

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. **7932**



Introduced by REP. JOEY SARTE SALCEDA

AN ACT
ESTABLISHING AN OVERSEAS FILIPINO WORKER INVESTOR ADVOCATE
IN THE OVERSEAS WORKERS WELFARE ADMINISTRATION,
AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Overseas Filipino Worker (OFW) remittances account regularly for 8-12 percent of Gross Domestic Product (GDP). In 2019, the figure stood at USD 33.5 billion, or 9.3 percent of GDP. These remittances have buoyed the urban property markets, as these are seen as tangible and relatively safe investments for OFW finances.

Clearly, OFW remittances can be channeled towards even more productive assets. While real property is a store of appreciating value, it is not always the most productive stream of income. OFW remittances, if channeled correctly, can boost the country's capital markets and contribute more towards productive industries, while providing potentially greater returns to OFWs and their families.

OFWs appear to be in search of more productive investments. With the emergence of the internet, however, and with OFWs looking for more attractive returns on investment, thousands of our migrant workers are scammed out of their hard-earned money every year.

Hard-earned remittances from OFWs should be managed better, and given their outsize importance in keeping the ship of the state tight, the government has at least some responsibility in providing reliable information on investments and protection from fraudulent investment schemes.

This bill proposes that the Overseas Workers Welfare Administration (OWWA) be given the additional mandate of providing investment counselling services and protection against fraud for OFW-members.

Under this measure, there will be established under OWWA an Office of OFW Investor Advocacy, who shall protect OFWs from potentially fraudulent investment schemes, help OFW retail investors in resolving significant problems such investors may have with the SEC, or with other regulatory agencies, provide OFWs with reliable advice on investing in safe investments with reasonable returns, work with the Securities and Exchange Commission

(SEC) and the Bangko Sentral ng Pilipinas (BSP) in promoting financial literacy among OFWs, and perform other functions that will help keep OFW remittances in safe investments.

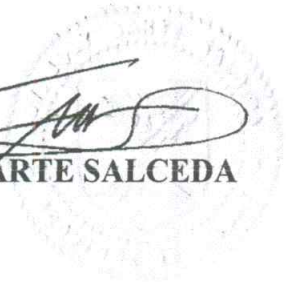
The Office will also administer an OFW investor hotline to help OFWs determine whether certain investment propositions are safe and secure.

Combined, OFW remittances are larger than foreign direct investment inflows of the country. OFWs as investors are a sleeping economic giant that could be awakened with proper information and guidance. This bill, a small public investment in OFW welfare, could have outsize economic benefits.

In view of the foregoing, the approval of this bill is urgently sought.



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

SECTION 1. Title. – This Act shall be known as the “OFW Investor Protection Act.”

SEC. 2. Objectives. – This Act aims to protect the financial wellbeing and security of Overseas Filipino Workers (OFWs) and assist them in transitioning from overseas employment by providing them with free investor protection and counseling services under the Overseas Workers Welfare Administration (OWWA).

SEC. 3. Investment Advise Services to Overseas Workers. – Section 35 of Republic Act No. 10801 is hereby amended to read as follows:

SECTION 35. Benefits and Services to OFWs. –

(a) Reintegration of OFWs. – The reintegration of OFWs, taking into consideration the needs of women migrant workers, shall be one of the core programs of the OWWA. In this regard, and for purposes of policy and program coordination, the National Reintegration Center for OFWs created under Republic Act No. 10022 shall be an attached office of the OWWA. It shall be headed by an Executive Director who shall be under the supervision of the OWWA Administrator.

To be able to sustain the viability of this program, not less than ten percent (10%) of OWWA’s collection of contribution for the immediately preceding year shall be allocated annually for the reintegration program.

(b) Repatriation Assistance. – Consistent with the provisions of Republic Act No. 8042, as amended, the OWWA shall assist the Department of Foreign Affairs in providing OFWs with services necessary to facilitate repatriation, as may be required.

(c) Loan and Other Credit Assistance. – The OWWA shall provide low-interest loans to member-OFWs. It shall have the authority to hire experts in finance or banking to assist in implementing the said loan programs.

(d) **Workers Assistance and On-site Services.** – The OWWA shall sustain and maintain assistance to member-OFWs in all its overseas and regional offices. Services shall be gender-responsive and shall include information regarding the names, occupation/job categories and addresses of the member-OFWs; legal assistance providing guidance and information on protection of migrant rights, including the prevention of gender-based violence; developing materials for the predeparture orientation seminars; conducting psycho-social counseling services; conciliation services; appropriate services and intervention for victims of gender-based violence, and outreach missions, among others. The OWWA shall likewise make competent representations with employers, agents, and host government authorities to assist member-OFWs in obtaining relief from grievances and work-related issues, including claims for unpaid wages, and illegal recruitment cases among others.

(e) **Social Benefits.** – A member-OFW shall be covered with the following social benefits:

(1) **Death and Disability Benefits:**

- i. **Death Benefits.** – A member shall be covered with life insurance for the duration of his or her employment contract. The coverage shall include one hundred thousand pesos (P100,000.00) for natural death and two hundred thousand pesos (P200,000.00) for accidental death;
- ii. **Disability and Dismemberment Benefits.** – Disability and dismemberment benefits shall be included in a member's life insurance policy, as provided for in the impediment schedule contained in the OWWA Manual of Systems and Procedures. The coverage is within the range of two thousand pesos (P2,000.00) to fifty thousand pesos (P50,000.00);
- iii. **Total Disability Benefit.** – In case of total permanent disability, a member shall be entitled to one hundred thousand pesos (P100,000.00); and
- iv. **Burial Benefit.** – A burial benefit of twenty thousand pesos (P20,000.00) shall be provided in case of the member's death.

Based on actuarial studies, the Board may increase the amount of the abovementioned benefits.

(2) **Health Care Benefits.** – Within two (2) years from the effectivity of this Act, the OWWA shall develop and implement health care programs for the benefit of member-OFWs and their families, taking into consideration the health care needs of women as provided for in Republic Act No. 9710, or the Magna Carta of Women, and other relevant laws.

(3) **Education and Training Benefits.** – A member, or the member's designated beneficiary, may avail any of the following scholarship programs, subject to a selection process and accreditation of participating institutions:

- i. **Skills-for-Employment Scholarship Program.** – For technical or vocational training scholarship;
- ii. **Education for Development Scholarship Program.** – For baccalaureate programs; and

- iii. Seafarers' Upgrading Program. – To ensure the competitive advantage of Filipino seafarers in meeting competency standards, as required by the International Maritime Organization (IMO), International Labor Organization (ILO) conventions, treaties and agreements, sea-based members shall be entitled to one upgrading program for every three (3) membership contributions.

The annual scholarship lists of all these programs shall be submitted to the Board.

(F) INVESTMENT AND ANTI-FRAUD ADVICE. – A MEMBER-OFW AND/OR HIS/HER IMMEDIATE FAMILY MAY AVAIL OF INVESTMENT AND ANTI-FRAUD ADVICE, REFERRAL SERVICES, AND CONSULTATION FREE OF CHARGE FROM OFFICE OF OFW INVESTOR ADVOCACY CREATED IN THIS ACT.

SEC. 4. *Office of the OFW Investor Advocacy.* – There is established under the Office of the Commissioner the Office of the OFW Investor Advocacy, hereinafter referred to as the "Office."

In general, the head of the Office shall be the OFW Investor Advocate, who shall report directly to the Administrator; and be appointed by the Administrator, from a list of three (3) nominees submitted by the Chairman of the Securities and Exchange Commission (SEC), from among individuals having experience in advocating for the interests of investors in securities and investor protection issues, from the perspective of Overseas Filipino Workers (OFWs) and retail investors.

The annual rate of pay for the OFW Investor Advocate shall be equal to the highest rate of annual pay of a Deputy Administrator.

SEC. 5. *Limitation on service.* – An individual who serves as the Investor Advocate may not be employed by the Commission during the two-year period ending on the date of appointment as Investor Advocate; or during the five-year period beginning on the date on which the person ceases to serve as the Investor Advocate.

SEC. 6. *Staffing.* – The Investor Advocate, after consultation with the Administrator of the OWWA, may retain or employ independent counsel, research staff, and service staff, as the Investor Advocate deems necessary to carry out the functions, powers, and duties of the Office, notwithstanding relevant laws, rules, and regulations.

SEC. 7. *Functions of the OFW Investor Advocate.* – The Investor Advocate shall:

- 1) Protect OFWs from potentially fraudulent investment schemes;
- 2) Assist OFW retail investors in resolving significant problems such investors may have with the SEC, or with other regulatory agencies;
- 3) Provide OFWs with reliable advice on investing in safe investments with reasonable returns;
- 4) Administer a hotline that OFWs may refer to for queries on the safety and veracity of certain investment products and propositions;
- 5) Identify, with the advice of the SEC, potentially fraudulent activities which may harm OFWs;

- 6) Proactively take measures to ensure that OFWs direct finances towards reliable investments;
- 7) Collaborate with the SEC and the Bangko Sentral ng Pilipinas (BSP) to enhance the financial literacy of OFWs;
- 8) Introduce OFWs to reliable financial products that could improve their financial security;
- 9) Advise OFWs on forms of investment and enterprise that they could transition to after their employment abroad; and
- 10) Perform such other functions as may be assigned by the Administrator, or as may be inherent in his/her role as the state's financial adviser for OFWs.

SEC. 8. *Access to documents.* – The SEC and BSP shall ensure that the OFW Investor Advocate has full access to the documents of the SEC, the BSP, and any self-regulatory organization, as necessary to carry out the functions of the Office.

SEC. 9. *Report to Congress.* – Not later than June 30 of each year after the effectivity of this Act, the OFW Investor Advocate shall submit to the House Committee on Overseas Workers Affairs, the House Committee on Banks and Financial Intermediaries, the Senate Committee on Labor, Employment and Human Resource Development, and the Senate Committee on Banks, Financial Institutions and Currencies a report on the objectives of the Investor Advocate for the following fiscal year, and the accomplishments of the Office during the previous year.

Each report required shall contain full and substantive analysis and explanation, information on steps that the Office has taken during the reporting period to improve OFW investor services and financial welfare, and the responsiveness of the Office to OFW investor concerns; a summary of the most serious problems encountered by OFW investors during the reporting period; recommendations for such administrative and legislative actions as may be appropriate to resolve problems encountered by investors; and any other information, as determined appropriate by the OFW Investor Advocate.

No report required under this Section may contain confidential information.

SEC. 10. *Appropriation from the National Government.* – The amount needed to carry out the initial implementation of this Act shall be charged against the current operative budget sourced from the internal funds of the OWWA. Thereafter, such sum representing the responsibility of the National Government for the continued operations and maintenance of the Office shall be included in the annual General Appropriations Act (GAA).

Congress shall annually appropriate the necessary amount to meet the funding requirement for personal services (PS) and the maintenance and other operating expenses (MOOE) of the Office. Nothing in this Act shall prevent the National Government from allocating funds for the operation or implementation of any of the programs or services stated herein, including the budget for capital outlay (CO).

SEC. 11. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the OWWA Board, in consultation with the BSP and the SEC, shall promulgate the rules and regulations implementing the provisions of this Act. The implementing rules and regulations issued pursuant to this section shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

SEC. 12. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in full force and effect.

SEC. 13. *Repealing Clause.* – All other laws, decrees, executive orders, rules and regulations inconsistent with the provisions of this Act are hereby repealed.

SEC. 14. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,