

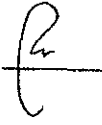
FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

10 NOV 18 P1:24

SENATE

RECEIVED BY: 

Senate Bill No. **2601**

Introduced by Senator FRANCIS G. ESCUDERO

EXPLANATORY NOTE

Each year, more than a million Filipinos leave the country to work abroad through overseas employment agencies and other programs; and in the course of the recruitment process, the government allows one (1) month salary placement fees charged to the prospective OFW to allow the employment agency to cover the cost of processing the application.

However, very few recruitment agencies comply with the standards set in charging placement fees, and some collect as much as four (4) times the monthly salary of the aspiring OFW. This practice of charging excessive processing fees can cost the prospective OFW as much as one-hundred thousand pesos (P100,000.00), and most get mired in debts even before getting hired, if not backing out from the recruitment process altogether.

Therefore, this bill deserves immediate consideration and approval


FRANCIS G. ESCUDERO

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AN ACT
PENALIZING CERTAIN ACTS IN THE IMPOSITION OF
EXCESSIVE PLACEMENT FEES AGAINST OVERSEAS FILIPINO
WORKERS

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

1 SECTION 1. *Title.* This Act shall be known as the "Fair Placement Fees
2 for OFWs Act of 2010".

3
4 SECTION 2. *Statement of Policy; Prohibited Acts.* The following acts
5 committed by any person involving and relating to the imposition of placement
6 fees against Overseas Filipino Workers (OFW), are hereby prohibited:

7
8 a. Collecting placement fee above the legitimate placement fee
9 fixed and determined by the Philippine Overseas Employment Agency (POEA)
10 without prejudice to Section 5 hereof;

11
12 b. Collecting placement fee in advance of the job's availability
13 overseas;

14
15 c. Not issuing the appropriate receipts for any placement fee
16 collected;

17
18 d. Not returning any placement fee collected when deployment
19 does not materialize;

1 e. Forcing an OFW to issue post dated checks to guarantee
2 payment of any placement fee; and

3
4 f. Forcing an OFW to borrow money only from designated
5 persons or lending institutions.

6
7 **SECTION 3. *Penalties.*** Commission of any of the following acts in the
8 immediately preceding Section shall be punished by six (6) years imprisonment
9 or a fine of One Hundred Thousand Pesos (Php100,000.00) to Five Hundred
10 Thousand Pesos (Php500,000.00), or both, at the discretion of the court.

11
12 The penalties herein provided shall be treated as separate and
13 distinct from any liability arising from the same punishable acts in Section 1
14 hereof.

15 If any of the acts in Section 1 is committed by a corporation, its
16 officers and directors shall be made liable in the same manner as the employee or
17 person related in any capacity to the corporation who actually committed the
18 same.

19 Moreover, if any of the acts is committed by a licensed recruitment
20 agency, its agent or representative, such agency's license shall be automatically
21 revoked with finality and no longer eligible for reinstatement.

22
23 **SECTION 4. *Implementing Rules.*** The POEA is hereby mandated to promulgate
24 the schedule of placement fees abroad together with the implementing rules and
25 regulations within ten (10) days from the effectivity of this Act.

26
27 **SECTION 5. *Definition of Terms.*** For purposes of this Act, placement fee shall
28 refer to the amount charged by a Private Recruitment and Placement Agency
29 (PRPA) or any person from a recruit as payment for placement services which
30 shall not exceed the equivalent of one (1) month salary of the job for which an
31 OFW has been recruited.

32
33 **SECTION 6. *Separability Clause.*** If any provision or part hereof is held invalid
34 or unconstitutional, the remainder of the law or the provision not otherwise
35 affected shall remain valid and subsisting.

1

2 SECTION 7. *Repealing Clause.* All laws, presidential decrees, executive orders,
3 proclamations and/or administrative regulations which are inconsistent with the
4 provisions of this Act are hereby amended, modified, superseded or repealed
5 accordingly.

6

7 SECTION 8. *Effectivity Clause.* This Act shall take effect fifteen (15) days from
8 its publication in the Official Gazette or at least three (3) newspapers of national
9 circulation.

10

11 *Approved,*

12

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