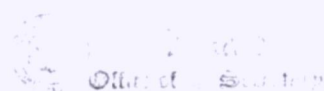


**EIGHTEENTH CONGRESS OF THE** )  
**REPUBLIC OF THE PHILIPPINES** )  
*First Regular Session* )



**SENATE**  
S. No. 683

'19 JUL 22 P3:29

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Introduced by Senator Aquilino "Koko" Pimentel III

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RECEIVED

**AN ACT**  
**PROTECTING THE REMITTANCES OR MONEY TRANSFERS**  
**OF OVERSEAS FILIPINO WORKERS (OFWs) BY REQUIRING**  
**THE DISCLOSURE OF FINANCE CHARGES AND OTHER**  
**FEEES 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**

Remittances or money transfers from Overseas Filipino Workers (OFWs) undeniably play a vital role in the Philippine economy. These account for at least ten percent (10%) of the country's gross domestic product. The remittances are especially important to the recipients, usually families and relatives of OFWs, helping them achieve an improved standard of living and a higher quality of life.

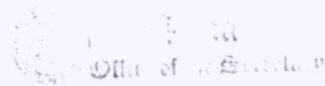
Over the years, there have been complaints that remittance agents or money transfer companies utilize unfair and deceptive trade practices, such as using rates notably lower than the foreign currency exchange rates of Philippine banks, in effect concealing the real rate from most recipients. Hence, there is a need to mandate full disclosure and impose anti-price gouging rules to prevent these acts. This bill imposes strict

limitations in the rates that remittance agents and companies may use in money transfer transactions.

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


  
**AQUILINO "KOKO" PIMENTEL III**

SENATE  
S. No. 683



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AN ACT  
PROTECTING THE REMITTANCES OR MONEY  
TRANSFERS OF OVERSEAS FILIPINO WORKERS (OFWs) BY  
REQUIRING THE DISCLOSURE OF FINANCE CHARGES AND  
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CONDITIONS OF THEIR TRANSFER, PENALIZING  
VIOLATIONS THEREOF, AND FOR OTHER PURPOSES

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

1       **SECTION 1.** *Short Title.* — This Act shall be known as the  
2 "*Remittance Act.*"  
3

4       **SEC. 2.** *Declaration of Policy.* — It is hereby declared the policy  
5 of the State to protect its citizens from deceptive, unfair, and  
6 unconscionable acts of remittance agents and money transfer companies.  
7 Toward this end, they shall be required to render full disclosure of the  
8 terms and costs of the money transfer service being offered by them and  
9 to strictly adhere to the terms and conditions of the said transfer or  
10 remittance.  
11

12       **SEC. 3.** *Definition of Terms.* — For purposes of this Act, the  
13 following terms shall mean:  
14



1 (a) *Exchange Rate* – the price of a unit of foreign currency in terms  
2 of the domestic currency;

3  
4 (b) *Money Transfer* – moving money electronically or physically  
5 for a specified account or person;

6  
7 (c) *Remittance* – the funds that an expatriate sends to the  
8 expatriate's country of origin via wire, mail, or online transfer;

9  
10 (d) *Remittance Agents and Companies* – persons or entities that  
11 offer to remit, transfer, or transmit money on behalf of any person to  
12 another person and/or entity. These shall include money or cash  
13 couriers, money transfer agents, remittance companies, and the like; and  
14

15 (e) *Price Gouging* – charging unconscionably high prices or fees  
16 that are excessive relative to what the free market offers.

17  
18 **SEC. 4. *Strict Adherence.*** — All remittance agents and companies  
19 shall strictly adhere to the following:

20  
21 (a) *Registration.* – Remittance agents and companies providing the  
22 transfer mechanism shall be duly registered, licensed, and must have  
23 met all the requirements issued by the Bangko Sentral ng Pilipinas  
24 (BSP), Securities and Exchange Commission (SEC), Department of  
25 Trade and Industry (DTI), and the Bureau of Internal Revenue (BIR).

26  
27 (b) *Exchange Rates and Fees.*

28  
29 (1) All remittance agents and companies shall follow the exact real  
30 time exchange rate at the beginning of the business day as posted in the  
31 Reference Exchange Rate Bulletin of the BSP.

32  
33 (2) For senders from the Philippines, a flat rate transaction fee shall  
34 be imposed in accordance with rules and regulations to be issued by the  
35 BSP.

1 (c) *Disclosure.* – In addition to standard paperwork, remittance  
2 agents and companies shall be required to include a waiver form for  
3 each transaction which shall contain the following information in clear  
4 and concise words:

5  
6 (1) The specific exchange rate provided for that currency;

7  
8 (2) Any and all additional fees being deducted from the original  
9 remittance;

10  
11 (3) A signed acknowledgment that the recipient understands that  
12 the recipient is accepting currency exchange from the original  
13 currency to Philippine Peso, forfeiting a percentage equivalent to  
14 the flat rate fee for the remittance service;

15  
16 (4) Notice to senders and recipients that senders are generally not  
17 permitted to require that the money transfer be made in the form of  
18 original currency, except in the specific countries where senders  
19 are given the option of specifying the money to be received in  
20 original currency form without any additional exchange rates  
21 compensation being charged to the sender; and

22  
23 (5) The list of countries, as determined by the BSP, which give the  
24 option to require that money transferred be paid out to the recipient  
25 in the original currency sent.

26  
27 (d) *Valid Identification* – Senders and recipients must each  
28 provide at least one (1) form of valid and legally acceptable  
29 identification.

30  
31 (e) *Request for Original Currency* – Remittance agents and  
32 companies receiving remittances from countries which give the option to  
33 specify that original currency be paid out to recipient shall, in addition to  
34 the conditions enumerated above, be required to adhere to the  
35 contractual commitment entered into by the remittance agent and the  
36 sender.



1 In cases where only Philippine currency is available and thus paid  
2 out to recipients in direct contradiction of the sender's specified currency  
3 or the currency of the originating country, remittance agents companies  
4 shall be required to obtain an additional waiver from the recipient that  
5 the recipient is waiving the right to receive the specified currency.  
6

7 **SEC. 5. Punishable Acts.** — The following acts committed by the  
8 remittance agents and companies, and/or all of its employees, shall be  
9 punishable under this Act:  
10

11 (a) Failure to comply with the provisions of this Act;  
12

13 (b) Price gouging of currency exchange rates; and  
14

15 (c) Substituting Philippine Peso for the specified original currency  
16 without the express or written consent of the recipient.  
17

18 **SEC. 6. Penalties.** — Any person, or in case of partnership or  
19 corporation, the managing partner or the president, committing any of  
20 the unlawful acts or omissions provided under this Act shall be punished  
21 with imprisonment of not less than six (6) years but not more than ten  
22 (10) years and a fine of not less than Two Hundred Thousand Pesos  
23 (P200,000.00) but not more than One million pesos (P 1,000,000.00).  
24

25 **SEC. 7. Restitution.** — In addition to the penalties provided  
26 herein, any person found guilty of violating this Act shall be required to  
27 make restitution payments upon determination by the BSP or other  
28 governing judicial authority that a remittance agent has willfully acted to  
29 avoid compliance and/or charged rates in excess of the prescribed  
30 standards in this Act. All recipients shall consequently reserve and retain  
31 their right to collect the excessive amount proven to have been charged  
32 to them.  
33

34 **SEC. 8. Enforcement and Monitoring.** — Aside from the BSP's  
35 Manual of Regulations for Non-Bank Financial Institutions, the entire  
36 money transfer industry shall be under further guidance, requirements,  
37 and rules prescribed by the BSP. The BSP shall likewise periodically

1 monitor compliance by remittance agents and companies of the  
2 provisions of this Act.

3

4 **SEC. 9. *Rules and Regulations.*** — The BSP shall prescribe the  
5 necessary rules and regulations to effectively implement the provisions  
6 of this Act within ninety (90) days from the effectivity of this Act.

7

8 **SEC. 10. *Separability Clause.*** — If any provision of this Act is  
9 declared invalid or unconstitutional, the other provisions not affected by  
10 such declaration shall remain in full force and effect.

11

12 **SEC. 11. *Repealing Clause.*** — All laws, executive and  
13 administrative orders, rules and regulations inconsistent with the  
14 foregoing provisions are hereby repealed or modified accordingly.

15

16 **SEC. 12. *Effectivity.*** — This Act shall take effect fifteen (15) days  
17 after its publication in the Official Gazette or in a newspaper of general  
18 circulation.

19

*Approved,*