

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **4939**



Introduced by **Representative AGATHA PAULA "AGAY" A. CRUZ**

EXPLANATORY NOTE

According to the Bangko Sentral ng Pilipinas, cash remittances coursed through banks by Overseas Filipino Workers (OFWs) reached over US\$38.3 billion in 2024, representing 8.3% and 7.4% of the country's Gross Domestic Product and Gross National income, respectively.¹ These transfers sustain millions of households, finance education and health care, and help stabilize our external accounts, but they also remain vulnerable to high transaction costs, nontransparent exchange rates, and the proliferation of informal or unregulated channels.

The Philippines has earned the bittersweet distinction of being one of the world's largest exporters of labor. More than 1.8 million Overseas Filipino Workers (OFWs) leave our shores every year, not out of wanderlust but out of necessity, driven by the hope of giving their families a better future. They remit not only foreign currency but also years of toil and separation. Their remittances have become a lifeline for families and a backbone of our national economy.

Paradoxically, the same financial system that benefits from their remittances often penalizes them with excessive fees, hidden charges, confusing exchange rates, and other predatory practices that chip away at the fruit of their labor. This situation offends both fairness and common sense.

The proposed Overseas Filipino Workers Remittance Protection Act directly confronts these inequities. It seeks to establish ceilings on remittance fees and require transparency in exchange rates, strengthen regulatory oversight, and provide a dedicated program of financial literacy for OFWs and their families. These free financial literacy programs are tools to help transform remittances from fleeting lifelines into durable investments.

The measure draws on existing powers of the Bangko Sentral ng Pilipinas and the

¹ *Personal Remittances Reach a Record High of US\$3.7 Billion in December 2024; Full-Year Level of US\$38.2 Billion Highest to Date*, BANGKO SENTRAL NG PILIPINAS, 17 February 2025, available at <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=7426>

Department of Migrant Workers, aligning with the State's constitutional duty to protect labor and promote social justice. It complements, rather than competes with, the current legal framework, ensuring feasibility without sacrificing the noble intent of the bill. In so doing, this gives substance to the oft-repeated claim that OFWs are our *bagong bayani*.

This bill is not about charity but about justice. It ensures that when an OFW sends money home, the full value arrives, unspoiled by usury or deception. By enacting this bill, Congress affirms that the Philippines does not merely export its labor force, but it also import fairness, transparency, and dignity into the lives of those who keep our economy alive.

Immediate passage is earnestly sought.



AGATHA PAULA "AGAY" AGUILAR CRUZ
Representative, Fifth Legislative District of Bulacan

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Introduced by **Representative AGATHA PAULA “AGAY” A. CRUZ**

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

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 “Overseas Filipino Workers
2 (OFWs) Remittance Protection Act.”
3

4 **Section 2. Declaration of Policy.** – It is hereby declared the policy of the State to
5 recognize the invaluable contribution of Overseas Filipino Workers (OFWs) to national
6 development and to uphold their rights and welfare in accordance with the Constitution,
7 existing laws, and international obligations. Towards this end, the State shall:
8

9 (a) Ensure the protection and maximization of the value of remittances sent by
10 OFWs to their families and beneficiaries through transparent, competitive, and
11 reasonably priced remittance services;
12

13 (b) Promote fair and secure access to formal financial channels, including digital
14 remittance platforms, for the safe and efficient transfer of funds;
15

16 (c) Institutionalize programs for financial literacy and capability-building for
17 OFWs and their families to foster long-term economic security and resilience;
18

19 (d) Strengthen coordination among government agencies, financial institutions,
20 and other stakeholders for the effective regulation, monitoring, and
21 development of the remittance industry consistent with the principles of
22 consumer protection, financial inclusion, and good governance; and
23

24 (e) Provide an enabling policy and regulatory environment that encourages
25 innovation in remittance services while safeguarding the interests of OFWs and

1 their beneficiaries.

2
3 **Section 3. *Definition of Terms.*** – As used in this Act:

4
5 (a) *Overseas Filipino Worker (OFW)* refers to a person who is to be engaged, is
6 engaged or has been engaged in a remunerated activity in a state of which the
7 person is not a citizen or on board a vessel navigating the foreign seas other
8 than a government ship used for military or non-commercial purposes or on
9 an installation located offshore or on the high seas; to be used interchangeably
10 with migrant worker;

11
12 (b) *Remittance* refers to the foreign exchange earnings sent home by OFWs or their
13 employers or agents through formal channels; and

14
15 (c) *Remittance fee* refers to the service fee or charge imposed by bank and non-bank
16 financial intermediaries for sending money of OFWs through formal channels.

17
18 (d) *Digital Remittance Platform* refers to any electronic or online facility, including
19 mobile applications and fintech systems, duly licensed or registered with the
20 Bangko Sentral ng Pilipinas (BSP) under Republic Act No. 11127 or the
21 “National Payment Systems Act,” through which OFWs may send or receive
22 remittances.

23
24 **Section 4. *Applicability of this Act.*** – The provisions of this Act shall be applicable
25 to all OFW remittances, whether voluntary or mandated by law, orders, issuances, or rules
26 and regulations, including remittances sent via digital remittance platforms.

27
28 **Section 5. *Remittance Fees; Incentives.*** – The Bangko Sentral ng Pilipinas (BSP), in
29 consultation with the Department of Finance (DOF) and the Department of Migrant
30 Workers (DMW), shall prescribe by regulation a maximum ceiling on remittance fees
31 charged by banks, non-bank financial intermediaries, and digital remittance platforms on
32 OFW remittances to immediate family members.

33
34 Banks, non-bank financial intermediaries, and digital remittance platforms that
35 voluntarily grant discounts on remittance fees beyond the BSP ceiling may claim such
36 discounts as a tax deduction or tax credit, based on the cost of services rendered to OFWs,
37 to be treated as ordinary and necessary expenses deductible from gross income, pursuant
38 to regulations issued by the Secretary of Finance upon recommendation of the
39 Commissioner of Internal Revenue.

40
41 **Section 6. *Posting of the Peso Equivalent of the Currency to be Exchanged.*** – All
42 banks, non-bank financial intermediaries, and digital remittance platforms offering
43 remittance services to OFWs shall be required to prominently post and regularly update
44 in a conspicuous place within the establishment’s premises, and on their digital platforms,

1 the prevailing Philippine peso equivalent rates of the foreign currencies being transacted,
2 for reference purposes.

3
4 The actual peso amount to be received by the beneficiary shall be based on the
5 prevailing exchange rate at the time of credit or payout in accordance with BSP
6 regulations.

7
8 **Section 7. Regulation of Remittance Fees.** – No bank, non-bank financial
9 intermediary, or digital remittance platform shall increase its remittance fees on OFW
10 remittances beyond the ceiling prescribed by the BSP without prior approval of the BSP,
11 in consultation with the DOF and the DMW.

12
13 **Section 8. Monitoring and Reporting.** – All banks, non-bank financial
14 intermediaries, and digital remittance platforms covered by this Act shall submit to the
15 BSP, copy furnished the DMW and DOF, periodic reports on remittance volumes, charges,
16 and compliance with this Act. The BSP and DMW shall maintain a shared compliance
17 database and submit an annual report to Congress on the status of implementation.

18
19 **Section 9. Prohibited Acts.** – The following acts are also prohibited:

- 20
21 (a) Misappropriation or conversion, to the prejudice of the OFW or beneficiary, of
22 foreign exchange remittances received in trust, or on commission, or for
23 administration, or under any other obligation involving the duty to make
24 delivery of, or to return the same, or by denying having received such foreign
25 exchange remittance;
26
27 (b) Taking of foreign exchange remittances without the consent of the OFW or
28 beneficiary;
29
30 (c) Imposition of remittance fees in excess of those prescribed under Section 5 of
31 this Act or the regulations issued by the BSP;
32
33 (d) Failure to post in a conspicuous place of the establishment the Philippine Peso
34 rate of the foreign currency being transacted; and
35
36 (e) Failure to conduct consultation with the DOF, BSP, and the DMW before
37 raising remittance fees.

38
39 **Section 10. Penalties.** – Any person who is found guilty of any of the acts described
40 in Section 9 hereof shall be punished by an imprisonment of six (6) months and one (1)
41 day to six (6) years and a fine of Fifty thousand pesos (Php 50,000.00) but not exceeding
42 Seven hundred fifty thousand pesos (Php 750,000.00).

43
44 Aside from the criminal liability provided in the preceding paragraph, institutions

1 governed and supervised by the BSP found to have violated the provisions of Section 8 of
2 this Act shall be subjected to the necessary fines, penalties, and sanctions as provided
3 under Republic Act No. 7653, or “The New Central Bank Act”, Republic Act No. 8791, or
4 “The General Banking Law of 2000”, Republic Act No. 11127, or “The National Payment
5 Systems Act”, and other pertinent banking regulations.

6
7 In case the violation is committed by a corporation or partnership, the liability shall
8 be imposed on the president, managing director or partner, general manager, or other
9 responsible officers of the corporation or partnership.

10
11 **Section 11. *Free Mandatory Financial Education for OFWs and their Families.* –**

12 The DMW as the lead agency, in coordination with the Overseas Workers Welfare
13 Administration (OWWA), the DOF, and the BSP, shall ensure that a mandatory financial
14 education program, which shall be served free-of-charge, shall be provided to OFWs and
15 their families. These agencies shall likewise educate the OFWs and their families on the
16 following financial subjects, issues or programs: Consumer Protection, Protection on
17 Mortgaged or Collateralized Properties, Avoidance of Exorbitant Interests on Loans or
18 Debts, and Credit Information on Micro- and Small-Scale Enterprises to prospective
19 lenders.

20
21 Financial education shall also include information on Obligations and Contracts,
22 Credit Transactions, Interests, Pledges, Mortgages, Guarantees, and knowledge on
23 Financial Products, such as stocks, bonds, insurance, and mutual funds, which are
24 available in the market.

25
26 As such, all OFWs shall undergo mandatory and continuously updated financial
27 education (literacy training) seminars which shall become an integral part of the Pre-
28 Departure Orientation Seminar (PDOS) of departing OFWs. Moreover, Post-Arrival
29 Training Seminars (PATS) on financial education or literacy shall likewise be required of
30 OFWs within a reasonable time upon their arrival in their respective countries of
31 destination on their first employment contract, or those who transfer from one place of
32 work to another without stopping by the Philippines. Overseas Filipino Seafarers shall
33 have the option of attending these continuously updated financial education (literacy
34 training) seminars at their respective points-of-hire, or within a reasonable time, after their
35 return to the Philippines.

36
37 Families of OFWs throughout the Philippines shall likewise be equipped with
38 financial education and knowledge through on-line seminars and other feasible and
39 effective means.

40
41 The PDOS and PATS shall be primarily conducted by the DMW, in coordination
42 with the OWWA, the DOF, the BSP, the Department of the Interior and Local Government
43 and all the barangays under it, and the accredited PDOS providers across the country,
44 including the embassies or consulates, whichever may be available, in the countries of

1 destination.

2
3 The DMW shall regularly coordinate with the Department of Information and
4 Communications Technology and social media companies to disallow posts and messages
5 that are meant to confuse, mislead, victimize, defraud or entice OFWs and their families
6 to engage in gambling and other similar activities, including on-line scams, pyramiding
7 schemes, and the like.

8
9 As the lead agency, the DMW is tasked to formulate training modules on financial
10 education or literacy; initiate and conduct training programs on financial management
11 and responsibility; apprise OFWs on financial opportunities and pitfalls, among others;
12 ensure the accessibility of qualified on-line financial and economic advisors and/or
13 counselors; and disseminate knowledge-expanding activities that promote financial
14 literacy among OFWs and their dependents.

15
16 **Section 12. *Funding and Evaluation.*** – The amount necessary for the initial
17 implementation of the financial education programs under this Act shall be charged
18 against the current appropriations of the DMW and OWWA. Thereafter, such sums as
19 may be necessary for the continued implementation of the programs shall be included in
20 the annual General Appropriations Act.

21
22 The DMW shall, in coordination with the BSP, DOF, and OWWA, develop
23 performance indicators and an annual evaluation report on the reach and effectiveness of
24 the financial education program, which shall be submitted to Congress.

25
26 **Section 13. *Liability under the Revised Penal Code and Other Laws.*** – Prosecution
27 under this Act shall be without prejudice to any liability for violation of any provision of
28 the Revised Penal Code or other laws.

29
30 **Section 14. *Implementing Agency.*** – The DMW shall be the lead agency in the
31 implementation of this Act for policy and programmatic matters, while the BSP shall be
32 the primary agency for the regulation and supervision of banks, non-bank financial
33 intermediaries, and digital remittance platforms covered by this Act.

34
35 **Section 15. *Implementing Rules and Regulations.*** – The DMW and BSP shall jointly
36 promulgate the necessary rules and regulations, in consultation with the DOF, OWWA,
37 DFA, industry associations, and other stakeholders, within ninety (90) days after the
38 approval of this Act.

39
40 **Section 16. *Separability Clause.*** – If any part or provision of this Act is held
41 unconstitutional or invalid, the remainder thereof not otherwise affected shall remain in
42 full force and effect.

43
44 **Section 17. *Repealing Clause.*** – All laws, decrees, executive orders, rules, and

1 regulations, or parts thereof inconsistent with the provisions of this Act are hereby
2 repealed or modified accordingly.

3

4 **Section 18. Effectivity.** – This Act shall take effect fifteen (15) days following the
5 completion of its publication in the *Official Gazette* or in a newspaper of general circulation.

6

7 *Approved,*