



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

Twentieth Congress
First Regular Session



HOUSE BILL NO. **2968**

Introduced by Representatives Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, Andrew Julian K. Romualdez and Jude A. Acidre

AN ACT
PROVIDING FOR A FREE FINANCIAL EDUCATION TO OVERSEAS
FILIPINO WORKERS AND THEIR FAMILIES

EXPLANATORY NOTE

Section 18 of Article II of the 1987 Constitution affirms that labor is a primary social economic force and guarantees that the rights of workers are protected and their welfare promoted. In addition, Section 3 of Article XIII of the same Constitution ensures full protection to labor, both local and overseas.

To advance the welfare of overseas Filipino workers (OFWs) and their families, the government must equip them with the appropriate and necessary financial knowledge and resources to protect, manage, and sustain the hard-earned gains of their labor abroad and to obtain more competencies, especially in this digital age, ultimately achieving financial freedom. Thus, this proposed bill underscores the importance of institutionalizing comprehensive financial education programs as a core component of migrant support services.

Financial education is the systematic process of teaching and learning to acquire financial concepts and principles thereby improving one's ability to make better decisions about managing their finances. For OFWs, this means learning how to 1) effectively handle their remittances from prioritizing essentials, saving for future needs, to investing for growth; 2) make informed financial decisions to prevent financial mismanagement and to protect them against scams and frauds; and, 3) prepare for long-term financial security.

Several government initiatives are already in place to enhance financial literacy among migrant workers. The Department of Migrant Workers (DMW) and the Department of Finance (DOF) have recently launched a nationwide financial literacy campaign by signing a partnership, aligning their agencies with President Ferdinand R. Marcos Jr.'s call to provide stronger support for Filipino migrant workers.¹

The Overseas Workers Welfare Administration (OWWA), in partnership with the BDO Foundation and Bangko Sentral ng Pilipinas (BSP), has the Pinansyal na Talino at Kaalaman, or “*PiTaKa*,” program integrated in their Pre-Departure Orientation Seminars; this program educates OFWs and their families on managing remittances, building savings, making investments, and starting their businesses.²

The Land Bank of the Philippines, through its subsidiary, Overseas Filipino Bank (OFBank), also provides banking services that cater to the specific needs of OFWs, like digital banking solutions that let OFWs avail of loans and bill payment services, as well as manage their accounts regardless of their geographical position.³

The BSP likewise advocates for financial inclusion through access to transaction accounts, such as Basic Deposit Accounts and e-money wallets, to encourage account-based remittance transfers. It has also expanded access to low-cost touchpoints, enabling the unbanked in remote areas to reach them through agent networks (e.g., cash agents, e-money agents, and remittance sub-agents).

However, the Philippine Institute for Development Studies (PIDS) pointed out the need for better promotion of these programs and services. Furthermore, despite remittances providing OFW families increased incomes, this does not necessarily translate into efficient management of household finances.⁴

To address this, the proposed measure aims to provide free financial education and literacy programs to OFWs and their families, teaching and training them on how to use their hard-earned money wisely and effectively. This approach to reintegration support is not only an investment in their well-being but also a repayment to these modern-day heroes for their contributions to the Philippines' continued economic growth and prosperity.

¹ <https://www.pna.gov.ph/articles/1251925>

² https://www.bsp.gov.ph/Inclusive%20Finance/Tools/PiTaKa_trainers_manual.pdf

³ <https://www.rappler.com/philippines/overseas-filipinos/ofws-want-wiser-money-management-financial-literacy-programs-not-reaching/>

⁴ <https://pidswebs.pids.gov.ph/CDN/document/pidsdps2317.pdf>

Patterned after the approved Third Reading version of the measure filed during the 19th Congress, this bill proposes the following:

- **Free Mandatory Financial Seminar.** Mandates that the OFWs and their families be provided with a mandatory and continuous financial program that is free-of-charge which will be integrated in their Departure Orientation Seminars (PDOS) and Post-Arrival Training Seminars (PATS) (Sec. 4).
- **Participating Agencies.** Mandates the DMW to primarily conduct the training and seminars in coordination with the OWWA, the DOF, the BSP, the Department of the Interior and Local Government as well as the accredited PDOS providers, embassies or consulates in the countries of destination (Sec. 5).

Thus, the passage of this measure is urgently requested.



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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 “*Free OFW Financial Education Act.*”

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to afford full protection to labor - local and overseas - and promote full employment and equality of employment opportunities for all.

The State shall have the continuous duty to acknowledge the valuable contribution of Overseas Filipino Workers (OFWs) to our economy through their remittances. In doing so, the State shall adopt measures that will take care of the welfare and benefits of OFWs and their families like the provision for a free financial education or literacy training to equip them with enough knowledge for a proper and wise use of their hard-earned money.

SECTION 3. *Coverage.* – This Act shall cover all OFWs, either land-based or sea-based, documented or otherwise, and their families.

SECTION 4. *Mandatory Financial Education Seminar.* – All OFWs shall undergo mandatory and continuously updated financial education or literacy training seminars which shall become an integral part of the Pre-Departure Orientation Seminars (PDOS) of departing OFWs. Moreover, Post-Arrival Training Seminars (PATs) on financial education or literacy shall likewise be required of OFWs within a reasonable time upon arrival in their respective countries of destination on their first employment contract, or those who transfer from one place of work to another without stopping by the Philippines. Overseas Filipino Seafarers shall have the option of attending these continuously updated financial education or literacy training seminars at their respective points-of-hire, or within a reasonable time, after their return to the Philippines.

Families of OFWs throughout the Philippines shall likewise be equipped with financial education and knowledge through on-line seminars and other feasible and effective means.

SECTION 5. *Participating Agencies.* – The PDOS and PATs shall be primarily conducted by the Department of Migrant Workers (DMW), as the lead agency, in coordination with the Overseas Workers Welfare Administration (OWWA), the Department of Finance (DOF), the Bangko Sentral ng Pilipinas (BSP), the Department of the Interior and Local Government (DILG) and all the barangays under it, and the accredited PDOS providers across the country, including the embassies or consulates, whichever may be available, in the countries of destination.

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

SECTION 6. *Free Financial Education Programs.* – Financial education or literacy training programs undertaken under this Act shall be free-of-charge.

The DMW shall, in coordination with the OWWA, the DOF, and the BSP, educate the OFWs and their families on the following financial subjects, issues or programs: Consumer Protection, Protection on Mortgaged or Collateralized Properties, Avoidance of Exorbitant Interests on Loans or Debts, and Credit Information on Micro- and Small-Scale Enterprises to prospective lenders.

Financial education shall also include information on Obligations and Contracts, Credit Transactions, Interests, Pledges, Mortgages, Guarantees, and Knowledge on Financial Products such as stocks, bonds, insurance, and mutual funds, which are available in the market.

The DMW shall regularly coordinate with the Department of Information and Communications Technology and social media companies to disallow posts and messages that are meant to confuse, mislead, victimize, defraud or entice OFWs and their families to engage in gambling and other similar activities, including on-line scams, pyramiding schemes, and the like.

SECTION 7. *Implementing Rules and Regulations.* – Within ninety (90) days from the approval of this Act, the Secretary of the DMW shall, in consultation with the Administrator of the OWWA, the Secretary of the DOF, the

Governor of the BSP, and the Secretary of the DILG, promulgate the necessary rules and regulations for the effective implementation of this Act.

SECTION 8. *Repealing Clause.* – All laws, decrees, executive orders, issuances, rules and regulations which may be inconsistent with any of the provisions of this Act are hereby deemed repealed, amended or modified accordingly.

SECTION 9. *Separability Clause.* – If any provision of this Act is held unconstitutional or invalid, such holding shall not affect other provisions not affected thereby.

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

Approved,