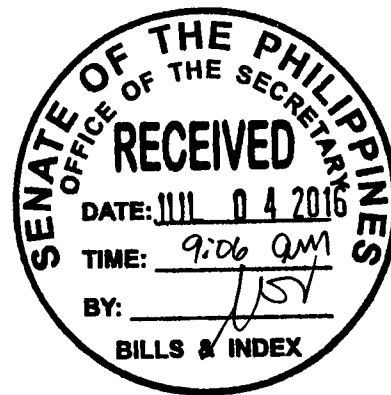


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

SENATE

S. B. No. 273



Introduced by Senator FRANCIS G. ESCUDERO

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

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



Introduced by Senator FRANCIS G. ESCUDERO

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 for
2 OFWs Act".

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

- 7
8 a. Collecting placement fee above the legitimate placement fee fixed
9 and determined by the Philippine Overseas Employment Agency (POEA) without
10 prejudice to Section 5 hereof;
11 b. Collecting placement fee in advance of the job's availability
12 overseas;
13 c. Not issuing the appropriate receipts for any placement fee
14 collected;
15 d. Not returning any placement fee collected when deployment does
16 not materialize;
17 e. Forcing an OFW to issue post dated checks to guarantee payment
18 of any placement fee; and
19 f. Forcing an OFW to borrow money only from designated persons or
20 lending institutions.

21
22 **SECTION 3. Penalties.** Commission of any of the following acts in the
23 immediately preceding Section shall be punished by six (6) years imprisonment or a
24 fine of One Hundred Thousand Pesos (Php100,000.00) to Five Hundred Thousand Pesos
25 (Php500,000.00), or both, at the discretion of the court.

26
27 The penalties herein provided shall be treated as separate and distinct
28 from any liability arising from the same punishable acts in Section 1 hereof.

29
30 If any of the acts in Section 1 is committed by a corporation, its officers
31 and directors shall be made liable in the same manner as the employee or person related
32 in any capacity to the corporation who actually committed the same.

1
2 Moreover, if any of the acts is committed by a licensed recruitment
3 agency, its agent or representative, such agency's license shall be automatically revoked
4 with finality and no longer eligible for reinstatement.
5

6 **SECTION 4. *Implementing Rules.*** The POEA is hereby mandated to promulgate
7 the schedule of placement fees abroad together with the implementing rules and
8 regulations within ten (10) days from the effectivity of this Act.
9

10 **SECTION 5. *Definition of Terms.*** For purposes of this Act, placement fee shall
11 refer to the amount charged by a Private Recruitment and Placement Agency (PRPA) or
12 any person from a recruit as payment for placement services which shall not exceed the
13 equivalent of one (1) month salary of the job for which an OFW has been recruited.
14

15 **SECTION 6. *Separability Clause.*** If any provision or part hereof is held invalid
16 or unconstitutional, the remainder of the law or the provision not otherwise affected
17 shall remain valid and subsisting.
18

19 **SECTION 7. *Repealing Clause.*** All laws, presidential decrees, executive orders,
20 proclamations and/or administrative regulations which are inconsistent with the
21 provisions of this Act are hereby amended, modified, superseded or repealed
22 accordingly.
23

24 **SECTION 8. *Effectivity Clause.*** This Act shall take effect fifteen (15) days from its
25 publication in the Official Gazette or at least three (3) newspapers of national
26 circulation.
27

28 *Approved,*
29
30