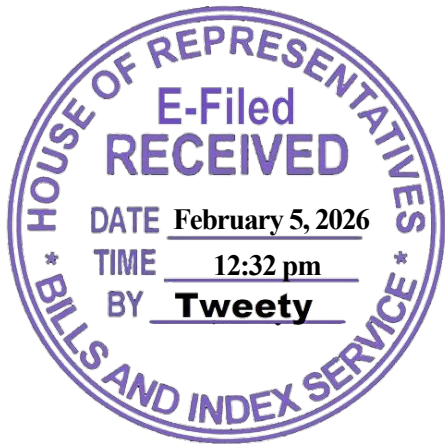


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO: 7636

Introduced By: **HON. CLAUDE P. BAUTISTA**

EXPLANATORY NOTE

Overseas Filipino Workers (OFWs) have long been recognized as modern-day heroes whose sacrifices sustain not only their families, but also contribute significantly to the national economy. Through their remittances, OFWs provide vital support to household incomes, stimulate local economies, and strengthen the country’s foreign exchange reserves. Yet, despite their invaluable role, many OFWs continue to face serious financial barriers even before they are able to leave the country.

For many aspiring OFWs, the cost of pre-departure requirements—such as documentation, medical examinations, skills certification, government clearances, placement fees, taxes, and travel expenses—poses a heavy and often prohibitive burden. In many cases, these expenses are shouldered through high-interest loans, informal lenders, or the sale of personal assets, placing OFWs and their families in a cycle of financial vulnerability even before overseas employment begins.

This bill seeks to address this persistent gap by institutionalizing a **Pre-Departure Financial Assistance Program** for OFWs, implemented through a coordinated framework involving the Department of Migrant Workers (DMW), the Overseas Workers Welfare Administration (OWWA), and Local Government Units (LGUs). The proposed measure recognizes that the need for assistance arises at the earliest stage of migration, and that timely government support can prevent debt, exploitation, and unsafe migration practices.

By designating LGUs as implementing partners, **the program brings financial assistance** closer to the communities where OFWs reside. LGUs are strategically positioned to identify beneficiaries, verify residency and documentation, and facilitate access to assistance based on the OFW’s socio-economic condition and employment contract. This localized approach promotes faster processing, greater accountability, and a more responsive system that reflects on-the-ground realities faced by OFWs and their families.

The bill provides a clear and constitutionally sound framework for extending financial assistance to cover lawful pre-departure expenses, **including placement fees** authorized under existing laws and regulations, while expressly preserving the regulatory authority of the Department of Migrant Workers and the welfare mandate of OWWA. It further establishes reasonable safeguards, monitoring mechanisms, and coordination arrangements through a Memorandum of Agreement to ensure transparency, fiscal responsibility, and protection of public funds.

To ensure sustainability, the measure adopts a phased funding approach. Initial implementation shall be supported through national government appropriations, while participating LGUs are required, in succeeding years, to include the program's funding requirements in their respective Annual Investment Plans, subject to the availability of local funds. This structure promotes shared responsibility, long-term program continuity, and prudent use of government resources.

Ultimately, this bill recognizes that successful overseas employment does not begin at the airport—it begins with adequate preparation, protection, and support at home. By easing the financial burden prior to deployment and institutionalizing a sustainable assistance mechanism, the State affirms its commitment to safer migration, improved welfare, and better economic outcomes for OFWs and their families.

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



CLAUDE P. BAUTISTA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7636

Introduced by: Hon. Claude P. Bautista

AN ACT PROVIDING FOR PRE-DEPARTURE FINANCIAL ASSISTANCE TO
OVERSEAS FILIPINO WORKERS THROUGH LOCAL GOVERNMENT UNITS, IN
COORDINATION WITH THE DEPARTMENT OF MIGRANT WORKERS AND THE
OVERSEAS WORKERS WELFARE ADMINISTRATION, AND APPROPRIATING
FUNDS THEREFOR

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 “OFW Pre Departure Financial Assistance Act”

SECTION 2. Declaration of Policy.- It is hereby declared the policy of the State to promote the welfare and protection of Overseas Filipino Workers (OFWs) by providing accessible and lawful pre-departure financial assistance to support their overseas employment.

To this end, the State shall enable local government units (LGUs), in coordination with the Department of Migrant Workers (DMW) and the Overseas Workers Welfare Administration (OWWA), to extend financial assistance to qualified OFWs for lawful pre-departure expenses, including placement fees, taxes, and other mandatory requirements, consistent with national migration policies and existing laws.

SECTION 3. Objectives of this Act.-The following are the objectives of the Act:

- a. **Financial Assistance** – To provide lawful and accessible financial assistance to qualified OFWs to help defray pre-departure expenses;
- b. **Capacity Building** – To support OFWs through orientation, documentation assistance, and coordination with concerned agencies prior to deployment;

c. **Institutional Coordination** – To establish a coordinated framework among the DMW, OWWA, and LGUs for the effective implementation of pre-departure assistance programs; and

d. **Protection and Welfare** – To promote safe, orderly, and successful overseas employment consistent with the rights and welfare of OFWs.

SECTION 4. Definition of Terms.- For purposes of this Act, the following terms shall be defined as follows:

a. Pre-Departure Financial Assistance

Refers to the financial assistance or subsidy extended to qualified Overseas Filipino Workers to cover lawful and necessary expenses incurred prior to departure, **as determined under existing laws and regulations**, including but not limited to:

1. Passport, visa, and documentation fees;
2. NBI or Police Clearance fees;
3. PSA-authenticated civil registry documents;
4. **Placement fees lawfully charged and authorized under existing laws and regulations administered by the Department of Migrant Workers;**
5. Government-imposed taxes and mandatory contributions;
6. Medical examinations prescribed by the host country;
7. Skills training, assessment, and certification fees; and
8. Travel-related expenses.

b. Overseas Filipino Workers (OFWs)

Refers to Filipino citizens who have secured overseas employment and are about to depart from the Philippines.

c. Local Government Unit (LGU)

Refers to the city or municipality where the OFW is a resident and which is authorized under this Act to implement pre-departure financial assistance programs.

SECTION 5. Establishment of the Pre-Departure Loan Assistance Program.- There is hereby established a **Pre-Departure Financial Assistance Program** for qualified OFWs, to be implemented by LGUs in coordination with the DMW and under the technical supervision of the OWWA.

The program shall provide financial assistance or subsidy to OFWs to help defray lawful pre-departure expenses and shall not be construed as a commercial lending activity.

SECTION 6. Authority of Local Government Units.-Local government units may, subject to the availability of funds and existing budgeting, accounting, and auditing rules, provide financial assistance to qualified OFWs who are residents of their locality for lawful pre-departure expenses.

Such assistance shall be charged against the LGU's annual budget under social welfare, employment, or livelihood development programs.

SECTION 7. *Nature of Financial Assistance.*-The financial assistance granted under this Act shall be in the nature of **social welfare assistance or subsidy** and shall not be considered a commercial loan or credit facility.

Any recovery or reimbursement mechanism shall be reasonable and shall not restrict the right of the OFW to travel, seek employment, or be deployed overseas.

SECTION 8. *Cap on Financial Assistance for Placement Fees.*- The financial assistance that may be extended by an LGU under this Act to cover **placement fees** shall be subject to a maximum amount not exceeding **One Hundred Thousand Pesos (₱100,000.00)** per qualified OFW, or such other amount as may be determined under the implementing rules and regulations.

Provided, That such cap shall apply solely to the amount of financial assistance or subsidy extended by the LGU and shall not be construed as regulating, limiting, or modifying the placement fees authorized under existing laws and regulations administered by the Department of Migrant Workers.

SECTION 9.-*Non-Interference with DMW and OWWA Authority.*- The provision of financial assistance under this Act to cover placement fees shall be limited to fees **lawfully charged and authorized under existing laws and regulations.**

Nothing in this Act shall be construed as regulating, limiting, modifying, or otherwise interfering with the powers and functions of the Department of Migrant Workers and the Overseas Workers Welfare Administration with respect to the regulation of recruitment agencies, determination of allowable placement fees, approval of overseas employment contracts, or enforcement of migration and labor policies.

Any dispute relating to the legality or amount of placement fees shall remain within the jurisdiction of the Department of Migrant Workers.

SECTION 10. *Installment Payment and Schedule of Recovery.*- Any financial assistance extended under this Act that is recoverable shall be **paid by the OFW on an installment or scheduled payment basis**, in accordance with a payment schedule agreed upon prior to deployment.

The schedule of payment shall be reasonable and proportionate, and may take into account the duration of the OFW's overseas employment contract, salary level, nature of work, and estimated earning capacity, as may be provided under the implementing rules and regulations.

No interest, surcharge, or punitive charge shall be imposed on the amount subject to installment or scheduled payment.

Non-payment or delay in payment shall not operate to restrict the right of the OFW to travel, seek employment, or be deployed overseas, without prejudice to civil remedies consistent with existing laws.

In cases of early termination of employment, repatriation, illness, force majeure, or other circumstances beyond the control of the OFW, the payment schedule shall be suspended, restructured, or waived, subject to guidelines issued under this Act.

SECTION 11. *Memorandum of Agreement.*- To implement this Act, a Memorandum of Agreement shall be executed among the Department of Migrant Workers, the Overseas Workers Welfare Administration, and participating LGUs.

The Memorandum of Agreement shall set forth the guidelines for implementation, beneficiary qualification, documentation, fund utilization, and monitoring, subject to clearance by the legal offices of the concerned agencies.

SECTION 12. *Duties and Responsibilities.*- The duties and responsibilities of OWWA and LGU are the following:

a. Overseas Workers Welfare Administration (OWWA)

OWWA shall:

1. Provide technical assistance and policy coordination with LGUs;
2. Maintain a registry of OFWs availing of financial assistance under this Act; and
3. Assist in monitoring and evaluating program implementation.

b. Local Government Units

LGUs shall:

1. Identify and assess qualified OFWs based on residency and need;
2. Process and release financial assistance in accordance with prescribed guidelines;
3. Maintain proper records subject to audit by the Commission on Audit; and
4. Perform such other acts as may be necessary to implement this Act.

SECTION 13. *Monitoring and Evaluation.*- The Department of Migrant Workers, in coordination with OWWA, shall conduct periodic monitoring and evaluation of the implementation of this Act, including beneficiary feedback and program impact assessment.

SECTION 14. *Appropriations.*- The amount of **Three Hundred Million Pesos (₱300,000,000.00)** shall be allocated for the initial implementation of this Act and shall be charged against the current appropriations of the Department of Migrant Workers and the Overseas Workers Welfare Administration.

Thereafter, such sums as may be necessary for the continued implementation of this Act, **including the financial assistance to be extended by participating local government units**, shall be included in the annual General Appropriations Act.

The amounts appropriated under this Act shall be released to participating local government units as financial assistance, subsidy, or program support for the implementation of this Act, subject to applicable budgeting, accounting, and auditing rules and regulations.

Local government units may likewise provide counterpart funding from their respective budgets to supplement the amounts released under this Act.

SECTION 15. *Inclusion in the Annual Investment Plan.*-For the fiscal years following the initial implementation of this Act, participating local government units shall include in their respective Annual Investment Plans the programs and funding requirements necessary to implement the pre-

departure financial assistance provided under this Act, subject to the availability of funds and existing laws, rules, and regulations.

SECTION 16. *Implementing Rules and Regulations.*— Within ninety (90) days from the approval of this Act, the DMW and OWWA shall jointly issue the implementing rules and regulations of this Act.

SECTION 17. *Separability Clause.*— Any portion or provision of this Act that is declared unconstitutional shall not have the effect of nullifying other portions or provisions hereof as long as such remaining portions can still subsist and be given effect in their entirety.

SECTION 18. *Repealing Clause.*— All laws, ordinances, rules, regulations, other issuances or parts thereof, which are inconsistent with this Act, are hereby repealed or modified accordingly.

SECTION 19. *Effectivity.*— This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,