

HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Third Regular Session

House Bill No. **10912**



Introduced by Representative PABLO JOHN F. GARCIA

EXPLANATORY NOTE

The global workforce has seen a significant shift towards remote work and digital freelancing, fueled by technological advancements, and changing workplace dynamics in recent years. Digital nomads, professionals who leverage digital platforms to work remotely from anywhere in the world, have emerged as a growing community. The Philippines, with its vibrant culture, affordable cost of living, and beautiful landscapes, stands as a prime destination for these individuals. However, current immigration policies do not provide a clear pathway for digital nomads to legally reside in the country. This bill seeks to institutionalize the grant of Digital Nomad Visas to enable foreign remote workers to live and work in the Philippines while contributing to the local economy without competing with the local labor force.

The primary objective of this bill is to encourage the entry of foreign remote workers who generate income from outside the Philippines to stimulate economic growth through increased tourism, local consumption, and housing demand. By providing them with a legal framework to reside in the country, this influx of highly skilled professionals can foster cross-cultural exchange and support the development of a dynamic digital ecosystem in the country and contribute to the government's broader digital transformation goals.

One of the key features of this bill is the exemption of digital nomads from local income tax on earnings generated outside the Philippines in line with international best practices. This provision ensures that foreign professionals can operate within the Philippine jurisdiction without undue tax burdens while the country benefits from their spending on goods, services, and real estate. The Digital Nomad Visa also includes flexible residency terms, allowing remote workers to stay for up to three years, subject to regular renewal, and granting them access to essential services like local banking and healthcare.

This proposal aligns with the government's efforts to position the Philippines as a competitive player in the global digital economy. It provides an opportunity for the country to attract a niche but growing demographic of remote professionals. By facilitating their stay and protecting their rights, the bill fosters a mutually beneficial arrangement that balances the interests of the local workforce and the global remote working community. This will not only strengthen the

Philippine economy but also solidify its reputation as a hub for innovation and international collaboration.

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

A handwritten signature in black ink, appearing to read 'P. Garcia', written in a cursive style.

Rep. PABLO JOHN F. GARCIA
3rd District, Province of Cebu

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AN ACT
INSTITUTIONALIZING THE GRANT OF DIGITAL NOMAD VISAS,
PROVIDING BENEFITS AND INCENTIVES THEREFOR, AND FOR OTHER PURPOSES

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 "Digital Nomad Visa Act."

Section 2. Declaration of Policy. It is hereby declared the policy of the State to promote and develop the country as a hub for remote workers and digital nomads. By encouraging the entry of highly skilled individuals who engage in remote work, the country seeks to enhance its economy, cultural exchange, and international cooperation while creating employment opportunities and fostering digital innovation.

Section 3. Definition of Terms. For purposes of this Act, the following terms are defined as follows:

- a. Digital Nomad refers to a foreign national who performs work remotely or engages in freelancing, consultancy, or business through digital platforms, without being locally employed by a Philippine entity.
- b. Digital Nomad Visa refers to a special type of visa that allows foreign nationals to reside in the Philippines for the purpose of remote work or freelancing, without engaging in local employment.
- c. Remote Work refers to employment or business conducted through digital means or online platforms, where the worker's physical presence is not required at the employer's or client's location.

Section 4. Eligibility for Digital Nomad Visa. The following foreign nationals are eligible to apply for a Digital Nomad Visa:

- a. Individuals who are employed by a company or clients located outside the Philippines and whose income is derived from sources outside the country;
- b. Freelancers or self-employed individuals offering digital or online services internationally; and
- c. Individuals who are not engaged in any form of local employment or business activities that would compete with Philippine residents.

Section 5. Duration and Renewal. The Digital Nomad Visa shall be granted for an initial period of one (1) year and may be renewed for up to three (3) years, provided the applicant continues to meet the eligibility criteria.

Section 6. Application Requirements. Applicants for the Digital Nomad Visa shall submit the following:

- a. Proof that the applicant is 18 years of age or above;
- b. Proof of employment or engagement in remote work with a foreign employer or client;
- c. Proof of sufficient income or financial means to support themselves during their stay in the Philippines, with a minimum threshold to be determined by the Department of Foreign Affairs (DFA) and the Bureau of Immigration (BI);
- d. A valid passport and compliance with standard visa application requirements, including background checks; and
- e. Health insurance coverage for the duration of their stay in the Philippines.

Section 7. Exemption from Local Income Tax. Digital nomads holding a valid Digital Nomad Visa shall not be subject to Philippine income tax on income earned from sources outside the Philippines, in accordance with existing laws and international tax treaties.

Section 8. Rights and Privileges of Digital Nomad Visa Holders. Holders of the Digital Nomad Visa shall enjoy the following rights and privileges:

- a. Right to reside in the Philippines for the duration of the visa;
- b. Access to local banking services and the ability to open local accounts for personal use;
- c. Eligibility for dependent visas for immediate family members, including spouses and children, subject to certain conditions set by the Bureau of Immigration; and
- d. Right to travel in and out of the Philippines without the need to obtain additional re-entry permits, as long as the visa remains valid.

Section 9. Visa Revocation. The Bureau of Immigration may revoke the Digital Nomad Visa if the holder is found to be:

- a. Engaging in local employment without proper authorization;
- b. Engaging in activities detrimental to the public interest, including but not limited to illegal activities or violation of the country's laws;
- c. Failing to maintain adequate health insurance coverage during their stay in the Philippines.
- d. And other causes as may be determined by the Bureau of Immigration.

Section 10. Implementing Rules and Regulations. Within ninety (90) days from the effectivity of this Act, the Department of Foreign Affairs, Bureau of Immigration, Department of Tourism, and the Department of Information and Communications Technology, in consultation with relevant stakeholders, shall promulgate the necessary rules and regulations for the implementation of this Act.

Section 11. Appropriations Clause. The amount necessary to cover the initial implementation of this Act shall be charged against the current year's appropriations of the Bureau of Immigration. Thereafter, the funding shall be included in the General Appropriations Act.

Section 12. Separability Clause. If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

Section 13. Repealing Clause. All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 14. Effectivity. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,