



HOUSE OF REPRESENTATIVES

House Bill No. 3922

Introduced by Representative FRANZ FERNANDEZ LEGAZPI

EXPLANATORY NOTE

Overseas Filipino Workers (OFWs) are the modern-day heroes of our nation. They leave the country in search for better-paying jobs in foreign lands to provide for their families they leave behind. According to the Philippine Statistics Authority (PSA), there are 2.16 million OFWs from April to September 2023, increasing 9.8% from the previous year of an estimated 1.96 million.¹ In 2023, the Bangko Sentral ng Pilipinas (BSP) estimates that personal remittances of overseas Filipinos reached an all-time high of \$37.2 billion, increasing year-on-year and contributing to 8.5% of the country's gross domestic product (GDP).²

The income that OFW receive from their foreign employers are transferred through bank and non-bank financial institutions for the benefit of their families here in the Philippines. In compensation to their service, these financial institutions impose money-transfer fees and charges which in effect reduces the amount received by the families of OFWs relying on these remittances.

Pursuant to the mandate of the State to promote the rights of all workers whether domestic or overseas, it is necessary that the money that OFWs send to their families are well protected against usurious and exorbitant charges. Thus, we file this bill to protect the income that OFWs earned for their families by requiring financial intermediaries to conspicuously disclose their currency exchange rates, prohibiting the increase of fees without prior consultation from the relevant government agencies, and by subjecting these remittance fees to a 50% discount. Moreover, this legislation aims to equip OFWs and their families by providing free financial education programs as a way to ensure their financial security even after their overseas work.

This bill has passed the 17th, 18th and 19th Congresses of the House of Representatives. We implore the 20th Congress to consider this piece of legislation and enact it into law for the welfare of our OFWs and their families in the Philippines.

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

FRANZ FERNANDEZ LEGAZPI
Representative, PINOY WORKERS PARTYLIST

¹ <https://psa.gov.ph/statistics/survey/labor-and-employment/survey-overseas-filipinos/index?utm>
² <https://www.philstar.com/business/2025/02/18/2422200/remittances-reach-record-high-383-billion>

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AN ACT
PROVIDING FOR PROTECTION OF THE REMITTANCES OF OVERSEAS FILIPINO
WORKERS

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 “Overseas Filipino Workers (OFWs) Remittance Protection Act.”

SEC. 2. *Declaration of Policy.* - The Constitution affirms that labor is the primary social economic force and mandates the State to protect the rights of the workers and promote their welfare.

Recognizing the significant contribution of OFWs to the national economy through foreign exchange remittances, the State shall adopt measures to protect the hard-earned money they remit home against usurious interest rates and exorbitant fees charged by financial institutions that deplete the value of their remittances and provide them and their families adequate education and training on financial literacy, such as financial planning and management of finances or savings, to help ensure a source of livelihood even after their overseas employment.

SEC. 3. *Definition of Terms.* – As used in this Act:

- (a) *Overseas Filipino Worker* refers to a person who is to be engaged, is engaged or has been engaged in a remunerated activity in a state of which the person is not a citizen or on board a vessel navigating the foreign seas other than a government ship used for military or non-commercial purposes or on an installation located offshore or on the high seas; to be used interchangeably with migrant worker;
- (b) *Remittance* refers to the foreign exchange earnings sent home by OFWs or their employers or agents through formal channels; and
- (c) *Remittance fee* refers to the service fee or charge imposed by bank and non-bank financial intermediaries for sending money of OFWs through formal channels.

SEC. 4. *Applicability of this Act.* - The provisions of this Act shall be applicable to all OFW remittances, whether voluntary or mandated by law, orders, issuances, or rules and regulations.

SEC. 5. *Discount on Remittance Fees and Tax Deduction Granted to Establishments.* - Fees imposed by banks and non-bank financial intermediaries on OFW remittances to immediate family members shall be subject to a fifty percent (50%) discount.

1 Bank and non-bank financial intermediaries providing discounts on remittance fees
2 may claim the discounts granted as tax deduction based on the cost of services rendered to
3 OFWs to be treated as ordinary and necessary expense deductible from the gross income of the
4 intermediary falling under the category of itemized deductions: Provided, That the Secretary of
5 Finance shall, upon the recommendation of the Commissioner of Internal Revenue, issue the
6 pertinent revenue regulation for the purpose.

7
8 **SEC. 6. Requirement of Posting of the Peso Equivalent of the Currency to be**
9 **Exchanged.** - All bank and non-bank financial intermediaries offering remittance services to
10 OFWs shall be required to post in a conspicuous place within the establishment's premises the
11 Philippine peso equivalent rate of the foreign currencies being transacted. The Philippine peso
12 equivalent of the amount as remitted shall be the same amount that shall be received by the
13 beneficiary of the remittance.

14
15 **SEC. 7. Prohibition from Raising Remittance Fees.** - All banks and non-bank
16 financial intermediaries offering remittance services to OFWs are prohibited from raising their
17 current remittance fees without prior consultation with the Department of Finance (DOF),
18 Bangko Sentral ng Pilipinas (BSP), and the Department of Migrant Workers (DMW).

19
20 **SEC. 8. Prohibited Acts.** - *The following acts are also prohibited:*

- 21
22 (a) Misappropriation or conversion, to the prejudice of the OFW or beneficiary, of
23 foreign exchange remittances received in trust, or on commission, or for
24 administration, or under any other obligation involving the duty to make delivery
25 of, or to return the same, or by denying having received such foreign exchange
26 remittance;
27
28 (b) Taking of foreign exchange remittances without the consent of the OFW or
29 beneficiary;
30
31 (c) Imposition of remittance fees in excess of those prescribed under Section 5 of
32 this Act;
33
34 (d) Failure to post in a conspicuous place of the establishment the Philippine Peso
35 rate of the foreign currency being transacted; and
36
37 (e) Failure to conduct consultation with the DOF, BSP, and the DMW before raising
38 remittance fees.
39

40 **SEC. 9. Penalties.** Any person who is found guilty of any of the acts described in
41 Section 8 hereof shall be punished by an imprisonment of six (6) months and one (1) day to six
42 (6) years and a fine of Fifty thousand pesos (Php 50,000.00) but not exceeding Seven hundred
43 fifty thousand pesos (Php 750,000.00).
44

45 Aside from the criminal liability provided in the preceding paragraph, institutions
46 governed and supervised by the BSP found to have violated the provisions of Section 8 of this
47 Act shall be subjected to the necessary fines, penalties, and sanctions as provided under Republic
48 Act No. 7653, or "The New Central Bank Act", Republic Act No. 8791, or "The General
49 Banking Law of 2000", and other pertinent banking regulations.
50

51 In case the violation is committed by a corporation or partnership, the liability shall
52 be imposed on the president, managing director or partner, general manager, or other responsible
53 officers of the corporation or partnership.
54

55 **SEC. 10. Free Mandatory Financial Education for OFWs and their Families.** The
56 DMW as the lead agency, in coordination with the Overseas Workers Welfare Administration
57 (OWWA), the DOF, and the BSP, shall ensure that a mandatory financial education program

1 which shall be served free-of-charge shall be provided to OFWs and their families. These
2 agencies shall likewise educate the OFWs and their families on the following financial subjects,
3 issues or programs: Consumer Protection, Protection on Mortgaged or Collateralized Properties,
4 Avoidance of Exorbitant Interests on Loans or Debts, and Credit Information on Micro and
5 Small-Scale Enterprises to prospective lenders.

6
7 Financial education shall also include information on Obligations and Contracts,
8 Credit Transactions, Interests, Pledges, Mortgages, Guarantees, and knowledge on Financial
9 Products, such as stocks, bonds, insurance, and mutual funds, which are available in the market.

10
11 As such, all OFWs shall undergo mandatory and continuously updated financial
12 education (literacy training) seminars which shall become an integral part of the Pre-Departure
13 Orientation Seminar (PDOS) of departing OFWs. Moreover, Post-Arrival Training Seminars
14 (PATS) on financial education or literacy shall likewise be required of OFWs within a
15 reasonable time upon their arrival in their respective countries of destination on their first
16 employment contract, or those who transfer from one place of work to another without stopping
17 by the Philippines. Overseas Filipino Seafarers shall have the option of attending these
18 continuously updated financial education (literacy training) seminars at their respective points-
19 of-hire, or within a reasonable time, after their return to the Philippines.

20
21 Families of OFWs throughout the Philippines shall likewise be equipped with financial
22 education and knowledge through on-line seminars and other feasible and effective means.

23
24 The PDOS and PATS shall be primarily conducted by the DMW, in coordination with
25 the OWWA, the DOF, the BSP, the Department of the Interior and Local Government and all the
26 barangays under it, and the accredited PDOS providers across the country, including the
27 embassies or consulates, whichever may be available, in the countries of destination.

28
29 The DMW shall regularly coordinate with the Department of Information and
30 Communications Technology and social media companies to disallow posts and messages that
31 are meant to confuse, mislead, victimize, defraud or entice OFWs and their families to engage in
32 gambling and other similar activities, including on-line scams, pyramiding schemes, and the like.

33
34 As the lead agency, the DMW is tasked to formulate training modules on financial
35 education or literacy; initiate and conduct training programs on financial management and
36 responsibility; apprise OFWs on financial opportunities and pitfalls, among others; ensure the
37 accessibility of qualified on-line financial and economic advisors and/or counselors; and
38 disseminate knowledge-expanding activities that promote financial education (literacy) among
39 OFWs and their dependents.

40
41 **SEC. 11. *Liability under the Revised Penal Code and Other Laws.*** - Prosecution under
42 this Act shall be without prejudice to any liability for violation of any provision of the Revised
43 Penal Code or other laws.

44
45 **SEC. 12. *Implementing Agency.*** - The DMW shall, in consultation with the BSP, DOF,
46 OWWA, Department of Foreign Affairs, Bankers Association of the Philippines, Association of
47 Bank Remittance Officers, Inc., Philippine Association of Foreign Exchange Dealers, Money
48 Changers and Remittance Agents, Inc., representatives from the placement or recruitment
49 industry, non-government organizations advocating the rights and welfare of OFWs, and other
50 stakeholders, issue the necessary rules and regulations for the effective implementation of this
51 Act, within ninety (90) days after the approval of this Act.

52
53 **SEC. 13. *Repealing Clause.*** - All laws, executive and administrative orders, rules and
54 regulations inconsistent with the foregoing provisions are hereby repealed or modified
55 accordingly.

56 **SEC. 14. *Separability Clause.*** - If any provision of this Act is held unconstitutional or
57 invalid, such holding shall not affect other provisions not affected thereby.

1
2 **SEC. 15. *Effectivity.*** This Act shall take effect fifteen (15) days after its publication in
3 the Official Gazette or in a newspaper of general circulation.

4 *Approved,*

Approved,