

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
20TH CONGRESS
Second Regular Session

House Bill No. 10504



Introduced by: **REP. JOEL R. CHUA**

EXPLANATORY NOTE

Overseas Filipino Workers (OFWs) have long been hailed as the country's modern-day heroes. Through their unwavering dedication and countless sacrifices, they endure prolonged separation from their families and loved ones to provide them with a better future. Beyond supporting their own households, their hard-earned remittances have become a vital pillar of the Philippine economy.

According to the Bangko Sentral ng Pilipinas (BSP), cash remittances from OFWs reached a record US\$35.63 billion in 2025, reflecting the indispensable contribution of millions of Filipinos working overseas to the country's economic growth, foreign exchange reserves, and financial stability.

Every remittance sent by an OFW is the product of hard work, sacrifice, and perseverance. It is therefore imperative that these hard-earned earnings are protected from excessive fees, hidden charges, fraudulent practices, and other forms of financial exploitation that unnecessarily reduce the amount ultimately received by their families.

This bill seeks to uphold the constitutional mandate under Article II, Section 18 and Article XIII, Section 3 of the 1987 Constitution by protecting the rights and promoting the welfare of OFWs. It establishes safeguards to ensure fair, transparent, and reasonably priced remittance services, penalizes abusive and fraudulent remittance practices, and promotes financial literacy and responsible financial management among OFWs and their families to help secure their long-term financial well-being.

A similar bill was approved by the House of Representatives during the Seventeenth Congress, and a counterpart measure has likewise been recently approved by the Senate. However, the measure has yet to be passed by the House of Representatives in the present Congress. The continued growth of OFW remittances and the enduring sacrifices of our overseas workers underscore the urgency of finally enacting this long-overdue measure into law.

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


JOEL R. CHUA
Representative, 3rd District, Manila

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AN ACT PROVIDING FOR THE PROTECTION OF OVERSEAS FILIPINO WORKERS (OFW) REMITTANCES

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 "*OFW Remittance Protection Act*"

Section 2. *Declaration of Policy.* – Pursuant to Article II, Section 18 and Article XIII, Section 3 of the 1987 Constitution, which recognize labor as a primary social economic force and guarantee full protection to labor, local and overseas, the State shall protect the rights and promote the welfare of Overseas Filipino Workers (OFWs).

Toward this end, the State shall ensure that remittance services are fair, transparent, accessible, and reasonably priced; protect OFWs and their beneficiaries from excessive fees, fraudulent and abusive remittance practices, and other forms of financial exploitation; and promote financial protection, literacy, savings, and responsible financial management to help OFWs and their families achieve long-term financial security and sustainable economic well-being.

Section 3. *Definition of Terms.* - As used in this Act:

(a) Bangko Sentral ng Pilipinas (BSP)-Supervised Financial Institutions (BSFIs) refer to financial institutions supervised by the BSP which are authorized to engage in money service business activities. These include:

1. Electronic money issuers;
2. Virtual currency exchanges;
3. Remittance and transfer companies or remittance service providers;
4. Remittance sub-agents; and
5. Money changers or foreign exchange dealers;

(b) Overseas Filipino Worker (OFW) or "Migrant Worker" refers to a person who is engaged, to be engaged, or has been engaged in a remunerated activity in a State of which the person is not a citizen or on board a vessel navigating the foreign seas other than a government ship used for military or non-commercial purposes or on an installation located offshore or in the high seas;

(c) Remittance refers to the foreign exchange earnings sent home by OFWs or their employers or agents through BSFIs and other entities offering remittance services; and

(d) Remittance fee refers to the fee or charge imposed by BSFIs for processing or sending the remittance of OFWs from the country of origin to the country of destination and/or the charge for receiving the remittance at the country of destination. This also includes other currency conversion charges and other related charges associated with remittance services.

Section 4. *Applicability of this Act.* - This Act shall apply to all BSFIs and their accredited agents and sub-agents offering foreign remittance services to OFWs, regardless of whether the remittances are voluntary or mandated by law, orders, issuances, rules and regulations, or the employment contract. This Act shall also apply to unlicensed remittance service providers and other unregulated entities offering remittance services, and to OFWs and their families making use of the above services.

Section 5. *Remittance Fees and Other Charges.* – The Department of Finance (DOF), the BSP, and the Department of Migrant Workers (DMW), after periodic consultations with relevant stakeholders, shall set the range of remittance fees and other related charges imposed by BSFIs and other entities offering foreign remittance services for OFWs.

Section 6. *Posting of the Foreign Exchange Rates and Charges.* - In addition to existing BSP regulations on disclosure requirements of BSFIs, all BSFIs and other entities offering remittance services to OFWs shall post in a conspicuous place within the establishment's premises, the Philippine peso equivalent rate of the foreign currencies being transacted. The Philippine peso equivalent of the amount as remitted shall be the same amount that the beneficiary of the remittance shall receive.

Section 7. *Prohibited Acts.* - The following are prohibited acts:

(a) Misappropriation or conversion, to the prejudice of the OFW or the remittance beneficiary, of foreign exchange remittances received in trust, on commission, for administration, or under any other obligation involving the duty to deliver or return the same, or by denying having received such foreign exchange remittance;

(b) Taking, mulcting, or skimming off foreign exchange remittances, without the written consent of the OFW, or releasing to the allottee or beneficiary a lower Philippine

peso equivalent of the foreign currency transacted compared to the rate at the time of remittance;

(c) Failure to post in a conspicuous place within the establishment's premises, the Philippine peso equivalent rate of the foreign currency being transacted; and

(d) Failure to comply with the standard rates or matrix of rates set by the DOF, BSP, and the DMW pursuant to Section 5 of this Act.

Section 8. *Free Mandatory Financial Protection and Literacy Education for OFWs and their Families.* – All OFWs and their families shall undergo a mandatory continuing financial protection and literacy education, free of charge. The training shall be an integral part of the Pre-Employment Orientation Seminar for prospective OFWs and their families. It shall also be part of the Pre-Departure Orientation Seminar for departing OFWs and the Post-Arrival Orientation Seminar on-site. In addition, all Migrant Workers' Offices, embassies, or consulates shall regularly conduct a continuing financial literacy program for OFWs on-site.

Section 9. *Implementing Agencies.* - The DMW and the Overseas Workers Welfare Administration (OWWA), as the lead agencies, shall implement the mandatory continuing Financial protection and literacy education, either separately or in collaboration with all or some of the responsible agencies, in coordination with the Technical Skills and Development Authority, Department of the Interior and Local Government (DILG) for local government units of OFW communities or localities, the DOF, the BSP, and partner BSFIs.

Under the program, OFWs and their families shall be educated on the following and other critical topics: financial management and responsibility, financial opportunities and pitfalls, disinformation and financial scams, consumer protection, protection on mortgaged or collateralized properties, and credit information on micro- and small-scale enterprises. It shall also include information on obligations and contracts, credit transactions, interests, pledges, mortgages, guarantees, and investing in financial products, such as stocks, bonds, insurance, and mutual funds.

Section 10. *Penalties.* - Any person who is found guilty of any of the acts described in Section 7 hereof shall be punished with imprisonment of not less than six (6) months and one (1) day but not more than six (6) years, or a fine of Fifty thousand pesos (P50,000) but not exceeding Seven hundred fifty thousand pesos (P750,000), or both, at the discretion of the court.

Aside from the liability provided in the preceding paragraph, any person found to have violated the provisions of this Act shall be subjected to fines, penalties, and sanctions under Republic Act No. 7653 or "The New Central Bank Act", as amended,

Republic Act No. 8791 or "The General Banking Law of 2000", and other pertinent banking regulations.

In case the violation is committed by a juridical person, the liability shall be imposed on the president, managing director or partner, general manager, or other responsible directors, officers, or employees of the juridical person.

Section 11. *Liability under the Revised Penal Code and Other Laws.* - Prosecution under this Act shall be without prejudice to any liability for violation of any provision of the Revised Penal Code or other special laws.

Section 12. *Implementing Rules and Regulations.* – The rules and regulations necessary for the effective and efficient enforcement of the provisions of this Act shall be formulated by the DMW and the OWWA, in consultation with the BSP, DOF, DILG, Department of Foreign Affairs, banking associations, organizations of licensed recruitment or manning agencies, non-government organizations advocating the rights and welfare of OFWs, and other stakeholders, and shall be implemented within ninety (90) days from the effectivity of this Act.

Section 13. *Separability Clause.* – If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall continue to be in full force and effect.

Section 14. *Repealing Clause.* – All laws, executive orders, and administrative orders or parts thereof inconsistent with any provision of this Act are hereby repealed or amended accordingly.

Section 15. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.