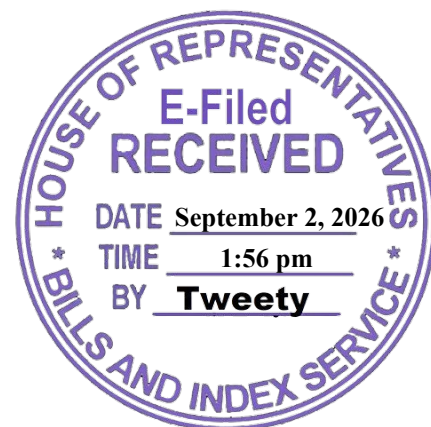




Republic of the Philippines
House of Representatives
Quezon City



TWENTIETH CONGRESS

Second Regular Session

House Bill No. 11065

Introduced by Representative Jernie Jett V. Nisay

EXPLANATORY NOTE

Every remittance sent home by an overseas Filipino worker carries more than money. It carries the sacrifice of a parent working far from home, a spouse enduring years of physical separation, and a son or daughter working abroad so that their family can live a little better.

For many Filipino families, these remittances pay for food, rent, schooling, health care, and other basic needs. Every peso sent home has been earned through hard work and personal sacrifice.

That is why every peso should reach the family it was meant for. Excessive remittance fees, unfavorable exchange rates, and other charges can slowly eat away at the money that OFWs worked so hard to send. For families who carefully stretch every remittance to cover their daily needs, even a small deduction can matter.

This proposed measure seeks to protect OFW remittances by reducing the burden of remittance fees, requiring greater transparency in exchange rates, and preventing the unauthorized taking or misuse of remitted funds. It also promotes financial education to help OFWs and their families manage their earnings and build a more secure future.

Our OFWs endure distance, loneliness, and hardship so that their families can have better lives. The least we can do is make sure that the fruits of their sacrifice are not unnecessarily diminished before they reach the people they worked so hard to provide for.

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


REP. JERNIE JETT V. NISAY
Pusong Pinoy Partylist



Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS

Second Regular Session

House Bill No. 11065

Introduced by Representative Jernie Jett V. Nisay

**AN ACT PROVIDING FOR PROTECTION OF THE REMITTANCES OF OVERSEAS
FILIPINO WORKERS**

*Be it enacted by the Senate and the House of Representatives of the Philippines in
Congress assembled:*

SECTION 1. *Short Title.* This Act shall be known as the "*Overseas Filipino
Workers (OFWs) Remittance Protection Act.*"

SEC. 2. *Declaration of Policy.* - The Constitution affirms that labor is the
primary social economic force and mandates the State to protect the rights of the
workers and promote their welfare.

Recognizing the significant contribution of OFWs to the national economy
through their foreign exchange remittances, the State shall adopt measures to protect
the hard-earned money they remit home against usurious interest rates and exorbitant
fees charged by financial institutions that deplete the value of their remittances and
provide them and their families adequate education and training on financial literacy,
such as financial planning and management of finances or savings, to help ensure a
source of livelihood even after their overseas employment.

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 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 on the high seas; to be used interchangeably with
migrant worker.

b. *Remittance* refers to the foreign exchange earnings sent home by OFWs or their employers or agents through formal channels.

c. *Remittance Fee* refers to the service fee or charge imposed by bank and non-bank financial intermediaries for sending money of OFWs through formal channels.

SEC. 4. *Applicability of this Act.* - The provisions of this Act shall be applicable to all OFW remittances, whether voluntary or mandated by law, orders, issuances, or rules and regulations.

SEC. 5. *Discount on Remittance Fees and Tax Deduction Granted to Establishments.* - Bank and non-bank financial intermediaries may impose fees for services rendered in sending money of OFWs to their immediate family members, subject to a fifty percent (50%) discount.

Bank and non-bank financial intermediaries providing discounts on remittance fees may claim the discounts granted as a tax deduction based on the cost of services rendered to OFWs. The discounts granted should be treated as an ordinary and necessary expense deductible from the gross income of the intermediary falling under the category of itemized deductions: Provided, That the total deduction from the gross income of establishments providing discounts on remittance fees shall not exceed Twenty-four thousand pesos (Php 24,000.00) per OFW every taxable year: Provided, Further, that the Secretary of Finance shall, upon the recommendation of the Commissioner of Internal Revenue, issue the revenue regulation for the purpose.

SEC. 6. *Requirement of Posting of the Peso Equivalent of the Currency to Exchanged.* - All bank and non-bank financial intermediaries offering remittance services to OFWs shall be required to 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 will be the same amount that will be received by the beneficiary of the remittance.

SEC. 7. *Prohibition from Raising Remittance Fees.* - All banks and non-bank financial intermediaries offering remittance services to OFWs are prohibited from raising their current remittance fees without prior consultation with the Department of Finance (DOF), Bangko Sentral ng Pilipinas (BSP), and the Philippine Overseas Employment Administration (POEA).

SEC. 8. *Other Prohibited Acts.* - The following acts are also prohibited:

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

- b. Taking of foreign exchange remittances without the consent of the OFW beneficiary; 2
- c. Imposition of remittance fees in excess of those prescribed under Section 5 of this Act;
- d. Failure to post in a conspicuous place of the establishment the Philippine Peso rate of the foreign currency being transacted; and
- e. Failure to conduct consultation with the DOF, BSP, and the POEA before raising remittance fees.

SEC. 9. Penalties. -

a. Any person who is found guilty of any of the acts described in Section 8 (a) hereof shall be punished by:

1. Imprisonment of four (4) years, two (2) months and one (1) day to eight (8) years if the amount of the remittance is over Twelve thousand pesos (Php 12,000.00) but does not exceed Twenty-two thousand pesos (Php 22,000.00);

2. Imprisonment of six (6) years to eight (8) years, adding one (1) year for each additional Ten thousand pesos (Php 10,000.00), but not exceeding twenty (20) years. If the amount of the remittance is more than Twenty-two thousand pesos (Php 22,000.00);

3. Imprisonment of two (2) years and four (4) months to four (4) years and two (2) months, if the amount of the remittance is over Six thousand pesos (Php 6,000.00) but does not exceed Twelve thousand pesos (Php 12,000.00);

4. Imprisonment of four (4) months and one (1) day to two (2) years and four (4) months. if the amount of the remittance is over Two hundred pesos (Php 200.00) but does not exceed Six thousand pesos (Php 6,000.00); and

5. Imprisonment of two (2) months and one (1) day to six (6) months, if the amount of the remittance does not exceed Two hundred pesos (Php 200.00)

b. Any person who is found guilty of violating Section 8 (b) of this Act shall be punished by:

1. Imprisonment of six (6) years and one (1) day to ten (10) years, if the amount of the remittance is over Twelve thousand pesos (Php 12,000.00) but does not exceed Twenty-two thousand pesos (Php 22,000.00);

2. Imprisonment of ten (10) years and one (1) day to twelve (12) years, adding one (1) year for each additional Ten thousand pesos (Php 10,000.00) but not exceeding twenty (20) years, if the amount of the remittance exceeds Twenty-two thousand pesos (Php22,000.00);

3. Imprisonment of two (2) years, four (4) months and one (1) day to six (6) years, if the amount of the remittance is over Six thousand pesos (Php 6,000.00) but does not exceed Twelve thousand pesos (Php 12,000.00); and

4. Imprisonment of six (6) months and one (1) day to four (4) years and two (2) months. if the amount of the remittance is over Two hundred pesos (Php 200.00) but does not exceed Six thousand pesos (Php 6,000.00); and

c. Any person who is found guilty of violating Section 8 (c), (d) and (e) of this Act shall be punished by an imprisonment of six (6) months and one (1) day to six (6) years and one (1) day and a fine of Fifty thousand pesos (Php 50,000.00) but not exceeding Seven hundred fifty thousand pesos (Php 750,000.00).

Aside from the criminal liability provided in the preceding paragraphs, institutions governed and supervised by the BSP found to have violated the provisions of Section 8 of this Act shall be subjected to the necessary fines, penalties, and sanctions as provided under the Republic Act No. 7653, or the "New Central Bank Act", Republic Act No. 8791, or the "General Banking Law of 2000", and other pertinent banking regulations.

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

SEC. 10. Mandatory Financial Education for OFWs and their Families. - The DOF, together with the BSP, POEA, and other agencies, shall ensure that a mandatory financial education program will be provided to OFWs and their families.

The program shall include instruction on financial management, budgeting, investment options and similar topics, which shall educate the OFWs and their families in the handling of their earnings and remittances.

SEC. 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 laws.

SEC. 12. Implementing Agency. - The DOF shall, in consultation with the BSP, POEA, Overseas Workers Welfare Administration Department of Foreign Affairs, Bankers Association of the Philippines, Association of Bank Remittance Officers, Inc., Philippine Association of Foreign Exchange Dealers, Money Changers and Remittance

1 Agents, Inc., representatives from the placement or recruitment industry, non-
2 government organizations advocating the rights and welfare of OFWs, and other
3 stakeholders, issue the necessary rules and regulations for the effective implementation
4 of this Act, within ninety (90) days after the approval of this Act.

5 **SEC. 13. Repealing Clause.** - All laws, decrees, executive orders, issuances, rules
6 and regulations which may be inconsistent with any of the provisions of this Act are
7 hereby deemed repealed, amended or modified accordingly.

8 **SEC.14. Separability Clause.** If any provision of this Act is held unconstitutional
9 or invalid, such holding shall not affect other provisions not affected thereby.

10 **SEC. 15. Effectivity.** - This Act shall take effect fifteen (15) days after publication in
11 the Official Gazette or in a newspaper of general circulation.
12

13 *Approved,*