



HOUSE OF REPRESENTATIVES

H. No. 7951

BY REPRESENTATIVES GONZALES (A.), MENDOZA, SALCEDA, BASCUG, COLLANTES, CRISOLOGO, DAGOOC, DEFENSOR (L.), DELOSO-MONTALLA, DUAVIT, DY (F.M.C.), EBCAS, ELAGO, GARIN (S.), GO (M.), HARESCO, LACSON, NOGRALES (J.J.), ONG (J.), PADIERNOS, SAVELLANO, SUANSING (E.), SUANSING (H.), SUNTAY, TAMBUNTING, VIOLAGO, VILLA, ARENAS, FUENTEBELLA, QUIMBO, SINGSON-MEEHAN, TAN (A.S.), ABU, SALO, DIMAPORO (A.), CASTRO (F.L.), SALIMBANGON, ESPINO, GATCHALIAN, JIMENEZ, TEJADA, CHIPECO, NOLASCO, SUAREZ (A.), ROMERO, ECLEO, GARCIA (J.E.), PIMENTEL, TOLENTINO, TULFO, LARA, OUANO-DIZON, PANOTES, TUTOR, GAITE, LUSOTAN, ONG (R.), GULLAS, PADUANO, VELASCO, LEGARDA, CAOAGDAN, VARGAS ALFONSO, MARTINEZ, PACQUIAO (R.), BAUTISTA-BANDIGAN, PANCHO, DELOS SANTOS, DEFENSOR (M.), ALVAREZ (F.), GORRICETA, ARROYO, BAÑAS-NOGRALES, NIETO, CAMPOS, VARGAS, RAMOS, CASTELO, CAMINERO, BARBA, ERIGUEL, MOMO, BRAVO, TUPAS, PEÑA, LAGMAN, ARAGONES, BABASA, TIANGCO, ACOP, DAZA, CO (A.N.), GATO, CHUNGALAO, REVILLA, SANCHEZ, ABELLANOSA, CUARESMA, ESPINA, OLIVAREZ, GONZALEZ, MARIANO-HERNANDEZ, ACOSTA, VALERIANO, CHATTO, NATIVIDAD-NAGAÑO, TAN (A.), RAMIREZ-SATO, ESCUDERO, LOYOLA, SANTOS-RECTO, BARBERS, GARCIA (V.), HERRERA-DY, DEL MAR, ZAMORA (R.), BENITEZ, FORTUNO, AUMENTADO, LACSON-NOEL, BELMONTE, LIMKAICHONG, VERGARA, FERRER (L.), FORTUN, CABOCHAN, REYES, DY (F.), SARMIENTO, DALOG, VILLAR, AGLIPAY, UMALI (M.V.), HERNANDEZ, ALONTE, NOEL, PACQUIAO (A.), ADVINCULA, MATUGAS, BERNOS, TALLADO, ROMAN, CAGAS, BAUTISTA, BALINDONG, SIAO, VILLARAZA-SUAREZ, ALBANO, DY (I.P.), ABUEG-ZALDIVAR, CUA, MADRONA, GASATAYA, CUEVA, LAZATIN, VALMAYOR, OAMINAL, TY (D.), ENVERGA, CABREDO, BUSTOS, ABANTE, GONZALES (N.), ABUNDA, ADIONG, RADAZA, AGABAS, BAGATSING, BOLILIA, KHO (E.), LABADLABAD, GUICO, ROQUE, JAVIER, GARIN (J.), KHONGHUN, ERICE, UMALI (A.), ZUBIRI, LOPEZ, ESTRELLA, HATAMAN, MACAPAGAL ARROYO, PINEDA, RODRIGUEZ, MACEDA, LAGON, ARBISON, PUNO, CELESTE, BORDADO, SANGCOPAN, MARQUEZ, SAULOG, MANGAOANG, YU, ERMITA-BUHAIN, TAN (S.A.), LEACHON, SINSUAT, FERRER (J.M.), ROBES, GO (E.C.), CALIXTO, NAVA, ROMUALDEZ (F.M.), ROMUALDEZ (Y.M.), PALMA, BARONDA, UY (R.), LIM, DIMAPORO (M.K.), CALDERON, FARIÑAS (R.C.), TORRES-GOMEZ, DUJALI, ORTEGA, GONZAGA, MANGUDADATU AND VILLARICA, PER COMMITTEE REPORT NO. 572

1 AN ACT
2 PROVIDING FOR PROTECTION OF THE REMITTANCES OF
3 OVERSEAS FILIPINO WORKERS
4

5 *Be it enacted by the Senate and the House of Representatives of the Philippines in*
6 *Congress assembled:*
7

8 SECTION 1. *Short Title.* – This Act shall be known as the “Overseas Filipino Workers
9 (OFWs) Remittance Protection Act.”
10

11 SEC. 2. *Declaration of Policy.* – The Constitution affirms that labor is the primary
12 social economic force and mandates the State to protect the rights of the workers and promote
13 their welfare.
14

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

8
9 SEC. 3. *Definition of Terms.* – As used in this Act:

- 10
11 (a) *Overseas Filipino Worker (OFW)* refers to a person who is to be engaged, is
12 engaged or has been engaged in a remunerated activity in a state of which the
13 person is not a citizen or on board a vessel navigating the foreign seas other than a
14 government ship used for military or non-commercial purposes or on an installation
15 located offshore or on the high seas; to be used interchangeably with migrant
16 worker.
17
18 (b) *Remittance* refers to the foreign exchange earnings sent home by OFWs or their
19 employers or agents through formal channels.
20
21 (c) *Remittance Fee* refers to the service fee or charge imposed by bank and non-bank
22 financial intermediaries for sending money of OFWs through formal channels.
23

24 SEC. 4. *Applicability of this Act.* – The provisions of this Act shall be applicable to all
25 OFW remittances, whether voluntary or mandated by law, orders, issuances, or rules and
26 regulations.
27

28 SEC. 5. *Discount on Remittance Fees and Tax Deduction Granted to Establishments.* –
29 Bank and non-bank financial intermediaries may impose fees for services rendered in sending
30 money of OFWs to their immediate family members, subject to a fifty percent (50%) discount.
31

32 Bank and non-bank financial intermediaries providing discounts on remittance fees
33 may claim the discounts granted as a tax deduction based on the cost of services rendered to
34 OFWs. The discounts granted should be treated as an ordinary and necessary expense
35 deductible from the gross income of the intermediary falling under the category of itemized
36 deductions: *Provided*, That the total deduction from the gross income of establishments
37 providing discounts on remittance fees shall not exceed Twenty-four thousand pesos (P24,000)
38 per OFW every taxable year: *Provided*, Further, that the Secretary of Finance shall, upon the
39 recommendation of the Commissioner of Internal Revenue, issue the revenue regulation for the
40 purpose.
41

42 SEC. 6. *Requirement of Posting of the Peso Equivalent of the Currency to be*
43 *Exchanged.* – All bank and non-bank financial intermediaries offering remittance services to
44 OFWs shall be required to post in a conspicuous place within the establishment's premises the
45 Philippine peso equivalent rate of the foreign currencies being transacted. The Philippine peso
46 equivalent of the amount as remitted will be the same amount that will be received by the
47 beneficiary of the remittance.
48

49 SEC. 7. *Prohibition from Raising Remittance Fees.* – All banks and non-bank financial
50 intermediaries offering remittance services to OFWs are prohibited from raising their current

1 remittance fees without prior consultation with the Department of Finance (DOF), Bangko
2 Sentral ng Pilipinas (BSP), and the Philippine Overseas Employment Administration (POEA).

3
4 **SEC. 8. *Other Prohibited Acts.*** – The following acts are also prohibited:

- 5
6 (a) Misappropriation or conversion, to the prejudice of the OFW or beneficiary, of
7 foreign exchange remittances received in trust, or on commission, or for
8 administration, or under any other obligation involving the duty to make delivery of,
9 or to return the same, or by denying having received such foreign exchange
10 remittance;
11
12 (b) Taking of foreign exchange remittances without the consent of the OFW or
13 beneficiary;
14
15 (c) Imposition of remittance fees in excess of those prescribed under Section 5 of this
16 Act;
17
18 (d) Failure to post in a conspicuous place of the establishment the Philippine Peso rate
19 of the foreign currency being transacted; and
20
21 (e) Failure to conduct consultation with the DOF, BSP, and the POEA before raising
22 remittance fees.
23

24 **SEC. 9. *Penalties.*** –

- 25
26 (a) Any person who is found guilty of any of the acts described in Section 8 (a) hereof
27 shall be punished by:
28
29 (i) Imprisonment of four (4) years, two (2) months and one (1) day to eight (8)
30 years if the amount of the remittance is over Twelve thousand pesos (Php
31 12,000.00) but does not exceed Twenty two thousand pesos (Php 22,000.00);
32
33 (ii) Imprisonment of six (6) years to eight (8) years, adding one (1) year for each
34 additional Ten-thousand pesos (Php 10,000.00), but not exceeding twenty (20)
35 years, if the amount of the remittance is more than Twenty two thousand pesos
36 (Php22,000.00);
37
38 (iii) Imprisonment of two (2) years and four (4) months to four (4) years and two (2)
39 months, if the amount of the remittance is over Six thousand pesos (Php
40 6,000.00) but does not exceed Twelve thousand pesos (Php 12,000.00);
41
42 (iv) Imprisonment of four (4) months and one (1) day to two (2) years and four (4)
43 months, if the amount of the remittance is over Two hundred pesos (Php
44 200.00) but does not exceed Six thousand pesos (Php 6,000.00); and
45
46 (v) Imprisonment of two (2) months and one (1) day to six (6) months, if the
47 amount of the remittance does not exceed Two hundred pesos (Php 200.00).
48

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

3
4 (i) Imprisonment of six (6) years and one (1) day to ten (10) years, if the amount of
5 the remittance is over Twelve thousand pesos (Php 12,000.00) but does not
6 exceed Twenty-two thousand pesos (Php 22,000.00);

7
8 (ii) Imprisonment of ten (10) years and one (1) day to twelve (12) years, adding one
9 (1) year for each additional Ten thousand pesos (Php 10,000.00) but not
10 exceeding twenty (20) years, if the amount of the remittance exceeds Twenty
11 two thousand pesos (Php22,000.00);

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

16
17 (iv) Imprisonment of six (6) months and one (1) day to four (4) years and two (2)
18 months, if the amount of the remittance is over Two hundred pesos (Php
19 200.00) but does not exceed Six thousand pesos (Php 6,000.00); and

20
21 (c) Any person who is found guilty of violating Section 8 (c), (d) and (e) of this Act
22 shall be punished by an imprisonment of six (6) months and one (1) day to six (6)
23 years and one (1) day and a fine of Fifty thousand pesos (Php 50,000.00) but not
24 exceeding Seven hundred fifty thousand pesos (Php 750,000.00).

25
26 Aside from the criminal liability provided in the preceding paragraphs, institutions
27 governed and supervised by the BSP found to have violated the provisions of Section 8 of this
28 Act shall be subjected to the necessary fines, penalties, and sanctions as provided under the
29 Republic Act No. 7653, or the "New Central Bank Act", Republic Act No. 8791, or the
30 "General Banking Law of 2000", and other pertinent banking regulations.

31
32 In case the violation is committed by a corporation or partnership, the liability shall be
33 imposed on the president, managing director or partner, general manager, or other responsible
34 officers of the corporation or partnership.

35
36 SEC. 10. *Mandatory Financial Education for OFWs and their Families.* – The DOF,
37 together with the BSP, POEA, and other agencies, shall ensure that a mandatory financial
38 education program will be provided to OFWs and their families.

39
40 The program shall include instruction on financial management, budgeting, investment
41 options and similar topics, which shall educate the OFWs and their families in the handling of
42 their earnings and remittances.

43
44 SEC. 11. *Liability under the Revised Penal Code and Other Laws.* – Prosecution under
45 this Act shall be without prejudice to any liability for violation of any provision of the Revised
46 Penal Code or other laws.

47
48 SEC. 12. *Implementing Agency.* – The DOF shall, in consultation with the BSP, POEA,
49 Overseas Workers Welfare Administration, Department of Foreign Affairs, Bankers
50 Association of the Philippines, Association of Bank Remittance Officers, Inc., Philippine

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

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

10
11 SEC.14. *Separability Clause.* – If any provision of this Act is held unconstitutional or
12 invalid, such holding shall not affect other provisions not affected thereby.

13
14 SEC. 15. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in
15 the *Official Gazette* or in a newspaper of general circulation.

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17 Approved,