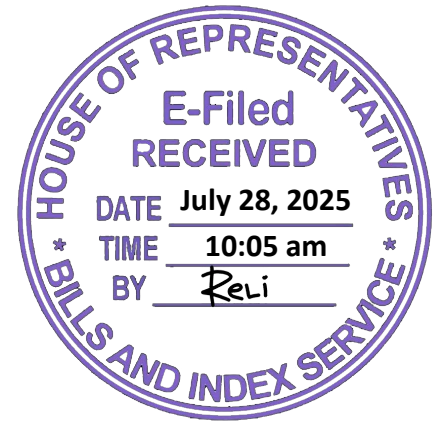




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Twentieth Congress
First Regular Session

HOUSE BILL NO. **2388**

Introduced by Representative Lordan G. Suan

AN ACT
PROHIBITING THE IMPOSITION OF EXCESSIVE RECRUITMENT
OR PLACEMENT FEES AGAINST OVERSEAS FILIPINO WORKERS
AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF

EXPLANATORY NOTE

This bill seeks to prohibit the imposition of excessive recruitment or placement fees against Overseas Filipino Workers (OFWs) and provide penalties for violations thereof.

The latest data from the Social Weather Stations (SWS) showed that 51%, or 14 million households, considered themselves poor in the first quarter of 2023, higher than the 12.9 million in the fourth quarter of 2022. Moreover, according to the Philippines Statistics Authority (PSA) report, the Philippines inflation rose to 5.3% in August 2023 from the 4.7% inflation rate recorded last July 2023. Based on these economic indicators, many Filipinos are motivated to migrate and work overseas to improve their living conditions.

While many Filipinos are optimistic about seeking greener pastures, some have fallen victim to unfair and unethical recruitment practices to secure a chance to work abroad. According to a report from the International Consortium of Investigative Journalists (ICIJ), certain Filipinos looking for jobs abroad were falling victim to deceitful practices by recruitment agencies and loan companies. These practices involved a combination of exploiting their labor, engaging in predatory lending and charging exorbitant and unreasonable placement fees.

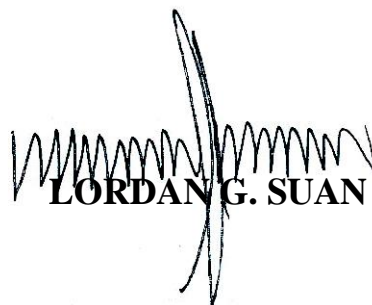
Under the present system, licensed recruitment agencies can charge placement fees for services equivalent to one (1) month basic salary of the OFW as specified in the Department of Migrant Workers (DMW) approved contract. In reality, however, some recruitment agencies collect the worker's monthly basic salary twice or thrice. In their desire to work abroad, OFWs are left with no choice but to overlook the excessive recruitment or placement fees and take out loans from loan sharks to pay for these fees.

This bill asserts the State's commitment to uphold the rights and welfare of OFWs. It recognizes their invaluable contribution to the national economy by ensuring they are safeguarded from unscrupulous recruitment practices, including the imposition of excessive recruitment or placement fees.

In addition to prohibiting the imposition of excessive recruitment or placement fees, this bill also prohibits certain illicit practices, such as the premature collection of payments, non-issuance of official receipts for fees collected, non-disclosure of fees in contracts and the use of deceptive methods to force OFWs to pay these fees.

To enforce the provisions of the proposed measure, imprisonment, fines, and license revocation, may be imposed against any employee or officer of recruitment or placement agency who is found guilty of any of the prohibited act. The bill also emphasizes the duty of recruitment or placement agency to explain to OFWs the terms and conditions of their employment contract, including the amount of placement fees to be paid, and right of OFWs to seek assistance from DMW and other migrant workers organization for any doubt or concern regarding the terms and conditions of the employment contract.

In view of the foregoing, the immediate approval of this bill is fervently sought.



LORDANG G. SUAN



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

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10 **SECTION 1. Short Title.** – This Act shall be known as the “*Overseas Filipino*
11 *Workers Fair Placement Fee Act.*”

12 **SEC. 2. Declaration of Policy.** – It is the policy of the State to uphold the rights
13 and welfare of Overseas Filipino Workers (OFWs) and recognize their
14 significant contribution to the national economy. Towards this end, the State
15 shall protect OFWs from unscrupulous recruitment practices, including the
16 imposition of excessive recruitment or placement fees.

17 **SEC. 3. Prohibited Acts.** – It shall be unlawful for any employee or officer of
18 recruitment or placement agencies to commit the following acts:

1 a) Charging and collecting recruitment or placement fee more than the
2 equivalent of one (1) month basic salary of the OFW specified in the
3 Department of Migrant Workers (DMW) approved contract;

4 b) Charging and collecting recruitment or placement fee from the
5 following OFWs:

6 1) Domestic workers;

7 2) Government hired workers and workers hired through government
8 placement agencies; and

9 3) Workers to be deployed where the prevailing system, either by
10 law, policy or practice, does not allow, directly or indirectly, the
11 charging and collection of recruitment or placement fees.

12 c) Charging and collecting recruitment or placement fee before the OFW
13 signed a valid employment contract;

14 d) Failing to indicate in the employment contract the amount of the
15 recruitment or placement fee;

16 e) Using deceptive or fraudulent practices to force an OFW to pay an
17 excessive recruitment or placement fee, including withholding an OFW's
18 passport, government-issued identification and other travel documents;

19 f) Failing to issue the Bureau of Internal Revenue registered receipts for
20 any recruitment or placement fee collected;

1 g) Retaining any recruitment or placement fee collected when deployment
2 does not materialize;

3 h) Coercing an OFW to issue post-dated checks to guarantee payment of
4 any recruitment or placement fee; and

5 i) Coercing an OFW to borrow money only from designated persons or
6 lending institutions to pay the recruitment or placement fee.

7 **SEC. 4. Penalties.** – In addition to any criminal liability under existing laws,
8 any employee or officer of recruitment or placement agencies who commits
9 any of the prohibited acts under Section 3 of this Act shall suffer the penalty of
10 imprisonment of not less than six (6) years and one (1) day but not more than
11 eight (8) years or a fine of not less than One hundred thousand pesos
12 (P100,000.00) but not more than Five hundred thousand pesos (P500,000.00),
13 or both, at the discretion of the court. If the employee or officer of a recruitment
14 or placement agency is found guilty of any of the prohibited act under Section
15 3 of this Act, the license of the recruitment or placement agency shall be
16 automatically revoked.

17 **SEC. 5. Duty and Right.** – The recruitment or placement agency must explain
18 to the OFWs the terms and conditions of the employment contract, including the
19 recruitment or placement fees and charges to be paid, before signing an
20 employment contract. Any OFW may consult with or seek assistance from the
21 DMW or any other migrant workers organization for any doubt or concern on the

1 terms and conditions of the employment contract.

2 **SEC. 6. Education and Awareness Program.** – The Secretary of Migrant
3 Workers shall, in coordination with concerned agencies and stakeholders,
4 develop and implement an education and awareness program to provide OFWs
5 and potential OFWs with information about their rights and responsibilities
6 under this Act.

7 **SEC. 7. Reporting.** – The DMW shall establish a mechanism for OFWs and
8 their families to report any of the prohibited act under Section 3 this Act. The
9 DMW shall confidentially and promptly act on the report and ensure the
10 protection of complainant from any retaliation from the employee or officer of
11 recruitment or placement agency.

12 **SEC. 8. Implementing Rules and Regulations.** – Within sixty (60) days from
13 the effectivity of this Act, the Secretary of Migrant Workers shall issue the
14 necessary rules and regulations for the effective implementation of this Act.

15 **SEC. 9. Repealing Clause.** – All laws, executive orders, issuances, rules and
16 regulations inconsistent with the provisions of this Act are amended or
17 modified accordingly.

18 **SEC. 10. Effectivity.** – This Act shall take effect fifteen (15) days after its
19 publication in the Official Gazette, in a newspaper of general circulation or a
20 website provided for by law.

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1 Approved,