



HOUSE OF REPRESENTATIVES

H. No. 9025

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BY REPRESENTATIVES MANALO, CASTELO, SAVELLANO,  
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REVILLA, DEL MAR, DATOL, CAMINERO, CALDERON,  
ARENAS, CUEVA, PANCHO, GONZALEZ, TEJADA, MENDOZA,  
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GULLAS, ABU, SARMIENTO (C.), TUGNA, ALCALA, SINGSON,  
ESTRELLA, CERILLES, DAZA, BENITEZ, MALAPITAN AND  
DY, PER COMMITTEE REPORT NO. 1195

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AN ACT CREATING THE OVERSEAS FILIPINO WORKERS  
(OFW) SOVEREIGN FUND

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

1 SECTION 1. *Title.* - This Act shall be known as the "OFW  
2 Sovereign Fund Act".

3 SEC. 2. *Declaration of Policy.* - It is the policy of the  
4 State to formulate efficient programs that will help raise  
5 revenue to meet expenditure targets and to effect adequate  
6 operational guidelines for fiscal and financial policies. It is  
7 also the policy of the State to implement a system that shall  
8 help Overseas Filipino Workers (OFWs), their immediate family

1 members and other Filipino citizens overseas, maximize the  
2 use of their hard-earned money through investment programs  
3 mutually beneficial to them (the OFWs) and the government.

4       SEC. 3. *Investment Program.* – The Bureau of the Treasury  
5 shall create a program specifically designed to encourage all  
6 OFWs, their immediate family members and other Filipino  
7 citizens overseas, to invest their monies or remittances with the  
8 government, defining guidelines therefor, including the minimum  
9 amount acceptable for investment, terms of the investment, and  
10 interest rates.

11       SEC. 4. *Overseas Filipino Workers as Investors.* – This Act  
12 shall cover all OFWs and former OFWs, whether land-based or sea-  
13 based, and their immediate family members such as their parents,  
14 spouses and children. If they are still unmarried, their siblings shall  
15 likewise be covered by this Act. Other Filipinos overseas are also  
16 covered by this Act as long as they are still citizens of the  
17 Philippines.

18       SEC. 5. *Proof of Identity and Prohibitions Thereon.* – Those  
19 under the coverage of this Act as defined in Section 4 hereof shall  
20 be required to show proof of their identity as such through  
21 their Overseas Employment Certificates (OECs), birth certificates,  
22 marriage contracts, proof of Filipino citizenship and other  
23 verifiable authentic documents. The use of dummies by persons,  
24 corporations or other entities not under the coverage of this Act  
25 and the submission of fake or forged documents to facilitate  
26 the participation in the program and to benefit from it shall be  
27 punished according to existing laws.

1           SEC. 6. *Creation of OFW Sovereign Fund.* – For the purpose  
2 of proper monitoring of the investments made by OFWs and  
3 its use, the Bureau of the Treasury shall create a separate  
4 special fund to be referred to as the OFW Sovereign Fund,  
5 where all investments made by all OFWs, their immediate  
6 family members and other Filipino citizens overseas, under  
7 the program herein created shall be initially lodged, until it is  
8 utilized by the government for its select key projects.

9           The proceeds of all the investments lodged in the OFW  
10 Sovereign Fund shall be used solely by the national government to  
11 finance significantly urgent national government and private  
12 projects with strong emphasis on productive and job-generating  
13 industrial or agricultural projects, as may be directed by the  
14 President. The significantly urgent national government projects  
15 referred to here shall include the purchase or establishment  
16 by the government of strong cash-generating private corporations  
17 or government-owned or -controlled corporations, respectively,  
18 in enterprises related to the downstream petroleum industry,  
19 electric power generation, transmission and distribution industry,  
20 information and communications technology industry, and other  
21 strong cash-generating enterprises that shall wean away the  
22 government from heavy reliance on taxes and fees as its main  
23 source of revenues.

24           The infrastructure and government offices to be built through  
25 the income generated for such funds can be supplemented by other  
26 funds of the government.

1           No amount from the OFW Sovereign Fund shall be released  
2 for current needs of the government like personal services,  
3 maintenance and other operating expenses nor for any capital  
4 outlay inconsistent with the aforementioned projects.

5           The Bureau of the Treasury shall, in coordination with the  
6 Department of Budget and Management and the Commission on  
7 Audit, make an accounting of all the receipts and disbursements  
8 from the OFW Sovereign Fund. It shall prepare an annual report to  
9 be submitted to the Senate and the House of Representatives not  
10 later than April 30 of the succeeding year.

11           SEC. 7. *Tax Exemption of Interest Income and Other Earnings*  
12 *From Investments in the OFW Sovereign Fund.* – The earnings  
13 of OFWs and former OFWs, their immediate family members  
14 and, if they are still unmarried, their siblings, and other Filipino  
15 citizens overseas, from their investments in the bonds or other  
16 debt or investment instruments that the government shall issue  
17 in the implementation of this Act, shall be exempted from any  
18 and all kinds of taxes.

19           SEC. 8. *Strong Information Drive.* – To ensure the success  
20 of this Act, the Bureau of the Treasury is directed to regularly  
21 adopt a strong information drive, with assistance from other  
22 relevant agencies of government it may deem appropriate, that  
23 shall help notify and educate all OFWs about the program, the  
24 creation and purpose of the OFW Sovereign Fund and how  
25 investment in the fund will be mutually beneficial to the OFWs  
26 and the government.

1           SEC. 9. *Implementing Rules and Regulations (IRR).* –  
2    Within ninety (90) days after the effectivity of this Act, the  
3    Treasurer of the Philippines, in consultation with other  
4    concerned government agencies including the House Committee  
5    on Overseas Workers Affairs and the Senate Committee on  
6    Labor, Employment and Human Resources Development,  
7    shall formulate the necessary IRR to effectively implement its  
8    provisions.

9           The IRR of this Act shall include guidelines to ensure  
10   that the bonds or other debt or investment instruments that  
11   shall be issued by the government in the implementation of  
12   this Act shall be denominated in Philippine peso and likewise  
13   in small denominations such as, but not limited to, Five thousand  
14   pesos (P5,000.00).

15          SEC. 10. *Repealing Clause.* – All laws, decrees, executive  
16   orders, issuances, rules and regulations which may be inconsistent  
17   with any of the provisions of this Act are hereby deemed  
18   repealed, amended or modified accordingly.

19          SEC. 11. *Effectivity.* – This Act shall take effect fifteen (15)  
20   days after its publication in the *Official Gazette* or in a newspaper  
21   of general circulation.

          Approved,

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