

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 10481



Introduced by MARINO Party-list Representative
SANDRO L. GONZALEZ

AN ACT
STRENGTHENING REPUBLIC ACT NO. 10706 OTHERWISE KNOWN AS
THE SEAFARER'S PROTECTION ACT

EXPLANATORY NOTE

The Philippines is the world's major supplier of seafarers in the world accounting to more than 25% of the total sea-based workers globally. According to the Bangko Sentral ng Pilipinas¹, personal remittances from Overseas Filipinos (OFs) posted at US\$37.2 Billion which represented 8.5 percent and 7.7 percent of the country's Gross Domestic Product (GDP) and Gross National Income (GNI), respectively for the year 2023. Preliminary data showed that of the total personal cash remittances from OFs, about 25-30% of which comes from our sea-based workers².

However, threats to this mark have been made because of the current legal system in our country. Shipowners are now thinking of preferring other nationalities over our Filipino seafarers and one of the reasons that our global shipping stakeholders have identified was because of the rampant ambulance chasers or those who solicit from seafarers the pursuit of any claim against their employers for the purpose of claiming monetary benefits and the country's current legal system.

¹ Bangko Sentral ng Pilipinas. (2024, February 15). Personal Remittances Set a New Record High in December 2023 at US\$3.6 Billion; Full-Year Level of US\$37.2 Billion Highest to Date. Bangko Sentral ng Pilipinas. <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=7005>.

² Bangko Sentral ng Pilipinas. (n.d.). Bangko Sentral ng Pilipinas Statistics - External Accounts. Overseas Filipinos' Remittances. <https://www.bsp.gov.ph/SitePages/Statistics/External.aspx?TabId=8>

As a government response, Republic Act No. 10706 otherwise known as the “Seafarers Protection Act” was enacted to put deterrence to ambulance chasing. Unfortunately, the said law was unable to repress this practice as it lacks its own teeth.

This measure seeks to strengthen the said law by providing higher penalties, giving the Department of Migrant Workers (DMW) the power to initiate, investigate and prosecute violators, establishing a seafarer’s defender unit in the Public Attorney’s Office, levelling the playing field in the execution of monetary claims, and creating a congressional oversight committee.

In view of the foregoing, the early passage of this proposed measure is highly recommended.

A stylized, handwritten signature in black ink, consisting of a large, sweeping loop followed by a horizontal line and a small flourish.

SANDRO L. GONZALEZ
Representative
MARINO Partylist

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

SECTION 1. *Short Title.* - This Act shall be known as the ``Revised Seafarers Protection Act.”

SECTION 2. *Declaration of Policy.* - It shall be the policy of the State to promote and protect every Filipino seafarer desiring to work overseas by securing the best possible terms and conditions of employment. As some unscrupulous individuals have taken advantage of the plight of our seafarers who met an accident, illness or death in the course of their service by exploiting the compensation system, our seafarers have fallen prey to an unfair scheme where ambulance chasers charge exorbitant fees, with the promise of huge monetary award. Towards this end, such practice shall be declared unlawful. The right of seafarers to legal assistance and protection from the government shall also be promoted .

SECTION 3. *Prohibition on Ambulance Chasing.* - It shall be unlawful for any person to engage in ambulance chasing or the act of soliciting, personally or through an agent, from seafarers, or their heirs, the pursuit of any claim against their employers for the purpose of recovery of monetary claim or benefit, including legal interest, arising from accident, illness or death, in exchange of an amount or fee which shall be retained

or deducted from the monetary claim or benefit granted to or awarded to the seafarers or their heirs.

SECTION 4. *Imposition of Excessive Fees.* When any contract or arrangement between a seafarer or his/her heirs, and a person who appears for or represents them in any case for recovery of monetary claim or benefit, including legal interest, arising from accident, illness or death before the National Labor Relations Commission (NLRC) or any labor arbiter, the National Conciliation and Mediation Board (NCMB), the Philippine Overseas Employment Administration (POEA), the Department of Labor and Employment (DOLE) or its regional offices, or other quasi-judicial offices, handling labor disputes stipulates that the person who appears for or represents them shall be entitled to fees, such fees shall not exceed ten percent (10%) of the compensation or benefit awarded to the seafarer or his/her heirs.

For purposes of this Act, fees referred to in this section shall mean the total amount of compensation of the person who appears for or represents the seafarer, or his/her heirs for services rendered.

SECTION 5. *Prohibition on Imposition of Excessive Fees.* In reference to the preceding section, it shall be unlawful for lawyers, legal representatives, and consultants of seafarers to stipulate and/or charge fees exceeding ten percent (10%) of the compensation or benefit, which may be received by or awarded to the seafarer or to his successors-in-interest.

SECTION 6. *Penalties.* Any person who violates Sections 3 and 4 of this Act, shall suffer the penalty of imprisonment of one (1) year but not more than two (2) years or a fine ranging from two hundred thousand pesos (P200,000.00) but not more than four hundred thousand pesos (P400,000.00). The same penalties shall be imposed upon any person who shall be in collusion in the commission of the prohibited acts in Sections 3 and 4 hereof.

SECTION 7. *Investigation and Prosecution.* The Department of Migrant Workers (DMW) shall investigate, initiate, sue, pursue, and help prosecute, in cooperation with the Department of Justice (DOJ) and the Department of Labor and Employment (DOLE), violations of this Act. In the performance of its functions, the Department Secretary and his or her authorized deputy shall have the power: (1) to issue subpoena or subpoena duces tecum to any person for investigation; (2) to administer oaths upon cases under investigation; and (3) to have access to all public records and to records of private parties and concerns, in accordance with law.

SECTION 8. *Seafarer's Defender Unit.* There shall be created an independent Seafarers Defenders Unit (SFU) in all district offices of the Public Attorneys Office, (PAO) which shall exclusively be responsible in providing, free of charge, legal representation, assistance and counselling to seafarers or their families in all death and disability claim cases.

SECTION 9. *Immediate execution of judgment; stay of execution.* – The DOLE, NLRC and NCMB, in consultation with the Maritime Industry Tripartite Council (MITC) of the DMW, shall promulgate the necessary rules and procedures to ensure the fair, speedy, equitable and just disposition and execution of decisions granting monetary awards for the salaries and wages of seafarers, for their death and disability claims, and for all their other statutory benefits.

The DOLE and its attached agencies above shall likewise promulgate rules and regulations to prevent ambulance chasing, subject to the provisions of this Act, and of the Labor Code, as amended, to ensure the timely and full restitution of the monetary award, in case the decision is reversed on appeal or judicial review. For this purpose, the following mechanisms are instituted, without prejudice to such rules as the Supreme Court may issue or promulgate.

The decision granting a monetary award in a voluntary or mandatory arbitration, or by the NLRC, must state the specific amounts for the payment of the following:

- (a) Any salary or wage;
- (b) Any statutory monetary and welfare benefits;
- (c) Any undisputed amount, which is admitted by a party to be legally due to the other party;
- (d) Any disputed amount determined to be legally due the seafarer; and
- (e) Damages, including moral damages, exemplary damages, nominal damages, attorney's fees, and other similar awards.

Execution of the decision awarding items (a), (b), (c), (d) and (e) above shall issue immediately upon motion. Defendant may perfect an appeal and to stay the execution for items (d) and (e) above by filing a sufficient supersedeas bond, approved by the voluntary or mandatory arbitration, or by the NLRC in favor of the plaintiff to pay the monetary award, damages, and costs accruing down to the time of the judgment appealed from. The supersedeas bond shall be transmitted by the voluntary or mandatory arbitration, or by the

NLRC, with the papers, to the clerk of the Court of Appeals to which the action is appealed.

SECTION 10. *Congressional Oversight.* The Congressional Oversight Committee on Migrant Workers shall monitor and oversee the implementation of the provisions of this Act.

SECTION 11. *Implementing Rules and Regulations.* - Within ninety (90) days from the approval of this Act, the Secretary of Labor and Employment, the Secretary of Migrant Workers in coordination with the Maritime Industry Authority (MARINA) and Secretary of Justice, shall promulgate the necessary rules and regulations for the effective implementation of the provisions of this Act.

SECTION 12. *Repealing Clause.* - All laws, orders, issuances, decrees, rules and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 13. *Effectivity Clause.* - 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,