

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

**NINETEENTH CONGRESS**  
First Regular Session

House Bill No. 361



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**INTRODUCED BY REPRESENTATIVE MARISSA "DEL MAR" P. MAGSINO**

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**AN ACT**  
**PENALIZING CERTAIN ACTS IN THE IMPOSITION OF EXCESSIVE**  
**PLACEMENT FEES AGAINST OVERSEAS FILIPINO WORKERS**

**EXPLANATORY NOTE**

When we hear stories of Overseas Filipino Workers (OFWs), we often hear about the success chapters. The rags to riches tale that underdogs from a developing country are enthusiastic to hear. We love to admire houses made of wood slowly get erected in concrete, with flourishing gardens and filled car ports to boot.

But that is the fairytale behind the struggle. What we fail to sit down and talk about are the struggles that come along with the triumphs. How they are forced to pawn their personal possessions to comply with employment requirements, how they take their cows for one last stroll in their backyard before they are sold for quick cash, how their lands are put up in the market, so they pay for plane tickets. These are the realities that the fantasy often overshadows.

We rarely talk about the exorbitant placement fees that many hopeful Filipinos must pay as a necessary step they have to take if they are to take the trip that will change their lives. Under the current system, recruitment agencies licensed by the Philippine Overseas Employment Administration (POEA) are allowed to charge placement fees for their services in the amount not exceeding one (1) month's worth of the OFW's basic salary.

Despite the ceiling, reports from OFWs have revealed that not all recruitment agencies comply with the standards. In fact, some collect even as much as three (3) to four (4) times their monthly basic salary. Excessive fees can run OFWs up to six (6) digits, causing them to be neck-deep in debts even before they leave the country.

We cannot allow this abuse to persist. If we want to encourage more Filipinos to seize opportunities abroad which would not only help them improve their lives, but would certainly help in boosting the Philippines' economy, we must craft measures that would aid them and protect them.

This proposed bill seeks to prohibit collecting placement fees above the standards set. To further protect our OFWs whose desperate need to search for greener pastures make them vulnerable to unbelievable promises from agencies, this bill also seeks to prohibit collecting of placement fees in advance of the offered job's availability.

Because we also heard of sad tales of prospective OFWs who have been victimized by contracts not materializing and yet receiving no refund of the placement fees they have already advanced, this bill also seeks to prohibit the refusal to return such fees collected when deployment does not materialize.

Penalties of imprisonment and/or fine shall also be imposed under this proposed measure for those who commit the prohibited acts under this measure.

We must zealously protect our Filipinos who dream of having a future to look forward to. Their vulnerabilities which have long exposed them to abuses should always be kept in check and reviewed. We must keep adjusting to the demands of the times and responding to the realities of the ground.

For this reason, approval of this measure is earnestly sought.

  
**MARISSA "DEL MAR" P. MAGSINO**

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

1           Section 1. *Short Title.*— This Act shall be known as the “Fair Placement Fees for  
2 OFWs Act”.

3           Section. 2. *Statement of Policy; Prohibited Acts.* The following acts committed by  
4 any person involving and relating to the imposition of placement fees against Overseas  
5 Filipino Workers (OFW), are hereby prohibited:

- 6                   a. Collecting placement fee above the legitimate placement fee fixed and  
7                   determined by the Philippine Overseas Employment Agency (POEA)  
8                   without prejudice to Section 5 hereof;
- 9                   b. Collecting placement fee in advance of the job's availability overseas;
- 10                  c. Not issuing the appropriate receipts for any placement fee collected;
- 11                  d. Not returning any placement fee collected when deployment does not  
12                  materialize;
- 13                  e. Forcing an OFW to issue post-dated checks to guarantee payment of any  
14                  placement fee; and
- 15                  f. Forcing an OFW to borrow money only from designated persons or  
16                  lending institutions.

17           SECTION 3. *Definition of Terms.* For purposes of this Act, placement fee shall  
18 refer to the amount charged by a Private Recruitment and Placement Agency (PRPA) or  
19 any person from a recruit as payment for placement services which shall not exceed the  
20 equivalent of one (1) month salary of the job for which an OFW has been recruited.

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1 SECTION 4. *Penalties.* Commission of any of the following acts in the  
2 immediately preceding Section shall be punished by six (6) years imprisonment or a fine  
3 of One Hundred Thousand Pesos (Php 100,000.00) to Five Hundred Thousand Pesos  
4 (Php 500,000.00), or both, at the discretion of the court.

5 The penalties herein provided shall be treated as separate and distinct from any  
6 liability arising from the same punishable acts in Section 1 hereof.

7 If any of the acts in Section 1 is committed by a corporation, its officers and  
8 directors shall be made liable in the same manner as the employee or person related in  
9 any capacity to the corporation who actually committed the same.

10 Moreover, if any of the acts is committed by a licensed recruitment agency, its  
11 agent or representative, such agency's license shall be automatically revoked with  
12 finality and no longer eligible for reinstatement.

13 SECTION 5. *Implementing rules.* The POEA is hereby mandated to promulgate  
14 the schedule of placement fees abroad together with the implementing rules and  
15 regulations within ten (10) days from the effectivity of this Act.

16 SECTION 6. *Separability Clause.* If any provision or part hereof is held invalid or  
17 unconstitutional, the remainder of the law or the provision not otherwise affected shall  
18 remain valid and subsisting.

19 SECTION 7. *Repealing Clause.* All laws, presidential decrees, executive orders,  
20 proclamations and/or administrative regulations which are inconsistent with the  
21 provisions of this Act are hereby amended, modified, superseded or repealed  
22 accordingly.

23 SECTION 8. *Effectivity Clause.* This Act shall take effect fifteen (15) days from its  
24 publication in the Official Gazette or at least three (3) newspapers of national  
25 circulation.

Approved,