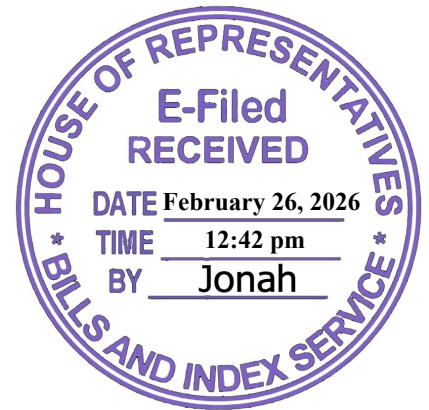


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8113



Introduced by:

HON. CHRISTOPHERSON “COCO” M. YAP

AN ACT
PROTECTING OVERSEAS FILIPINO WORKERS’ REMITTANCES, PROMOTING FAIR AND TRANSPARENT REMITTANCE PRICING, STRENGTHENING CONSUMER PROTECTION AGAINST FRAUD AND CONVERSION, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Overseas Filipino workers (OFWs) make great sacrifices to support their families and the country. The money they send home pays for food, schooling, housing, and small businesses, and helps keep the economy strong. Because remittances are so important, the State has long promoted the use of safe and formal remittance services with reasonable fees. Still, many OFWs and their families lose part of their hard-earned money because of hidden charges, unfair exchange rates, excessive fees, or even fraud.

Today, remittance services are offered not only by banks but also by many non-bank providers and digital platforms. While this gives OFWs more options, it also creates risks. Some providers do not clearly disclose the true cost of sending money, while others engage in abusive practices or allow funds to be diverted or misused. These problems reduce the amount families actually receive and weaken trust in the remittance system.

This bill protects OFWs by setting clear and fair rules for remittance services. It requires full disclosure of all fees and exchange rates before a transaction is made, promotes fair pricing through proper regulation, and strengthens penalties against fraud and misuse of remitted funds. By making remittance services more transparent, competitive, and secure, the measure helps ensure that more of an OFW’s hard-

earned money reaches their loved ones. This bill honors the contribution of OFWs and deserves immediate passage.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.


CHRISTOPHERSON "COCO" M. YAP
Representative, Second District of Southern Leyte

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8113

Introduced by:

HON. CHRISTOPHERSON “COCO” M. YAP

AN ACT
PROTECTING OVERSEAS FILIPINO WORKERS’ REMITTANCES, PROMOTING FAIR
AND TRANSPARENT REMITTANCE PRICING, STRENGTHENING CONSUMER
PROTECTION AGAINST FRAUD AND CONVERSION, AND FOR OTHER PURPOSES

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 “*Overseas Filipino Workers (OFWs) Remittance Fair Practices Act.*”

SECTION 2. Declaration of Policy. — The State recognizes the significant contribution of overseas Filipino workers (OFWs) to the national economy through foreign exchange remittances. It is hereby declared the policy of the State to protect OFW remittances by ensuring fair, transparent, and competitive pricing of remittance services; preventing fraud, misappropriation, and unauthorized taking of remittances; and promoting financial education for OFWs and their families.

The State shall implement this policy in coordination with the Bangko Sentral ng Pilipinas (BSP) and relevant agencies, consistent with existing laws that promote safe and prompt delivery of official remittances and reasonable charges.

SECTION 3. Coverage. — This Act shall apply to all remittance transactions of OFWs sent to beneficiaries in the Philippines through banks and non-bank financial institutions, including money service businesses and other remittance and transfer

companies, to the extent supervised or regulated by the BSP and other relevant regulators.

SECTION 4. Definition of Terms. — As used in this Act:

- (a) **“Overseas Filipino Worker”** refers to a person who is to be engaged, is engaged, or has been engaged in a remunerated activity in a State of which the person is not a citizen, including seafarers, consistent with applicable rules.
- (b) **“Remittance”** refers to the foreign exchange earnings sent by OFWs or on their behalf to beneficiaries in the Philippines through formal channels, including those required to be remitted through the Philippine banking system under existing rules.
- (c) **“Remittance Service Provider (RSP)”** refers to banks and non-bank financial institutions, including money service businesses and similar entities, that provide remittance and transfer services to OFWs and their beneficiaries.
- (d) **“Total Remittance Cost”** refers to all charges borne by the sender and/or beneficiary in relation to a remittance transaction, including service fees, commissions, foreign exchange spread, and any other charge directly linked to the remittance.
- (e) **“Posted Exchange Rate”** refers to the peso equivalent rate offered by an RSP for the covered transaction, as displayed in accordance with this Act.

SECTION 5. Mandatory Disclosure; Exchange Rate and Fee Transparency. —

- (a) Every RSP shall clearly disclose, prior to the confirmation of a remittance transaction, the Total Remittance Cost, including
 - (i) the service fee,
 - (ii) the exchange rate to be applied, and
 - (iii) the net peso amount to be received by the beneficiary.
- (b) Every RSP shall conspicuously post in its premises and digital channels (as applicable) its exchange rates and applicable fees for remittance corridors commonly used by OFWs, in the form and manner prescribed by the BSP.

- (c) The net peso amount disclosed and confirmed to the sender shall be the same net peso amount to be received by the beneficiary, unless the sender expressly authorizes deductions identified and disclosed in advance.

SECTION 6. Fair Pricing Standard; BSP Benchmark and Fee Cap Authority. —

- (a) Within one hundred eighty (180) days from the effectivity of this Act, the BSP, in coordination with the DOF, DMW, and concerned industry stakeholders, shall issue regulations establishing:
 - (i) corridor-based benchmarks for Total Remittance Cost, taking into account market structure, cost of compliance, anti-money laundering measures, and consumer protection; and
 - (ii) a mechanism for setting maximum allowable Total Remittance Cost for specified remittance corridors where market abuse, excessive pricing, or lack of effective competition is demonstrated.
- (b) In setting benchmarks or caps, the BSP shall consider the policy of ensuring reasonable charges for remittance services and the promotion of official remittance channels.

SECTION 7. Prohibited Acts. — It shall be unlawful for any person or RSP to:

- (a) misappropriate, convert, or divert remittances received in trust, on commission, for administration, or under any obligation to deliver to the OFW beneficiary, or deny receipt thereof;
- (b) take, transfer, or apply an OFW remittance without the consent or authority of the sender or the beneficiary;
- (c) impose or collect fees or charges not disclosed as required under Section 5 of this Act;
- (d) apply an exchange rate different from the Posted Exchange Rate or from the exchange rate disclosed and confirmed to the sender for the covered transaction;
- (e) refuse or fail to make required disclosures or postings under Section 5; and

- (f) violate BSP-issued benchmarks or maximum allowable Total Remittance Cost under Section 6, where applicable.

SECTION 8. Consultation and Notice for Fee Adjustments. —

- (a) RSPs shall provide at least sixty (60) days prior public notice of material changes in fees or pricing structures for OFW remittance products, in the manner prescribed by the BSP.
- (b) The BSP shall maintain a mechanism for receiving comments from the DMW, DOF, OFW organizations, and industry groups on material fee changes affecting OFW remittances.

SECTION 9. Enforcement; Coordinating Roles. —

- (a) The BSP shall be the primary regulator for purposes of supervising compliance of BSP-supervised institutions with Sections 5 to 8 of this Act, without prejudice to the powers of other agencies under their respective charters.
- (b) The DMW, in coordination with OWWA and the DOF, shall lead the implementation of the financial education program under Section 11.
- (c) The DOF and the Bureau of Internal Revenue shall issue such guidance as may be necessary on any tax treatment provided by law, subject to fiscal policy and existing tax rules.

SECTION 10. Penalties. —

- (a) Any person who commits any act under Section 7(a) or 7(b) shall, upon conviction, suffer the penalty of imprisonment of six (6) months and one (1) day to six (6) years and a fine of Fifty thousand pesos (Php 50,000.00) to Seven hundred fifty thousand pesos (Php 750,000.00), without prejudice to prosecution under the Revised Penal Code and other special laws.
- (b) Any RSP that violates Sections 5, 6, 7(c) to 7(f), or 8 shall be subject to administrative sanctions by the BSP, including fines, suspension, restriction, or other measures authorized under BSP laws and regulations, without prejudice to criminal liability where fraud or conversion is proven.

- (c) If the violation is committed by a juridical entity, the responsible directors, officers, or employees who authorized, knowingly tolerated, or participated in the violation shall be held liable, subject to due process.

SECTION 11. OFW Financial Education Program. —

- (a) The DMW, as lead agency, in coordination with OWWA, the DOF, and the BSP, shall provide a free and continuously updated financial education program for OFWs and their families covering, at a minimum: budgeting and savings; remittance management; avoidance of scams; fair borrowing and interest awareness; basic investment and insurance products; and consumer complaint mechanisms.
- (b) Financial education shall form part of the Pre-Departure Orientation Seminar (PDOS) and shall be made available through online channels for OFWs and families, with appropriate coordination with Philippine overseas posts where feasible.

SECTION 12. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, the BSP and the DMW, in coordination with the DOF and other stakeholders, shall issue the necessary rules and regulations to implement this Act.

SECTION 13. Separability Clause. — If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected shall remain in full force and effect.

SECTION 14. Repealing Clause. — All laws, decrees, orders, issuances or portions thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 15. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,