

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

NINETEENTH CONGRESS
Second Regular Session

House Bill No. **9562**



**INTRODUCED BY REPRESENTATIVES RALPH WENDEL P. TULFO,
JOCELYN P. TULFO, ERWIN T. TULFO, EDVIC G. YAP, AND ERIC GO YAP**

**AN ACT ENHANCING THE FINANCIAL LITERACY OF OVERSEAS FILIPINO
WORKERS, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Financial illiteracy is one of the perennial problems of Filipinos that leads to improper money management and financial endeavors. Recent reports show that the Philippines is ranked 30 out of 144 countries in terms of financial literacy.¹

The Bangko Sentral ng Pilipinas reports that, in May 2023, 2.78 billion US dollars had been remitted by Overseas Filipinos, both land-based and sea-based.² This demonstrates that Overseas Filipino Workers (OFWs) have always been crucial to nation-building and strengthening the Philippine economy, mainly through their remittances.

The Philippine Statistics Authority reports that 2.3 million OFWs made cash remittances amounting to 8.9% of the country's gross domestic product in 2022.³ In view of the large amount of money being sent by OFWs back home, it becomes imperative for the State to aid them in developing their financial literacy and equip them with the necessary skills to manage their money. This is in line with its mandate provided in Article II, Section 18 of the 1987 Constitution, to wit:

“Section 18. The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.”

¹ Crismundo, Kris . “BSP Bridges Financial Literacy Gap among Filipinos.” *Philippine News Agency*, Philippine News Agency, 21 July 2023, www.pna.gov.ph/articles/1206091. Accessed 20 Sept. 2023.

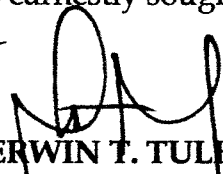
² “Bangko Sentral Ng Pilipinas Media and Research.” *Www.bsp.gov.ph*, www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=6793#:~:text=%E2%80%8BPersonal%20remittances%20from%20Overseas.

³ Rivas, Ralf. “OFW Remittances Hit New High in 2022 amid Surging Inflation.” *RAPPLER*, 15 Feb. 2023, www.rappler.com/business/ofw-remittances-january-december-2022/. Accessed 22 Sept. 2023.

Financial literacy involves the knowledge of appropriate spending, saving, and budgeting of financial resources. A study entitled “Effects of Financial Literacy on the Remittance Behavior of Filipino EPS Workers in South Korea” shows that those who have undergone Financial Literacy Education were able to reduce remittance-sending costs and to channel remittance spending to productive investments, including higher savings.⁴ This proves that, with proper orientation and training in managing financial resources, OFWs can be more financially intelligent and efficient.

This bill mandates free and consistent financial literacy training seminars for OFWs. Specifically, a Pre-Departure Orientation Seminar and a series of Post-Arrival Training Seminars will be administered with the help of the Department of Finance (DOF), Department of Migrant Workers (DMW), and the Overseas Workers Welfare Administration (OWWA) as part of the OFWs’ financial management education.

In view of the foregoing, the urgent passing of this bill is earnestly sought.

 RALPH WENDEL P. TULFO <i>Representative</i> 2 nd District of Quezon City	 JOCELYN P. TULFO <i>Representative</i> ACT-CIS Partylist	 ERWIN T. TULFO <i>Representative</i> ACT-CIS Partylist
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⁴ BANAGUI, Leah B. “Effects of Financial Literacy on the Remittance Behavior of Filipino EPS Workers in South Korea.” *Ewha.ac.kr*, Feb. 2019, <https://dspace.ewha.ac.kr/handle/2015.oak/248835>.

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

SECTION 1. *Short Title.* - This Act shall be known as the "OFWs Financial Literacy
Enhancement Act".

SEC. 2. *Declaration of Policy.* - The State shall have the continuous duty to
acknowledge the valuable contributions of Overseas Filipino Workers (OFWs), land-
based or sea-based, to the national economy through their foreign exchange
remittances. With that being said, the State shall take appropriate measures to ensure
OFWs' financial and economic well-being by enhancing their financial literacy through
education and proper training that will provide them with the necessary skills to protect
all matters regarding their assets and liabilities such as their resources, investments,
debts, credits, and other financial transactions.

SEC. 3. *Mandatory Financial Literacy Training Seminar.* - All OFWs shall undergo
mandatory financial literacy training seminars which shall become an integral part of
the Pre-Departure Orientation Seminar (PDOS). Moreover, Post-Arrival Training
Seminars (PATs) on financial literacy shall likewise be required of OFWs within a
reasonable time upon their arrival in a country of destination on their first employment

contract or those who transfer from one place of work to another without stopping by the Philippines.

SEC. 4. Participating Agencies. – The mandatory financial literacy training seminars shall be primarily conducted by the Department of Finance (DOF), as the lead agency, in coordination with the Department of Migrant Workers (DMW), the Overseas Workers Welfare Administration (OWWA), and accredited PDOS providers across the country, including the embassies or consulates, whichever may be available, if done in the country of destination.

As the lead agency, DOF is tasked to formulate training modules on financial literacy; initiate and conduct training programs on financial management and responsibility; apprise OFWs on financial opportunities and its pitfalls among others; ensure the accessibility of qualified online financial and economic advisers and/or counsellors; and disseminate knowledge-expanding activities that promote financial literacy among OFWs and their dependents.

SEC. 5. Free Financial Literacy Training Programs. – Training programs undertaken under this Act shall be free of charge.

The DOF, with the OWWA, shall educate OFWs on the budgets and actual expenditures of government institutions, provide credit information on micro- and small-scale enterprises to prospective lenders, and prioritize the liens on real estate and movable collaterals used to secure loans. Financial literacy should include education on financial products (like stocks, bonds, insurance, and mutual funds) available in the market.

SEC. 6. Penal Provisions. – Any person or corporation who shall defraud an OFW by any of the means mentioned in Article 315 of the Revised Penal Code shall be considered as qualified estafa and will carry a penalty as provided therein.

57 **SEC. 7. *Implementing Rules and Regulations.*** – Within ninety (90) days from the
58 approval of this Act, the Secretary of the DOF, in consultation with the Secretary of the
59 Department of Labor and Employment (DOLE) and the Administrator of OWWA, shall
60 promulgate the necessary rules and regulations for the effective implementation of this
61 Act.

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63 **SEC. 8. *Separability Clause.*** – If any provision of this Act is held unconstitutional or
64 invalid, the remaining provisions that are not affected thereby shall continue to be in
65 full force and effect.

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67 **SEC. 9. *Repealing Clause.*** – All other laws, decrees, executive orders, rules and
68 regulations, and other issuances, or parts thereof, contrary to or inconsistent with this
69 Act, are hereby modified, amended, or repealed accordingly.

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71 **SEC. 10. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication
72 in the Official Gazette or in a newspaper of general circulation.

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74 *Approved,*