

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

TWENTIETH CONGRESS
First Regular Session

House Bill No. 9961



Introduced by Representative JEFFREY SORIANO

EXPLANATORY NOTE

This bill seeks to strengthen the protection of Overseas Filipino Workers (OFWs) and their dependents against fraudulent schemes. It defines and penalizes fraud specifically targeting OFWs and establishes stronger enforcement and reporting mechanisms.

Government agencies have repeatedly warned that OFWs are among the sectors most vulnerable to fraudulent activities. In 2024, the Department of Migrant Workers issued advisories against investment scams masquerading as legitimate financial platforms and targeting OFWs and their families through misleading advertisements, fabricated testimonials, and promises of extraordinary returns. The agency likewise reported the continuing proliferation of online recruitment scams and other fraudulent schemes that prey on Filipinos seeking economic opportunities abroad.

The growing digitalization of financial services has also expanded the avenues through which scammers operate. While existing laws, like Republic Act No. 12010, otherwise known as the anti-Financial Account Scamming Act, address fraud in general, there remains a need for a more focused framework that recognizes the unique vulnerabilities of OFWs and their dependents, who are frequently targeted because of their remittance income, limited access to immediate legal remedies, and geographic separation from their families.

This proposed measure establishes a comprehensive framework that specifically protects OFWs and their dependents from fraudulent practices. It imposes stronger penalties against perpetrators, including those who engage in investment fraud, cyber fraud, hidden-fee schemes, and agency collusion. It likewise establishes dedicated reporting and assistance mechanisms through a 24/7 hotline and online portal, as well as provides for a mandatory financial literacy and fraud prevention modules in pre-departure and post-arrival orientation programs.

Our OFWs endure separation from their families, uncertainty, and countless personal sacrifices to provide a better future for their loved ones and contribute to

the country's development. The money they earn abroad represents years of hard work and dedication that should never be stolen through deception and fraud.

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

A handwritten signature in black ink, appearing to read 'Jeffrey Soriano', written over a thin horizontal line.

HON. JEFFREY SORIANO

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AN ACT
STRENGTHENING THE PROTECTION OF OVERSEAS FILIPINO WORKERS
AND THEIR DEPENDENTS AGAINST FRAUDULENT PRACTICES, AND
PROVIDING PENALTIES THEREFOR

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’ Fraud Protection Act.*”

SEC. 2. *Declaration of Policy.* – The State recognizes the vital contributions of Overseas Filipino Workers (OFWs) to national development and acknowledges their inherent vulnerability to various forms of exploitation, particularly fraudulent schemes.

It is hereby declared the policy of the State to protect OFWs and their dependents from fraudulent activities pertaining to investments, purchases, and financial transactions; ensure that OFWs and their dependents have access to comprehensive financial literacy programs and effective redress mechanisms, through the coordinated efforts of relevant government agencies; and promote accountability by imposing stringent penalties on perpetrators of fraud, including individuals, corporations, and intermediaries found to be involved.

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

- a. Overseas Filipino Worker (OFW) refers to a person who is to be engaged, is engaged, or has been engaged in a remunerated activity in a foreign country in which they are not citizens or permanent residents, as defined in Republic Act No. 11641, otherwise known as the “*Department of Migrant Workers Act,*” including those who have been contracted but are not yet deployed.
- b. Dependent refers to a legal spouse, unmarried children under twenty-one (21) years of age, or parents aged sixty (60) years or older who are

demonstrably reliant on the OFW's remittances for their financial support.

- c. Fraudulent Activity refers to any act or series of acts involving deceit, misrepresentation, false pretense, or omission of material facts, committed with intent to cause financial harm or gain undue advantage, including but not limited to:
 - i. Investment Scams: Schemes designed to defraud individuals through false promises of high returns on investments, such as Ponzi schemes, pyramid schemes, or fictitious cryptocurrency ventures.
 - ii. False Sales: The selling of non-existent, defective, or grossly overpriced goods or services, including but not limited to "ghost" real estate properties, fraudulent insurance policies, or non-delivery of purchased items.
 - iii. Cyber Fraud: Acts committed through the use of computer systems or networks, such as phishing, smishing, vishing, pharming, or other social engineering tactics aimed at acquiring personal or financial information, or engaging in money muling as defined under Republic Act No. 12010, also known as the "*Anti-Financial Account Scamming Act*."
- d. Financial Institution refers to banks, quasi-banks, trust entities, nonbank financial institutions, lending companies, financing companies, payment systems operators, virtual asset service providers, and other entities performing similar functions, which are supervised by the Bangko Sentral ng Pilipinas (BSP) or other relevant government regulatory bodies.

SEC. 4. *Prohibited Acts*. – The following acts are hereby declared unlawful and shall be subject to the penalties provided in this Act:

- a. Investment Fraud: Soliciting, offering, or selling investments to OFWs or their dependents by misrepresenting material facts regarding the risks, returns, or legitimacy of such investments.
- b. False Sales of Goods or Services: Selling or offering for sale to OFWs or their dependents goods or services that are non-existent, materially defective, or grossly overpriced, with the intent to defraud.
- c. Imposition of Hidden Fees or Coercion: Imposing or charging undisclosed fees, commissions, or charges, or using high-pressure tactics, intimidation, or undue influence to compel OFWs or their dependents to enter into financial transactions, contracts, or agreements against their will or best interest.
- d. Financial Account Scamming: Engaging in acts defined under Republic Act No. 12010 (*Anti-Financial Account Scamming Act*), including but not

limited to:

- i. Money Muling: Allowing or renting out one's financial account, whether physical or digital, for illicit transfers of funds.
 - ii. Social Engineering: Manipulating individuals through deceptive communication to disclose confidential financial information or credentials, or to perform actions that result in financial harm.
- e. Agency Collusion: Any act where a recruitment agency, manning agency, or any intermediary involved in the deployment or welfare of OFWs conspires with or facilitates the commission of any fraudulent activity defined under this Act.

SEC. 5. *Penalties.* – Any person found guilty of committing any of the prohibited acts under this Act shall suffer the following penalties:

a. For Individuals:

- i. First Offense: Imprisonment of twelve (12) years to twenty (20) years and a fine of Five Million Pesos (P5,000,000.00) to Ten Million Pesos (P10,000,000.00).
- ii. Repeat Offense: Imprisonment of life and a fine of Fifteen Million Pesos (P15,000,000.00).

b. For Corporations, Partnerships, Associations, or Other Juridical Entities:

- i. First Offense: A fine of Twenty Million Pesos (P20,000,000.00) and the revocation of its license to operate. The president, managing partner, or any officer or person responsible for the commission of the offense shall also be held liable as an individual.
 - ii. Repeat Offense: A fine of Fifty Million Pesos (P50,000,000.00) and permanent closure of the entity. The president, managing partner, or any officer or person responsible for the commission of the offense shall also be held liable as an individual and shall suffer the penalty of life imprisonment.
- c. Restitution: In addition to the foregoing penalties, the convicted individual or entity shall be ordered to make full restitution to the victims of the fraudulent activity, which shall include the total amount defrauded plus an annual interest of ten percent (10%) from the date of the fraudulent transaction until full payment.

SEC. 6. *Enforcement Mechanisms.* – To ensure the effective implementation of this Act, the following mechanisms shall be established:

- a. Inter-Agency Council for OFW Fraud Protection: There is hereby created an Inter-Agency Council, hereinafter referred to as the "Council," which shall be primarily responsible for the coordination of efforts in combating OFW fraud. The Council shall be composed of the following:
- i. The Secretary of the Department of Migrant Workers (DMW) as Chairperson;
 - ii. A representative from the National Bureau of Investigation (NBI); * A representative from the Cybercrime Investigation and Coordinating Center (CICC) under Republic Act No. 10175, otherwise known as the "*Cybercrime Prevention Act of 2012*";
 - iii. A representative from the Securities and Exchange Commission (SEC), particularly for cases involving investment scams; and
 - iv. A representative from the Bangko Sentral ng Pilipinas (BSP), particularly for cases involving financial institutions.

The Council shall formulate and implement a national action plan against OFW fraud, conduct regular intelligence sharing, and facilitate inter-agency investigations.

a. OFW Fraud Hotline and Online Portal: The Department of Migrant Workers (DMW) shall establish and maintain a 24/7 dedicated hotline and an online portal accessible to OFWs and their dependents for reporting fraudulent activities and seeking assistance.

b. Mandatory Financial Literacy and Fraud Prevention Modules: Pre-departure orientation seminars (PDOS) and post-arrival orientation seminars (PAOS) for OFWs shall include comprehensive modules on financial literacy, investment awareness, and fraud prevention strategies, developed and updated in coordination with the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission.

SEC. 7. *Liability Under Other Laws.* – Prosecution under this Act shall be without prejudice to any criminal or civil action that may be instituted under existing laws, including but not limited to:

- a. Republic Act No. 3815, otherwise known as the "*Revised Penal Code*";
- b. Republic Act No. 10175, otherwise known as the "*Cybercrime Prevention Act of 2012*";
- c. Republic Act No. 11967, otherwise known as the "*Internet Transactions Act of 2023*"; and

d. Republic Act No. 12010, otherwise known as the "*Anti-Financial Account Scamming Act*."

SEC. 8. *Separability Clause*. – If any portion or provision of this Act is declared invalid or unconstitutional, other provisions hereof shall remain in full force and effect.

SEC. 9. *Repealing Clause*. – All laws, presidential decrees, executive orders, rules and regulations which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 10. *Effectivity*. – This Act shall take effect fifteen days (15) after its publication in the Official Gazette or in a national newspaper of general circulation.

Approved,