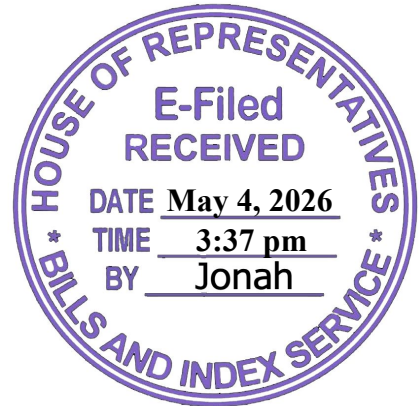


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9044



Introduced by
REP. KAKA BAG-AO (LONE DISTRICT, DINAGAT ISLANDS)
REP. JOSE MANUEL TADEO "CHEL" I. DIOKNO (AKBAYAN PARTY-LIST)
REP. PERCIVAL V. CENDAÑA (AKBAYAN PARTY-LIST)
REP. DADAH KIRAM ISMULA (AKBAYAN PARTY-LIST)
REP. CIELO KRISEL B. LAGMAN (1ST DISTRICT, ALBAY)

AN ACT
MANDATING THE SECURITY OF TENURE FOR FISHERFOLK AND FISHWORKERS,
DEFINING THE EMPLOYER-EMPLOYEE RELATIONSHIP IN THE FISHING INDUSTRY,
PROVIDING FOR COMPREHENSIVE EMPLOYMENT BENEFITS, ACCESS TO FINANCIAL
ASSISTANCE, AND THE RIGHT TO SELF-ORGANIZATION FOR COOPERATIVE
DEVELOPMENT, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Philippines, an archipelagic nation, relies heavily on its "blue economy," with the fisheries sector contributing approximately **1.3% to 1.5%** of the National Gross Domestic Product (Philippine Statistics Authority, 2023).¹ However, there exists a profound socio-economic paradox: the very individuals who secure the nation's primary protein source—our fisherfolk and fishworkers—consistently register the highest poverty incidence among all basic sectors at **30.6%** (PSA, 2023).² This systemic impoverishment is not

¹ **Philippine Statistics Authority (2023).** *National Accounts of the Philippines: Annual Report on Gross Domestic Product by Industrial Origin*. Quezon City, Philippines: PSA. (Citing the 1.3%–1.5% GDP contribution of the fisheries sector).

² **Philippine Statistics Authority (2023).** *2023 Poverty Statistics for the Basic Sectors*. Quezon City, Philippines: PSA. (Citing the 30.6% poverty incidence among fisherfolk).

merely a result of environmental factors but is deeply rooted in the legal “gray area” of their employment status.

For decades, fisherfolk have been marginalized through misclassification. In both municipal and commercial operations, they are often labeled as “commission-based partners” or “independent contractors.” This nomenclature is a legal fiction designed to circumvent the mandatory obligations of the Labor Code. In reality, these workers operate under a state of total subordination to Fish Traders and Vessel Owners.

Judicial Basis: The “Control Test” and Economic Subordination

Philippine Jurisprudence is clear on the determination of an employer-employee relationship. Under the “four-fold test” affirmed in landmark cases such as **Chavez v. NLRC (G.R. No. 148253)** and **Pauig v. NLRC**, the elements of employment are: (1) selection and engagement; (2) payment of wages; (3) power of dismissal; and (4) the power of control.³

In the fishing industry, Fish Traders exercise absolute control by dictating the timing of voyages, specifying gear requirements, and enforcing **exclusivity** in the sale of the catch. This level of operational and economic direction is the hallmark of employment. Yet, by denying this status, “Traders” evade their responsibilities to provide social security, medical benefits, and security of tenure.

International and Statistical Imperatives

The **International Labour Organization (ILO) Convention No. 188 (Work in Fishing Convention, 2007)**⁴ identifies the industry as highly susceptible to forced labor and debt bondage. This is largely due to the informal nature of hiring and the “share-based” system, which often operates as a predatory credit mechanism, leaving workers in a perpetual cycle of debt to their traders.⁵

Constitutional Mandate

Article XIII, Section 3 of the 1987 Philippine Constitution mandates the State to afford full protection to labor—local and overseas, organized and unorganized—and guarantee security of tenure and humane conditions of work. The current unregulated state of the fisheries labor market is a direct affront to this constitutional guarantee.⁶

³ **Chavez v. National Labor Relations Commission**, G.R. No. 148253 (2005).

⁴ **International Labour Organization (2007)**. *C188 - Work in Fishing Convention, 2007 (No. 188)*. Geneva: ILO.

⁵ **International Labour Organization (2014)**. *Report: Caught at Sea - Forced Labour and Trafficking in Fisheries*.

⁶ **1987 Constitution of the Republic of the Philippines**. *Article XIII, Section 3*.

The **"Batas Alon"** seeks to bridge the gap between maritime tradition and modern labor rights. By formally recognizing the employer-employee relationship between traders and fisherfolk, this bill ensures that every hand that pulls a net is protected by the Labor Code of the Philippines. It provides a mechanism for financial inclusion, granting fisherfolk the dignity to access formal credit and break the shackles of usurious "advances."

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



REP. KAKA BAG-AO

Lone District of Dinagat Islands



REP. JOSE MANUEL TADEO "CHEL" I. DIOKNO
AKBAYAN Party-list



REP. PERCIVAL V. CENDAÑA
AKBAYAN Party-list



REP. DADAH KIRAM ISMULA
AKBAYAN Party-list



REP. CIELO KRISEL B. LAGMAN
1ST District, Albay

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9044

Introduced by
REP. KAKA BAG-AO (LONE DISTRICT, DINAGAT ISLANDS)
REP. JOSE MANUEL TADEO "CHEL" I. DIOKNO (AKBAYAN PARTY-LIST)
REP. PERCIVAL V. CENDAÑA (AKBAYAN PARTY-LIST)
REP. DADAH KIRAM ISMULA (AKBAYAN PARTY-LIST)
REP. CIELO KRISEL B. LAGMAN (1ST DISTRICT, ALBAY)

AN ACT
MANDATING THE SECURITY OF TENURE FOR FISHERFOLK AND FISHWORKERS,
DEFINING THE EMPLOYER-EMPLOYEE RELATIONSHIP IN THE FISHING INDUSTRY,
PROVIDING FOR COMPREHENSIVE EMPLOYMENT BENEFITS, ACCESS TO FINANCIAL
ASSISTANCE, AND THE RIGHT TO SELF-ORGANIZATION FOR COOPERATIVE
DEVELOPMENT, AND FOR OTHER PURPOSES

*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 "**Security of Tenure for**
2 **Fisherfolk and Fishworkers Act**" or "**Batas Alon**".
3

4 **SECTION 2. Declaration of Policy.** – It is the cardinal policy of the State to afford full
5 protection to labor—local and overseas, organized and unorganized—and to promote
6 full employment and equality of employment opportunities for all. Recognizing the
7 fishing industry as a vital component of the national economy and a high-risk maritime
8 endeavor, the State hereby declares the following:

- 9 1. **Guarantee of Labor Rights:** The State shall guarantee the rights of all fisherfolk
10 and fishworkers to **Security of Tenure**, humane conditions of work, and a living
11 wage. The State shall actively prevent the misclassification of these workers as
12 "independent contractors" or "partners" when the elements of an employer-
13 employee relationship are present.
14 2. **Social Justice in Fisheries:** Pursuant to Article XIII, Section 3 of the Constitution,
15 the State shall regulate the relations between workers and employers,

recognizing the inherent imbalance of power in the "share-based" system and the "Takay" (advances) tradition.

3. **Adherence to International Standards:** The State shall align its domestic labor standards with the **International Labour Organization (ILO) Convention No. 188 (Work in Fishing Convention, 2007)**, ensuring that fishers have written articles of agreement, health protection, and social security.
4. **Economic Empowerment and Financial Inclusion:** The State recognizes that **Economic Independence** is the bedrock of labor rights. Therefore, it shall provide mandatory mechanisms for fisherfolk to access formal credit, micro-financing, and the right to self-organization through cooperatives, thereby eliminating debt bondage and dependence on usurious informal credit.
5. **Protection of Municipal and Commercial Workers:** The State shall ensure that these protections extend to all workers across the spectrum of the industry, from small-scale municipal fishing to large-scale commercial deep-sea operations, without distinction as to the size of the vessel or the method of compensation.

SECTION 3. Definition of Terms. – For the implementation of this Act, the following terms are defined and expounded:

1. **Fisherfolk** – Refers to individuals, naturally born or naturalized citizens of the Philippines, directly or personally engaged in catching fish or other aquatic products and related activities. This includes those in municipal waters or commercial waters. Under this Act, their status is elevated from "marginalized laborers" to **Regular Employees** when they operate under the control of a Fish Trader or Vessel Owner.
2. **Fishworker** – Refers to any person, whether skilled or unskilled, regularly employed or engaged in any capacity on board a fishing vessel or in the hauling, sorting, and primary processing of fish at the point of landing. This includes "crew members," "buseros," and "batilyos." They are hereby recognized as **Regular Employees** entitled to all benefits under the Labor Code.
3. **Fish Trader (Consignee/Buyer-Lender)** – Refers to any person, partnership, or corporation who provides capital, equipment, fuel, or credit to fisherfolk. A Fish Trader is considered an **Employer** under this Act if they impose the condition of **Exclusive Sale of Catch** or exercise **Operational Control** over fishing schedules.
4. **Security of Tenure** – The constitutionally guaranteed right of fisherfolk and fishworkers to continued employment. They shall not be terminated or "grounded" except for **Just Causes** or **Authorized Causes** as provided under the Labor Code, and only after observance of **Due Process**.
5. **Control Test** – The legal standard used to establish an employer-employee relationship. It exists when the entity for whom the services are performed reserves the right to control not only the result but also the means and methods used to achieve it.
6. **Articles of Agreement** – The written contract of employment between the fishworker and the vessel owner/trader, registered with the DOLE and BFAR. This document serves as the primary **Proof of Employment**.

1 **SECTION 4. The Employer-Employee Relationship and the Multi-Factor Control Test. –**

2 An Employer-Employee Relationship shall be legally presumed to exist between a Fish
3 Trader or Vessel Owner (Employer) and a Fisherfolk or Fishworker (Employee) when the
4 Employer exercises any of the following forms of control over the means, methods, and
5 economic viability of the work:

- 6 1. **Exclusivity and Market Control:** When the fisherfolk or fishworker is contractually
7 or practically restricted from selling, disposing of, or trading their catch to any
8 person or entity other than the designated Fish Trader or Vessel Owner. Any
9 "Right of First Refusal" or "Exclusive Buying Agreement" imposed by the Trader
10 shall be prima facie evidence of an employment bond.
- 11 2. **Operational Direction and Superior Supervision:** When the Trader or Vessel
12 Owner exercises the power to dictate, directly or indirectly:
 - 13 a) The schedule of departure and arrival;
 - 14 b) The duration of the fishing expedition;
 - 15 c) The specific fishing grounds or geographical limits to be exploited; and
 - 16 d) The specific gear, technology, or methods to be utilized during the
17 voyage.
- 18 3. **Economic Dependency and Financial Subordination:** When the fisherfolk are
19 financially dependent on the Trader or Vessel Owner for "Pre-departure
20 Advances" (*Takay* or *Ubos*), fuel, ice, provisions, or equipment, the cost of which
21 is unilaterally deducted from the gross value of the catch. The act of "financing"
22 the voyage combined with the power to manage the partition of the catch
23 proceeds constitutes the "Payment of Wages" element of the four-fold test.
- 24 4. **The Power of Selection and Dismissal:** When the Trader or Vessel Owner retains
25 the authority to engage the crew (Selection) or to "ground" a fisherfolk by refusing
26 them access to the vessel or the necessary capital for a voyage (Dismissal).

27 **SECTION 5. Non-Waiver of Rights.** – Any contract, memorandum of agreement, or
28 verbal "gentleman's agreement" declaring the fisherfolk as an "independent contractor,"
29 "partner," or "joint-venture associate" for the purpose of avoiding the obligations under
30 this Act is hereby declared **void ab initio** for being contrary to public policy.

31 **SECTION 6. Classification and Tenure of Fishworkers.** – To ensure that the fluid nature
32 of maritime work does not result in the subversion of labor rights, the following
33 classifications and rules on tenure are hereby established:

- 34 1. **Large-Scale or Commercial Vessel Workers (Above three (3) Gross Tons):**
 - 35 a) **Status:** All fishworkers engaged on vessels with a capacity exceeding
36 three (3) gross tons are hereby recognized as **Regular Employees** from
37 the very first day of engagement or the commencement of the voyage.

- b) **Rationale:** The capital-intensive and highly organized nature of commercial fishing implies a permanent need for labor, thus negating any "probationary" requirement.

2. **Small-Scale or Municipal Vessel Workers (Three (3) Gross Tons or Less):**

- a) **Status:** Fishworkers on small-scale vessels shall be recognized as **Regular Employees** upon reaching an **Aggregate Service of six (6) months** with the same Fish Trader or Vessel Owner.
- b) **Rule on Continuity:** The six-month period need not be continuous. For this Act, "Aggregate Service" shall mean the total cumulative duration of all voyages, tasks, or engagements rendered for the same Employer within a twenty-four (24) month period.
- c) **Presumptive Regularity:** If the nature of the work is "necessary and desirable" to the usual business of the Trader or Owner (which is the catching and selling of fish), the worker is presumed a regular employee unless the employer can prove a specific "Project-Based" or "Seasonal" contract that complies with DOLE standards.

3. **Protection Against "End-of-Contract" (Endo) Schemes:**

- a) Any deliberate interruption of service (e.g., "grounding" a worker for a week to break the continuity of the six-month period) shall be considered a prohibited act of **Labor-Only Contracting**.
- b) The transition from a "Probationary" or "Casual" status to "Regular" status shall be automatic by operation of law upon reaching the aggregate threshold, without the need for a new contract.

SECTION 7. Security of Tenure. – Regular Fisherfolk and Fishworkers shall enjoy the right to stay in their jobs. They shall not be terminated, replaced, or denied a spot on a voyage except for **Just Causes** (e.g., gross negligence, theft of catch, or serious misconduct) or **Authorized Causes** (e.g., decommissioning of the vessel), subject to the "Two-Notice Rule" and a formal administrative hearing.

SECTION 8. Comprehensive Employment Benefits and Statutory Floor. – All fisherfolk and fishworkers recognized as regular employees under this Act shall be entitled to the following benefits, which shall be considered the "Statutory Floor." Any agreement providing for benefits less than those mandated herein shall be unenforceable:

1. **Guaranteed Wage and the "Share-or-Wage" Rule:**

- a) **The Floor:** In no case shall the total compensation of a fisherfolk or fishworker be lower than the **prevailing National Minimum Wage** for the actual days worked.
- b) **The Share:** If the agreed "share" from the catch exceeds the National Minimum Wage, the fisherfolk shall receive the higher amount.
- c) **Catch Failure:** In the event of a "zero catch" or "low yield," the Employer (Fish Trader/Vessel Owner) is still obligated to pay the worker the

equivalent of the minimum wage for the duration of the voyage, recognizing that the worker's time and labor were placed at the employer's disposal.

2. **Mandatory Social Protection:**

- a) **Compulsory Coverage:** Employers must register all fisherfolk or fishworkers with the **Social Security System (SSS)**, **PhilHealth**, and **Pag-IBIG Fund** from the date of engagement.
- b) **Premium Sharing:** Premiums shall be shared in accordance with existing laws. The Employer is strictly prohibited from deducting the "Employer's Share" of the premiums from the fisherfolk or fishworker's share of the catch.
- c) **Proof of Payment:** Employers are required to provide fishers with monthly copies of contribution remittals.

3. **Maritime Hazard Pay:**

- a) Recognizing the high-risk nature of work at sea, including exposure to unpredictable weather, piracy, and physical injury, all fisherfolk or fishworker shall receive **Hazard Pay** equivalent to at least **20% of their basic pay or share**.
- b) This shall be paid on top of the basic wage and shall not be integrated into the minimum wage calculation.

4. **13th Month Pay and Bonuses:**

- a) All fisherfolk or fishworker are entitled to 13th Month Pay regardless of the nature of their compensation.
- b) **Calculation:** The 13th Month Pay shall be 1/12 of the total basic earnings (including shares but excluding overtime and hazard pay) earned by the worker within a calendar year.

5. **Service Incentive Leave (SIL) and Overtime:**

- a) **SIL:** Five (5) days of leave with pay for every year of service, which may be commuted to its cash equivalent if unused.
- b) **Night Shift Differential:** A minimum of **10%** of the basic wage for work performed between 10:00 PM and 6:00 AM, common in nocturnal fishing operations.

SECTION 9. Prohibition on Illegal Deductions. – The "Takay" or "Ubos" (advances) system shall be strictly regulated. Employers are prohibited from deducting the following from the worker's share:

- a) Vessel depreciation or maintenance costs;
- b) Business taxes or trader licensing fees;
- c) Interest rates on pre-departure advances exceeding the legal limit set by the Bangko Sentral ng Pilipinas (BSP).

SECTION 10. Financial Inclusion and Mandatory Credit Access for Fisherfolk. – To break the cycle of debt bondage and usurious lending, the State hereby mandates the full integration of fisherfolk and fishworkers into the formal financial system.

1. Legal Validity of Proof of Employment and Income:

- a) **Equivalent to Payslip:** The **Articles of Agreement** (duly registered with DOLE) and the **Consolidated Catch Share Ledger** (a record of the worker's earnings) shall be recognized as official and sufficient evidence of "Regular Income" and "Stable Employment."
- b) **Mandatory Acceptance:** No Government Financial Institution (GFI), private bank, or micro-finance institution shall deny a loan application solely on the basis that the applicant lacks a traditional corporate ITR (Income Tax Return) or a fixed-salary payslip, provided the applicant presents the DOLE-certified Articles of Agreement.
- c) **DOLE Certification:** Upon request, the DOLE shall issue a "**Certificate of Regular Employment for Fisherfolk**" within three (3) working days, free of charge, to facilitate these transactions.

2. The "Kasama sa Laot" Special Credit Window:

- a. **Mandatory Allocation:** The Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP) are hereby mandated to allocate a specific portion of their loan portfolio to the "**Kasama sa Laot Special Credit Window**."
- b. **Terms and Conditions:** Loans under this window shall feature:
 - i. **Non-Collateralized Options:** For micro-loans intended for gear replacement or emergency medical funds;
 - ii. **Preferential Interest:** Rates not exceeding the lowest prime rate offered to agricultural cooperatives;
 - iii. **Flexible Repayment:** Payment schedules aligned with the "fishing season" (e.g., grace periods during closed seasons or months of extreme weather/monsoons).

3. Priority in Government Subsidies and Social Safety Nets:

- a. **Automatic Inclusion:** Registered fisherfolk or fishworker under this Act shall be automatically enrolled in the **Registry System for Basic Sectors in Agriculture (RSBSA)**.

- 1 b. **Preferred Beneficiary Status:** They shall be granted "Tier 1" priority in the
2 distribution of:
3 i. **Fuel Subsidies:** Direct-to-consumer fuel cards during periods of oil
4 price hikes;
5 ii. **Climate Disaster Relief:** Immediate cash assistance and gear
6 replacement grants following typhoons or maritime disasters;
7 iii. **Scholarship Programs:** Priority for their dependents in TESDA or
8 DA-BFAR educational grants.

9 **SECTION 11. Anti-Discrimination in Financial Services.** – Any financial institution that
10 refuses to process a loan application from a fisherfolk or fishworker despite the
11 presentation of the documents required under Section 7.1 shall be reported to the
12 Bangko Sentral ng Pilipinas (BSP) for administrative sanction and may be subject to a
13 fine of Fifty Thousand Pesos (Php 50,000.00) per occurrence.

14 **SECTION 12. Right to Self-Organization and the Formation of Labor-Managed**
15 **Fisherfolk Cooperatives.** – The State recognizes the right of fisherfolk and fishworkers
16 to organize into cooperatives as a primary vehicle for economic independence,
17 collective bargaining, and financial self-sufficiency.

18 **1. Mandate for Labor-Managed Cooperatives:**

- 19 a) **Organizational Autonomy:** Fisherfolk and fishworkers shall have the
20 absolute right to form, join, or assist in the formation of **Labor-**
21 **Managed Cooperatives** (LMCs). These LMCs shall be owned and
22 controlled exclusively by the workers themselves.
23 b) **Collective Marketing and Bargaining:** These cooperatives are hereby
24 empowered to act as the "Consignee of Record," allowing them to sell
25 catch directly to commercial markets, exporters, or government
26 agencies, effectively bypassing predatory middle-men or usurious
27 traders.
28 c) **Supply Chain Management:** LMCs shall be authorized to engage in the
29 bulk procurement and tax-free importation of fuel, ice, fishing gear, and
30 engine parts for the exclusive use of their members, ensuring that the
31 cost of "pre-departure provisions" remains at wholesale prices.

32 **2. Internal Micro-lending and Debt Redemption:**

- 33 a) **Credit Revolving Fund:** LMCs are authorized to establish an internal
34 credit system to provide members with low-interest emergency loans
35 and "voyage financing," intended specifically to replace the "Takay" or
36 "Ubos" system provided by traders.
37 b) **Debt Consolidation:** The cooperative may act as a legal intermediary to
38 negotiate the settlement or restructuring of existing predatory debts

owed by its members to Fish Traders, ensuring a clean transition into the formal employment system.

3. CDA "Express Lane" and Technical Support:

- a) **Fast-Track Registration:** The **Cooperative Development Authority (CDA)** shall establish a "Fisherfolk Express Lane" for the registration of LMCs under this Act. The registration process shall be completed within fifteen (15) working days from the submission of requirements.
- b) **Waiver of Fees:** All registration fees and initial filing costs for Fisherfolk Cooperatives under this Act are hereby waived for the first three (3) years of the Act's effectivity.
- c) **Mandatory Training:** The CDA, in coordination with DOLE and BFAR, shall provide free mandatory training on Financial Literacy, Cooperative Management, and Labor Rights to all founding members.

SECTION 13. Non-Interference and Anti-Union Busting. – It shall be considered an **Unfair Labor Practice** for any Fish Trader or Vessel Owner to interfere with, restrain, or coerce fisherfolk in the exercise of their right to form or join a cooperative. Any trader who "grounds" or dismisses a worker for joining a cooperative shall be liable for illegal dismissal and subject to the penalties provided in Section 10 of this Act.

SECTION 14. Implementing Agencies and the Inter-Agency Oversight Committee (IAOC). – The implementation of this Act shall be a multi-sectoral effort. To ensure accountability and seamless enforcement, an **Inter-Agency Oversight Committee (IAOC)** is hereby created, to be chaired by the Secretary of Labor and Employment.

1. Department of Labor and Employment (DOLE) – Lead Agency:

- a) **Enforcement:** Shall conduct mandatory, unannounced labor inspections on fishing vessels and at landing sites (*pantalan*) to ensure compliance with the "Statutory Floor" of wages and benefits.
- b) **Adjudication:** Through the **National Labor Relations Commission (NLRC)**, shall have original and exclusive jurisdiction over all cases involving illegal dismissal, unpaid shares, and security of tenure disputes arising from this Act.
- c) **Registration:** Shall maintain the official "**Master Registry of Fisherfolk Employees**" based on the submitted Articles of Agreement.

2. Bureau of Fisheries and Aquatic Resources (BFAR):

- a) **Vessel Licensing Linkage:** Shall make the issuance or renewal of Commercial Fishing Vessel Licenses (CFVL) conditional upon the submission of a "**Certificate of Labor Compliance**" issued by the DOLE.

- 1 b) **Monitoring:** Shall monitor catch records and exclusivity agreements to
2 identify de facto employer-employee relationships as defined in
3 Section 4.
4 c) **Logistics:** Provide technical data on fishing seasons to the LBP/DBP to
5 help align loan repayment schedules.

6 **3. Cooperative Development Authority (CDA):**

- 7 a) **Technical Empowerment:** Shall assign dedicated "Fisherfolk
8 Cooperative Officers" in every region to provide legal and technical
9 assistance in the drafting of Articles of Cooperation and Bylaws.
10 b) **Regulatory Relief:** Ensure that Fisherfolk Cooperatives are prioritized
11 for tax-exemption certifications under RA 9520.

12 **4. Land Bank of the Philippines (LBP) & Development Bank of the Philippines**
13 **(DBP):**

- 14 a) **Financial Integration:** Shall establish a digital "Fisherfolk Payroll
15 System" for cooperatives and traders to ensure that wages and shares
16 are documented and traceable.
17 b) **Fund Management:** Manage the "**Alon Guarantee Fund**," which shall
18 guarantee up to 80% of the credit risk for micro-loans granted to
19 registered fishworkers.

20 **5. Philippine Coast Guard (PCG):**

- 21 a) **Safety-Labor Verification:** During "Pre-Departure Inspections," the PCG
22 shall verify that a copy of the **Articles of Agreement** for every crew
23 member is present on board. No vessel shall be cleared for departure if
24 the crew is not covered by the protections of this Act.

25 **SECTION 15. The "Batas Alon" One-Stop Shop.** – Within one (1) year of the effectivity of
26 this Act, the IAOC shall establish "One-Stop Shops" in major fishing ports (such as
27 General Santos, Navotas, Lucena, and Zamboanga) to provide simultaneous registration
28 for DOLE, SSS, PhilHealth, and CDA services.

29 **SECTION 16. Implementing Rules and Regulations (IRR) and the Debt-to-Wages**
30 **Transition Framework.** – Within ninety (90) days from the effectivity of this Act, the
31 DOLE, in mandatory consultation with BFAR, CDA, the Land Bank of the Philippines, and
32 accredited National Fisherfolk Federations, shall promulgate the IRR. The IRR shall
33 include, but not be limited to, the following specific pillars:

34 **1. The "Debt-to-Wages" Conversion Scheme:**

- 1 a) **Audit of Advances:** All existing "advances" or *utang* claimed by
2 Traders/Owners against Fisherfolk must be liquidated and audited.
3 Only documented and verified professional advances (e.g., gear, fuel,
4 and food provisions) shall be recognized.
5 b) **Interest Ceiling:** Any interest rate on existing debt exceeding the legal
6 ceiling set by the Bangko Sentral ng Pilipinas (BSP) for non-
7 collateralized loans is hereby declared void. The principal shall be
8 recalculated using the legal interest rate.
9 c) **Non-Predatory Repayment:** The IRR shall mandate that repayments for
10 old debts be made through salary deductions which shall **not exceed**
11 **twenty percent (20%)** of the worker's take-home pay (after mandatory
12 SSS/PhilHealth deductions).
13 d) **Moratorium:** A six-month moratorium on debt repayment shall be
14 enforced during the first year of the Act to allow the Fisherfolk to
15 stabilize their household income under the new wage system.

16 **2. Standardized Maritime Employment Contract:**

- 17 a) The IRR shall provide a template for the **Articles of Agreement** which
18 must be written in the local dialect understood by the Fisherfolk. It
19 must explicitly state the "Statutory Floor" of wages and the prohibition
20 of "commission-only" pay.

21 **3. Transition Period and Compliance Amnesty:**

- 22 a) A **one-year transition period** is hereby granted to Fish Traders and
23 Vessel Owners to formalize their workforce.
24 b) During this period, Traders who voluntarily register their Fisherfolk as
25 Regular Employees and settle SSS/PhilHealth back-payments shall be
26 exempt from the administrative fines provided in Section 11, provided
27 they adhere to the non-predatory repayment plans.

28 **4. The "Alon" Monitoring System:**

- 29 a) The IRR shall establish a digital "Catch-to-Cash" monitoring system
30 where every landing of fish is recorded alongside the distribution of
31 shares, ensuring that the "Minimum Wage Floor" (as defined in Section
32 6) is met regardless of the catch volume.

33 **SECTION 17. Effect of Non-Issuance of IRR.** – The failure of the implementing
34 agencies to release the IRR within the ninety (90) day period shall not stay the effectivity
35 of the substantive rights granted under this Act. The provisions on the Employer-
36 Employee relationship (Section 4) and Security of Tenure (Section 5) shall be **self-**
37 **executing** upon the Act's effectivity.

SECTION 18. Administrative and Criminal Penalties. – Any person, partnership, association, or corporation found in violation of the provisions of this Act, particularly on the misclassification of employees, withholding of benefits, or interference with cooperative formation, shall be subject to the following penalties:

1. Administrative Fines (Per Worker):

- a) **First Offense:** A fine of Fifty Thousand Pesos (**Php 50,000.00**) per affected fisherfolk or fishworker.
- b) **Second Offense:** A fine of One Hundred Thousand Pesos (**Php 100,000.00**) per affected worker and a suspension of the Business Permit and/or Commercial Fishing Vessel License (CFVL) for a period of six (6) months.
- c) **Third and Subsequent Offenses:** A fine of Five Hundred Thousand Pesos (**Php 500,000.00**) per affected worker.

2. The "Blacklist" and Permanent Revocation:

- a) In cases of the third offense, or where the violation involves **Labor-Only Contracting** or **Debt Bondage**, the Department of Agriculture-BFAR shall, upon recommendation of DOLE, order the **Permanent Cancellation** of the Commercial Fishing Vessel License (CFVL), Fish Trader's Permit, and all other permits to operate in Philippine waters.
- b) The violating entity and its principal officers shall be **permanently blacklisted** from applying for any new fishing-related licenses or government agricultural subsidies.

3. Criminal Liability for Corporate Officers:

- a) If the offender is a corporation, trust, firm, or association, the penalty shall be imposed upon the responsible officers, including the President, General Manager, or the Managing Partner, if the violation is committed with their knowledge or gross negligence.
- b) In cases involving the "grounding" of a fisherfolk as a form of retaliation (Union Busting or Cooperative Interference), the responsible officer shall suffer the penalty of imprisonment of not less than one (1) year but not more than three (3) years, at the discretion of the court.

4. Automatic Restitution:

- a) The payment of fines to the government shall be **separate and distinct** from the mandatory restitution of unpaid wages, shares, and social security contributions to the affected fisherfolk.

- 1 b) The Trader/Owner shall also be liable for **Legal Interest** of six percent
2 (6%) per annum on all unpaid wages and benefits, calculated from the
3 time they became due.

4 **SECTION 19. The "Batas Alon" Trust Fund.** – All administrative fines collected under
5 this Section shall not go to the general fund but shall be placed in a special "**Batas Alon**"
6 **Trust Fund**. This fund shall be managed by the IAOC and shall be used exclusively for:

- 7 a) Legal aid and litigation expenses for fisherfolk filing labor cases;
8 b) Emergency "distress grants" for fishers whose employers' vessels have
9 been grounded due to violations;
10 c) Cooperative development grants

11 **SECTION 20. Separability Clause.** – If, for any reason, any section, subsection, clause,
12 or provision of this Act, or the application thereof to any person or circumstance, is
13 declared unconstitutional or invalid by a court of competent jurisdiction, the other
14 sections, subsections, clauses, or provisions of this Act shall not be affected thereby
15 and shall remain in full force and effect.

16 **SECTION 21. Repealing Clause.** – All laws, presidential decrees, executive orders,
17 ordinances, rules and regulations, or parts thereof, including specific provisions of the
18 **Philippine Fisheries Code of 1998 (Republic Act No. 8550)** as amended by **Republic**
19 **Act No. 10654**, and the **Labor Code of the Philippines**, which are inconsistent with the
20 provisions of this Act, are hereby repealed, amended, or modified accordingly.

21 **SECTION 22. Effectivity.** This Act shall take effect fifteen (15) days after its complete
22 publication in the *Official Gazette* or in at least two (2) newspapers of general circulation
23 in the Philippines.

Approved,