



HOUSE OF REPRESENTATIVES

H. No. 10571

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BY REPRESENTATIVES DEL MAR, BIAZON, ABELLANOSA, VARGAS, CAMPOS, BARBA, ALBANO (A.), ALBANO (R.), SANTOS-RECTO, HERNANDEZ, SALO, AGABAS, CHATTO, RODRIGUEZ, PEÑA, VILLAFUERTE, CASTELO, YAP (E.), DUTERTE, TAMBUNTING, BAGATSING, CABATBAT, SARMIENTO, TIANCO, SIAO, ROBES, PANCHO, PADIERNOS, GONZALEZ, ZARATE, ESCUDERO, DIMAPORO (A.), MARQUEZ, DELOSO-MONTALLA, KHO (E.), CASTRO (F.L.), ALVAREZ (F.), BORDADO, SANCHEZ, CHIPECO, ONG (J.), DEFENSOR (L.), CUARESMA, LUSOTAN, PANOTES, NOLASCO, FARINAS (R.C.), VERGARA, ONG (R.), DAGOOC, DALIPE, BARONDA, REVILLA, SAKALURAN, SY-ALVARADO, SAVELLANO, TUTOR, TEVES (J.), BAUTISTA AND CRISOLOGO, PER COMMITTEE REPORT NO. 1364

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AN ACT  
REGULATING THE OPERATION OF MOTORCYCLES-FOR-HIRE

*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 “Motorcycles-for-  
2 Hire Act.”

3       **SEC. 2. Declaration of Policy.** – The State recognizes the importance of  
4 transportation in economic development. The recent innovations in technology has  
5 opened an opportunity for alternative modes of public conveyance, such as  
6 motorcycles-for-hire, to thrive as a reliable and accessible mode of transportation.  
7 However, despite its promise of convenience and fast service, it must be regulated to  
8 ensure that the interest of the general public is protected. Thus, the State shall allow the  
9 regulated operation of motorcycles-for-hire to provide the public with an alternative  
10 mode of public transportation that is sufficient, safe, secure and economical.

11       Towards this end, the State shall establish mechanisms and guidelines in  
12 regulating all the operational aspects of motorcycles-for-hire.

1           **SEC. 3. *Definition of Terms.*** – As used in this Act:

2           a) *Motorcycle* refers to any two (2)-wheeled motor vehicle without appendages;

3           b) *Motorcycle-for-hire* refers to a motorcycle, duly registered as such under this  
4 Act, and used to carry passengers or goods on a for hire basis, offering its services to  
5 the public;

6           c) *Multi-homing* refers to an approach where an operator may accredit a  
7 particular motorcycle-for-hire to more than one transport network company or Online  
8 E-commerce Platform Provider allowing the same to utilize more than one digital  
9 platform in delivering transport services;

10           d) *Online E-commerce platform provider* refers to a natural or juridical person  
11 whose primary business is to provide the digital platform that connects online buyers  
12 and online sellers to facilitate the sale of products, goods or services through the  
13 internet;

14           e) *Operator* refers to the person in whose name the motorcycle-for-hire is  
15 registered;

16           f) *Rider* refers to the driver of the motorcycle-for-hire; and

17           g) *Transportation network company* refers to an entity which provides pre-  
18 arranged transportation services for compensation using an internet-based technology  
19 application or digital platform technology to connect clients with riders to facilitate a  
20 contract of carriage using a motorcycle-for-hire.

21           **SEC. 4. *Scope and Application.*** – This Act shall apply to all aspects of the  
22 operation of motorcycles used as a common carrier for the transportation of passengers  
23 or goods which shall include parcels and mail. This Act shall not apply to motorcycles  
24 directly owned by entities and used exclusively in the line of business for delivery of  
25 goods and other services.

26           **SEC. 5. *Motorcycles-For-Hire as Common Carriers.*** – The operation of  
27 motorcycles-for-hire is imbued with public interest. As such, the same shall be  
28 governed by the applicable provisions of the Civil Code of the Philippines and other  
29 pertinent laws, rules and regulations on common carriers, particularly on the required  
30 degree of diligence to be observed in the course of transporting passengers or goods,  
31 and on the presumption of culpability in case of breach of a contract of carriage. A  
32 transportation network company (TNC) or an Online E-Commerce platform provider  
33 (OEPP) should exercise due diligence and reasonable care in accrediting motorcycle-  
34 for-hire operators and drivers that shall operate under their platforms.

1           **SEC. 6. *Registration of Motorcycles-For-Hire.*** – A motorcycle intended to be  
2 used as a motorcycle-for-hire must be duly registered with the Land Transportation  
3 Office (LTO) in accordance with the requirements set forth in Section 7 of this Act. The  
4 LTO shall ensure the roadworthiness of all motorcycles-for-hire before their  
5 registration, or any renewal thereof.

6           **SEC. 7. *Standards and Specifications of Motorcycles-For-Hire.*** – The  
7 Department of Transportation (DOTr), upon the recommendation of the Department of  
8 Trade and Industry - Bureau of Philippine Standards (DTI-BPS) and LTO, shall  
9 prescribe the standards and specifications of motorcycles that may be allowed to operate  
10 as motorcycles-for-hire, taking into consideration the safety of the riders and  
11 passengers.

12           No modifications shall be made on any motorcycles-for-hire, except for the  
13 installation of the appropriate accessories, such as motorcycle bracket, top box, luggage  
14 carrier, saddlebag, step board or foot rest, speed limiter or monitoring devices, in  
15 accordance with the standards and specifications prescribed by the DTI-BPS and as  
16 approved by the LTO under existing laws, rules and regulations.

17           **SEC. 8. *Franchising of Motorcycles-For-Hire.*** – The franchising of motorcycles-  
18 for-hire in metropolitan and urbanized areas with an existing and operating TNC or  
19 OEPP is vested in the Land Transportation Franchising and Regulatory Board  
20 (LTFRB). The LTFRB shall set forth in the franchise granted to operators, the terms  
21 and conditions to be observed in the operation of motorcycles-for-hire. Such franchise  
22 shall allow the operator to engage in multi-horning operation upon accreditation with  
23 other TNCs or OEPPs.

24           The LTFRB, in coordination with the concerned local government unit in a  
25 province, city or municipality, shall determine the number of units and areas of  
26 operation, or routes if applicable, of motorcycles-for-hire in accordance with the route  
27 rationalization plan or studies adopted by the DOTr. *Provided,* That in determining the  
28 number of motorcycle-for-hire units to be operated by TNCs and OEPPs, the demand  
29 for their services shall be the basis for the LTFRB in the issuance of franchise.

30           The franchise fee and any other related charges for operating a motorcycle-for-  
31 hire shall be determined by the LTFRB, subject to the approval of the DOTr.

32           In areas outside the metropolitan areas or regional hubs and where there is no  
33 existing or operating TNC or OEPP, the application for a franchise shall be coursed  
34 through the LGU under which jurisdiction the motorcycle-for-hire intends to operate:  
35 *Provided,* That a motorcycle-for-hire may only operate within the territorial jurisdiction

1 of the LGU concerned: *Provided further*, That the LGUs may recommend the  
2 appropriate number of units that may be allowed to operate in their respective  
3 jurisdictions based on the demand in the locality.

4 To ensure the fast and efficient processing of franchises, the LTFRB and LGUs  
5 shall establish a system of coordination that shall be incorporated in the rules and  
6 regulations to be issued pursuant to Sec. 21 of this Act.

7 **SEC. 9. Requirements for the Grant of a Franchise or Issuance of a Certificate**  
8 **of Public Convenience (CPC).** – A CPC shall only be issued to an operator upon  
9 submission of and compliance with the following requirements:

- 10 a) Proof of Filipino citizenship;
- 11 b) Proof of accreditation by a TNC or OEPP for motorcycles-for-hire under the  
12 digital platform or business permit issued by relevant city or municipality for  
13 motorcycles-for-hire not operating under a TNC or OEPP;
- 14 c) Certificate of Registration duly issued by the LTO;
- 15 d) Appropriate space to serve as a garage for a franchise applicant intending to  
16 operate three (3) or more motorcycles-for-hire;
- 17 e) Insurance coverage for any death or injury that may occur to a rider,  
18 passenger or any third party or damage to property by reason or on occasion of its  
19 operation; and
- 20 f) Tax Identification Number or Certificate of Registration as Common Carrier  
21 issued by the Bureau of Internal Revenue (BIR), if applicable.

22 **SEC. 10. Qualifications of Motorcycle-For-Hire Riders.** – The LTO shall  
23 promulgate the necessary guidelines setting forth the requirements for the issuance of a  
24 professional driver's license, including the content of theoretical and practical  
25 examinations that are appropriate for the operation of a motorcycle-for-hire. Only riders  
26 possessing such professional driver's license shall be allowed to operate motorcycles-  
27 for-hire. The LTO shall conduct a continuing safety training program for licensed riders  
28 of motorcycles-for-hire with a curriculum duly certified by the Technical Education and  
29 Skills Development Authority (TESDA): *Provided*, That licensed riders shall attend at  
30 least one (1) safety training seminar every year.

31 **SEC. 11. Accreditation Requirements of TNCs and OEPPs.** – A TNC or OEPP  
32 must be duly registered with the Securities and Exchange Commission (SEC).

33 Before a TNC or OEPP which utilizes motorcycles-for-hire in its business  
34 operations is allowed to operate as such, it must comply with the accreditation  
35 requirement of Department of Information and Communications Technology (DICT).

1 The DTI, LTFRB and DICT shall jointly issue the guidelines that shall govern the  
2 operations of TNCs and OEPPs using motorcycles-for-hire.

3 The TNCs and OEPPs must possess and maintain the following minimum  
4 requirements for its accreditation:

- 5 a) Proof of Filipino citizenship;
- 6 b) Proof of financial capacity;
- 7 c) SEC registration;
- 8 d) BIR Tax Identification Number;
- 9 e) An Accident Quick Response System;
- 10 f) A training center, duly certified by the LTO and TESDA, to evaluate and  
11 determine the competence of riders. The DICT may, as a requirement for renewal of  
12 accreditation, consider the previous safety record of the TNC or OEPP as certified by  
13 the LTO during the effectivity of its accreditation being applied for renewal.

14 **SEC. 12. Operation of Motorcycle-For-Hire.** – Motorcycles-for-hire may be  
15 allowed to operate using digital booking platforms or designated terminals. To  
16 maximize its operation, motorcycles-for-hire shall not be bound by a single TNC or  
17 OEPP but shall be allowed to adopt a multi-homing approach within a particular area  
18 of operation under the given franchise: *Provided*, That a motorcycle-for-hire accredited  
19 under any TNC or OEPP platform may not be allowed to operate as motorcycle-for-  
20 hire without using such platform.

21 The capacity, nature and character of goods that may be transported, as well as  
22 the dimensions of the motorcycle bracket or luggage carrier of motorcycles-for-hire,  
23 shall be determined by the LTFRB in accordance with the standards and specifications  
24 provided under Section 7 of this Act.

25 Motorcycles-for-hire shall operate at speeds allowable under Republic Act No.  
26 4136, otherwise known as the "Land Transportation and Traffic Code", local ordinances  
27 and other applicable laws: *Provided*, That in no case shall a motorcycle-for-hire operate  
28 beyond sixty kilometers per hour (60kph).

29 **SEC. 13. Fare Setting.** – The fares, surcharges and other transportation fees that  
30 may be charged by operators, OEPPs or TNCs shall be in accordance with the fare  
31 structure and within the parameters determined, prescribed and issued by the LTFRB,  
32 in consultation with the motorcycle-for-hire industry and subject to the approval of the  
33 DOTr. The fare structure shall take into consideration supply of and demand for  
34 motorcycle-for-hire services and shall allow dynamic pricing on account of market  
35 variations based on location and time. The fare structure shall also include the

1 maximum percentage that can be charged by the TNCs or OEPPs upon the operators or  
2 riders on the shipping or delivery fee. The LTFRB shall periodically review the fare  
3 structure and parameters of determining the applicable fares, subject to the approval of  
4 the DOTr. The booking system of TNCs and OEPPs shall feature a mechanism that  
5 enables clients to compare the transportation cost charged by each of the available  
6 digital platforms.

7 In the case of motorcycle-for-hire operating outside the digital platforms, the fare  
8 shall be determined by the LTFRB after a public consultation with LGUs and the  
9 operators and other stakeholders, with the approval of the DOTr.

10 **SEC. 14. *Processing of Personal Information.*** – Any collection, processing and  
11 storage of personal information and sensitive personal information involved in the  
12 registration of motorcycles-for-hire, digital bookings, and other requirements under this  
13 Act shall be made in accordance with the provisions of Republic Act No. 10173,  
14 otherwise known as the “Data Privacy Act of 2012.”

15 **SEC. 15. *Liabilities for Death, Injuries or Damage to Property.*** – The operator  
16 and the TNC or OEPP providing the digital platform at the time when the death, injury  
17 or damage to property occurred in the course of operating a motorcycle-for-hire shall  
18 be jointly and solidarily liable, with rights of subrogation against any party at fault:  
19 *Provided,* That the liability of the TNC or OEPP shall not exceed the amount of the  
20 insurance coverage of the operator.

21 **SEC. 16. *Accident Quick Response.*** – Each TNC or OEPP shall establish a quick  
22 response team to provide immediate medical care or bring any person injured by the  
23 operation of the motorcycle-for-hire booked through its digital platform to the nearest  
24 hospital or medical facility. A function that will allow the rider or passenger to alert the  
25 quick response team during emergency or road crash shall be part of the booking  
26 application options of the digital platforms. When necessary, the TNC or OEPP shall  
27 advance any amount necessary for the admission of such injured person or persons to a  
28 hospital or medical facility up to the maximum insured amount.

29 **SEC. 17. *Enforcement.*** – To ensure the safe and secure operation of motorcycle-  
30 for-hire, the LTO shall deputize LGUs and other relevant government agencies to assist  
31 in the enforcement of traffic rules and regulations, and to monitor strict compliance  
32 with the provisions of this Act, particularly on the observance of carrying capacity and  
33 speed limits. The LTO shall establish a centralized database to ensure the accurate  
34 recording of violations and road crashes involving motorcycles-for-hire and for the  
35 purpose of applying the penalties as well as other sanctions under this Act. It shall

1 publish quarterly and annual reports of such data on its website which shall be made  
2 accessible to the public.

3 Consistent with its mandate under Republic Act No. 7924 which created the  
4 Metropolitan Manila Development Authority (MMDA), the MMDA shall continue to  
5 exercise its traffic enforcement functions within Metro Manila in furtherance of the  
6 objectives of this Act.

7 All violations related to the terms and conditions of a franchise shall be endorsed  
8 by the LTO enforcement officers, deputized LGU enforcers and MMDA personnel to  
9 the LTRFB for appropriate action.

10 The foregoing shall not preclude the TNCs or OEPPs from exercising the power  
11 to impose sanctions such as suspension or blacklisting of their riders or operators on  
12 account of violation of internal rules made known to the latter, acts detrimental to safety  
13 and security and other reasonable or valid grounds.

14 **SEC. 18. Penalties.** – The following prohibited acts shall be penalized as follows:

15 a) Any rider who operates a motorcycle-for-hire in violation of traffic rules and  
16 regulations, carrying capacity and licensing requirement shall suffer the maximum  
17 penalty imposed under the applicable law, ordinance, rule or regulation for such  
18 violation. In addition, the LTO shall impose a penalty of suspension or revocation of  
19 driver's license of an erring rider commensurate to the gravity of the offense and  
20 frequency of commission. The table of penalties shall be included in the rules and  
21 regulations to be issued pursuant to Sec. 21 of this Act.

22 b) An operator who allows a rider who does not possess a valid Professional  
23 Driver's License to operate a motorcycle-for-hire shall, in addition to penalties under  
24 existing laws and regulations, suffer a penalty of suspension or revocation of franchise,  
25 after due notice and hearing.

26 c) The penal provisions of Republic Act No. 7394, otherwise known as the  
27 "Consumer Act of the Philippines" and Republic Act No. 10173, when applicable, shall  
28 apply for acts or omissions committed in the course of motorcycle-for-hire operation.

29 **SEC. 19. Travel Demand and Operational Data.** – To assist the DOTr in  
30 transportation planning and management, the TNCs and OEPPs shall, not later than  
31 thirty (30) calendar days after the end of every year, submit to the DOTr their travel  
32 demand and operational data.

33 **SEC. 20. Transitory Provision.** – To ensure a smooth transition in the  
34 implementation of this Act, the authority and accreditation granted to existing TNCs,  
35 OEPPs and operators shall continue to be effective until their expiration or six (6)

1 months from the promulgation of the rules and regulations to be issued pursuant to  
2 Section 21 of this Act, whichever comes later.

3 **SEC. 21. *Implementing Rules and Regulations.*** – Within ninety (90) days from  
4 the effectivity of this Act, the DOTr shall, in coordination with the LTFRB, LTO, DTI-  
5 BPS, DICT, BIR, TESDA, Department of Health, Department of the Interior and Local  
6 Government, MMDA, and Philippine National Police-Highway Patrol Group, and in  
7 consultation with stakeholders, promulgate rules and regulations for the effective  
8 implementation of this Act.

9 **SEC. 22. *Separability Clause.*** – If for any reason any provision of this Act is  
10 declared invalid or unconstitutional, the remaining provisions not otherwise affected  
11 shall remain valid and subsisting.

12 **SEC. 23. *Repealing Clause.*** – All provisions of laws, decrees, executive orders,  
13 presidential issuances and other administrative rules and regulation, or parts thereof,  
14 which are incompatible or inconsistent with the provisions of this Act are hereby  
15 repealed, amended or modified accordingly.

16 **SEC. 24. *Effectivity.*** – This Act shall take effect fifteen (15) days after its  
17 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,