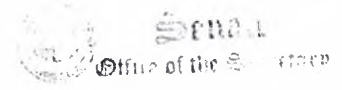
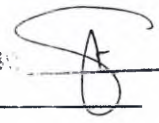


**NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )**



'22 JUL 12 A10 :59

**SENATE**  
**S.B. No. 344**

RECEIVED BY 

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Introduced by Senator Maria Lourdes Nancy S. Binay

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**AN ACT PROVIDING BENEFITS AND INCENTIVES TO OVERSEAS FILIPINO WORKERS INVESTING IN BUSINESS IN THE PHILIPPINES**

EXPLANATORY NOTE

Section 18, Article II of the Constitution provides that the State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare. Also, Section 20 , Article II of the Constitution provides that the State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments.

Overseas Filipino Workers (OFWs) choose to work hard abroad and live thousands of miles away from their families in exchange for providing their loved ones the financial support they need with the purpose of sending their children or family members to school in order to create a better life for them. In addition, providing their families a comfortable home.

Nevertheless, the government must not allow our OFWs, who are considered as today's heroes, to remain working abroad and endure being away from their families. We need to offer them opportunities to come back home by generating livelihood so they can be with their loved ones and lookout for their children and watch them grow.


This proposed bill seeks to grant OFWs benefits and incentives when they decide to invest in businesses in the Philippines by providing them access to financial literacy trainings and seminars as well as to capital to start their own businesses.

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

**MARIA LOURDES NANCY S. BINAY**

'22 JUL 12 A10 :59

**SENATE**  
**S.B. No. 344**



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Introduced by Senator Maria Lourdes Nancy S. Binay

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1 **AN ACT PROVIDING BENEFITS AND INCENTIVES TO OVERSEAS FILIPINO**  
2 **WORKERS INVESTING IN BUSINESS IN THE PHILIPPINES**

3  
4 *Be it enacted by the Senate and House of Representatives of the Philippines in*  
5 *Congress assembled:*

6  
7 SECTION 1. *Short Title.* - This Act shall be known as the "*Business Incentives*  
8 *for OFWs Act.*"

9  
10 SEC. 2. *Declaration of Policy.* - It is the policy of the State to promote, at all  
11 times, the welfare of its citizens whether in country or overseas. Further, the State  
12 recognizes the significant contribution of Overseas Filipino Workers (OFWs) to the  
13 national economy through their foreign exchange remittances and their valuable role  
14 as a partner of our nation's progress. At the same time, the State recognizes the role  
15 of business enterprises for employment generation resulting in economic growth and  
16 a strong development foundation for the country.

17  
18 Pursuant to these policies, it is likewise hereby declared to be the policy of the  
19 State to pioneer and develop innovative means to provide incentives and other  
20 benefits to returning migrants who shall engage in business and invest in the  
21 Philippines, in order to effectively aid their reintegration through the productive use  
22 of remittances and at the same time contribute towards the development of national  
23 and local economies and skills-transfer.

24  
25 SEC. 3. *Definition of Terms.* - As used in this Act the following terms shall mean:

- 26  
27 (a) "*Overseas Filipino Worker (OFW)*" is a person who is to be engaged, is  
28 engaged or has been engaged in a remunerated activity in a State of  
29 which the person is not a citizen or on board a vessel navigating the  
30 foreign seas other than a government ship used for military or  
31 noncommercial purposes or on an installation located offshore or on the  
32 high seas: Provided, That one whose employment overseas has ceased,  
33 by reason of expiration of such contract or otherwise, shall still be  
34 considered an OFW under this Act if the cessation took place not more

1 than five (5) years before the filing of an application for the registration  
2 provided for in Section 5 hereof;

- 3
- 4 (b) *"Business Enterprise"* is a duly registered business engaged in industry,  
5 agribusiness and/or services, whether a single proprietorship,  
6 cooperative, partnership or corporation. A business engaged in services  
7 shall exclude those rendered by (i) natural persons who are duly licensed  
8 by the government after having passed a government licensure  
9 examination, in connection with the exercise of their profession, and (ii)  
10 juridical persons such as partnerships or corporations engaged in  
11 consultancy, advisory and similar services where the performance of such  
12 services are essentially carried out through licensed professionals, likewise  
13 in the connection with the exercise of their profession.
- 14 (c) *"OFW-owned Business Enterprise"* is a business enterprise that falls under  
15 one of the following categories: (i) a Sole Proprietorship owned by an  
16 OFW; (ii) Partnerships, more than fifty percent (50%) of the capital of  
17 which was contributed by one or more partners who are OFWs; or (iii) a  
18 Stock Corporation, more than fifty percent (50%) of the outstanding  
19 capital stock of which is held by one or more OFWs.  
20

21 SEC. 4. *Tax Exemption.* - An OFW-owned business enterprise shall be exempt  
22 from the payment of income tax for a non-extendable period of five (5) years following  
23 registration. This exemption is without prejudice to any other benefit or tax exemption  
24 granted to the enterprise by any other laws. All Local Government Units (LGUs) are  
25 encouraged either to reduce the amount of local taxes, fees and charges imposed or  
26 to exempt an OFW-owned business enterprise from local taxes, fees and charges.  
27

28 SEC. 5. *Other Benefits and Incentives.* - An OFW-business enterprise may also  
29 avail of the following incentives:  
30

- 31 (a) Fifty Percent (50%) reduction on real property taxes imposed on real  
32 property for the operation of the OFW owned business enterprise;  
33 (b) Tax and duty free importation of raw materials, capital equipment,  
34 machineries and spare parts exclusively used in the operation of the OFW-  
35 owned business enterprise; and/or  
36 (c) Preferential access to financing from government financial  
37 institutions at rates below the market rates;

38 Provided, That an OFW-owned business enterprise may avail of these  
39 incentives for a period of five years following registration.  
40

41 SEC. 6. *Eligibility of OFW-owned business enterprises.* - To qualify for the  
42 benefits and incentives provided to OFW-owned business enterprises under this Act,  
43 a business enterprise must fall under one of the following categories:  
44

- 45 (a) A Sole Proprietorship owned by an OFW;  
46  
47 (b) A Partnership, more than fifty percent (50%) of the capital of which was  
48 contributed by one or more partners who are OFWs; or



- 1 (c) A Stock Corporation, more than fifty percent (50%) of the outstanding  
2 capital stock of which is held by one or more OFWs.  
3

4 *SEC. 7. Registration and Issuance of Certificate.* - To qualify for the benefits  
5 and incentives under this Act, a business enterprise must apply for registration with  
6 the Bureau of Internal Revenue (BIR) as an OFW-owned business enterprise. Any such  
7 application shall be processed by the BIR free of charge within fifteen (15) working  
8 days upon submission of complete documents as provided in Section 8 of this Act.  
9 Otherwise, the OFW-owned business enterprise shall be deemed registered.

10  
11 *SEC. 8. Documentary Requirements.* - The BIR shall require an OFW owned  
12 business enterprise to submit the following requirements in its application for the  
13 Certificate of Registration:  
14

- 15 (a) Certificate from the POEA or the Overseas Workers Welfare Administration  
16 (OWWA) that the person seeking registration hereunder of their business  
17 entity or enterprise are OFWs as defined in Section 3(a) of this Act or a  
18 copy of their overseas employment contract duly approved by the POEA;  
19  
20 (b) Taxpayer Identification Number (TIN);  
21  
22 (c) Documents of registration as a business entity or enterprise issued by the  
23 appropriate government agencies such as the Security and Exchange  
24 Commission (SEC) for corporations and partnerships and the Department  
25 of Trade and Industry (DTI) for sole proprietorships; Provided, That in the  
26 case of micro enterprises as defined herein, registration with the office of  
27 the municipal or city treasurer shall be deemed sufficient compliance with  
28 this requirement;  
29  
30 (d) Articles of Incorporation in the case of new corporations;  
31  
32 (e) Partnership Agreement in the case of new partnerships;  
33  
34 (f) General Information Sheet (GIS) in the case of existing corporations and  
35 partnerships.  
36

37 No other document shall be required for the processing of this application.  
38

39 *SEC. 9. Financial Literacy Program for OFWs; Information Dissemination.* - To  
40 ensure that the incentives and benefits provided for under this Act shall be effectively  
41 harnessed and maximized, the Commission on Filipinos Overseas (CF), the Overseas  
42 Workers Welfare Administration (OWWA), and the National Reintegration Center of  
43 OFWs (NCRO) shall institutionalize the conduct of financial literacy programs and  
44 capacity building seminars on entrepreneurship and investment programs for  
45 Overseas Filipino Workers.

1            Provided, That in the conduct of pre-employment/pre-departure orientation  
2 seminars, post-arrival/reintegration seminars, the financial literacy programs shall  
3 likewise be incorporated as an integral part thereof.  
4

5            Provided, further. That the Department of Foreign Affairs (DFA), CFO,  
6 Philippine Overseas Employment Administration (POEA), OWWA, and all other relevant  
7 government agencies with respect to overseas Filipinos, including all local government  
8 units, shall extensively carry out information dissemination on the benefits and  
9 program provided for in this Act.  
10

11            SEC. 10. *Fraud or Misrepresentation.* - Any business entity found to have  
12 committed fraud or misrepresentation for the purpose of qualifying for the benefits  
13 hereunder shall be immediately disqualified as a beneficiary hereof and its Certificate  
14 of Registration cancelled, without prejudice to the assessment and collection of back  
15 taxes for the period corresponding to its exemption, as well as to any administrative,  
16 criminal or civil liability under existing laws.  
17

18            SEC. 11. *Non-Transferability.* - The benefits and incentives provided in this Act  
19 cannot be transferred to any other person, association or business entity.  
20

21            SEC. 12. *Cessation of Operations or Retirement of Business.* - Any enterprise  
22 registered hereunder that retires or otherwise ceases its business operations shall  
23 thereupon be excluded from the coverage of this Act. Within thirty (30) days therefrom  
24 the enterprise shall report the fact of such retirement or cessation to the BIR, which  
25 shall then cancel the enterprise's Certificate of Registration.  
26

27            SEC. 13. *Implementing Rules and Regulations.* - The BIR in coordination with  
28 the POEA, DTI, and SEC shall promulgate not later than sixty (60) days upon the  
29 effectivity of this Act the necessary rules and regulations for its effective  
30 implementation.  
31

32            SEC. 14. *Separability Clause.* - If any provision of this Act is subsequently  
33 declared invalid or unconstitutional, other provisions hereof which are not affected  
34 thereby shall remain in full force and effect.  
35

36            SEC. 15. *Repealing Clause.* - All laws, presidential decrees, executive order,  
37 issuances, presidential proclamations, rules and regulations or parts thereof which are  
38 contrary to and inconsistent with any provisions of this Act are hereby repealed,  
39 amended or modified accordingly.

Approved,