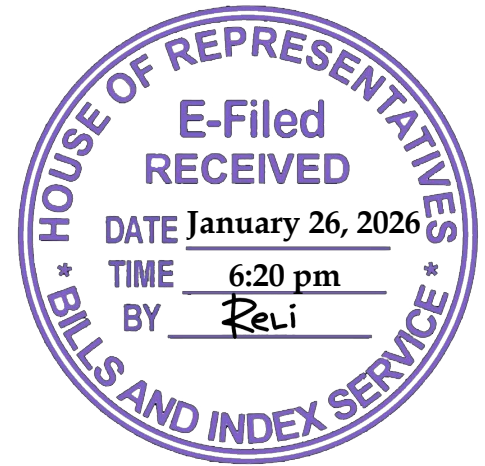


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **7373**



Introduced by **REP. JAVIER MIGUEL L. BENITEZ**

EXPLANATORY NOTE

The app-based economy has rapidly reshaped the landscape of work and employment in the Philippines. Millions of Filipinos now rely on digital platforms to earn a living, whether through ride-hailing, food and parcel delivery, home services, or other on-demand tasks facilitated by mobile applications. These app-based workers are indispensable to modern commerce, urban mobility, and digital services, yet they remain largely unprotected by existing labor laws.

Despite the regularity and structure of their work, many app-based workers are excluded from social protections afforded to traditional employees. App-based platforms often label them as “independent contractors” and deny them basic rights such as minimum wage guarantees, social security coverage, occupational safety protections, and the right to organize.¹ They operate under algorithmic systems that dictate task allocation, performance rating, and account suspension often without transparency or due process.²

This bill seeks to close the legal gap by clearly defining the employment status of app-based workers and establishing enforceable minimum labor standards in the digital platform economy. Specifically, it aims to:

- (a) Prevent the misclassification of app-based workers;
- (b) Ensure fair compensation and access to social protection programs;

¹ Karol Ilagan, *Amid legal gaps, app workers push for rights in courts, on streets*, PCIJ.org (Jan. 9, 2025), <https://pcij.org/2025/01/09/amid-legal-gaps-app-workers-push-rights-courts-streets/> (last visited July 31, 2025)]

² Id.

- (c) Require transparency and accountability in algorithmic management;
- (d) Affirm the right to organize and bargain collectively; and
- (e) Establish robust mechanisms for oversight, grievance redress, and enforcement.

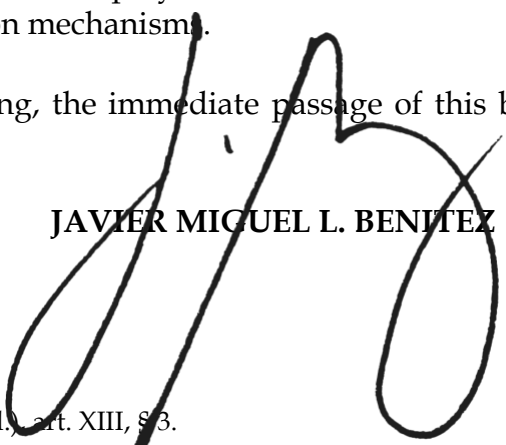
This proposed measure is anchored on the constitutional mandate to afford full protection to labor and uphold the dignity of work.³ It builds on recent jurisprudence that exposes the legal ambiguity faced by app-based workers. The Supreme Court had recently ruled that the classification of riders as “independent contractors” could not override the actual working arrangements that exhibited the hallmarks of employment.⁴ This principle was further echoed in a subsequent case where the Court emphasized that despite the absence of a formal employment contract, the element of control exercised by the platform such as imposing performance metrics and regulating rider conduct pointed to the existence of an employer-employee relationship.⁵ These cases underscore the urgent need for legislation that codifies labor protections in the context of app-mediated work arrangements.

It is also worth noting that a similar bill was filed in a previous Congress by former Representative Camille Villar, covering all workers performing platform work, including both app-based workers and freelancers. That version took a broader approach to the gig economy. In addition, two other bills seeking to protect freelance workers were filed during the Eighteenth Congress, reflecting growing recognition of the need for national legislation responsive to evolving work arrangements.

While those efforts are commendable, this bill focuses specifically on app-based workers, who are among the most visibly and systematically impacted by algorithmic control, ambiguous employment classification, and the lack of grievance and social protection mechanisms.

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

JAVIER MIGUEL L. BENITEZ



³ 1987 Philippine Constitution. (Phil., Art. XIII, § 3).

⁴ *Ditiangkin v. Lazada E-Services Philippines, Inc.*, G.R. No. 246892 (2022).

⁵ *Mendaros v. Lazada E-Services Philippines, Inc.*, G.R. No. 257821 (2024).

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HOUSE BILL NO. **7373**

Introduced by **REP. JAVIER MIGUEL L. BENITEZ**

**AN ACT PROVIDING FOR THE PROTECTION, RIGHTS, AND WELFARE
OF APP-BASED WORKERS THROUGH THE REGULATION OF
THEIR EMPLOYMENT STATUS, BENEFITS, SOCIAL SECURITY,
AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and the House of Representatives of the Philippines in
Congress assembled:*

SECTION 1. *Short Title.* - This Act shall be known as the "*Kalinga at
Seguridad Para sa App-Based Manpower Act.*"

SEC. 2. *Declaration of Principle.* - It is hereby declared the policy of the State to afford full protection to labor, whether employed in traditional workplaces or engaged in work arrangements mediated through digital platforms. The State recognizes the rapid expansion of the digital labor economy and the evolving nature of work brought about by technological innovation.

Towards this end, the State shall establish clear, consistent, and enforceable standards to define and regulate the employment status of workers engaged through app-based or digital platforms, with the end view of preventing misclassification, ensuring fair treatment, and promoting decent work. The State shall likewise ensure that such workers are granted access to social protection programs, provided with just and humane working conditions, protected from discrimination and unfair labor practices, and enabled to fully exercise all rights guaranteed under the Constitution, the Labor Code, and other applicable laws.

This Act specifically responds to the legal and regulatory gaps surrounding the employment status of app-based gig workers such as transport and delivery service providers who are economically dependent on platforms but lack access to labor protections, benefits, and social security.

SEC. 3. Coverage. - This Act shall apply to all app-based workers, as defined under Section 4(d), who perform services within the Philippines through app-based platforms engaged in real-time or task-based service allocation, including but not limited to transportation, delivery, logistics, and courier services, regardless of the worker's employment classification or contractual designation.

SEC. 4. Definition of Terms. - As used in this Act, the following terms shall be defined as follows:

- (a) *"Algorithmic Management Systems"* - Any system or software used by app-based platform providers to manage, supervise, evaluate, or make decisions affecting app-based workers, including but not limited to work allocation, compensation computation, performance evaluation, disciplinary actions, and deactivation;
- (b) *"App-Based Platform"* - A digital application, software, or web-based interface operated by a local or foreign platform provider that connects users or consumers to workers for the provision of on-demand services such as transportation, delivery, courier, logistics, personal errands, or other similar services;
- (c) *"App-Based Platform Provider"* - Any natural or juridical person or entity who owns, manages, or operates an app-based platform that enables or facilitates the engagement of app-based workers for the provision of services within the Philippines;
- (d) *"App-Based Worker"* - Any person who, for compensation, performs services that are mediated, organized, assigned, or evaluated through an app-based platform, particularly where the platform retains managerial control or oversight over the performance, pricing, or continuity of the work;
- (e) *"Deactivation"* - The suspension or termination of a worker's access to an app-based platform, whether temporary or permanent, through automated or manual means, for reasons related to performance, violation of terms, or other justifications provided by the platform;

- (f) *“Digital Platform Work/Platform Work”* - Work that is organized, assigned, or facilitated through a digital platform using algorithmic or automated systems, and typically involves the matching of tasks or services to workers in real time or through task-based assignments;
- (g) *“Grievance Redress Mechanism”* - A formal system established by an app-based platform provider for app-based workers and users to raise concerns, complaints, or disputes regarding pay, performance ratings, disciplinary action, platform misuse, or unfair treatment;
- (h) *“Independent Contractor”* - A worker who performs services for a platform but is classified outside the scope of a traditional employer-employee relationship, typically under a contractual or project-based agreement. For purposes of this Act, such classification shall be subject to scrutiny where control or economic dependence exists;
- (i) *“Misclassification”* - The improper designation of a worker as an independent contractor, self-employed individual, or any other non-employee status, despite the existence of elements that establish an employer-employee relationship under existing laws and jurisprudence;
- (j) *“Portability”* - The ability of app-based workers to maintain and carry their social protection contributions and benefits across different app-based platforms and work arrangements without disruption or duplication;
- (k) *“Social Protection Programs”* - Government-mandated programs intended to provide economic security to workers, including but not limited to the Social Security System (“SSS”), Philippine Health Insurance Corporation (“PhilHealth”), Home Development Mutual Fund (“Pag-IBIG”), Employees Compensation Commission (“ECC”), and other similar programs.

SEC. 5. *Determination of Employment Status.* - Pursuant to this Act, the Department of Labor and Employment (“DOLE”) shall issue rules and regulations to ensure that app-based workers who, under existing laws and jurisprudence, would otherwise qualify as regular employees, are not misclassified as independent contractors, self-employed individuals, or any other designation that circumvents the protections of an employer-employee relationship.

In cases of doubt, the relationship shall be presumed to be that of employer and employee, particularly where the app-based platform operator exercises control over the performance of work, imposes sanctions or disciplinary measures, or limits the worker's autonomy over scheduling, pricing, or task selection in actual practice.

SEC. 6. *Regulatory Standards for App-based workers.* - The State shall ensure that the following regulatory standards are observed *vis-a-vis* the services performed by App-based workers:

(a) *Written Agreement* - All engagements between an app-based worker and an app-based platform provider shall be covered by a written agreement specifying, at the minimum: 1.) description of the services to be performed; 2.) the rate and method of compensation; and 3.) the name and registered address of the app-based platform provider, or in the case of a foreign entity, its duly designated local representative. In the absence of a written agreement, any written exchange or proof of submission and receipt of completed services, whether digital or printed, shall be sufficient basis to claim compensation or redress. Any clause purporting to waive the rights provided under this Act shall be void as against public policy. App-based platform providers shall publish on their apps and websites, or otherwise make publicly available, the full text of current and previous standard agreements entered into with app-based workers.

(b) *Equitable Compensation* - App-based workers shall be entitled to compensation not less than the applicable minimum wage under Philippine law, computed on an hourly or per-task basis. Such computation shall consider the specific nature of services performed and the depreciation of personally owned equipment used.

If the rates for certain services are regulated by a government agency, such agency shall ensure that said rates are regularly updated to ensure fair and equitable compensation. Once the service is commenced, no app-based worker shall be required to accept less than the agreed rate as a condition for payment. No deductions shall be made from the compensation unless agreed upon in writing or required by law, such as for applicable taxes or contributions to social protection programs.

(c) *Transparency in the Use of Algorithmic Management Systems* - App-based platform providers shall inform app-based workers in writing or through digital publication of the use, function, and key features of any algorithmic management systems, including but not limited to: 1.) automated tools for monitoring, supervision, or evaluation; 2.)

algorithmic decisions affecting task allocation, pay, or account status; and 3.) the main parameters used for such decisions.

All algorithmic systems shall be subject to human oversight, and their design shall not endanger workers' physical or mental health. App-based workers shall have the right to request access to data collected about them. Platforms shall retain relevant algorithmic data for at least five (5) years and submit such data to DOLE or the Department of Information and Communications Technology ("DICT") upon request.

All algorithmic management systems shall be reviewed and certified by an independent technical body accredited by DOLE and DICT to ensure that such systems do not promote coercive practices, discriminatory profiling, or exploitative working conditions. Violations may result in suspension of platform features or administrative penalties.

(d) *Due Process.* App-based workers shall have the right to information related to any decision or action taken by a platform that affects their engagement, including but not limited to account suspension or deactivation; denial of compensation; or alteration of status or work access.

For this purpose, the app-based platform providers shall provide app-based workers with the opportunity to clarify the facts, circumstances, and reasons for such decisions with a human contact person. The app-based platform provider shall also provide the app-based worker with a written statement of the basis for any decision to restrict, suspend, or terminate the worker's engagement, refuse compensation for services performed, or affecting the worker's contractual status. Any dispute arising under this Act shall be cognizable by the DOLE, which shall promulgate the rules and regulations necessary therefor. App-based workers filing complaints pursuant to this Act shall be provided with immediate protection against adverse treatment or discrimination from the App-based platform providers involved.

(e) *Portability of Social Protection Programs.* App-based platform providers shall ensure that app-based workers are enrolled with the PhilHealth, SSS, Pag-IBIG, and all other applicable social protection programs managed or administered by the government.

For this purpose, and in accordance with the rules promulgated to implement this Act, a portion of each transaction amount collected by the app-based platform provider shall be allocated for the app-based worker's contributions to these programs. The government agencies and

instrumentalities administering or managing the relevant public social protection programs shall ensure that contributions are properly credited to the individual worker's account, regardless of the number of platforms the worker is engaged with, or the source of the contributions. The portability and consolidation of records across platforms shall be guaranteed to allow workers continuous coverage and benefits.

(f) *Right to Organize.* App-based workers shall have the right to self-organization, to collectively bargain and negotiate with app-based platform providers, and to engage in peaceful concerted activities. app-based platform providers shall not discriminate, or take any adverse action against app-based workers for exercising these rights, or any of the other rights provided in this Act.

Organizations of app-based workers, including unions, cooperatives, and social and solidarity economic units, shall have the right to freely function and act as the representatives of their members in policy and decision-making processes, collective negotiations, and other similar bodies and processes in the context of tripartism, as well as establish, joint, or affiliate with local unions, national and international federations and organizations as a protected and supported rights

(g) *Occupational Safety and Health Standards.* App-based platform providers shall ensure that the performance of service organized, mediated, or allocated through their platforms does not endanger the safety and health of app-based workers. App-based platform providers shall be liable, in the concept of an employer, for any injury or illness sustained by app-based workers arising from or in connection with the performance of above-described services.

(h) *Non-discrimination - Discrimination,* particularly in the recruitment and selection of workers and the granting of emoluments and benefits on the sole basis of religion, race, color, marital status, age, disability sexual orientation, gender identity and expression shall be prohibited; *Provided,* that any distinction, exclusion, or preference in respect of a particular job based on the inherent requirements shall not be deemed to be discrimination; *Provided further,* that a maternity benefit shall be provided to a female app-based workers upon childbirth in a manner and amount determined by the SSS pursuant to paragraph e of this section.

SEC. 7. *Grievance Redress Mechanism.* - App-based platform providers shall establish an accessible, transparent, and prompt grievance mechanism for app-based workers and customers to report complaints, errors, payment disputes, and unfair treatment. The system must provide human assistance, escalation

protocols, and response timeframes. The DOLE shall develop standardized minimum requirements for such systems and maintain a hotline or digital portal for unresolved or escalated complaints.

SEC. 8. *Algorithmic Evaluation and Oversight.* - The Department of Information and Communications Technology, in coordination with the DOLE, shall accredit a technical review panel to regularly audit and evaluate algorithmic systems used by app-based platform providers. The panel shall assess risks related to worker coercion, discrimination, unfair task allocation, and harmful or opaque decision-making processes. app-based platform providers found in violation of ethical or legal standards may be subject to corrective orders, public disclosure requirements, or administrative sanctions, as may be provided under the implementing rules and regulations.

SEC. 9. *Fair Application of Statutory Discounts.* - All government-mandated consumer discounts, such as those for senior citizens and persons with disabilities (PWDs), shall be shouldered proportionately by the app-based platform provider and shall not be deducted in full from the compensation due to the app-based worker. Any proposed changes in fare computation or pricing structure must be submitted to DOLE for review and prior consultation with app-based workers before implementation.

SEC. 10. *Oversight and Inspections* - The DOLE, in coordination with the DICT, shall regularly monitor, audit, and inspect the operations of app-based platform providers to ensure compliance with this Act, particularly in the areas of compensation, algorithmic management, due process, and occupational safety and health standards. The DOLE shall be empowered to issue compliance orders, recommend corrective measures, and impose administrative penalties or sanctions in case of violations.

SEC. 11. *Construction in Favor of App-based workers.* - All doubts in the implementation of this Act, including its implementing rules and regulations, as well as in contracts between the app-based workers and the app-based platform providers, shall be resolved in favor of the app-based workers.

SEC. 12. *Application of the Labor Code of the Philippines, as amended.* - The provisions of the Labor Code of the Philippines, as amended, particularly on general labor standards and occupational safety and health standards, shall apply to work arrangements under this Act. The other provisions of the Labor Code of the Philippines, as amended shall apply in a suppletory manner where applicable.

SEC. 13. *Implementing Rules and Regulations.* - Within sixty (60) days from the effectivity of this Act, the DOLE, DICT, and relevant departments and agencies of the government, shall promulgate the implementing rules and regulations as may be necessary to carry out the provisions of this Act.

SEC. 14. *Separability Clause.* - If any provision or part of this Act is declared unconstitutional and invalid. The remaining parts or provisions not affected shall remain in full force and effect.

SEC. 15. *Repealing Clause.* - All laws, decrees, executive orders, rules and regulations or parts thereof which are contrary to or inconsistent with any provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 16. *Effectivity.* - This Act shall take effect after fifteen (15) days following its complete publication in the Official Gazette or in a newspaper of general circulation.

Approved,