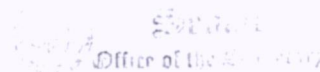


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'19 JUL 15 A9:48

SENATE

S. No. 438

RECEIVED BY: _____

Introduced by SENATOR RAMON BONG REVILLA, JR.

AN ACT
PROTECTING THE REMITTANCES OR MONEY TRANSFERS OF OVERSEAS
FILIPINO WORKERS (OFWs) BY REQUIRING THE DISCLOSURE OF
FINANCE CHARGES AND OTHER FEES IN CONNECTION WITH MONEY
TRANSFER, COMPELLING STRICT ADHERENCE TO THE TERMS AND
CONDITIONS OF THEIR TRANSFER, PENALIZING VIOLATIONS THEREOF,
AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The contribution of the Overseas Filipino Workers (OFWs) have been emphasized, time and again, and the government is continuously improving the services and assistance they can provide to them to ensure that their rights are always respected and their welfare well-attended to.

According to the 2018 Survey on Filipinos, there were 2.8 million OFWs who worked abroad during the period of April to September 2018. 96.2% of them have existing work contract while 3.8% do not. Regardless of their classification and destination, these OFWs dedicate all their labor and sacrifices for the betterment of their families. Their salaries, wages or earnings that they send home are products of love and hardwork.

The records of the Philippine Statistics Authority (PSA) reflect that "the total remittance sent by OFWs during the period April to September 2018 was estimated at 235.9 billion pesos. These remittances included cash sent home (169.4 billion pesos), cash brought home (55.2 billion pesos) and remittances in kind (11.2 billion

pesos). The majority of OFWs sent their remittance through banks (52.8%) while the rest through money transfer services (45.0%), agencies or local offices (2.0%) and the rest at 0.1%, respectively."

Recognizing the valuable contribution of our OFWs in our economy, this measure seeks to protect the hard earned money of our OFWs. It requires the disclosure of charges and fees that has to be paid in relation to the sending of their money through remittance agents and companies. Likewise, it penalizes price gouging or the exorbitant charging of fees for the transactions being made.

In this light, the immediate passage of this bill is highly recommended.



RAMON BONG REVILLA, JR.



'19 JUL 15 A 9:48

SENATE

S. No. 438

RECEIVED BY: 

Introduced by SENATOR RAMON BONG REVILLA, JR.

AN ACT
PROTECTING THE REMITTANCES OR MONEY TRANSFERS OF OVERSEAS
FILIPINO WORKERS (OFWs) BY REQUIRING THE DISCLOSURE OF
FINANCE CHARGES AND OTHER FEES IN CONNECTION WITH MONEY
TRANSFER, COMPELLING STRICT ADHERENCE TO THE TERMS AND
CONDITIONS OF THEIR TRANSFER, PENALIZING VIOLATIONS THEREOF,
AND FOR OTHER PURPOSES

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

1 Section 1. *Short Title.* - This Act shall be known as the "*Remittance Act of*
2 *2019*".

3 Sec. 2. *Declaration of Policy.* - In line with the national policy of affirming
4 labor as a primary social economic force, it is hereby declared the policy of the State
5 to protect its citizens from deceptive, unfair, and unconscionable acts of remittance
6 agents and money transfer companies. Towards this end, they shall be required to
7 render full disclosure of the terms and costs of the money transfer service being
8 offered by them and to strictly adhere to the terms and conditions of the said
9 transfer or remittance.

10 Sec. 3. *Definition of Terms.* - For purposes of this Act, the following terms
11 shall mean:

- 12 a) "*Exchange Rate*" - the price of a unit of foreign currency in terms of
13 the domestic currency;

- 1 b) "*Money Transfer*" – moving money electronically or physically for a
2 specified account or person;
- 3 c) "*Remittance*" – the funds that an expatriate sends to the expatriate's
4 country of origin via wire, mail, or online transfer;
- 5 d) "*Remittance Agents and Companies*" – persons or entities that offer to
6 remit, transfer, or transmit money on behalf of any person to another
7 person and/or entity. These shall include money or cash couriers,
8 money transfer agents; remittance companies, and the like; and,
- 9 e) "*Price Gouging*" – charging unconscionably high prices or fees that are
10 excessive relative to what the free market offers.

11 Sec. 4. *Strict Adherence.* – All remittance agents and companies shall strictly
12 adhere to the following:

- 13 a) Registration – Remittance agents and companies providing the transfer
14 mechanism shall be duly registered, licensed, and must have met all
15 the requirements issued by the Bangko Sentral ng Pilipinas (BSP),
16 Securities and Exchange Commission (SEC), Department of Trade and
17 Industry (DTI), and the Bureau of Internal Revenue (BIR).
- 18 b) Exchange Rate and Fees –
- 19 1) All remittance agents and companies shall follow the exact real
20 time exchange rate at the beginning of the business day as
21 posted in the Reference Exchange Rate Bulletin of the BSP.
- 22
- 23 2) For senders from the Philippines, a flat rate transaction fee shall
24 be imposed in accordance with rules and regulations to be
25 issued by the BSP.
- 26 c) Disclosure - In addition to standard paperworks, remittance agents
27 and companies shall be required to include a waiver form for each
28 transaction which shall contain the following information in clear and
29 concise words:
- 30 1) The specific exchange rate provided for the currency;

- 1 2) Any and all additional fees being deducted from the original
2 remittance;
- 3 3) A signed acknowledgment that the recipient consents to the
4 exchange from the original currency to Philippine Peso thereby
5 forfeiting a percentage equivalent to the flat rate fee for the
6 remittance service;
- 7 4) Notice to senders and recipients that senders are generally not
8 permitted to require that the money transfer be made in the
9 original currency, except in specific countries where senders are
10 given the option of specifying the money to be received in
11 original currency form without any additional exchange fees
12 being charged to the sender; and,
- 13 5) The list of countries, as determined by the BSP, which give the
14 option to require that money transferred be paid out to the
15 recipient in the original currency sent.
- 16 d) Valid Identification – Senders and recipients must each provide at least
17 one (1) form of valid and legally acceptable identification.
- 18 e) Request for Original Currency – Remittance agents and companies
19 receiving remittances from countries which give the option to specify
20 that original currency be paid out to recipient shall, in addition to the
21 conditions enumerated above, be required to adhere to the contractual
22 commitment entered into by the remittance agent and the sender.
- 23 In cases where only Philippine currency is available and thus paid out
24 to recipients in direct contradiction of the sender’s specified currency or
25 the currency of the originating country, remittance agents and
26 companies shall be required to obtain an additional waiver from the
27 recipient that the recipient is waiving the right to receive the specified
28 currency.

29 Sec. 5. *Punishable Acts.* – The following acts committed by the remittance
30 agents and companies, and/or any of its employees, shall be punishable under this
31 Act:

- 1 a) Failure to comply with the provisions of this Act;
- 2 b) Price gouging of currency exchange rates; and,
- 3 c) Substituting Philippine Peso for the specified original currency without
- 4 the express or written consent of the recipient.

5 Sec. 6. *Penalties.* – Any person or, in case of partnership or corporation, the
6 managing partner, president, or any responsible corporate officer, committing any of
7 the unlawful acts or omissions provided under this Act shall be punished with
8 imprisonment of not less than six (6) years but not more than ten (10) years and a
9 fine of not less than Two Hundred Thousand Pesos (P200,000.00) but not more than
10 One Million Pesos (P1,000,000.00).

11 Sec. 7. *Restitution.* – In addition to the penalties provided herein, any person
12 found guilty of violating this Act shall be required to make restitution payments upon
13 determination by the BSP or other governing judicial authority that a remittance
14 agent has willfully acted to avoid compliance and/or charged rates in excess of the
15 prescribed standards in this Act. All recipients shall consequently reserve and retain
16 their right to collect the excessive amount proven to have been charged to them.

17 Sec. 8. *Enforcement and Monitoring.* – Aside from the BSP's Manual of
18 Registrations for Non-Bank Financial Institutions, the money transfer industry shall
19 be under the supervision of the BSP and shall be bound by the requirements, rules,
20 and regulations prescribed by the BSP. The BSP shall likewise periodically monitor
21 compliance by remittance agents and companies with the provisions of this Act.

22 Sec. 9. *Rules and Regulations.* – The BSP shall prescribe the necessary rules
23 and regulations to effectively implement the provisions of this Act within ninety (9)
24 days from the effectivity of this Act.

25 Sec. 10. *Separability Clause.* – If any part, section or provision of this Act is
26 held invalid or unconstitutional, other provisions not affected thereby shall remain in
27 full force and effect.

28 Sec. 11. *Repealing Clause.* – All laws, decrees, orders, rules and regulations
29 or parts thereof inconsistent with this Act are hereby repealed or amended
30 accordingly.

1 Sec. 12. *Effectivity.* – This Act shall take effect fifteen (15) days after its
2 publication in the Official Gazette or in two (2) newspapers of general circulation.

3

4 Approved,