino workers to their families, dependents and/or beneficiaries so as to effect and ensure that they are coursed through official financial institutions of the Philippine Government or their authorized agents.

Enactment of the bill into law will protect the welfare of families, dependents and beneficiaries of Filipino workers abroad and to ensure that the foreign exchange earnings of these workers are remitted through authorized financial institutions of the Philippine Government in line with the country's economic development program.

Non-compliance with these aforesaid laws and regulations of using unauthorized and unofficial financing institutions has led to the detriment of the country's balance of payments and economic development program.

It is therefore, imperative that the mandatory remittance requirement be fully complied with by all concerned through the institutions of appropriate remittance facilities and the imposition of effective sanctions.

Hence, approval of the bill is earnestly requested.


HARLIN CAST. ABAYON

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AN ACT

GOVERNING THE REMITTANCES TO THE PHILIPPINES OF FOREIGN EXCHANGE EARNINGS OF FILIPINO WORKERS ABROAD TO ENSURE THAT THE FOREIGN EXCHANGE EARNINGS OF THESE WORKERS ARE REMITTED THROUGH AUTHORIZED FINANCIAL INSTITUTIONS OF THE PHILIPPINE GOVERNMENT OR THEIR AUTHORIZED AGENTS AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. It shall be mandatory for every Filipino contract worker abroad to remit regularly a portion of his foreign exchange earnings to his beneficiary in the Philippines through the Philippine Banking System. Licensed agencies and other entities authorized by the Philippine Overseas Employment Administration to recruit Filipino workers for overseas employment are similarly required to remit their workers' earnings as provided for in this Act.

SEC. 2. All contracts of employment and agency or service agreements submitted to the Philippine Overseas Employment Administration shall contain a proviso that shall make it mandatory for workers to remit to the Philippines in foreign exchange at least the following portions of their earnings

- a.) Seamen or mariners: Eighty percent (80%) of basic salary;
- b.) Workers of Filipino contractors and construction companies: Eighty percent (80%) of basic salary;
- c.) Doctors, engineers, teachers, nurses and other professional workers whose contract provide for free board and lodging: Eighty percent (80%) of basic salary;
- d.) All other professional workers whose employment contracts do not provide for free board and lodging facilities: Sixty percent (60%) of basic salary;
- e.) Domestic and other service workers: Sixty percent (60%) of basic salary;
- f.) All other workers not falling under the aforementioned categories: Sixty percent (60%) of basic salary;

SEC. 3. Passports issued to Filipino contract workers shall have an initial period of validity of one (1) year provided that the Department of Foreign Affairs may adjust, as circumstances may require, the initial passports validity period. The passports shall be renewable every year upon submission of usual requirements and presentation of documentary proof of compliance to the remittance requirement in the percentages provided for in this Act. The Department of Foreign Affairs shall not extend or renew the passport of any contract worker unless proof of his compliance with the mandatory remittance requirement is submitted.

SEC. 4. The Philippine Overseas Employment Administration shall not approve the renewal of employment contracts and agency or service agreements unless proof of remittance is submitted.

SEC. 5. For purposes of this Act, proof of compliance with the mandatory remittance requirement as mentioned in Section one hereof, may consist of any of the following documents or such alternative as may be approved by the Central Bank of the Philippines showing that the contract worker had in fact effected aforesaid remittance and had caused the surrender of the same for pesos through the Philippine Banking System:

- a.) Bank receipt evidencing the actual conversion of their foreign exchange earnings into pesos in the Philippines;
- b.) Certification from employer, duly authenticated, that remittance has been effected;
- c.) Certification as to the surrender for peso to the Philippine Banking System; and
- d.) Receipt of International Postal Money Order.

SEC. 6. Remittance of foreign exchange earnings may be undertaken individually by the contract worker or collectively through the employer under a payroll deduction scheme, in accordance with Central Bank regulations and applicable guidelines.

SEC. 7. As a prerequisite for accreditation by the Philippine Overseas Employment Administration, an employer shall commit to provide facilities to effect the remittances and monitoring of foreign exchange earnings of Filipino workers in his employ.

SEC. 8. The Central Bank of the Philippines shall cause necessary arrangements to be made with the appropriate financing institutions to handle the remittances called for in this Act. In the absence of appropriate banking facilities, the Embassy or Consulate nearest to the job site, in accordance with local laws and regulations, may act in the interim as the channel for remittance of foreign exchange earnings. The Department of foreign Affairs shall immediately inform the Central Bank of the Philippines these arrangements and shall remit all funds thereto.

SEC. 9. Contract workers who fail to comply with the requirements of this Act shall be suspended or excluded from the list of eligible workers for overseas employment. In cases of subsequent violations, he shall be repatriated from the job site at the expense of the employer or at his expense, as the case may be.

Filipinos of foreign employers and/or their representatives who fail to comply with the requirements under this Act shall be excluded from the overseas employment program. In the case of local private employment agencies and entities, failure to comply with the provisions hereof shall be a ground for cancellation of their license or authority to recruit workers for overseas employment, without prejudice to their liabilities under existing laws and regulations.

SEC. 10. The Philippine Overseas Employment Administration and the Department of Foreign Affairs and the Central Bank of the Philippines shall draw up the necessary rules and procedures for the proper implementation of this Act within ten (10) days from the approval hereof.

SEC. 11. Any provision of laws, decrees, orders, rules and regulations inconsistent herewith are hereby repealed or modified accordingly.

SEC. 12. This Act shall take effect fifteen (15) days after its publication in two (2) national papers of general circulation.

Approved,
