

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

NINETEENTH CONGRESS
First Regular Session

House Bill No. **8506**



**Introduced by Representatives HON. JOCELYN P. TULFO and
HON. RALPH WENDEL P. TULFO**

According to the latest Overseas Filipinos' Cash Remittances Statistics by the Bangko Sentral ng Pilipinas, personal remittances from Filipinos abroad increased by 3.6% to a record high of \$36 billion in 2022 from its \$34 billion recorded remittances in 2021.

Despite our OFWs invaluable contributions to our economy by sending their hard-earned money to their families, they are still unduly burdened by usurious interest rates and exorbitant transfer fees charged by financial institutions against their remittances ranging from P100.00 to almost P10,000.00 for each transfer.

For years, our economic growth has largely depended on OFW remittances with billions of pesos being remitted annually. Recognizing the impact of OFW remittances, it is without doubt that these remittances will continue to significantly affect our country's economic growth in the future.

It is high time that we give protection and importance to our fellow Filipinos' hard earned money abroad. In view of the foregoing, the immediate passage of this bill is earnestly sought.


REP. JOCELYN P. TULFO
Representative, ACT-CIS Partylist


REP. RALPH WENDEL P. TULFO
Representative, 2nd District of Quezon City

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**AN ACT PROVIDING FOR PROTECTION OF THE REMITTANCES OF
OVERSEAS FILIPINO WORKERS**

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

1
2 **SECTION 1. Short Title.** – This Act shall be known as the “*Overseas Filipino Workers*
3 *(OFWs) Remittance Protection Act.*”
4

5 **SEC. 2. Declaration of Policy.** – The Constitution affirms that labor is the primary social
6 economic force and mandates the State to protect the rights of the workers and promote their
7 welfare.
8

9 Recognizing the significant contribution of OFWs to the national economy through foreign
10 exchange remittances, the State shall adopt measures to protect the hard-earned money they
11 remit home against usurious interest rates and exorbitant fees charged by financial institutions
12 that deplete the value of their remittances and provide them and their families adequate
13 education and training on financial literacy, such as financial planning and management of
14 finances or savings, to help ensure a source of livelihood even after their overseas employment.
15

16 **SEC. 3. Definition of Terms.** –
17

- 18 a. *Overseas Filipino Worker (OFW)* - refers to a person who is to be engaged, is engaged or
19 has been engaged in a remunerated activity in a state of which the person is not a citizen or
20 on board a vessel navigating the foreign seas other than a government ship used for military
21 or non-commercial purposes or on an installation located offshore or on the high seas; to
22 be used interchangeably with migrant worker.
23
24 b. *Remittance* – refers to the foreign exchange earnings sent home by OFWs or their
25 employers or agents through formal channels.
26
27 c. *Remittance Fee* – refers to the service fee or charged imposed by bank and non-bank
28 financial intermediaries for sending money of OFWs through formal channels.
29

30 **SEC. 4. Applicability of this Act.** – The provisions of this Act shall be applicable to all
31 OFW remittances, whether voluntary or mandated by law, orders, issuances or rules and
32 regulations.
33

SEC. 5. Discount on Remittance Fees and Tax Deduction Granted to Establishments.
– Bank and non-bank financial intermediaries may impose fees for services rendered in sending money of OFWs to their immediate family members, subject to a fifty percent (50%) discount.

Bank and non-bank financial intermediaries providing discounts on remittance fees may claim the discounts granted as a tax deduction based on the cost of services rendered to OFWs. The discounts given should be treated as an ordinary and necessary expense deductible from the gross income of the intermediary falling under the category of itemized deductions: Provided, that the total deduction from the gross income of establishments providing discounts on remittance fees shall not exceed Twenty-four thousand pesos (P24,000.00) per OFW every taxable year: Provided, further, that the Secretary of Finance shall, upon the recommendation of the Commissioner of Internal Revenue, issue the revenue regulation for the purpose.

SEC. 6. Requirement of Posting of the Peso Equivalent of the Currency to be Exchanged. – All bank and non-bank financial intermediaries offering remittance services to OFWs shall be required to post in a conspicuous place within the establishment's premises the Philippine peso equivalent rate of the foreign currencies being transacted. The Philippine peso equivalent of the amount as remitted will be the same amount that will be received by the beneficiaries of the remittance.

SEC. 7. Prohibition from Raising Remittance Fees. – All banks and non-bank financial intermediaries offering remittance services to OFWs are prohibited from raising their current remittance fees without prior consultation with the Department of Finance (DOF), Bangko Sentral ng Pilipinas (BSP), Department of Migrant Workers (DMW) and the Philippine Overseas Employment Administration (POEA).

SEC. 8 Other Prohibited Acts. – The following acts are also prohibited:

- (a) Misappropriation or conversion, to the prejudice of the OFW or beneficiary of foreign exchange remittances, received in trust, or on commission, or for administration, or under any other obligation, involving the duty to make delivery of, or return the same, or by denying having received such foreign exchange remittance;
- (b) Taking of foreign exchange remittances without the consent of the OFW or beneficiary;
- (c) Imposition of remittance fees in excess of those prescribed under Section 5 of this Act;
- (d) Failure to post in a conspicuous place of the establishment the Philippine peso rate of the foreign currency being transacted; and
- (e) Failure to conduct consultation with the DOF, BSP, DMW and POEA before raising remittance fees.

SEC. 9. Penalties. –

- (a) Any person who is found guilty of any of the acts described in Section 8 (a) hereof shall be punished by:
 - (i) Imprisonment of two (2) months and one (1) day to six (6) months, if the amount of the remittance does not exceed Two Hundred pesos (P200.00);
 - (ii) Imprisonment of two (2) years and four (4) months to four (4) years and two (2) months, if the amount of the remittance is over Six Thousand Pesos (P6,000.00) but does not exceed Twelve Thousand Pesos;

- 83 (iii) Imprisonment of four (4) years, two (2) months and one (1) day to eight (8)
84 years if the amount of the remittance is over Twelve Thousand Pesos
85 (P12,000.00) but does not exceed Twenty Two Thousand Pesos (P22,000.00);
86 and
87 (iv) Imprisonment of six (6) years to eight (8) years, adding one (1) year for each
88 additional Ten Thousand Pesos (P10,000.00) but not exceeding twenty (20)
89 years, if the amount of the remittance is more than Twenty-Two Thousand Pesos
90 (P22,000.00).
91

92 (b) Any person who is found guilty of violating Section 8 (b) of this Act shall be punished by:
93

- 94 (i) Imprisonment of six (6) months and one (1) day to four (4) years and two (2)
95 months, if the amount of the remittance is over Two Hundred Pesos (P200.00)
96 but does not exceed Six Thousand Peso (P6,000.00);
97 (ii) Imprisonment of two (2) years, four (4) months and one (1) day to six (6) years,
98 if the amount of the remittance is over Six Thousand Pesos (P6,000.00) but does
99 not exceed Twelve Thousand Pesos (P12,000.00);
100 (iii) Imprisonment of six (6) years and one (1) day to ten (10) years, if the amount
101 of the remittance is over Twelve Thousand pesos (P12,000.00) but does not
102 exceed Twenty-Two Thousand Pesos (P22,000.00); and
103 (iv) Imprisonment of ten (10) years and one (1) day to twelve (12) years, adding one
104 year for each additional Ten thousand pesos (P10,000.00) but not exceeding
105 twenty (20) years, if the amount of remittance exceeds Twenty-Two Thousand
106 Pesos (P22,000.00).
107

108 (c) Any person who is found guilty of violating Section 8 (c), (d) and (e) of this Act shall be
109 punished by imprisonment of six (6) months and one (1) day to six (6) years and one (1)
110 day and a fine of Fifty Thousand pesos (P50,000.00) but not exceeding Seven Hundred
111 Fifty Thousand Pesos (P750,000.00).
112

113 Aside from the criminal liability provided in the preceding paragraphs, institutions
114 governed and supervised by the BSP found to have violated the provisions of Section 8 of this
115 Act shall be subjected to the necessary fines, penalties, and sanctions as provided, under the
116 Republic Act No. 7653 or the "New Central Bank Act", Republic Act No. 8791 or the "General
117 Banking Law of 2000", and other pertinent banking regulations.
118

119 In case the violation is committed by a corporation or partnership, the liability shall be
120 imposed on the president, managing director or partner, general manager, or other responsible
121 officers of the corporation or partnership.
122

123 **SEC. 10. Mandatory Financial Education for OFWs and their Families.** – The DOF,
124 together with the BSP, POEA, and other agencies, shall ensure that a mandatory financial
125 education program will be provided to OFWs and their families.
126

127 The program shall include instruction on financial management, budgeting, investment
128 options and similar topics, which shall educate the OFWs and their families in the handling of
129 their earnings and remittances.
130

131 **SEC. 11. Liability under the Revised Penal Code and Other Laws.** – Prosecution under
132 this Act shall be without prejudice to any liability for violation of any provision of the Revised
133 Penal Code or other laws.

134
135 **SEC. 12. Implementing Agency.** - The DOF shall in consultation with the BSP, POEA,
136 DMW, Overseas Workers Welfare Administration, Department of Foreign Affairs, Bankers
137 Association of the Philippines, Association of Bank Remittance Officers, Inc., Philippine
138 Association of Foreign Exchange Dealers, Money Changers and Remittance Agents, Inc.,
139 representatives from the placement or recruitment industry, non-government organizations
140 advocating the rights and welfare of OFWs, and other stakeholders, issue the necessary rules
141 and regulations for the effective implementation of this Act, within ninety (90) days after the
142 approval of this Act.

143
144 **SEC. 13. Repealing Clause.** – All laws, decrees, executive orders, issuances, rules and
145 regulations which may be inconsistent with any of the provisions of this Act are hereby deemed
146 repealed, amended or modified accordingly.

147
148 **SEC. 14. Separability Clause.** – If any provision of this Act is held unconstitutional or
149 invalid, such holding shall not affect other provisions not affected thereby.

150
151 **SEC. 15. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in
152 the Official Gazette or in a newspaper of general circulation.

153
154 *Approved,*
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