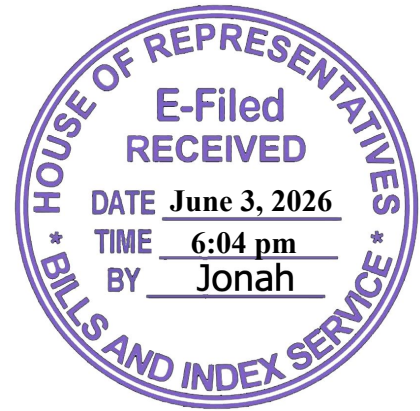


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. **9772**



Introduced by **REPRESENTATIVE RICARDO S. CRUZ, JR.**

EXPLANATORY NOTE

The Philippine Statistics Authority defines Business Process Outsourcing (BPO) as the delegation of IT-intensive services to external providers, under the Philippine Standard Industrial Classification (PSIC). According to the 2022 Annual Survey of Philippine Business and Industry (ASPBI) of the Philippine Statistics Authority, there were 2,256 formal Information Technology and Business Process Management (IT-BPM) establishments operating in the Philippines.¹

In 2025, the industry is on track to reach 1.9 million jobs and \$40 billion in export revenues, which accounts for more than 8% of the Philippine GDP, making them one of the country's most important engines of inclusive, modern work. The significant number of export revenue and establishments operating in the country signifies the high-value work of the Filipino workers with global clients.²

The proposed legislation aims to establish a comprehensive framework to promote the well-being of BPO employees through stronger labor protections, equitable compensation, workplace health and safety safeguards, and ongoing training programs that support career growth and industry competitiveness.

¹ Philippine Statistics Authority. (2024, September 18). *2022 Annual Survey of Philippine Business and Industry (ASPBI) – Information and Communication Section: Preliminary results*.
<https://psa.gov.ph/content/2022-annual-survey-philippine-business-and-industry-aspbi-information-and-communication-0>

² IT and Business Process Association of the Philippines (IBPAP). (2025, December 30). *Philippine IT-BPM Industry Closed with Growth, Moves Toward Higher-Value Work*.
<https://ibpap.org/news-room/35>

In view of the foregoing, the immediate approval of this measure is earnestly requested.



RICARDO S. CRUZ JR.

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TWENTIETH CONGRESS
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House Bill No. 9772

Introduced by **REPRESENTATIVE RICARDO S. CRUZ, JR.**

AN ACT
PROVIDING FOR THE PROTECTION OF WORKERS IN THE BUSINESS
PROCESS OUTSOURCING (BPO) INDUSTRY

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 "Magna Carta for BPO Workers Act".

SEC. 2. Declaration of Policy. (a) It is the policy of the State to afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equal employment opportunities for all.

(b) The State shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

(c) As a party to the International Labor Organization Convention concerning Freedom of Association and Protection of the Right to Organize, the State affirms that workers, without distinction whatsoever, shall have the right to

establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization.

SEC. 3. Definition of Terms. - As used in this Act, the term:

Business Process Outsourcing or BPO refers to the transfer of an organization's non- core processes to a third-party who uses an information technology based service delivery, and in turn manages the selected process based on defined and measurable performance criteria;

Call center is a type of BPO and refers to a centralized office for receiving and transmitting requests by telephone or Internet. Call center operations include, but are not limited to, the granting of incoming product support, information inquiries from consumers, and outgoing calls for telemarketing, clientele, product services, and debt collection;

BPO worker/employee shall refer to any person employed in a BPO industry either in a temporary/probationary or permanent capacity;

Department shall refer to the Department of Labor and Employment;

Secretary shall refer to the Secretary of Labor and Employment;

SEC. 4. Rights of BPO Workers / Employees. - BPO workers / employees shall enjoy the following rights:

The right to organize and join labor organizations;

The right to a safe and healthy working environment which will facilitate optimal physical and mental health in relation to their work;

BPO workers / employees shall have at least a one (1) hour continuous meal break in the middle of every eight (8) hour shift;

The right to privacy of BPO workers / employees shall be respected. The monitoring of personal phone calls shall not be allowed, and in the event that their official phone conversations are monitored, they must be informed of this at all times prior to the start of the monitoring process;

For workers / employees working in the night shift, they shall have the right to stay in a comfortable resting area within the employer's premises until daybreak to ensure their safety;

The right to be informed of the terms and conditions of their contract.

SEC. 5. Duties of Employers in the Industry. - It is the duty of BPO companies engaged in business in the Philippines to observe the following:

Establish and maintain a safe and healthy working environment which will facilitate

optimal physical and mental health in relation to the work of workers / employees;

Monitoring software should not be used to unduly pressure employees and should not impose an oppressive working environment;

Employers should incorporate regular rest breaks and changes in activity for all display screen equipment users;

They are required to carry out risk assessments and to remove monotonous work and work at a pre-determined rate when designing tasks whenever possible;

All BPO companies shall inform their prospective recruits that they can have their contract explained to them free of charge at the BPO Help Desk of the Department of Labor and Employment;

SEC. 6. Fair Compensation and Benefits. - BPO workers and employees shall be entitled to compensation and benefits in accordance with the Labor Code and relevant laws. In particular, the following shall be entitled to compensation and benefits in accordance with the Labor Code and relevant laws. In particular, the following shall be observed:

(a) All workers shall receive wages not lower than the applicable minimum wage as determined by the National Wages and Productivity Commission:

(b) Overtime pay shall be provided for work rendered beyond eight (8) hours in a day;

(c) Night shift differential pay shall be granted to workers who render services between 10 o'clock in the evening and six o'clock in the morning the following day, in accordance with Article 86 of the Labor Code;

(d) Holiday pay, service incentive leave, and 13th month pay shall be granted as mandated by law;

(e) Probationary workers shall be entitled to proportionate benefits, including the pro-rated 13th month pay and applicable leave benefits; and

(f) Employers are encouraged to provide performance-based incentives, hazard pay for high-risk accounts, and allowances to enhance employee welfare.

SEC. 7. BPO Help Desk. - There shall be a BPO Help Desk at the national and regional offices of the Department of Labor and Employment. It shall be equipped to advise employees or prospective employees of BPO companies of the terms and conditions of their employment when presented with a copy of the contract. It shall

also inform employees of the proper procedure in filing complaints for violation of this Act.

SEC. 8. Grievance Mechanism. - There shall be a mechanism in every company for the adjustment and resolution of grievances arising from the interpretation and enforcement of employment contracts and company personnel policies. This shall not require the prior existence of a collective bargaining agreement for the mechanism to be put in place.

SEC. 9. Jurisdiction. - The Labor Arbiter shall have primary and exclusive jurisdiction to hear and decide within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, cases involving all workers in the BPO industry as provided for under Article 217 of the Labor Code.

SEC. 10. Application to Other Sectors of the BPO Industry. - The provisions of this Act shall apply to other areas of the BPO industry whenever applicable.

SEC. 11. Annual Report to Congress. - The Secretary shall submit a report within one year from the implementation of this Act, and every year thereafter, on the improvement in the working conditions and attrition rate in the BPO industry.

SEC. 12. Implementing Rules and Regulations. - The Secretary shall formulate and disseminate the Implementing Rules and Regulations of this Act.

SEC. 13. Separability Clause. - If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SEC. 14. Repealing Clause. - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with, the provisions of this Act is hereby repealed, modified, or amended accordingly.

SEC. 15. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,