



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

**TWENTIETH CONGRESS**  
First Regular Session

HOUSE BILL NO. **1480**



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**Introduced by Representative Crispin Diego “Ping” D. Remulla**

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**AN ACT**  
**PROVIDING BENEFITS AND INCENTIVES TO OVERSEAS FILIPINO WORKERS**  
**INVESTING IN BUSINESS IN THE PHILIPPINES**

**EXPLANATORY NOTE**

The latest report from the Bangko Sentral ng Pilipinas (BSP), released on May 15, 2025, shows that OFWs sent home US\$3.13 billion in March 2025, which is 2.6% higher than what they sent in March 2024. From January to March this year, total remittances reached US\$9.40 billion, slightly more than the US\$9.15 billion recorded in the same period last year. Most of this came from Overseas Filipino Workers (OFWs) working in the United States, Singapore, Saudi Arabia, and the United Arab Emirates. These numbers demonstrate the significant contribution of OFWs to Filipino families and the Philippine economy.

Despite their significant contribution to the national economy, OFWs continue to face obstacles when reintegrating into Philippine society. A lot of them want to start their own businesses using the money they saved, but they’re discouraged by the high costs of starting a business, lack of access to loans, and too many taxes and fees. As a result, their savings often go towards short-term needs instead of becoming investments that can grow. Without enough help from the government, the full potential of their hard-earned money is not fully realized.

To help Overseas Filipino Workers (OFWs) who wish to establish businesses in the Philippines, this proposed measure offers a set of practical benefits. Under this measure, OFW-

owned businesses that are properly registered will not have to pay income tax for five years. On top of that, the bill encourages local government units (LGUs) to reduce or even waive local taxes, fees, and other charges for these OFW-run businesses.

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

A handwritten signature in black ink, appearing to read 'Ping D. Remulla', with a stylized flourish at the end.

**CRISPIN DIEGO "PING" D. REMULLA**



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

1       **SECTION 1. *Short Title.*** - This Act shall be known as the "Business Incentives for  
2       OFWs Act."

3       **SEC. 2. *Declaration of Policy.*** - It is the policy of the State to promote, at all times,  
4       the welfare of its citizens, whether in the country or overseas. Furthermore, the State  
5       acknowledges the significant contributions of Overseas Filipino Workers (OFWs) to the  
6       national economy through their foreign exchange remittances and their valuable role as  
7       partners in the nation's progress. At the same time, the State recognizes the role of business  
8       enterprises in generating employment, which leads to economic growth and a strong foundation  
9       for the development of the country.

10       Pursuant to these policies, it is likewise hereby declared to be the policy of the State to  
11       pioneer and develop innovative means to provide incentives and other benefits to returning  
12       migrants who shall engage in business and invest in the Philippines, in order to effectively aid  
13       their reintegration through the productive use of remittances and at the same time contribute  
14       towards the development of national and local economies and skills-transfer.

15       **SEC. 3. *Definition of Terms.*** - As used in this Act, the following terms shall mean:

16       (a) "*Overseas Filipino Worker (OFW)*" is a person who is to be engaged, is engaged or  
17       has been engaged in a remunerated activity in a State of which the person is not a

1 citizen or on board a vessel navigating the foreign seas other than a government  
2 ship used for military or noncommercial purposes or on an installation located  
3 offshore or on the high seas: Provided, That one whose employment overseas has  
4 ceased, by reason of expiration of such contract or otherwise, shall still be  
5 considered an OFW under this Act if the cessation took place not more than five (5)  
6 years before the filing of an application for the registration provided for in Section  
7 5 hereof;

8 (b) "*Business Enterprise*" is a duly registered business engaged in industry,  
9 agribusiness, and/or services, whether a single proprietorship, cooperative,  
10 partnership, or corporation. A business engaged in services shall exclude those  
11 rendered by (i) natural persons who are duly licensed by the government after  
12 having passed a government licensure examination, in connection with the exercise  
13 of their profession, and (ii) juridical persons such as partnerships or corporations  
14 engaged in consultancy, advisory and similar services where the performance of  
15 such services are essentially carried out through licensed professionals, likewise in  
16 the connection with the exercise of their profession.

17 (c) "OFW-owned Business Enterprise" is a business enterprise that falls under one of  
18 the following categories: (i) a Sole Proprietorship owned by an OFW; (ii)  
19 Partnerships, more than fifty percent (50%) of the capital of which was contributed  
20 by one or more partners who are OFWs; or (iii) a Stock Corporation, more than fifty  
21 percent (50%) of the outstanding capital stock of which is held by one or more  
22 OFWs.

23 **SEC. 4. *Tax Exemption.*** – An OFW-owned business enterprise shall be exempt from  
24 the payment of income tax for a non-extendable period of five (5) years following registration.  
25 This exemption is without prejudice to any other benefit or tax exemption granted to the  
26 enterprise by any other laws. All Local Government Units (LGUs) are encouraged either to  
27 reduce the amount of local taxes, fees, and charges imposed or to exempt an OFW-owned  
28 business enterprise from local taxes, fees, and charges.

29 **SEC. 5. *Other Benefits and Incentives.*** – An OFW-business enterprise may also avail  
30 of the following incentives:

31 (a) Fifty Percent (50%) reduction on real property taxes imposed on real property for  
32 the operation of the OFW-owned business enterprise;

1 (b) Tax and duty-free importation of raw materials, capital equipment, machinery, and  
2 spare parts exclusively used in the operation of the OFW-owned business  
3 enterprise; and/or

4 (c) Preferential access to financing from government financial institutions at rates  
5 below the market rates;

6 *Provided, That* an OFW-owned business enterprise may avail of these incentives for a  
7 period of five years following registration.

8 **SEC. 6. Eligibility of OFW-Owned Business Enterprises.** – To qualify for the benefits  
9 and incentives provided to OFW-owned business enterprises under this Act, a business  
10 enterprise must fall under one of the following categories:

11 (a) A Sole Proprietorship owned by an OFW;

12 (b) A Partnership, more than fifty percent (50%) of the capital of which was contributed  
13 by one or more partners who are OFWs; or

14 (c) A Stock Corporation, more than fifty percent (50%) of the outstanding capital stock  
15 of which is held by one or more OFWs.

16 **SEC. 7. Registration and Issuance of Certificate.** – To qualify for the benefits and  
17 incentives under this Act, a business enterprise must apply for registration with the Bureau of  
18 Internal Revenue (BIR) as an OFW-owned business enterprise. Any such application shall be  
19 processed by the BIR free of charge within fifteen (15) working days upon submission of  
20 complete documents as provided in Section 8 of this Act. Otherwise, the OFW-owned business  
21 enterprise shall be deemed registered.

22 **SEC. 8. Documentary Requirements.** – The BIR shall require an OFW-owned business  
23 enterprise to submit the following requirements in its application for the Certificate of  
24 Registration:

25 (a) Certificate from the POEA or the Overseas Workers Welfare Administration  
26 (OWWA) that the person seeking registration hereunder of their business entity or  
27 enterprise are OFWs as defined in Section 3(a) of this Act or a copy of their overseas  
28 employment contract duly approved by the POEA;

29 (b) Taxpayer Identification Number (TIN);

30 (c) Documents of registration as a business entity or enterprise issued by the  
31 appropriate government agencies such as the Security and Exchange Commission  
32 (SEC) for corporations and partnerships and the Department of Trade and Industry  
33 (DTI) for sole proprietorships; *Provided, That* in the case of micro enterprises as

defined herein, registration with the office of the municipal or city treasurer shall be deemed sufficient compliance with this requirement;

(d) Articles of Incorporation in the case of new corporations;

(e) Partnership Agreement in the case of new partnerships;

(f) General Information Sheet (GIS) in the case of existing corporations and partnerships.

No other document shall be required for the processing of this application.

**SEC. 9. *Financial Literacy Program for OFWs; Information Dissemination.*** – To

ensure that the incentives and benefits provided for under this Act shall be effectively harnessed and maximized, the Commission on Filipinos Overseas (CF), the Overseas Workers Welfare Administration (OWWA), and the National Reintegration Center of OFWs (NCRO) shall institutionalize the conduct of financial literacy programs and capacity building seminars on entrepreneurship and investment programs for Overseas Filipino Workers.

*Provided, that in the conduct of pre-employment/pre-departure orientation seminars, post-arrival/reintegration seminars, the financial literacy programs shall likewise be incorporated as an integral part thereof.*

*Provided, further That the Department of Foreign Affairs (DFA), CFO, Philippine Overseas Employment Administration (POEA), OWWA, and all other relevant government agencies with respect to overseas Filipinos, including all local government units, shall extensively carry out information dissemination on the benefits and program provided for in this Act.*

**SEC. 10. *Start-Up Support Program.*** – The DTI, in coordination with TESDA, shall

establish a support program for OFW-owned businesses, which shall include free business planning assistance, mentorship, access to hubs, and technical training. This shall be available for the first three (3) years of business operation.

**SEC. 11. *Fraud or Misrepresentation.*** – Any business entity found to have committed

fraud or misrepresentation for the purpose of qualifying for the benefits hereunder shall be immediately disqualified as a beneficiary hereof and its Certificate of Registration cancelled, without prejudice to the assessment and collection of back taxes for the period corresponding to its exemption, as well as to any administrative, criminal or civil liability under existing laws.

**SEC. 12. *Non-Transferability.*** – The benefits and incentives provided in this Act

cannot be transferred to any other person, association, or business entity.

**SEC. 13. *Cessation of Operations or Retirement of Business.*** – Any enterprise

registered hereunder that retires or otherwise ceases its business operations shall thereupon be

1 excluded from the coverage of this Act. Within thirty (30) days therefrom, the enterprise shall  
2 report the fact of such retirement or cessation to the BIR, which shall then cancel the  
3 enterprise's Certificate of Registration.

4 **SEC. 14. *Implementing Rules and Regulations.*** – The BIR, in coordination with the  
5 POEA, DTI, and SEC, shall promulgate, not later than sixty (60) days upon the effectivity of  
6 this Act, the necessary rules and regulations for its effective implementation.

7 **SEC. 15. *Separability Clause.*** – If any provision of this Act is subsequently declared  
8 invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain  
9 in full force and effect.

10 **SEC. 16. *Repealing Clause.*** – All laws, presidential decrees, executive orders,  
11 issuances, presidential proclamations, rules and regulations, or parts thereof which are contrary  
12 to and inconsistent with any provisions of this Act are hereby repealed, amended, or modified  
13 accordingly.

Approved,