

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
19th CONGRESS

HOUSE BILL NO. 5000

Introduced by Congresswoman Bernadette “BH” Herrera

**AN ACT
PROVIDING PROTECTION TO FREELANCERS
AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

It is beyond dispute that the lockdowns owing to the COVID 19 pandemic caused the country’s economy to regress. Once again, the media romanticized the resiliency of Filipinos during such difficult times.

The common working-class Filipino found himself or herself in difficult times when their families did not have enough food, and thousands more found themselves unemployed. Enterprises, big and small, suffered losses, and a good number either closed or reduced the number of their work force.

As Filipinos relied on their abilities and skills more than in the ability of businesses to thrive, the number of freelancers also increased. It has been reported that in Financial Services Company “Payoneer’s Global Gig Economy Index 2019, the Philippines landed in sixth place as the fastest-growing market in the world, with a 35% growth in freelance earnings.”¹ With mobility restrictions and loss of job security brought about by the pandemic, Filipinos turned to freelancing. Freelancing gave workers advantages such as flexibility in work schedules, reduced day to day expenses, and more time to allot for other responsibilities at home or for family.

More particularly, the type of freelancing that emerged and rose in number are those that came in digital or online platforms. The “new normal” has also spurred the demand for goods and services supplied or accessed online. Accordingly, Forbes reported in early 2022 that the freelancing revolution has just started.²

Thus, as the population of Filipino freelance workers continue to grow in this *Bagong Henerasyon*, there is an urgent need to protect the interest and well-being of freelance workers through legislative enactments considering that the informal nature of work arrangement does not totally insulate workers from any possibility of abuse or exploitation.

Consequently, the objective of the bill is to give the right amount of protection for freelance workers without sacrificing their opportunity to secure projects or engagements according to their preferences or needs. This bill aims to prohibit arbitrary diminution of pay or fees, and lays out the minimum rights of freelancers.

The rights of freelance workers under the proposed measure include the right to just compensation, and the right to safe and healthy working conditions, among others. In



¹ <https://www.adobomagazine.com/insight/insight-philippines-freelance-market-2022>, 19 August 2022.

² www.forbes.com, 1 February 2022, by Jon Younger.

addition, the bill also calls on the participation of key government agencies in the implementation of the proposed law and the realization of its aims.

In view of the foregoing, the timely passage of this bill is earnestly sought.



BERNADETTE HERRERA
Representative

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

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5000

**AN ACT
PROVIDING PROTECTION TO FREELANCERS
AND FOR OTHER PURPOSES**

Be it enacted by the House of the Representative of the Philippines in Congress assembled:

SECTION 1. Short Title. – This Act shall be known as the "Freelancers Protection Act."

SECTION. 2. Declaration of Policy. – It is the policy of the State to afford full protection to labor, local and overseas, organized, and unorganized. The State shall guarantee the rights of all workers to humane conditions of work, and a living wage.³ In light of the State's commitment to giving high priority to social justice and human rights, the promotion of social justice shall include the commitment to create economic opportunities based on freedom of initiative and self-reliance.⁴ The State then shall afford workers a framework in law and regulation to guarantee full protection to all workers in forms of work engagements other than regular employment, like freelance work, whether onsite or through online digital settings.

SECTION 3. Coverage. – This Act shall cover all freelancers in the private sector, regardless of the work or service for which the freelancer is engaged, irrespective of all the other conditions of his or her engagement. The Civil Service Commission shall issue the appropriate rules and regulations applicable to freelancers in the public sector to ensure compliance with the rights and privileges granted to freelancers under this Act, subject to applicable laws, rules and regulations governing workers in the public sector.

SECTION 4. Definition of Terms. – As used in this Act, the following terms shall mean:

- a) Client – refers to any person or entity, juridical or individual, foreign, or domestic, onsite, or digital platform provider who engages a freelancer to render work, task, or services.
- b) Freelance worker or freelancer - refers to any natural person who offers or renders work or service, or produces output for the client, through his or her freely chosen means or methods, free from any forms of financial dependence, control, or supervision by the client, regardless of whether he or she is paid by results, piece, task, hour, day, job or by the nature of the services required.
- c) Freelance work - refers to work that is not covered by regular employment, may be infrequent or at regular intervals, unpredictable, for a short term, or for long term, provided that the freelancer has agreed to the terms offered by the client, whether rendered onsite, on the field, online, or

³ See Section 3, Article XIII on Social Justice and Human Rights of the 1987 Philippine Constitution.

⁴ Section 2, Article XIII on Social Justice and Human Rights of the 1987 Philippine Constitution.

through any online web platforms or digital applications, whether secured by the freelancer on his or her own, or through a Platform provider.

- d) Platform provider - refers to any foreign or Philippine-based online web platform provider that connects workers with the consumer of work and facilitate the exchange of goods and services for money such as crowdwork, work on-demand or any digital lifestyle applications, that provides facilities, accounts, work opportunities for one or several freelancers in the Philippines.
- e) Work on-demand - refers to the platform-facilitated yet place- based and geographically limited work.

SECTION 5. Minimum Standards. –In no case shall the terms and conditions of the arrangement or relations between Client and the Freelancer diminish or downgrade the rights of workers guaranteed by the Philippine Constitution or be lower than the minimum standards provided by the Labor Code of the Philippines, as amended, or by industry standards and international labor standards.

SECTION 6. Rights of Freelancers. – The rights of Freelancers are as follows:

- (a) The right to a written contract or agreement. In the absence of a written contract, or notwithstanding any informal arrangement without a written contract, the Freelancer is still entitled to his or her minimum rights under this Act.
- (b) Right to just compensation for work of equal value without manipulation or distinction of any kind.
- (c) Right to safe, healthy, just, and humane working conditions.
- (d) At the election of the Freelancer, the right to self-organization and to collectively negotiate with the government, the client, and other entities for the promotion of their welfare and in the advancement of their rights and interests.
- (e) Right to be free from any form of discrimination, violence, sexual harassment, and abuse.
- (f) Right to representation and participation in policy and decision-making processes and social dialogue.
- (g) Right to access or demand access from the Client, or the Platform Provider, for their own data, information and resources for the promotion and protection of their rights and welfare.
- (i) At the election of the Freelancer, right to education and skills training that may or may not be provided by the Client or Platform Provider.
- (j) The right to social protection and social welfare benefits, subject to an equitable arrangement with the Client when it came to contributions for coverage. In this regard, the Freelancer, also has the right to elect to apply his or herself as an “independent” or “voluntary” contributor or member, irrespective of the Client’s participation.
- (k) Right to speedy redress of grievances, including alternative dispute resolution processes.

SECTION 7. Standards for Freelance Work. – The Department of Labor and Employment (DOLE) shall formulate rules, regulations, and guidelines to ensure:

- a) Compliance and observance of the terms and conditions of the written contract between the freelancer and the client. The contract shall contain, at the minimum, the following:
 - 1) Itemization of all work, services, or output to be provided by and expected of the freelancer, and the terms and conditions of the engagement.
 - 2) The compensation, rate, date, and frequency on which the client shall pay the compensation, or any other conditions for the said compensation or fee to be due.
 - 3) The name and registered address of the freelancer, and the client. In the case of a foreign or foreign-based entity, the name and address of the local agent or representative, or any duly acknowledged representative based in the Philippines; and
 - 4) Any other terms and conditions that govern the performance of the mutual obligations of the parties that are not contrary to law, morals, good customs, public order, or public policy. Should the Freelancer be amenable to, or propose, mutually accepted terms and conditions that will allow him or her to work for other clients, the same shall be honored, provided that the terms have been freely and voluntarily accepted and agreed to by the Freelancer with full information disclosed to both parties.

Despite the absence of a written agreement, any written exchange or proof of submission, transmittal, or receipt of completed task, work, service, or output, subject of the freelance work engagement, whether electronic or printed, shall be sufficient basis for claim for compensation or payment against the client.

- b) The maintenance of a Registry of Freelancers and Clients or Platform Providers; and provision to Freelancers of labor market interventions and assistance. Provided, that registration with the DOLE shall not be construed as a requirement to be able to engage as a Freelancer.
- c) Free exercise of freelancers' right to self-organization and to collectively negotiate with the government, the client, and other entities for the promotion of their rights and welfare, and to their representation and participation in policy and decision-making processes and dialogue.
- d) Upholding programs and policies on non-discrimination, absence of violence, anti-sexual harassment, and anti-abuse in freelance work arrangements.
- e) Giving support to the Philippine government in entering bilateral or multilateral agreements with countries where online web platforms are registered or located for the protection and enforcement of Philippine Freelancers' rights.

SECTION 8. Right to Access Their Own Data and Information. – The Department of Information and Communications Technology (DICT), in coordination with the National Privacy Commission (NPC), and the Department of Trade and Industry (DTI) shall conduct trainings for online freelancers and ensure that freelancers engaged with or

through platform providers or online web platforms shall have access to their own data, information and resources at all times.

SECTION 9. Right to Education and Skills Training. – The Technical Education and Skills Development Authority (TESDA), the Department of Science and Technology (DOST), DTI, DICT, that may be in partnership with the private sector, shall provide training and certifications for knowledge and skills transfer or upgrade to freelancers.

SECTION 10. Right to Social Protection and Social Welfare Benefits. – The Social Security System, Philippine Health Insurance Corporation (PhilHealth) and Home Development Mutual Fund (HDMF) shall ensure a simplified and accessible online registration and remittance process for freelancers as self-employed, voluntary, or independent workers, and provide easy access to members' benefits that are available to employed members or workers, such as sickness.

SECTION 11. Right to Simplified Tax Registration, Filing and Payment system. – The Bureau of Internal Revenue (BIR) shall simplify and automate the registration process and minimize the requirements for the registration of freelancers. The BIR shall also further enhance the online filing of tax returns and payment of appropriate taxes, including online submission of requirements. It shall also provide assistance to freelancers in their application, registration, submission, and processing of documents, filing of tax returns, payment of taxes, and other inquiries.

SECTION 12. Right to Redress Of Grievances, including Alternative Dispute Resolution Processes. – The freelancers have the right to seek redress for grievances and to avail of alternative dispute resolution mechanisms in accordance with law. For this purpose, the DOLE shall conduct seminars on such dispute resolution recourses available to freelancers and encourage the parties to a freelance work agreement to avail of alternative dispute mechanisms.

SECTION 13. Timing of Payment – Except as otherwise provided under the contract entered by the parties, the agreed compensation shall be paid in full not later than ten (10) days after the completion of the task, work or service subject of the freelance work engagement, or for that specific monthly period.

The burden of proving the payment of the compensation due to the freelancer for completed work, or for work rendered for a specific period as agreed upon by the parties, shall rest on the client.

SECTION 14. Prohibited Acts. – The following acts shall be prohibited under this Act:

- a) **Contract Alteration or Diminution of Compensation.** The Freelancer shall not be required to accept less than the specified or agreed contract price. Provided, that nothing herein precludes the parties from arriving at a settlement in good faith arising out of or in connection with the contract or work arrangement, from agreeing to a modification of the contract in mutual terms.
- b) **Deduction.** No deduction shall be made on the agreed contract price or compensation, unless the parties have agreed otherwise in writing, or the Freelancer has consented to such deduction in writing, or such deduction is on account of payment of applicable taxes.

Any person who commits any of the foregoing prohibited acts shall be penalized with a fine equivalent to up to three times the contract price or compensation agreed upon in the contract between the freelancer and the client.

SECTION 15. Implementing Rules and Regulations. – Within sixty (60) days from the effectivity of this Act, the DOLE, DTI, DICT, DOST, TESDA, DOTr, upon consultation with the BIR, SSS, PhilHealth and HDMF, and other relevant agencies and sectors, shall promulgate the implementing rules and regulations as may be necessary to carry out the provisions of this Act.

SECTION 16. Separability Clause. – If any part of this Act shall be held unconstitutional or invalid, other parts not otherwise affected thereby shall remain in force and effect.

SECTION 17. Repealing Clause. – All laws, decrees, resolutions orders, or ordinances or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SECTION 18. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,