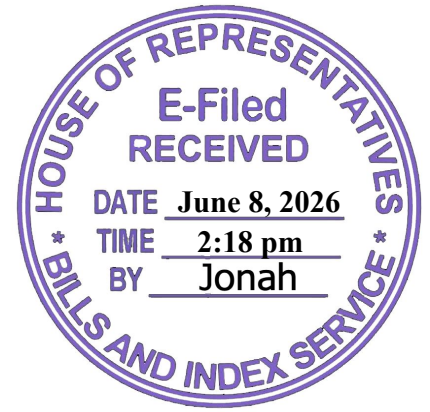


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. **9828**



Introduced by **Representative ERIC G. YAP**

EXPLANATORY NOTE

This bill seeks to penalize fraudulent acts committed against Overseas Filipino Workers (OFWs). This includes investment scams, false sales, hidden charges, coercive financial practices, and financial account scamming.

OFWs sustain families, communities, and the national economy through their labor and remittances. However, their distance from the country, reliance on digital transactions, and limited access to immediate legal remedies expose them to fraudulent acts that target their savings, income, and financial accounts. These factors not only cause personal financial loss, but also undermine the welfare of families who depend on OFW remittances for education, health care, housing, and daily subsistence.

Fraud committed against OFWs require a more specific legal response because perpetrators often exploit their distinct circumstances as migrant workers. This bill strengthens protection for overseas workers and their dependents by expressly defining prohibited fraudulent acts, imposing higher penalties, and allowing restitution for financial losses suffered by the victims.

The proposed measure affirms the State's duty to protect migrant workers not only from labor-related abuse, but also from financial exploitation that deprives them of the fruits of their work abroad. It establishes a clear deterrent against persons and entities that prey on OFWs through deceit, misrepresentation, coercion, or abuse of financial accounts.

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


HON. ERIC G. YAP

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House Bill No. **9828**

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AN ACT
PENALIZING FRAUD AGAINST OVERSEAS FILIPINO WORKERS AND
PROVIDING PENALTIES FOR VIOLATION THEREOF

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’ (OFW) Fraud Protection Act*”.

SEC. 2. *Declaration of Policy.* – The State recognizes the vulnerability of Overseas Filipino Workers (OFWs) and their dependents to fraudulent schemes and predatory financial practices. It is hereby the declared policy of the State to safeguard the financial security of OFWs by penalizing deceitful practices, investment scams, and financial crimes that undermine their economic welfare.

To this end, the State shall provide mechanisms to deter exploitation and ensure that the hard-earned savings of migrant workers are protected from bad faith, thereby preserving the fruits of their labor for the well-being of their families.

SEC. 3. *Definitions.* – As used in this Act:

a. Overseas Filipino Worker (OFW) refers to a Filipino who is to be engaged, is engaged, or has been engaged in a remunerated activity in a country in which he or she is not an immigrant, citizen, or permanent resident or is not awaiting naturalization, recognition, or admission, whether land-based or sea-based regardless of status; excluding a Filipino engaged under a government-recognized exchange visitor program for cultural and educational purposes. For purposes of this provision, a person engaged in remunerated activity covers a person who has been contracted for overseas employment but has yet to leave the Philippines, regardless of status, and includes “Overseas Contract Workers”. The term

“OFW” is synonymous to “Migrant Worker”, pursuant to Republic Act (RA) No. 11641, otherwise known as the “*Department of Migrant Workers Act*”;

b. Dependents refer to:

1. A legal spouse who is not an active member of the workforce;
2. Unmarried and unemployed children (legitimate, illegitimate, adopted, or stepchildren) below the age of twenty-one (21); and
3. Parents aged sixty (60) years or older.

c. Fraudulent activity refers to any act involving deceit, misrepresentation, or omission of material facts, resulting in financial loss or harm to an OFW and their dependents. This includes, but is not limited to, false promises regarding investments, selling non-existent products, or charging excessive fees; and

d. Investment scam refers to a fraudulent scheme that misleads an OFW into investing money based on false claims of high earnings, guaranteed profits, or low-risk ventures.

SEC. 4. *Prohibited Acts*. – The following acts are considered fraudulent and are hereby prohibited:

a. Investment Fraud – Enticing an OFW to invest in schemes misrepresented as legitimate, promising unreasonable or unrealistically high returns.

b. False Sales – Selling products or services to OFWs under false pretenses, including but not limited to defective, non-existent, or grossly overpriced items.

c. Hidden Fees and Unnecessary Purchases – Charging OFWs for hidden fees or misrepresenting the necessity of products or services that result in unnecessary financial expenditure.

d. Coercion and Deceptive Practices – Using misleading or coercive language to pressure or induce an OFW into making investments or purchases.

e. Financial Account Scamming – The following actions shall constitute Financial Account Scamming as defined in RA No. 12010, otherwise known as the “*Anti-Financial Account Scamming Act (AFASA)*”:

1. Money Muling - Performing any act for the purpose of obtaining, receiving, depositing, transferring, or withdrawing proceeds from crimes or social engineering schemes, such as:

- i. Using or allowing the use of a financial account;
- ii. Opening a financial account under false pretenses or using another's identity or documents; and
- iii. Renting, buying, or selling financial accounts.

2. Social Engineering Schemes - Deceptively obtaining sensitive identifying information of a person to gain unauthorized access to their financial accounts, such as:

- i. Misrepresenting oneself as acting on behalf of an institution to solicit identifying information; or
- ii. Using electronic communication to acquire sensitive data.

SEC. 5. *Penalties.* – Any person or entity found guilty of committing fraud against OFWs shall be penalized as follows:

a. For Individuals: A fine of not less than Ten million pesos (P10,000,000.00), or imprisonment of not less than twenty (20) years to life imprisonment, or both at the discretion of the court.

b. For Corporations or Entities: A fine of not less than Twenty million pesos (P20,000,000.00) for the first offense, and Thirty million pesos (P30,000,000.00) for subsequent offenses. In addition, responsible officers of the corporation may face imprisonment as outlined above.

c. Restitution: The courts may also order the perpetrator to make restitution to the OFW for any financial losses incurred.

SEC. 6. *Criminal Liability Under Other Laws.* – Prosecution under this Act shall be without prejudice to prosecution for any violation of the Revised Penal Code, as amended, or special laws such as RA No. 10175, otherwise known as the “Cyber-crime Prevention Act of 2012”; RA No. 11967, otherwise known as the “Internet Transactions Act of 2023”; and RA No. 12010, otherwise known as the “Anti-Financial Account Scamming Act (AFASA)”.

SEC. 7. *Separability Clause.* – If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SEC. 8. *Repealing Clause.* – All laws, decrees, executive orders, and rules and regulations, or parts thereof which are inconsistent with this Act, are hereby repealed or modified accordingly.

SEC. 9. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,