



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



House Bill No. 5739

Introduced by CIBAC Party-List Representative
EDUARDO “BRO. EDDIE” C. VILLANUEVA

EXPLANATORY NOTE

The contribution of Overseas Filipino Workers (OFWs) to the Philippine economy remains vital and substantial, with billions of pesos in foreign exchange remittances sustaining countless Filipino households and supporting national economic stability. Despite their sacrifices abroad, OFWs are too often subjected to high remittance fees, unregulated exchange rates, and fraudulent schemes that diminish the value of their hard-earned money.

This bill seeks to institutionalize protective mechanisms for OFW remittances. It mandates a fifty percent (50%) discount on remittance fees for transfers to immediate family members and allows service providers to claim such discounts as tax deductions. It also requires transparency in the posting of foreign exchange rates, prohibits fee hikes without prior consultation with key government agencies, and penalizes the misappropriation or unauthorized handling of remittance funds.

In addition, the bill provides for a free, mandatory, and comprehensive financial education program for OFWs and their families, covering consumer protection, loan and credit literacy, investment opportunities, and more — offered through Pre-Departure Orientation Seminars (PDOS) and Post-Arrival Training Seminars (PATs), as well as through online platforms and community programs.

By ensuring that OFWs are equipped with the tools to safeguard and manage their finances, this measure not only protects their income but also empowers their families and communities.

The immediate passage of this bill is earnestly sought.


EDUARDO “BRO. EDDIE” C. VILLANUEVA



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5739

Introduced by CIBAC Party-List Representative
EDUARDO “BRO. EDDIE” C. VILLANUEVA

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:

1 **SECTION 1. Short Title** - This Act shall be known as the “*Overseas Filipino*
2 *Workers (OFWs) Remittance Protection Act.*”
3

4 **SEC. 2. Declaration of Policies** - The Constitution affirms that labor is the
5 primary social economic force and mandates the State to protect the rights of the
6 workers and promote their welfare.
7

8 Recognizing the significant contribution of OFWs to the national economy
9 through foreign exchange remittances, the State shall adopt measures to protect the
10 hard-earned money they remit home against usurious interest rates and exorbitant
11 fees charged by financial institutions that deplete the value of their remittances and
12 provide them and their families adequate education and training on financial literacy,
13 such as financial planning and management of finances or savings, to help ensure a
14 source of livelihood even after their overseas employment.
15

16 **SEC. 3. Definition of Terms.** – As used in this Act:
17

18 (a) ***Overseas Filipino Worker (OFW)*** refers to a person who is to be engaged,
19 is engaged or has been engaged in a remunerated activity in a state of
20 which the person is not a citizen or on board a vessel navigating the foreign
21 seas other than a government ship used for military or non-commercial
22 purposes or on an installation located offshore or on the high seas; to be
23 used interchangeably with migrant worker;
24

25 (b) ***Remittance*** refers to the foreign exchange earnings sent home by OFWs
26 or their employers or agents through formal channels; and
27

- 1 (c) **Remittance fee** refers to the service fee or charge imposed by bank and
2 non-bank financial intermediaries for sending money of OFWs through
3 formal channels.
4

5 **SEC. 4. Applicability of this Act.** – The provisions of this Act shall be
6 applicable to all OFW remittances, whether voluntary or mandated by law, orders,
7 issuances, or rules and regulations.
8

9 **SEC. 5. Discount on Remittance Fees and Tax Deduction Granted to**
10 **Establishments.** – Fees imposed by banks and non-bank financial intermediaries on
11 OFW remittances to immediate family members shall be subject to a fifty percent
12 (50%) discount.
13

14 Bank and non-bank financial intermediaries providing discounts on remittance
15 fees may claim the discounts granted as tax deduction based on the cost of services
16 rendered to OFWs to be treated as ordinary and necessary expense deductible from
17 the gross income of the intermediary falling under the category of itemized deductions:
18 *Provided,* That the Secretary of Finance shall, upon the recommendation of the
19 Commissioner of Internal Revenue, issue the pertinent revenue regulation for the
20 purpose.
21

22 **SEC. 6. Requirement of Posting of the Peso Equivalent of the Currency to**
23 **be Exchanged.** – All bank and non-bank financial intermediaries offering remittance
24 services to OFWs shall be required to post in a conspicuous place within the
25 establishment's premises the Philippine peso equivalent rate of the foreign currencies
26 being transacted. The Philippine peso equivalent of the amount as remitted shall be
27 the same amount that shall be received by the beneficiary of the remittance.
28

29 **SEC. 7. Prohibition from Raising Remittance Fees.** – All banks and non-
30 bank financial intermediaries offering remittance services to OFWs are prohibited from
31 raising their current remittance fees without prior consultation with the Department of
32 Finance (DOF), *Bangko Sentral ng Pilipinas* (BSP), and the Department of Migrant
33 Workers (DMW).
34

35 **SEC. 8. Prohibited Acts.** – The following acts are also prohibited:
36

- 37 (a) Misappropriation or conversion, to the prejudice of the OFW or beneficiary,
38 of foreign exchange remittances received in trust, or on commission, or for
39 administration, or under any other obligation involving the duty to make
40 delivery of, or to return the same, or by denying having received such
41 foreign exchange remittance;
42
43 (b) Taking of foreign exchange remittances without the consent of the OFW or
44 beneficiary;
45
46 (c) Imposition of remittance fees in excess of those prescribed under Section
47 5 of this Act;
48
49 (d) Failure to post in a conspicuous place of the establishment the Philippine
50 Peso rate of the foreign currency being transacted; and

(e) Failure to conduct consultation with the DOF, BSP, and the DMW before raising remittance fees.

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

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

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

SEC. 10. Free Mandatory Financial Education for OFWs and their Families.
– The DMW as the lead agency, in coordination with the Overseas Workers Welfare Administration (OWWA), the DOF, and the BSP, shall ensure that a mandatory financial education program – which shall be served free-of-charge – shall be provided to OFWs and their families. These agencies shall likewise 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.

As such, all OFWs shall undergo mandatory and continuously updated financial education (literacy training) seminars which shall become an integral part of the Pre-Departure Orientation Seminar (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 their 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 (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.

1 The PDOS and PATS shall be primarily conducted by the DMW, in coordination
2 with the OWWA, the DOF, the BSP, the Department of the Interior and Local
3 Government and all the barangays under it, and the accredited PDOS providers
4 across the country, including the embassies or consulates, whichever may be
5 available, in the countries of destination.
6

7 The DMW shall regularly coordinate with the Department of Information and
8 Communications Technology and social media companies to disallow posts and
9 messages that are meant to confuse, mislead, victimize, defraud or entice OFWs and
10 their families to engage in gambling and other similar activities, including on-line
11 scams, pyramiding schemes, and the like.
12

13 As the lead agency, the DMW is tasked to formulate training modules on
14 financial education or literacy; initiate and conduct training programs on financial
15 management and responsibility; apprise OFWs on financial opportunities and pitfalls,
16 among others; ensure the accessibility of qualified on-line financial and economic
17 advisors and/or counselors; and disseminate knowledge-expanding activities that
18 promote financial education (literacy) among OFWs and their dependents.
19

20 **SEC. 11. Liability under the Revised Penal Code and Other Laws. –**
21 Prosecution under this Act shall be without prejudice to any liability for violation of any
22 provision of the Revised Penal Code or other laws.
23

24 **SEC.12. Implementing Agency. –** The DMW shall, in consultation with the
25 BSP, DOF, OWWA, Department of Foreign Affairs, Bankers Association of the
26 Philippines, Association of Bank Remittance Officers, Inc., Philippine Association of
27 Foreign Exchange Dealers, Money Changers and Remittance Agents, Inc.,
28 representatives from the placement or recruitment industry, non-government
29 organizations advocating the rights and welfare of OFWs, and other stakeholders,
30 issue the necessary rules and regulations for the effective implementation of this Act,
31 within ninety (90) days after the approval of this Act.
32

33 **SEC. 13. Repealing Clause. –** All laws, decrees, executive orders, issuances,
34 rules and regulations which may be inconsistent with any of the provisions of this Act
35 are hereby deemed repealed, amended or modified accordingly.
36

37 **SEC. 14. Separability Clause. –** If any provision of this Act is held
38 unconstitutional or invalid, such holding shall not affect other provisions not affected
39 thereby.
40

41 **SEC. 15. Effectivity. –** This Act shall take effect fifteen (15) days after its
42 publication in the Official Gazette or in a newspaper of general circulation.
43

44 *Approved,*