



HOUSE OF REPRESENTATIVES

House Bill No. 593

Introduced by Representative Christian Tell A. Yap

Driven by digital technology and high internet penetration, more Filipinos are choosing freelance jobs. An estimated 1.5 million Filipinos are engaged in freelance ICT-enabled and internet-based employment. According to the 2018 Global Freelancer Insights Report by US-based company Paypal, Philippines has one of the highest freelancers per capita among the 22 countries they surveyed, at around 2% of the population - an estimated 1.5 million freelancers, 65% of which were women, and 72% were aged 24 to 39 years old.

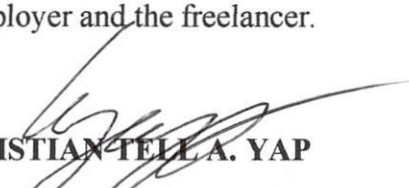
In 2019, Forbes listed the Philippines in 6th place, for the fastest growing market for freelancers, recording a 35% income growth from the previous year.

Freelance work from overseas and flexible working time are among the advantages enjoyed by freelancers in the Philippines, especially at the present where the COVID-19 pandemic has changed the lives of millions of people. As reported by a company of professionals and freelancers called Payoneer, the freelance economy is continuously showing signs of recovery after the pandemic.

According to the latest study of the Philippine Statistics Authority for December 2021, 3.27 million Filipinos are jobless amid the COVID-19 pandemic.

In the wake of this pandemic, it is incumbent upon government to provide alternative employment opportunities to all citizens. The freelancer workers protection act will not only protect the current freelance service workers but will certainly entice the recently unemployed to explore such opportunities due to the fact that freelancers will be protected from unlawful practices through the passage of this measure.

This legislation seeks to provide protection to freelancers by setting the standard requirements in terms of written contracts and payment of salaries between the employer and the freelancer.


CHRISTIAN TELL A. YAP
Representative, 2nd District of Tarlac

HOUSE OF REPRESENTATIVES
House Bill No. **593**

Introduce by Representative Christian Tell A. Yap

AN ACT
PROVIDING PROTECTION TO FREELANCERS, PROVIDING PENALTIES
THEREFOR AND FOR OTHER PURPOSES

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 "Freelance Workers Protection
2 Act."

3
4 **SEC. 2. Declaration of Policy.** - It is the policy of the State to promote gainful
5 employment and decent work, protect all workers from abusive and inhumane conditions of work,
6 and assure their right to just and humane conditions of work. Towards this end, the State shall
7 establish mechanisms to ensure that freelancers are protected from late or non-payment of fees.

8
9 **SEC. 3. Definition of Terms.** - As used in this Act, the following terms shall mean:

10
11 **(a) Freelance worker** refers to any natural person or a One Person Corporation registered with
12 the Securities and Exchange Commission (SEC), or registered as a sole proprietorship with the
13 Department of Trade and Industry (DTI), or registered as self-employed with the Bureau of
14 Internal Revenue (BIR), that is hired or retained as an independent contractor by a hiring party to
15 provide services in exchange for compensation.

16
17 **(b) Local Hiring party** refers to any Philippine-based person or entity who retains a freelance
18 worker to provide any service, particularly through a local agent, hiring website, firm or
19 corporation.

20
21 **(c) Non-local hiring Party** refers to any person or entity not currently registered, domiciled
22 or based in the Philippines who retains a freelance worker through a hiring website, portal or
23 agent.

1
2 **SEC. 4. Required Contract.** - The hiring party and the freelance worker shall enter into
3 a written contract governing the terms of their engagement prior to the commencement of their
4 engagement. The contract shall be in plain language and in a language understood by both parties.
5 Each party to the contract shall retain a copy thereof.
6

7 The written contract shall include at a minimum the following:
8

9 (a) Itemization of all services to be provided by the freelance worker and the rate and method
10 of compensation;
11

12 (b) The date on which the hiring party must pay the compensation or the mechanism by
13 which such due date will be determined;
14

15 (c) The name and registered address of the local hiring party;
16

17 (d) In the case of non-local hiring parties, the name and address of the local agent or
18 representative of the duly-designated hiring firm, website or any duly acknowledged
19 representative based in the Philippines; and
20

21 (e) Any other terms and conditions that govern the performance of the mutual obligations
22 of the parties that are not contrary to good morals, public order and public policy.
23

24 **SEC. 5. Unlawful Payment Practices.** - Except as otherwise provided by law, all
25 compensation earned by the freelance worker shall be paid or provided no later than thirty (30) days
26 after the completion of the freelance worker's services under the contract or the date such payment
27 is due under the express terms of the contract, whichever comes first.
28

29 Once a freelance worker has commenced performance under the contract, no hiring party may
30 require as a condition of payment that a freelance worker accept less than the specified contract
31 price; Provided, That nothing herein precludes the parties from arriving at a settlement in good faith
32 of a dispute regarding the performance under the contract or from agreeing to a modification of the
33 contract in accordance with other applicable laws.
34

35 **SEC. 6. Civil Penalties.** - Any person found to have violated this Act or any rule or
36 regulation promulgated in relation to this Act is liable for a civil penalty of not more than Two
37 Hundred Fifty Thousand Pesos (P250,000.00).
38

1 **SEC. 7. Criminal Penalty.** - Any person who knowingly and willfully violates the
2 provisions of Section 5 of this Act shall be guilty of a misdemeanor punishable by a fine of not
3 more than Twenty Five Thousand Pesos (P25,000.00), or by imprisonment of not more than three
4 (3) months, or both, at the discretion of the court.

5
6 **SEC. 8. Waiver.** - Except as otherwise provided by law, any provision of any contract or
7 agreement purporting to waive rights under this Act is void as against public policy.

8
9 **SEC. 9. Prospective Application.** - This Act shall apply only to contracts or agreements
10 entered into on or after the effectivity of this Act.

11
12 **SEC. 10. Separability Clause.** - If any part of this Act shall be held unconstitutional or
13 invalid, other parts not otherwise affected thereby shall remain in force and effect.

14
15 **SEC. 11. Repealing Clause.** - All laws, decrees, resolutions, orders, or ordinances or parts
16 thereof inconsistent with this Act are hereby repealed, amended or modified accordingly.

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18 **SEC. 12. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in
19 the Official Gazette or in one newspaper of general circulation.

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21 Approved,