


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



'22 AUG -2 A8 :46

SENATE
S. No. 985

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 2020 Survey on Filipinos, there were 1.7 million OFWs who worked abroad during the period of April to September 2020. 96.2% of them have an 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 have 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.

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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 "Remittance Act".

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

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

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

13 b) *Money Transfer* - moving money electronically or physically for a
14 specified account or person;

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

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

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

1 4) Notice to senders and recipients that senders are generally not
2 permitted to require that the money transfer be made in the
3 original currency, except in specific countries where senders are
4 given the option of specifying the money to be received in original
5 currency form without any additional exchange fees being
6 charged to the sender; and,

7 5) The list of countries, as determined by the BSP, which give the
8 option to require that money transferred be paid out to the
9 recipient in the original currency sent.

10 d) Valid Identification – Senders and recipients must each provide at least
11 one (1) form of valid and legally acceptable identification.

12 e) Request for Original Currency – Remittance agents and companies
13 receiving remittances from countries which give the option to specify
14 that original currency be paid out to recipient shall, in addition to the
15 conditions enumerated above, be required to adhere to the contractual
16 commitment entered into by the remittance agent and the sender.

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

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

25 a) Failure to comply with the provisions of this Act;

26 b) Price gouging of currency exchange rates; and,

27 c) Substituting Philippine Peso for the specified original currency without
28 the express or written consent of the recipient.

29 Sec. 6. *Penalties.* – Any person or, in case of partnership or corporation, the
30 managing partner, president, or any responsible corporate officer, committing any of
31 the unlawful acts or omissions provided under this Act shall be punished with
32 imprisonment of not less than six (6) years but not more than ten (10) years and a

1 fine of not less than Two Hundred Thousand Pesos (P200,000.00) but not more than
2 One Million Pesos (P1,000,000.00).

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

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

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

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

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

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

Approved,