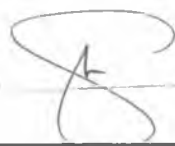


NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*Second Regular Session* )



24 MAY -7 P3:16

SENATE  
S. No. 2660

RECEIVED BY 

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Introduced by: Senator Raffy T. Tulfo

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**AN ACT**  
**PROVIDING FOR PROTECTION OF THE REMITTANCES OF OVERSEAS FILIPINO WORKERS**

**EXPLANATORY NOTE**

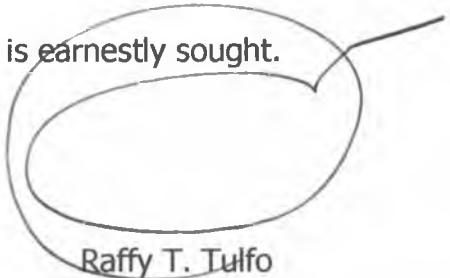
Records of the Bangko Sentral ng Pilipinas reveal that cash remittances coursed through banks from Overseas Filipino Workers (OFW), land-based and sea-based combined, amounted to USD 2.84 billion on January 2024, a marked increase of 2.7 percent from the previous year's record of USD 2.76 billion. The same spike was noted on the OFWs' personal remittances which increased from USD 3.07 billion to USD 3.15 billion. In Philippine currency, this amount coverts more or less to a staggering Php180 billion pesos.

The Philippine remittances from OFWs has consistently been the fourth largest in the world after India, Mexico, and China and has been a major stimulus that propels Philippine economic growth. It has likewise been proven based on our pandemic experience that OFW remittances has been a major factor in keeping our economy afloat in the midst of a global financial crisis.

In recognition of their enormous contribution to our economy, it is but pivotal to protect our OFWs from financial institutions that unduly impose exorbitant transfer and interest charges against their remittances. It is also crucial to provide them safe channels

where their hard-earned money can be safely transferred and ensure that their loved-ones and beneficiaries can ultimately reap the fruits of their labor.

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



Raffy T. Tulfo  
Senator

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
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Office of the Secretary

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**AN ACT**  
**PROVIDING FOR PROTECTION OF THE REMITTANCES OF OVERSEAS FILIPINO WORKERS**

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

1 Section 1. *Short Title.*- This Act shall be known as the "Overseas Filipino Workers  
2 (OFWs) Remittance Protection Act."

3 Sec. 2. *Declaration of Policy.*- The Constitution affirms that labor is the primary  
4 social economic force and mandates the States to protect the rights of the workers and  
5 promote their welfare.

6 Recognizing the significant contribution of OFWs to the national economy through  
7 foreign exchange remittances, the State shall adopt measures to protect the hard-earned  
8 money they remit home against usurious interest rates and exorbitant fees charged by  
9 financial institutions that deplete the value of their remittances and provide them and  
10 their families adequate education and training on financial literacy, such as financial  
11 planning and management of finances or savings, to help ensure a source of livelihood  
12 even after their overseas employment.

1        *Sec. 3. Definition of Terms. –*

- 2        a. Overseas Filipino Worker (OFW) – refers to a person who is to be engaged, is  
3        engaged or has been engaged in a remunerated activity in state of which the  
4        person is not a citizen or on board a vessel navigating the foreign seas of other  
5        than a government ship used for military or non-commercial purpose or on an  
6        installation located offshore or on the high seas; to be used interchangeably with  
7        migrant worker.
- 8        b. Remittance – refers to the foreign exchange earnings sent home by OFWs or their  
9        employers or agents through formal channels.
- 10       c. Remittance Fee – refers to the services fee or charged imposed by bank and non-  
11       bank financial intermediaries for sending money of OFWs through formal channels.

12       *Sec. 4. Applicability of this Act. –* The provisions of this Act shall be applicable to  
13 all OFW remittances, whether voluntary or mandated by law, orders, issuances or rules  
14 and regulations.

15       *Sec. 5. Discount on Remittances Fees and Tax Deduction Granted to*  
16 *Establishment. –* Bank and non-bank financial intermediaries may impose fees for services  
17 rendered in sending money of OFWs to their immediate family members, subject to a  
18 fifty percent (50%) discount.

19       Bank and non-bank financial intermediaries providing discounts on remittance fees  
20 may claim the discounts granted as a tax deduction based on the cost of services  
21 rendered to OFWs. The discounts given should be treated as an ordinary and necessary  
22 expense deductible from the gross income of the intermediary falling under the category  
23 of itemized deductions: Provided, that the total deduction from the gross income of  
24 establishments providing discounts on remittance fees shall not exceed Twenty-four  
25 thousand pesos (P24,000.00) per OFW every taxable year: Provided, further, that the  
26 Secretary of Finance shall upon the recommendation of the Commissioner of Internal  
27 Revenue, issue the revenue regulation for the purpose.

28       *Sec. 6. Requirement of Posting of the Peso Equivalent of the Currency to be*  
29 *Exchanged. –* All bank and non-bank financial intermediaries offering remittance services

1 to OFWs shall be required to post in a conspicuous place within the establishment's  
2 premises the Philippine peso equivalent rate of the foreign currencies being transacted.  
3 The Philippine peso equivalent of the amount as remitted will be the same amount that  
4 will be received by the beneficiaries of the remittance.

5 *Sec. 7. Prohibition from Raising Remittance Fees.* – All banks and non-banks  
6 financial intermediaries offering remittances services to OFWs are prohibited from raising  
7 their current remittances fees without prior consultation with the Department of Finance  
8 (DOF), Bangko Sentral ng Pilipinas (BSP), Department of Migrant Workers (DMW) and  
9 the Philippine Overseas Employment Administration (POEA).

10 *Sec. 8. Other Prohibited Acts.* – The following act are also prohibited:

- 11 a. Misappropriation or conversion, to the prejudice of the OFW or beneficiary of  
12 foreign exchange remittances, received in trust, or on commission, or for  
13 administration, or under any other obligation, involving the duty to make delivery  
14 of, or return the same, or by denying having received such foreign exchange  
15 remittance;
- 16 b. Taking of foreign exchange remittances without the consent of the OFW or  
17 beneficiary;
- 18 c. Imposition of remittance fees in excess of those prescribed under Section 5 of this  
19 Act;
- 20 d. Failure to post in a conspicuous place of the establishment the Philippine peso rate  
21 of the foreign currency being transacted; and
- 22 e. Failure to conduct consultation with DOF, BSP, DMW and POEA before raising  
23 remittances fees.

24 *Sec. 9. Penalties.* –

- 25 a. Any person who is found guilty of any of the acts described in Section 8 (a) hereof  
26 shall be punished by:
  - 27 i. Imprisonment of two (2) months and one (1) day to six (6) months,  
28 if the amount of the remittances does not exceed Two Hundred  
29 pesos (P200.00);

- 1                   ii.     Imprisonment of two (2) years and four (4) months to four (4) years  
2                   and two (2) months, if the amount of the remittances is over Six  
3                   Thousand Pesos (P6,000.00) but does not exceed Twelve Thousand  
4                   Pesos;  
5                   iii.    Imprisonment of four (4) years, two (2) months and one (1) day to  
6                   eight (8) years if the amount of the remittances is over Twelve  
7                   Thousand Pesos (P12,000.00) but does not exceed Twenty Two  
8                   Thousand Pesos (P22,000.00); and  
9                   iv.     Imprisonment of six (6) years to eight (8) years, adding one (1) year  
10                  for each additional Ten Thousand Pesos (P10,000.00) but nor  
11                  exceeding twenty (20) years, if the amount of the remittances is  
12                  more than Twenty-Two Thousand Pesos (P22,000.00).  
13       b. Any person who is found guilty of violating Section 8 (b) of this Act shall be  
14       punished by:  
15  
16                  i.     Imprisonment of six (6) months and one (1) day to four (4) years  
17                  and two (2) months, if the amount of the remittance is over Two  
18                  Hundred Pesos (P200.00) but does not exceed Six Thousand Peso  
19                  (P6,000.00);  
20                  ii.    Imprisonment of two (2) years, four (4) months and one (1) day to  
21                  six (6) years, if the amount of the remittance is over Six Thousand  
22                  Pesos (P6,000.00) but does not exceed Twelve-Two Thousand Pesos  
23                  (P12,000.00);  
24                  iii.   Imprisonment of six (6) years and one (1) day to ten (10) years, if  
25                  the amount of the remittance is over Twelve Thousand Pesos  
26                  (P6,000.00) but does not Twenty-Two Thousand Pesos  
27                  (P22,000.00); and  
28                  iv.     Imprisonment of ten (10) years and one (1) day to twelve (12) years,  
29                  adding one year for each additional Ten thousand pesos

(P10,000.00) but not exceeding twenty (20) years, if the amount of remittances exceeds Twenty-Two Thousand Pesos (P22,000.00).

c. Any person who is found guilty of violating Section 8 (c), (d) and (e) of this Act shall be punished by imprisonment of six (6) months and one (1) day to six (6) years and one (1) day and a fine of Fifty Thousand pesos (P50,000.00) but not exceeding Seven Hundred Fifty Thousand Pesos (P750,000.00).

Aside from the criminal liability provided in the preceding paragraphs, institutions governed and supervised by the BSP found to have violated the provisions of Section 8 of this Act shall be subjected to the necessary fines, penalties, and sanctions as provided, under the Republic Act. No. 7653 or the "New Central Bank Act", Republic Act No. 8791 or the "General Banking Law of 2000", and other pertinent banking regulations.

In case the violation is committed by a corporation or partnership, the liability shall be imposed on the president, managing director or partner, general manager, or other responsible officers of the corporation or partnership.

Sec. 10. *Mandatory Financial Education for OFWs and their Families.* - The DOF, together with the BSP, POEA, and other agencies, shall ensure that a mandatory financial education program will be provided to OFWs and their families.

The program shall include instruction on financial management, budgeting, investment options and similar topics, which shall educate the OFWs and their families in the handling of their earnings and remittances.

Sec. 11. *Liability under the Revised Penal Code and Other Laws.* - Prosecution under this Act shall be without prejudice to any liability for violation of any provision of the Revised Penal Code or other laws.

Sec. 12. *Implementing Agency.* - The DOF shall in consultation with the BSP, POEA, DMW, Overseas Workers Welfare Administration, Department of Foreign Affairs, Bankers Association of the Philippines, Association of Bank Remittance Agents, Inc., representatives from the placement or recruitment industry, non-government organizations advocating the rights and welfare of OFWs and other stakeholders, issue

1 the necessary rules and regulations for the effective implementation of this Act, within  
2 ninety (90) days after the approval of this Act.

3 Sec. 13. *Repealing Clause.*- All laws, decrees, executive orders, issuances, rules and  
4 regulations which may be inconsistent with any of the provisions of this Act are hereby  
5 deemed repealed, amended or modified accordingly.

6 Sec. 14. *Separability Clause.*- If any provision of this Act is held unconstitutional or  
7 invalid, such holding shall not affect other provisions not affected thereby.

8 Sec. 15. *Effectivity.*- This Act shall take effect fifteen (15) days after its publication in  
9 the Official Gazette or in a newspaper of general circulation.

*Approved,*