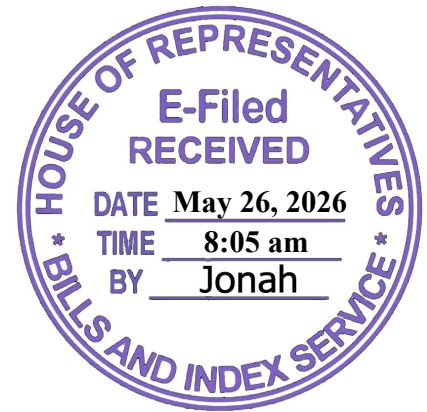


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **9417**



Introduced by Representative LEILA M. DE LIMA

AN ACT
RECOGNIZING AND REGULATING THE USE OF MOTORCYCLES AS PUBLIC
UTILITY VEHICLES, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Traffic congestion in Metro Manila causes the country an estimated Php3.5 billion in economic losses daily.¹ According to the Japan International Cooperation Agency (JICA), as traffic congestion continues to worsen, without an effective intervention, the associated costs are likely to increase to Php6 billion by 2030.² Among the primary drivers of traffic congestion is the country's poor public transport system, which remains fragmented, unreliable, and underfunded.³

As such, many Filipino commuters have explored an alternative mode of transportation known as motorcycle taxis, similar to *habal-habal* in rural areas. Compared to traditional modes of public transportation, such as jeepneys, buses, and trains, which either require passengers to wait in long lines, sit through the traffic congestion, or both, motorcycles are more efficient, convenient, and cost-effective.⁴

As more Filipino commuters rely on motorcycle taxis for their daily transportation, and more bikers depend on this mode of transportation for their daily income, the government has to step in and provide a more responsive and robust

¹ Padilla, T.B. (18 May 2026). Traffic jams and the toll on public health. Business World. Retrieved from <https://www.bworldonline.com/opinion/2026/05/18/750171/traffic-jams-and-the-toll-on-public-health/>.

² Transportation. Socioeconomic Issue in Spotlight. (n.d.) Philippine Institute for Development Studies. Retrieved from https://serp-p.pids.gov.ph/feature/public/index-view?featuredtype_id=1&slug=transportation.

³ Commuting in Metro Manila: A daily struggle rooted in Inequality. (4 June 2025). Council for People's Development and Governance. Retrieved from <https://cpdg.ph/commuting-in-metro-manila-a-daily-struggle-rooted-in-inequality/>.

⁴ Dela Peña, K. (18 March 2022). In post-COVID public transport, gov't gives glance at motorcycle taxis. Inquirer. Retrieved from <https://newsinfo.inquirer.net/1570301/in-post-covid-public-transport-govt-gives-glance-at-motorcycle-taxis>.

governance framework that takes care of the legitimate interests and welfare of all stakeholders in this increasingly important industry.

This bill seeks to recognize motorcycles as legitimate public utility vehicles (PUVs). Motorcycles-for-hire shall be placed under the regulatory authority of the Land Transportation Office (LTO), the Land Transportation Franchising and Regulatory Board (LTFRB), and concerned local government units (LGUs). This will ensure the motorcycle's roadworthiness, promote the safety and protection of passengers and other road users, and guarantee the biker's compliance with the necessary training and licensing standards, with due regard to fair pricing schemes and reasonable operating rules.

In the 20th Congress, similar bills were filed by Representatives Jurdin Jesus Romualdo, Edvic Yap, Bryan Revilla, Lani Mercado-Revilla, Ramon Jolo Revilla III, Salvador Pleyto, Rachel Del Mar, Rufus Rodriguez, Maximo Rodriguez Jr., Miguel Luis Villafuerte, Vincenzo Luigi Villafuerte, Tsuyoshi Horibata, Terry Ridon, Antonio Albano, Eric Yap, Linabelle Villarica, Ramon Gutierrez, Ferdinand Martin Romualdez, Yedda Marie Romualdez, Andrew Julian Romualdez, Jude Acidre, Bai Dimple Mastura, and Christopherson Yap, and Senators JV Ejercito, Ronald Dela Rosa, Raffy Tulfo, and Imee Marcos. Upon the recommendation of the sectors concerned, this bill fully adopts Senator Ejercito's Senate Bill No. 10.

Early approval of this measure is earnestly sought.


LEILA M. DE LIMA

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UTILITY VEHICLES, AND FOR OTHER PURPOSES

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 “Motorcycle-for-Hire
2 Act.”
3

4 SEC. 2. *Declaration of Policy.* – The State recognizes the importance of
5 transportation in economic development. The recent innovations in technology have
6 allowed the riding public access to alternative modes of public conveyance, such as
7 motorcycles-for-hire, which have emerged as a reliable and accessible mode of
8 transportation. However, despite its promise of convenience and fast service,
9 motorcycles-for-hire must be regulated to ensure that the interests of the general
10 public are protected. Thus, the State shall allow the regulated operation of
11 motorcycles-for-hire to provide the public with an alternative mode of public
12 transportation that is safe, secure, and economical. Towards this end, the State shall
13 establish mechanisms and guidelines for regulating all operational aspects of
14 motorcycles-for-hire.
15

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

17
18 (a) *Biker* refers to the driver of a motorcycle-for-hire;
19

20 (b) *Certificate of Public Convenience* or *CPC* refers to the authority issued by
21 the Land Transportation Franchising and Regulatory Board (LTFRB) to Motorcycle
22 Taxi Operators (MTO) so that they may authorize bikers to operate motorcycles-for-
23 hire or bikers to operate motorcycles-for-hire;

1 (c) *Customer* or *user* refers to a natural person requesting the services of a
2 motorcycle-for-hire on a digital platform or through other means;

3
4 (d) *Digital platform* refers to an information and communications technology-
5 enabled mechanism that connects and integrates providers and users in online
6 environments where services are requested, developed, and sold, and data is
7 generated and exchanged;

8
9 (e) *Motorcycle* refers to any two (2)-wheeled motor vehicle without appendages;

10
11 (f) *Motorcycle Taxi Operator* or *MTO* refers to any natural or juridical person
12 that makes available pre-arranged transportation services of motorcycles-for-hire,
13 whether on a digital platform or through other means, and connects its customers or
14 users with bikers to facilitate the consummation of a contract of carriage for
15 compensation;

16
17 (g) *Motorcycle-for-hire* refers to a motorcycle, duly registered as such under this
18 Act, used in the provision of services offered to the public for the carriage of
19 passengers on a for-hire basis. A motorcycle-for-hire shall be considered a public
20 utility vehicle and its operation a public utility;

21
22 (h) *Motorcycle-for-hire Operator's Permit* or *MOP* refers to the authority issued
23 to bikers by LGUs so that they may operate a motorcycle-for-hire;

24
25 (i) *Multi-homing* refers to an approach where a particular biker may be
26 accredited by more than one MTO, allowing such biker to utilize the services of more
27 than one MTO in the provision of transportation services; and

28
29 (j) *Passenger* refers to a natural person being transported from point to point by
30 a biker using a motorcycle-for-hire.

31
32 SEC. 4. *Scope and Application.* – This Act shall apply to all aspects of the
33 operation of motorcycles used as a common carrier for the transportation of
34 passengers.

35
36 SEC. 5. *Recognition of Motorcycles-for-Hire as a Viable Mode of Public*
37 *Transportation.* – Motorcycles-for-hire shall be recognized as a viable mode of public
38 transportation and, for this purpose, shall be included as a mode of transport in the
39 Local Public Transport Route Plan (LPTRP) to be developed by LGUs and approved
40 by the DOTr and LTFRB, as well as in separate manuals or guidelines issued by LGUs
41 on any public transportation plans concerning any province, city, or municipality based
42 on local mobility requirements.
43

1 Motorcycles-for-hire shall also be included in all plans and programs for route
2 rationalization and traffic management, both at the local and national levels.

3
4 SEC. 6. *Motorcycles-For-Hire as Common Carriers.* – The operation of
5 motorcycles-for-hire is imbued with public interest. As such, the same shall be
6 governed by the applicable provisions of Republic Act No. 386, otherwise known as
7 the "Civil Code of the Philippines," and other pertinent laws, rules, and regulations on
8 common carriers, particularly on the required degree of diligence to be observed by
9 bikers in the course of transporting passengers and on the presumption of culpability
10 in case of death or injuries to passengers.

11
12 SEC. 7. *Registration for Motorcycles-For-Hire.* – A motorcycle intended to be
13 used as a motorcycle-for-hire must be duly registered with the Land Transportation
14 Office (LTO) in accordance with the requirements set forth in Section 11 of this Act.
15 The LTO shall ensure the roadworthiness of all motorcycles-for-hire before their
16 registration, or any renewal thereof.

17
18 SEC. 8. *Standards and Specifications of Motorcycles-For-Hire.* – The DOTr,
19 upon the recommendation of the LTO, shall prescribe standards and specifications of
20 motorcycles that may be allowed to operate as motorcycles-for-hire, taking into
21 consideration the safety of the passengers and bikers.

22
23 No modifications shall be made on any motorcycle-for-hire except for the
24 installation of appropriate accessories, such as a step board, footrest, speed limiter,
25 or monitoring devices, in accordance with the standards and specifications to be
26 prescribed by the DOTr.

27
28 SEC. 9. *Accreditation Requirements for MTOs.* – An individual or juridical entity
29 duly registered with the appropriate government agencies may be accredited by the
30 LTFRB to operate as an MTO.

31
32 MTOs must comply with the nationality requirements under applicable laws:
33 *Provided, That*, where permitted, foreign nationals shall not be allowed to directly or
34 indirectly own more than forty percent (40%) of the capital of any MTOs unless the
35 country of such foreign nationals accords reciprocity to Philippine nationals as may be
36 provided by foreign law, treaty, or international agreement.

37
38 The accreditation shall be valid for five (5) years and may be renewed:
39 *Provided, That* an MTO applying for renewal shall have maintained an average safety
40 rating of at least ninety-five percent (95%) as certified by an independent auditor for
41 the validity period of its previous accreditation.

1 SEC. 10. *Power to Regulate and Grant Permits to Operate Motorcycles-for-*
2 *Hire.* – The power to regulate and grant permits to operate motorcycles-for-hire shall
3 be as follows:
4

5 (a) *Metropolitan and Highly Urbanized Areas.* – In metropolitan and highly
6 urbanized areas, the authority to regulate and grant permits for the operation of
7 motorcycles-for-hire is vested in the LTFRB through the issuance of a CPC to an MTO
8 or an individual biker that fulfills the requirements under Sections 11(a) and (b),
9 respectively. The LTFRB shall set forth in the CPC the terms and conditions applicable
10 to the operation of motorcycles-for-hire.
11

12 A CPC granted to an MTO shall allow an MTO's authorized bikers to operate
13 motorcycle-for-hire services nationwide, while a CPC granted to an individual biker
14 shall authorize such biker to operate a motorcycle-for-hire nationwide or within several
15 service areas. An MTO's authorized bikers and an individual biker who has been
16 granted a CPC with nationwide coverage may no longer apply for MOPs under Section
17 10(b). All CPCs shall have a validity period of two (2) years, which may be renewed
18 consecutively for the same period.
19

20 (b) *Other Areas Apart from Metropolitan and Highly Urbanized Areas.* – The
21 authority to regulate and grant permits for the operation of motorcycles-for-hire in other
22 areas that are not considered metropolitan or highly urbanized areas shall be vested
23 in local government units (LGUs) through the issuance of an MOP to individual bikers
24 who fulfill the requirements under Section 11(b). For routes within their jurisdictions,
25 the MOP shall be issued by the city or municipality concerned. For routes traversing
26 two (2) or more cities or municipalities, the MOP shall be issued by the province of the
27 component LGUs. In cases where a route traverses two or more cities or municipalities
28 belonging to two or more provinces, the MOP may be obtained from any of the
29 provinces concerned: *Provided*, That the consent of the other province or provinces
30 must be secured prior to the operation of the motorcycle-for-hire.
31

32 An MOP is only valid for the operation of a motorcycle-for-hire within the
33 designated route. An individual biker may be issued several MOPs covering different
34 service areas. MOPs shall be valid for a period of two (2) years and may be renewed
35 consecutively for the same period.
36

37 SEC. 11. *Requirements for the Grant of a CPC or MOP.* – A CPC may be
38 granted to an MTO or to an individual biker. An MOP may only be granted to an
39 individual biker.
40

41 (a) A CPC with nationwide coverage shall only be issued to an MTO upon
42 submission of proof that the following requirements have been met:
43

- i. minimum capital of at least Twenty Million Philippine Pesos (PHP20,000,000.00);
- ii. capability to evaluate and determine the skills and competence of bikers through an established training center duly accredited by TESDA;
- iii. a digital platform where the services of motorcycles-for-hire can be booked with a reporting feature through which users can report accidents or lodge complaints; and
- iv. an established accident quick response system.

An MTO may authorize individuals to operate motorcycles-for-hire under the MTO's CPC, subject to their submission of the requirements set out in subsection (b) below: *Provided*, That a non-professional driver's license shall be sufficient for purposes of this authorization.

(b) A CPC with several service areas or nationwide coverage or MOP shall only be issued to a biker upon submission of the following requirements:

- i. proof of Filipino citizenship;
- ii. valid professional driver's license for the operation of motorcycles;
- iii. for areas with an existing MTO, proof of registration with an MTO and completion of the MTO's training course that covers, at the minimum, pillion-ferrying skills, traffic rules and regulations, and customer relations training, and includes written and practical tests as components;
- iv. for areas without an existing MTO, a certification issued by any TESDA-accredited institution confirming that the biker has undergone the necessary safety and skills training for the operation of a motorcycle-for-hire;
- v. Certificate of Registration of the motorcycle-for-hire, duly issued by the LTO;
- vi. insurance coverage for the death of or injuries suffered by the biker, passenger, or any third party, or damage to property by reason or on occasion of the operation of a motorcycle-for-hire; and
- vii. Taxpayer Identification Number issued by the BIR.

SEC. 12. Fees for the Grant of a CPC and MOP. – The LTFRB or the issuing LGUs, as applicable, are authorized to charge and collect from any applicant for a CPC or MOP fees as reimbursement of their expenses in the authorization, supervision, and regulation of motorcycles-for-hire. Such fees shall be determined by the LTFRB, subject to the approval of the Department of Transportation (DOTr), or the issuing LGUs.

SEC. 13. Conditions for the Maintenance of a CPC or MOP. – An MTO must maintain the requirements set out in subsections (ii) to (iv) of Section 11(a) for the

1 duration of the validity of its CPC. A biker must maintain the requirements set out in
2 Section 11(b) for the duration of the validity of their CPC or MOP.

3
4 The LTO shall promulgate the necessary guidelines setting forth requirements
5 for registration of bikers with MTOs.

6
7 Bikers that are not registered with an MTO shall ensure that the certifications
8 issued to them by the TESDA-accredited institution are valid or renewed throughout
9 the duration of the validity of their CPC or MOP and that they undergo continuing safety
10 and skills training under a curriculum duly certified by TESDA.

11
12 SEC. 14. *Effect of Non-Use of a CPC or MOP.* – If an MTO or biker fails to use
13 a CPC or MOP within one (1) year from its issuance, the LTFRB or the relevant LGU
14 may, after due notice and hearing, order the cancellation or suspension of the CPC or
15 MOP: *Provided*, That such MTO or biker whose CPC or MOP was ordered cancelled
16 shall not be precluded from applying for a new CPC or MOP in accordance with the
17 requirements provided in this Act.

18
19 SEC. 15. *Operation of Motorcycles-For-Hire.* – A biker who is authorized to
20 operate as a motorcycle-for-hire pursuant to an MTO's CPC may only do so through
21 the MTO's digital platform. The MTO shall ensure that such bikers are not holders of
22 their own CPC or MOP, and they are not authorized to operate as a motorcycle-for-
23 hire pursuant to another MTO's CPC. The LTFRB shall work with MTOs to create a
24 database of bikers who have been authorized by MTOs to operate as motorcycles-for-
25 hire under their CPCs. The database shall be maintained by the LTFRB and shall be
26 accessible to MTOs for the limited purpose of verifying if any biker who applies for
27 authorization to operate as a motorcycle-for-hire under their CPC has not been issued
28 their own CPC or MOP and has not been authorized to operate as a motorcycle-for-
29 hire by another MTO.

30
31 A biker who is the holder of a CPC or MOP shall be allowed to adopt a multi-
32 homing approach within the service areas designated in their CPC or MOP, and MTOs
33 are prohibited from refusing a biker's application for accreditation solely on the ground
34 that such biker is accredited by another MTO.

35
36 Except for private use, any operation of motorcycles-for-hire outside of an MTO
37 in areas with accredited MTOs shall be considered *colorum* and, therefore, illegal.

38
39 SEC. 16. *Fare Setting.* – The fares, including surcharges and other
40 transportation fees, that may be charged by bikers shall be as follows:

41
42 (a) Fares charged by bikers for the provision of motorcycle-for-hire services
43 within metropolitan and highly urbanized areas must be in accordance with the fare
44 structure issued and within the parameters determined and prescribed by the LTFRB,

1 in consultation with stakeholders of the motorcycle taxi industry, including bikers and
2 MTOs, and subject to the approval of the DOTr;

3
4 (b) Fares charged by bikers for the provision of motorcycle-for-hire services in
5 other areas must be in accordance with the fare structure issued and within the
6 parameters determined and prescribed by the relevant LGUs.

7 The fare structure to be implemented by the LTFRB and the LGUs must take
8 into consideration supply and demand components and shall allow dynamic pricing on
9 account of market variations based on location and time. The fare structure and
10 parameters for determining the applicable fares, including the minimum fee that may
11 be charged by holders of CPCs issued by the LTFRB, shall be periodically reviewed
12 by the LTFRB and the LGUs.

13
14 SEC. 17. *Processing of Personal Data.* – Any processing, collection, use,
15 and/or storage of personal information and sensitive personal information involved in
16 the operations of motorcycles-for-hire, registration/accreditation of bikers, bookings,
17 and other activities under this Act shall be done in accordance with the provisions of
18 Republic Act No. 10173, otherwise known as the "Data Privacy Act of 2012."

19
20 SEC. 18. *Liabilities for Death, Injuries, or Damage to Property.* – The biker and
21 the MTO that facilitated the transportation service at the time when the death, injury,
22 or damage to persons or property occurred in the course of the operation of a
23 motorcycle-for-hire shall be jointly and solidarily liable for civil liabilities arising from
24 such death, injury, or damage, with rights of subrogation against any party at fault:
25 *Provided*, That the liability of the MTO shall not exceed the amount of the insurance
26 coverage of the biker: *Provided further*, That the following provision on civil liability is
27 without prejudice to the imposition of appropriate criminal and/or administrative
28 liabilities on the driver at fault.

29
30 SEC. 19. *Accident Quick Response Team.* – MTOs shall establish and maintain
31 a quick response team to provide immediate medical care or bring any person injured
32 by a motorcycle-for-hire providing transportation services facilitated by such MTOs to
33 the nearest hospital or medical facility able to provide sufficient necessary care. When
34 a person injured by the operation of a motorcycle-for-hire is prevented from receiving
35 medical care due to financial constraints, the MTO shall advance a reasonable amount
36 necessary for the provision of such medical care and, if necessary, the admission of
37 such injured person to a hospital or medical facility up to the maximum amount of the
38 insurance coverage of the biker.

39
40 An MTO shall implement a function that will allow the biker or passenger to alert
41 the quick response team during an emergency or road incident.

42
43 SEC. 20. *Reportorial Requirements.* – MTO shall submit quarterly reports
44 containing rides, safety, and accident data to the LTFRB, which data shall be utilized

1 in regulating and improving overall traffic management and local mobility conditions
2 and to gain industry-wide insights on MTO operations.

3
4 The LTFRB shall ensure that reports are submitted through an online facility
5 equipped with a data aggregation tool to ensure that the data accessible to the LTFRB,
6 any other governmental authority, and to the general public is consolidated and
7 anonymized to prevent association of any data with any specific MTO.

8
9 The LTFRB may not compel MTOs to submit proprietary or confidential data on
10 its business operations or strategies, such as, but not limited to, trade secrets, any
11 financial data not otherwise accessible to the public, and technical information such
12 as systems, source codes, and software.

13
14 SEC. 21. *Confidentiality.* – The LTO, LTFRB, DOTr, and other relevant
15 government agencies shall not disclose any proprietary and confidential data unless
16 prior consent of the owner of such data has been obtained by the requesting party.

17
18 SEC. 22. *Enforcement.* – Unless otherwise provided under this Act, the LTFRB
19 shall have original and primary jurisdiction over the enforcement and implementation
20 of the provisions of this Act, and its implementing rules and regulations, and shall
21 exercise the following powers and functions:

22
23 (a) Conduct administrative proceedings for any violation of this Act and its
24 implementing rules, upon its own initiative, a verified complaint in writing from any
25 interested party, or referral by any concerned regulatory agency;

26
27 (b) Upon finding after notice and hearing, based on substantial evidence, that
28 an MTO or biker has violated any provisions of this Act or its implementing rules, to
29 stop or redress the same by applying penalties prescribed under this Act, including the
30 revocation of CPCs and MOPs, and the imposition of fines, under such reasonable
31 parameters as shall be prescribed by the rules and regulations implementing this Act;

32
33 (c) Charge reasonable fees to defray the administrative costs of services
34 rendered; and

35
36 (d) Monitor compliance by persons or entities with the provisions of this Act.

37
38 LGUs shall have original and primary jurisdiction to resolve issues or complaints
39 in relation to violations of the terms and conditions of an MOP or for non-compliance
40 with the fare matrix prescribed by LGUs for the provision of motorcycle-for-hire
41 services.

42
43 For the avoidance of doubt, MTOs shall not be precluded from exercising the
44 power to impose sanctions such as suspension or blacklisting of bikers on account of

1 violation of internal rules made known to them, acts detrimental to safety and security,
2 and other reasonable or valid grounds.

3
4 SEC. 23. *Protection Against Anti-Competitive Conduct.* – The LTFRB shall
5 protect MTOs, bikers, and the riding public from monopolistic conduct, anti-competitive
6 conduct, and unfair trade practices, and shall exercise all powers and functions
7 consistent with this Act, to ensure such protection.

8
9 (a) The following acts by MTOs shall be prohibited under this Act:

- 10
11 i. Consummating a merger or acquisition that will give rise to a change in
12 control of the MTO without securing the prior endorsement of the DOTr.
13 This requirement shall be separate from and in addition to the
14 notification requirements under Republic Act No. 10667, otherwise
15 known as the "Philippine Competition Act."
16
17 ii. Engaging in any anti-competitive conduct that has the object or effect of
18 substantially preventing, restricting, or lessening competition in the
19 market for motorcycle-for-hire services.
20
21 iii. Leveraging network effects in a separate market to gain undue
22 advantage or dominance in the market for motorcycle-for-hire services.
23 Network effects arise when the value of a product or service increases
24 the more people use such product or service. In markets that depend
25 on two or more user groups, network effects occur when the number of
26 users in one group affects the value derived by users of the other group
27 from the product or service.
28
29 iv. Using dominance in a separate market to gain advantage in the market
30 for motorcycle-for-hire services. There is a presumption of dominance if
31 the market share of an MTO in the separate market is at least fifty
32 percent (50%).
33

34 (b) The following acts committed by MTOs shall give rise to a *prima facie*
35 presumption of anti-competitive conduct:

- 36
37 i. When an MTO that operates a digital platform that has allowed it to
38 accumulate a considerable database of users and ready supply of bikers
39 enters the market for motorcycle-for-hire services;
40
41 ii. Owning or operating, whether directly or indirectly, more than one MTO
42 offering motorcycle-for-hire services;
43

- 1 iii. Refusing to accept or denying a biker's application for registration solely
- 2 on the ground that such biker is registered with another MTO, unless
- 3 such biker is operating as a motorcycle-for-hire under another MTO's
- 4 CPC;
- 5
- 6 iv. Implementing incentive or other programs or loyalty-rewarding schemes
- 7 that have the object or effect of inducing bikers or customers to utilize
- 8 the services of an MTO exclusively or of several MTOs owned or
- 9 operated, whether directly or indirectly, by the same persons or entity;
- 10
- 11 v. Offering benefits, products or services to bikers intended to help them
- 12 with their needs, including but not limited to financial products and
- 13 services such as low-interest business loans and bespoke insurance
- 14 plans, the enjoyment or utilization of which is subject to a condition
- 15 prohibiting bikers from using the services of a different MTO that is not
- 16 owned or operated, whether directly or indirectly, by the same persons
- 17 or entity that owns or operates, whether directly or indirectly, the offering
- 18 MTO;
- 19
- 20 vi. Charging fares below the minimum fee provided in Section 16(a); and
- 21
- 22 vii. Any other conduct that is similar or analogous to the above-described
- 23 acts.
- 24

25 SEC. 24. *Prohibited Acts.* – The following acts shall be unlawful and punishable
26 under Section 25 of this Act:

27

28 (a) Of MTOs:

- 29 i. Operating as an MTO without a valid accreditation;
- 30 ii. Authorizing bikers to operate as a motorcycle-for-hire without a valid
- 31 CPC or MOP, unless such authorization is granted pursuant to the
- 32 MTO's CPC;
- 33 iii. Refusing or denying a biker's application for registration solely on the
- 34 ground that such biker is registered with another MTO;
- 35 iv. Charging any fares, surcharges, or other transportation fees not in
- 36 accordance with the fare structure issued and within the parameters
- 37 determined and prescribed by the LTFRB or relevant LGU;
- 38 v. Failure to submit reportorial requirements to the LTFRB; and
- 39 vi. Failure to comply with any requirement for the maintenance of its
- 40 accreditation and/or CPC under this Act or as prescribed in the
- 41 implementing rules and regulations.
- 42

43 (b) Of bikers:

- i. Operating as a biker without a valid authorization from an MTO pursuant to the MTO's CPC, a CPC, or an MOP;
- ii. Charging any fares, surcharges, or other transportation fees not in accordance with the fare structure issued and within the parameters determined and prescribed by the LTFRB or relevant LGU; and
- iii. Failure to comply with any requirement for the maintenance of its authorization, CPC, or MOP under this Act or as prescribed in the implementing rules and regulations.

SEC. 25. *Penalties.* – The LTFRB may impose a fine of not less than One million Philippine Pesos (PHP1,000,000.00) but not more than Ten million Philippine Pesos (PHP10,000,000.00) upon any MTO that has committed any of the prohibited acts under Section 24 of this Act. A biker found liable for any of the prohibited acts under Section 24 of this Act shall be blacklisted from operating motorcycles-for-hire.

In addition to the foregoing penalties, any biker who operates a motorcycle-for-hire in violation of traffic rules and regulations, carrying capacity, and licensing requirements shall suffer the appropriate penalty imposed under the applicable law, ordinance, rule, or regulation for such violation. The LTO shall impose the appropriate penalty on an erring biker commensurate with the gravity of the offense and frequency of commission.

SEC. 26. *Taxation of MTOs.* – The gross remittances of MTOs to bikers for services sold through their digital platforms or through other means used to connect such bikers with customers or users shall not form part of the taxable income of the MTO and shall not be subject to income tax or withholding tax on the part of the MTO. The term gross remittance shall refer to the total amount of the value of the services of a biker net of any commissions or service fees due to and deducted by the MTO that is collected by the MTO on behalf of such biker, regardless of whether the payment for the services is in cash or made through electronic payment channels, and remitted by the MTO to the biker. An MTO shall be liable for value-added tax only for its commissions or service fees.

SEC. 27. *Incentives.* – The following incentives shall be made available to MTOs:

(a) *Income Tax Holiday.* – In order to promote the expansion of transportation services, pioneer MTOs shall be granted an exemption from payment of income tax for a period of five (5) consecutive years from the effectivity of this Act, and non-pioneer MTOs shall be granted an exemption from payment of income tax for a period of three (3) years from the date of their registration. A pioneer MTO refers to operators who were accredited under the pilot program for motorcycle taxis before 2020. The period for exemption may be extended for an additional period of two (2) years,

1 contingent upon meeting performance benchmarks related to service quality, safety,
2 and environmental compliance, as may be prescribed by the LTFRB.

3
4 (b) *Zero-Rated Value-Added Tax on Services.* – Services provided by
5 registered MTOs shall be subject to zero percent (0%) value-added tax.

6
7 (c) *Regional Development Incentives.* – MTOs that establish operations in rural
8 and less-developed areas, including but not limited to third-class municipalities and
9 mountainous regions, designated by the Department of Economy, Planning, and
10 Development (DEPDev), upon the recommendation of the Department of the Interior
11 and Local Government (DILG), shall receive extended tax holidays, infrastructure
12 development grants, and employment subsidies.

13
14 SEC. 28. *Income Tax Rates for Bikers.* – For a period of two (2) consecutive
15 years from the effectivity of this Act, bikers shall enjoy a preferential tax rate of five
16 percent (5%) on their gross income in excess of Three Hundred Fifty Thousand Pesos
17 (Php350,000.00) derived from their operations as a motorcycle-for-hire: *Provided,*
18 That their gross income does not exceed the value-added tax threshold provided in
19 Section 109(BB) of Republic Act No. 8424, otherwise known as the "National Internal
20 Revenue Code of 1997," as amended. Upon the expiration of the two (2)-year period,
21 bikers shall be subject to the income tax rates set out in Section 24 of the National
22 Internal Revenue Code of 1997.

23
24 SEC. 29. *Exemption of Technology Professionals from Income Tax.* – To
25 incentivize recruitment and retention of skilled technology professionals in recognition
26 of the importance of fostering growth and innovation in the technology sector and in
27 support of technology entrepreneurship in the country, technology professionals,
28 including but not limited to software developers, engineers, and IT specialists, shall be
29 exempt from the payment of income tax for a period of five (5) consecutive years from
30 the effectivity of this Act. This exemption shall apply only to compensation income and
31 shall not extend to other sources of income.

32
33 In order to qualify for the exemption, the technology professional must be a
34 regular full-time employee and hired to work in a position directly related to technology
35 or essential digital platform operations. MTOs employing technology professionals
36 benefitting from the exemption shall be required to report the employment status and
37 aggregate income information of their technology professionals to the BIR on an
38 annual basis. Any changes in employment status or employing MTO must also be
39 reported by the MTO and technology professionals to the BIR.

40
41 SEC. 30. *Appropriations.* – The amount needed for the initial implementation of
42 this Act shall be taken from the current year's appropriation of the LTFRB. Thereafter,
43 such sums as may be necessary for its continued implementation shall be included in
44 the annual General Appropriations Act.

1
2 SEC. 31. *Transitory Provision.* – In order to provide a smooth transition in the
3 full implementation of this Act, operators that are accredited under the pilot program
4 for motorcycle taxis before 2020 shall be deemed to have been accredited as an MTO
5 under Section 9 of this Act and shall be issued CPCs pursuant to Section 11(a) of this
6 Act. Bikers registered with such MTOs shall be authorized to operate as motorcycles-
7 for-hire under the MTO's CPC.

8
9 SEC. 32. *Implementing Rules and Regulations.* – The DOTr, in coordination
10 with the LTFRB, LTO, BIR, TESDA, Department of the Interior and Local Government,
11 Metropolitan Manila Development Authority, and Philippine National Police-Highway
12 Patrol Group, and in consultation with stakeholders, shall, within ninety (90) days from
13 the effectivity of this Act, shall promulgate the necessary rules and regulations to carry
14 out the implementation of this Act.

15
16 SEC. 33. *Separability Clause.* – If any section or provision of this Act is declared
17 invalid or unconstitutional, the sections or provisions not affected thereby shall
18 continue to be in full force and effect.

19
20 SEC. 34. *Amendatory and Repealing Clause.* – The specific provisions of
21 Republic Act No. 4136 that are inconsistent with this Act are hereby amended or
22 repealed accordingly.

23
24 All provisions of laws, decrees, executive orders, presidential issuances, and
25 other administrative rules and regulations, or parts thereof, which are incompatible or
26 inconsistent with the provisions of this Act are hereby repealed, amended or modified
27 accordingly.

28
29 SEC. 35. *Effectivity.* – This Act shall take effect fifteen (15) days following its
30 publication in the Official Gazette or in two (2) newspapers of general circulation in the
31 Philippines.

Approved,