



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



Twentieth Congress
First Regular Session

HOUSE BILL NO. **4416**

Introduced by Representative Ramon Rodrigo L. Gutierrez

EXPLANATORY NOTE

In recent years, motorcycles-for-hire, commonly known as motorcycle taxis, have emerged as an increasingly vital component of the country's public transportation system. Their popularity has been driven by their ability to navigate through traffic congestion swiftly and their relatively affordable fare structure, making them a preferred mode of transportation for millions of Filipinos, especially in highly urbanized and densely populated areas.

Despite their growing importance and undeniable utility, motorcycle taxis currently operate only on a provisional basis under pilot programs and temporary arrangements authorized by the Department of Transportation (DOTr). There remains no existing law that formally legalizes and regulates their operation. This legal vacuum leaves both riders and commuters in a vulnerable position.

The absence of a comprehensive legal framework means that riders live with the constant threat of losing their source of income. Moreover, the safety and security of the riding public are compromised due to the lack of standardized safety protocols, operational guidelines, and regulatory oversight. Without proper regulation, issues such as pricing, accountability, training standards, and insurance coverage likewise remain unaddressed.

This bill, therefore, seeks to formally recognize and regulate motorcycles-for-hire as legitimate public transport services. Among its key provisions are:

1. Recognition of motorcycles-for-hire as common carriers, thereby ensuring that they are subject to the same responsibilities and obligations applicable to other public utility vehicles;
2. Establishment of a regulatory framework governing the operation of motorcycles-for-hire, including provisions for the registration of motorcycles-for-hire, standards and specifications, franchise requirements, rider qualifications, accreditation of motorcycle taxi platform providers (MTPPs), and fare setting mechanisms;
3. Creation of a Rider's Council, an advisory and consultative body to the Land Transportation Franchising and Regulatory Board (LTFRB), to ensure that the voices and welfare of riders are adequately represented in the formulation of fare structures, surcharges, and other relevant policies; and

4. Facilitation of access to social security and welfare benefits for motorcycles-for-hire riders, acknowledging their role as vital contributors to the transportation sector and ensuring they are accorded the protections and support due to them as workers.

House Bill No. 10424 or the “Motorcycles-for-Hire Act” was previously passed on third reading by the House of Representatives on July 30, 2024. Unfortunately, it was not enacted into law prior to the adjournment of the 19th Congress. In view of the bill’s significance to public transportation, economic opportunity, and commuter welfare, this representation is refiling the measure with necessary modifications to reflect current needs and realities.

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



RAMON RODRIGO L. GUTIERREZ
1-Rider Partylist Representative



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AN ACT
REGULATING THE OPERATION OF MOTORCYCLES-FOR-HIRE AND
PROVIDING PENALTIES FOR VIOLATION THEREOF

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 **MOTORCYCLES-FOR-HIRE ACT**.

SECTION 2. Declaration of Policy. - The State recognizes the importance of transportation in economic development. Recent innovations in technology have opened an opportunity for other modes of public conveyance, such as motorcycles-for-hire, to thrive as a reliable and accessible mode of transportation. However, despite its promise of convenience and fast service, it must be regulated to ensure that the interest of the general public is protected. Thus, the State shall allow the regulated operation of motorcycles-for-hire to provide the public with an additional mode of public transportation, which is sufficient, safe, secure and economical.

To this end, the State shall establish mechanisms and guidelines in regulating all the operational aspects of motorcycles-for-hire.

SECTION 3. Definition of Terms. - As used in this Act:

- (a) *Digital platform* refers to information and communications technology-enabled mechanism that connects and integrate producers and users in online environments where goods and services are requested, developed, and sold, and data is generated and exchanged;
- (b) *Motorcycle* refers to any two (2)-wheeled motor vehicle without appendages;
- (c) *Motorcycle-for-hire* refers to a motorcycle, duly registered as such under this Act, and used to carry passengers on a for hire basis, offering its services to the public. A motorcycle-for-hire shall be considered a public utility vehicle and its operation a public utility;
- (d) *Motorcycle taxi platform provider (MTPP)* refers to an entity which provides pre-arranged transportation services for compensation using a digital platform to connect clients with riders to facilitate a contract of carriage of persons using a motorcycle-for-hire;

- (e) *Multi-homing* refers to an approach where an operator may accredit a particular motorcycle-for-hire to more than one digital platform providers in delivering transport services;
- (f) *Operator* refers to the person in whose name the motorcycle-for-hire is registered;
- (g) *Rider* refers to the driver of the motorcycle-for-hire.

SECTION 4. *Scope and Application.* - This Act shall apply to all aspects of the operation of motorcycles used as a common carrier for the transportation of passengers. This Act shall not apply to motorcycles directly owned by entities and used exclusively in the line of business for delivery of goods and other services.

SECTION 5. *Motorcycles-For-Hire as Common Carriers.* - The operation of motorcycles-for-hire is imbued with public interest. As such, the same shall be governed by the applicable provisions of the Civil Code of the Philippines and other pertinent laws, rules and regulations on common carriers, particularly on the required degree of diligence to be observed in the course of transporting passengers, and on the presumption of culpability in case of breach of a contract of carriage.

MTPPs should exercise extraordinary diligence in the accreditation and supervision of motorcycle-for-hire operators and riders operating under their platforms.

SECTION 6. *Registration of Motorcycles-For-Hire.* - A motorcycle intended to be used as a motorcycle-for-hire must be duly registered with the Land Transportation Office (LTO) in accordance with the requirements set forth in Section 7 of this Act. The LTO shall ensure the roadworthiness of all motorcycles-for-hire before their registration, or any renewal thereof.

SECTION 7. *Standards and Specifications of Motorcycles-For-Hire.* - The Department of Transportation (DOTr), upon the recommendation of the Department of Trade and Industry (DTI), Department of Environment and Natural Resources, LTO and Land Transportation Franchising and Regulatory Board (LTFRB), shall prescribe in the implementing rules and regulations the standards and specifications of motorcycles that may be allowed to operate as motorcycles-for-hire, taking into consideration the safety of the passengers and riders.

No modifications shall be made on any motorcycles-for-hire, except for the installation of the appropriate accessories, such as motorcycle bracket, top box, luggage carrier, saddlebag, step board or foot rest, crash guards, speed limiter or monitoring devices, in accordance with the standards approved by the DTI, if applicable, and shall be used as reference by the LTO for registration purposes. In case the DTI has no approved standards, the LTO, upon consultation and agreement with all stakeholders, shall prescribe the same, taking into consideration road worthiness and road safety, until such time the DTI has issued appropriate standards.

Within five (5) years upon the enactment of this Act, the DTI shall ensure the availability of standards of all products and parts covered by this Act and its implementing rules and regulations, and its future amendments or revisions.

SECTION 8. Authority to Grant Franchise to Operate Motorcycles-For-Hire. – The franchising or grant of authority to operate motorcycles-for-hire shall be as follows:

- (a) **Motorcycles-for-Hire Under MTPPs.** – In areas with an existing and operating MTPPs, the authority and regulation of the operation of motorcycles-for-hire is vested in the LTFRB through a franchise or certificate of public convenience (CPC). The LTFRB shall set forth in the franchise the terms and conditions to be observed in the operation of motorcycles-for-hire. In determining the number of franchises to be issued, the LTFRB shall take into consideration the Local Public Transport Route Plan (LPTRP) or studies approved by the DOTr and their impact on the other modes of public transportation. The franchise fee shall be determined by the LTFRB after public consultation and shall only be implemented upon the approval of the DOTr.
- (b) **Motorcycles-for-Hire in Areas Without an Operating MTPP.** – The authority and regulation of operation of motorcycles-for-hire in areas without an operating MTPP is vested in the LTFRB. The number of routes or motorcycles-for-hire that may be allowed to operate shall be determined in accordance with the LPTRP as recommended by the local government unit (LGU) concerned.

The LTFRB shall provide a uniform guidelines as to the standards of operation of motorcycles-for-hire in consultation with the LGUs and stakeholders.

SECTION 9. Requirements for the Grant of a Franchise or Certificate of Public Convenience. – A CPC shall only be issued to an operator upon submission or determination of the presence of the following requirements:

- (a) Proof of Filipino citizenship;
- (b) Financial capacity the standard of which to be determined by the LTFRB;
- (c) Certificate of Registration duly issued by the LTO;
- (d) Insurance coverage for the death of or injuries suffered by the rider, passenger or any third party or damage to property by reason or on occasion of its operation; and
- (e) Tax Identification Number or Certificate of Registration as Common Carrier issued by the Bureau of Internal Revenue (BIR), if applicable.

No operator shall operate more than one (1) franchise nor operate more than one (1) motorcycle-for-hire in a franchise.

SECTION 10. Qualifications of Motorcycles-For-Hire Riders. – The LTO shall promulgate the necessary guidelines setting forth the requirements for the issuance of a professional driver's license, including the content of or the conduct of theoretical and practical examinations, appropriate for the operation of a motorcycle-for-hire. Only riders possessing professional driver's license shall be allowed to operate motorcycles-for-hire. The MTPPs and OEPPs shall provide and conduct a continuing safety training seminar for riders operating under their respective platforms: *Provided*, That for motorcycles-for-hire riders operating

outside the digital platform providers, the conduct of continuing safety training seminar shall be conducted by the LTO.

SECTION 11. Accreditation Requirements of MTPPS. - A MTPP must be duly registered with the Securities and Exchange Commission (SEC).

A MTPP, as far as the operation of motorcycles-for-hire is concerned, before being allowed to operate as such, must comply with the accreditation requirement of the LTFRB. The LTFRB and Department of Information and Communications Technology (DICT) shall jointly issue the guidelines that shall govern the operations of MTPPs.

MTPPs must possess and maintain the following minimum requirements for its accreditation:

- (a) Financial capacity the standard of which to be determined in the joint guidelines;
- (b) SEC registration;
- (c) BIR Tax Identification Number;
- (d) An established Road Crash Quick Response System; and
- (e) Capability to evaluate and determine the competence of riders through an established training center, duly certified by the LTO and Technical Education and Skills Development Authority (TESDA). The LTFRB may, as a requirement for renewal of accreditation, consider the previous safety record of the MTPP as certified by the LTO during effectivity of its accreditation being applied for renewal.

SECTION 12. Operation of Motorcycles-For-Hire. - Motorcycles-for-hire may be allowed to operate using the digital platforms, or on designated areas of operation. To maximize their operation, motorcycles-for-hire shall not be bound by a single MTPP but shall be allowed to adopt a multi-homing approach within a particular area of operation under the given franchise, license or accreditation. *Provided*, That a motorcycle-for-hire accredited under any MTPP platform may not be allowed to operate as motorcycle-for-hire without using such platform.

Except for private use, any operation of motorcycle-for-hire in areas with operating MTPP outside the digital platform shall be considered *colorum* and, therefore, illegal.

For purposes of multi-homing operation of motorcycles-for-hire, the platform providers may not refuse an application for accreditation solely on the ground that an operator or rider is accredited to another platform provider.

The maximum number of hours that a rider may operate a motorcycle-for-hire shall be specified in the implementing rules and regulations of this Act.

Motorcycles-for-hire shall operate at speeds allowable under Republic Act (RA) No. 4136, otherwise known as the "Land Transportation and Traffic Code," as amended, local ordinances and other applicable laws: *Provided*, That in no case shall a motorcycle-for-hire operate beyond sixty kilometers per hour (60kph).

SECTION 13. Fare Setting. - The fares, surcharges and other transportation fees that may be charged by operators and MTPPs under which they operate for motorcycles-for-hire services shall be in accordance with the fare structure and

within the parameters determined, prescribed and issued by the LTFRB, in consultation with the motorcycle-for-hire industry stakeholders. The fare structure shall take into consideration supply and demand components and shall allow dynamic pricing on account of market variations based on location and time. The fare structure shall also include the maximum percentage that can be charged by the MTPPs upon the operators or riders for a particular transaction. The LTFRB shall periodically review the fare structure and parameters of determining the applicable fares. The booking system of MTPPs shall feature a mechanism that enables clients to compare the transportation cost charged by each of the available digital platforms.

In the case of motorcycles-for-hire operating outside the digital platforms, the fare shall be determined by the LTFRB, after a public consultation with LGUs, the operators and other stakeholders.

SECTION 14. *Rider's Council; Composition; Functions.* - There is hereby created a Rider's Council, hereinafter referred to as the "Council," which shall serve as an advisory and consultative body to the Land Transportation Franchising and Regulatory Board (LTFRB) in relation to the regulation of fare structures, surcharges, and other transport-related fees applicable to motorcycles-for-hire.

The Council shall be composed of the following members:

- a) One (1) representative from the Land Transportation Franchising and Regulatory Board (LTFRB), who shall serve as Chairperson;
- b) One (1) representative each from the accredited Motorcycle Taxi Platform Providers (MTPPs), to be designated by the respective platform providers;
- c) Two (2) representatives from the motorcycle-for-hire operators' sector, to be designated by operator associations or organizations duly recognized by the Department of Transportation (DOTr);
- d) Two (2) representatives from the motorcycle-for-hire riders' sector, to be designated by rider associations or organizations duly recognized by the Department of Transportation (DOTr);
- e) Two (2) representatives from the consumers or passengers' sector, to be designated by duly recognized transport or consumer rights advocacy organizations.

The Council shall perform the following functions:

- a) Conduct an annual review of the fare structure, surcharges, and other transportation-related fees being imposed by motorcycle-for-hire operators and MTPPs;
- b) Engage in consultations, public hearings, and research to assess the applicability, fairness, and propriety of existing and proposed fare rates and charges;
- c)) Recommend to the LTFRB such adjustments or reforms in the fare structure, surcharge systems, and related fees to ensure affordability, fairness, and sustainability for both riders and passengers;
- d) Submit a comprehensive report and set of recommendations to the LTFRB on or before the 30th of September each year, which shall be considered

by the Board in the formulation and issuance of the fare structure and policies pursuant to Section 13 of this Act.

SECTION 15. *Fare Discounts.* - The fare structure to be prescribed by the LTFRB for motorcycles-for-hire shall strictly ensure the implementation of all fare discounts mandated under existing laws, policies, rules, and regulations, including but not limited to those provided under Republic Act No. 9994, otherwise known as the "Expanded Senior Citizens Act of 2010"; Republic Act No. 7277, otherwise known as the "Magna Carta for Disabled Persons", as amended by Republic Act No. 10754; and Republic Act No. 11314, otherwise known as the "Student Fare Discount Act".

The cost of such fare discounts shall be borne solely by the MTPPs and/or the operators, and in no case shall such cost be transferred or charged to the motorcycle-for-hire rider, unless the operator is also the rider of the motorcycle-for-hire.

The LTFRB shall ensure compliance with this provision in the formulation and approval of fare rates and structures, and shall prescribe the necessary guidelines for its effective implementation.

SECTION 16. *Processing of Personal Data.* - Any processing, collection, use and/or storage of personal information and sensitive personal information involved in the registration/accreditation of motorcycles-for-hire, digital bookings, and other requirements under this Act shall be made in accordance with the provisions of RA No. 10173, otherwise known as the "Data Privacy Act of 2012."

SECTION 17. *Liabilities for Death, Injuries or Damage to Property.* - The operator and/or the MTPP providing the digital platform at the time when the death, injury or damage to property occurred in the course of operating a motorcycle-for-hire shall be jointly and solidarily liable, with rights of subrogation against any party at fault: *Provided*, That the liability of the MTPP shall not exceed the amount of the insurance coverage of the operator.

MTPPs shall be responsible for the insurance coverage of all its accredited riders. The MTPP shall likewise be responsible for the procurement of Personal Passenger Accident Insurance for the protection of the passengers and/or goods, and, Third Party Liability insurance to cover for damages caused to any third party in the course of operation of motorcycles-for-hire.

SECTION 18. *Access to Social Security and Welfare Benefits.* - MTPPs shall ensure that all registered motorcycle-for-hire riders operating through their platforms are given access to social security and welfare benefits provided under existing laws.

MTPPs shall:

- a) Facilitate the registration of their affiliated motorcycle-for-hire riders with the Social Security System (SSS), the Home Development Mutual Fund (Pag-IBIG Fund), and the Philippine Health Insurance Corporation (PhilHealth), including through partnerships or arrangements with these agencies;
- b) Deduct and remit contributions, where applicable and with the rider's consent, for the rider's premium payments under the aforementioned

programs, in accordance with existing regulations governing self-employed and voluntary members; and

- c) Provide riders with regular access to information on their contributions and benefits, and support compliance with all requirements necessary to maintain good standing with said institutions.

SECTION 19. Road Crash Quick Response System. - Each MTPP shall establish a quick response team to provide immediate medical care or bring any person injured by the operation of the motorcycle-for-hire booked through its digital platform to the nearest hospital or medical facility. A function that will allow the rider or passenger to alert the quick response team during emergency or road crash shall be part of the booking app options of the digital platforms. When necessary, the MTPP shall advance any amount necessary for the admission of such injured person or persons to the hospital or medical facility up to the insured amount.

SECTION 20. Enforcement. - To ensure the safe and secure operation of motorcycle-for-hire, the LTO shall deputize LGUs and other relevant government agencies to assist in the enforcement of traffic rules and regulations, and to monitor strict compliance with the provisions of this Act, particularly, on the observance of carrying capacity and speed limits. The LTO shall establish a centralized database to ensure the accurate recording of violations and road crashes involving motorcycles-for-hire for the purpose of applying the penalties as well as other sanctions under this Act. It shall publish quarterly and annual reports of such data on its website which shall be accessible to the public.

Consistent with its mandate under RA No. 7924, entitled "An Act Creating The Metropolitan Manila Development Authority, Defining Its Powers And Function, Providing Funds Therefor And Other Purposes," the Metropolitan Manila Development Authority (MMDA) shall continue to exercise its traffic enforcement functions within Metro Manila in furtherance of this Act.

All violations related to the terms and conditions 1 of the franchise shall be endorsed by the LTO enforcement officers, deputized LGU enforcers and MMDA personnel to the LTFRB for appropriate action.

The foregoing shall not preclude the MTPPs from exercising the power to impose sanctions such as suspension or blacklisting of their riders or operators on account of violation of internal rules made known to the latter, acts detrimental to safety and security and other reasonable or valid grounds.

SECTION 21. Penalties. -

- (a) Any rider who operates a motorcycle-for-hire in violation of traffic rules and regulations, carrying capacity, and licensing requirement shall suffer the maximum penalty imposed under the applicable law, ordinance, rule or regulation for such violation. In addition, the LTO shall impose a penalty of suspension or revocation of the driver's license of an erring rider commensurate to the gravity of the offense and frequency of commission. The table of penalties shall be included in the implementing rules and regulations of this Act.
- (b) An operator who allows a rider who does not possess a valid Professional Driver's License to operate a motorcycle-for-hire shall, in addition to penalties under existing laws and regulations, suffer a penalty of suspension or revocation of franchise, after due notice and hearing.

- (c) The penal provisions of RA No. 7394, otherwise known as the “Consumer Act of the Philippines,” RA No. 11967 or the “Internet Transactions Act of 2023,” and RA No. 10173, when applicable, shall apply for acts or omissions committed in the course of motorcycle-for-hire operation.

SECTION 22. *Travel Demand and Operational Data.* – To assist the DOTr in transportation planning and management, the MTPPs and OEPPs shall, not later than thirty (30) calendar days after the end of every year, submit to the DOTr their travel demand and operational data.

SECTION 23. *Transitory Provision.* – In order to provide a smooth transition in the full implementation of this Act, the authority and accreditation granted to existing MTPPs and operators shall continue to be effective until their expiration or six (6) months from the promulgation of the implementing rules and regulations of this Act, whichever comes later.

SECTION 24. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the DOTr shall, in coordination with the LTFRB, LTO, DICT, BIR, TESDA, Department of Health, Department of the Interior and Local Government, MMDA, and Philippine National Police-Highway Patrol Group, and in consultation with stakeholders, promulgate the necessary rules and regulations to carry out the implementation of this Act.

SECTION 25. *Separability Clause.* – If, for any reason, any provision of this Act is declared invalid or unconstitutional, the remaining provisions not otherwise affected shall remain valid and subsisting.

SECTION 26. *Repealing Clause.* – All provisions of laws, decrees, executive orders, presidential issuances and other administrative rules and regulation, or parts thereof, which are incompatible or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 27. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

