

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



22 OCT 27 P 3:49

SENATE
S. No. 1419

RECEIVED BY: 

Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
PROVIDING PROTECTION TO FREELANCERS AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Entrepreneurship and self-employment go together hand-in-hand. The pursuit of economic growth and development is propelled by capital put forth by entrepreneurs, and entrepreneurs more often than not come from the ranks of specialized professionals, such as those who come from the self-employed and trade craftsmen sectors, offering very specific products and services.

In recent years and with the proliferation of the use of technology, the gig economy flourished and a significant number of workers engaged in freelance work, especially in online platforms. This changed the concept of work and employer-employee relationship that brought about vague monitoring and promotion of labor rights.

The proposed "Freelancers Protection Act" seeks to provide protection to freelancers or those who offer or render a task, work or service through their freely chosen means or methods. It lays down the rights for these workers in line with Constitutional principles and international human rights instruments and labor standards. Further, it mandates the Department of Labor and Employment (DOLE) to implement and monitor the standards for freelance work. The Civil Service Commission (CSC) on the other hand, is tasked to issue rules and regulations that will govern the freelancers in the public sector.

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


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 "*Freelancers Protection*
2 *Act*".

3 Sec. 2. *Declaration of Policy.* - It is the policy of the State to promote gainful
4 employment and decent work for all workers. Towards this end, the State shall provide
5 a regulatory framework that guarantees full protection to all workers in new forms of
6 work arrangements, such as freelance work, whether in-person or through online
7 platforms or gig economy, which has grown exponentially with technological
8 development, weakening labor rights and changing concepts of work and employer-
9 employee relationship.

10 Sec. 3. *Coverage.* - This Act shall cover all freelancers, regardless of the
11 profession, talent, skills, task, work or service required or to be rendered.

12 Sec. 4. *Definition of Terms.* - As used in this Act, the following terms are
13 hereby defined:

14 (a) *Client* - refers to any foreign or Philippine-based person, company or
15 entity, or platform provider who engages a freelancer to render specific
16 task, work or service in-person or online;

17 (b) *Crowdwork* - refers to online work through platforms that connect vast
18 numbers of clients, organizations, and businesses, often across borders.

1 It is performed online by an infinite number of workers for clients spread
2 over large geographic distance;

3 (c) *Freelance workers or freelancer* – refers to any natural person who offers
4 or renders a task, work or service through his or her freely chosen means
5 or methods, free from any forms of economic dependence, control or
6 supervision by the client, regardless of whether he or she is paid by
7 results, piece, task, hour, day, job, or by the nature of the service as
8 required;

9 (d) *Freelance work* – refers do the work that is infrequent, unpredictable
10 and short term, and rendered in-person, online, or through any online
11 web platforms, such as crowdwork, work on-demand or any digital
12 lifestyle application;

13 (e) *Platform provider* – refers to any foreign or Philippine-based online web
14 platform provider the connect workers with the consumer of work and
15 facilitate the exchange of goods and services for money such as crowd
16 work, work on-demand or any digital lifestyle applications, that provides
17 facilities, accounts, and training for one or several freelancers in the
18 Philippines;

19 (f) *Work-on-demand* – refers to the platform-facilitated yet place-based and
20 geographically limited work;

21 (g) *Written contract* – refers to a document, whether electronic file or
22 printed copy, reflecting the mutual consent of the parties to be bound
23 by the terms and conditions of their freelance work engagement and the
24 consideration for the services rendered by the freelancer.

25 Sec. 5. *Contractual Relations.* – The relationship between the client and the
26 freelancer, absent proof of existence of employer-employee relationship, shall be
27 governed primarily by applicable civil and commercial laws. In no case however, shall
28 the terms and conditions thereof derogate the rights of workers guaranteed by the
29 Philippine Constitution or be lower than the minimum standards provided by the
30 “*Labor Code of the Philippines*”, as amended, or by industry standards and
31 international labor standards.

1 Sec. 6. *Rights of Freelancers.* – The State shall accord the freelancers all the
2 rights of workers guaranteed under the 1987 Philippine Constitution, applicable
3 provisions of the “*Labor Code of the Philippines*”, as amended, and relevant
4 international human rights instruments and international labor standards. For this
5 purpose, the State shall ensure the formulation by the concerned agencies of policies
6 and programs for the free agents of the following:

- 7 (a) Right to a written contract or agreement;
- 8 (b) Right to just compensation and equal remuneration of work of equal
9 value without manipulation or distinction of any kind;
- 10 (c) Right to safe and healthy working conditions;
- 11 (d) Right to self-organization and to collectively negotiate with the
12 government, the client, and other entities for the promotion of their
13 welfare and in the advancement of their rights and interests;
- 14 (e) Right to be free from any form of discrimination, violence, sexual
15 harassment, and abuse;
- 16 (f) Right to representation and participation in policy and decision-making
17 processes and social dialogue;
- 18 (g) Right to access their own data, information and resources for the
19 promotion and protection of their rights and welfare;
- 20 (h) Right to affordable and adequate financial services, including, among
21 others, collateral-free and gender-balanced credit at low interest;
- 22 (i) Right to education and skills training;
- 23 (j) Right to social protection and social welfare benefits; and
- 24 (k) Right to speedy redress of grievances, including alternative dispute
25 resolution processes.

26 Sec. 7. *Standards for Freelance Work.* – The Department of Labor and
27 Employment (DOLE) shall ensure the following:

- 28 (a) Compliance with the written contract between the freelancer and the
29 client, which shall be in a language understood by both parties. Each
30 party to the contract shall retain a copy thereof, and shall include, at the
31 minimum, the following:

- 1) Itemization of all work and/or services to be provided by the freelancer and the terms and conditions of the engagement;
- 2) The rate and method of compensation, date on which the client shall pay the compensation or the mechanism by which such due date shall be determined;
- 3) The name and registered address of the client, and in the case of a foreign or foreign-based entity, the name and address of the local agent or representative, or any duly acknowledged representative based in the Philippines; and
- 4) Any other terms and conditions that govern the performance of the mutual obligations of the parties that are not contrary to law, morals, good customs, public order or public policy.

In the absence of a written agreement, any written exchange or proof of submission and receipt of completed task, work or service subject of the freelance work engagement, whether electronic or printed, shall be sufficient basis for claim for compensation or payment against the client;

(b) Registration of freelancers or freelancers' association in the DOLE Registry of Freelancers and provide them with labor market interventions and assistance: *Provided*, That registration with the DOLE shall not be construed as a requirement to be able to engage as a freelancer;

(c) Free exercise of freelancers' right to self-organization and to collectively negotiate with the government, the client, and other entities for the promotion of their welfare and in the advancement of their rights and interests, and their representation and participation in policy and decision-making processes and social dialogue;

(d) Observance of programs and policies on non-discrimination, absence of violence, sexual harassment, and abuse of freelance work environment;

(e) Entering into bilateral or multilateral agreements with countries where online web platforms are registered or located for the protection and enforcement of Philippine freelancers' rights.

Sec. 8. *Right to Access their Own Data and Information.* – The Department of Information and Communications Technology (DICT) shall conduct trainings for online

1 freelancers, freelancers, and in coordination with the appropriate regulating agency,
2 such as the Department of Transportation (DOTr) and the Department of Trade and
3 Industry (DTI), ensure that freelancers engaged with or through platform providers
4 or online web platforms shall have access to their own data, information and resources
5 for the promotion and protection of their rights and welfare.

6 *Sec. 9. Right to Affordable and Adequate Financial Services.* – The DTI and
7 other government financial institutions shall provide freelancers access to affordable
8 and adequate financial services, including, among others, collateral-free and gender-
9 balanced credit at low interest.

10 *Sec. 10. Right to Education and Skills Training.* – The Technical Education and
11 Skills Development Authority (TESDA) and other government agencies, such as the
12 Department of Science and Technology (DOST), DTI and DICT shall provide training
13 and certifications for upskilling and entrepreneurial enhancement of freelancers.

14 *Sec. 11. Right to Social Protection and Social Welfare Benefits.* – The Social
15 Security System (SSS), Philippine Health Insurance Corporation (PhilHealth) and Home
16 Development Mutual Fund (HDMF) shall ensure a simplified and online registration
17 and remittance process for freelancers as self-employed workers and provide easy
18 access to members' benefits such as sickness and unemployment benefits.

19 *Sec. 12. Right to Simplified Tax Registration, Filing and Payment System.* –
20 The Bureau of Internal Revenue (BIR) shall simplify and automate the registration
21 process and minimize the requirements for the registration of freelancers. The BIR
22 shall also further enhance the online filing of tax returns and payment of appropriate
23 taxes, including online submission of requirements. It shall also provide assistance to
24 freelancers in their application, registration, and processing of documents and other
25 inquiries.

26 *Sec. 13. Right to Redress of Grievances, including Alternative Dispute*
27 *Resolution Process.* – The right of freelancers to seek redress for grievances and to
28 avail of alternative dispute mechanisms in accordance with law shall be guaranteed.
29 For this purpose, the DOLE shall conduct seminars on the legal recourses available to
30 freelancers, and as far as practicable, encourage the parties to a freelance work
31 agreement to avail of alternative dispute mechanisms.

1 Sec. 14. *Payment; Burden of Proof.* – Except as otherwise provided under the
2 contract entered into by the parties, the agreed compensation shall be paid in full not
3 later than thirty (30) days after the completion of the task, work or service subject of
4 the freelance work engagement.

5 The burden of proving the payment of the compensation or consideration due
6 to the freelancer as agreed under the contract shall rest on the client, upon proof of
7 performance or completion of the job or service contracted.

8 Sec. 15. *Prohibited Acts.* – The following acts shall be prohibited under this
9 Act:

10 (a) *Contract Alteration.* Once performance of the work or service under the
11 contract has commenced, no freelancer shall be required to accept less
12 than the specified or agreed contract price, as a condition for the
13 payment of the service or work rendered: *Provided,* That nothing herein
14 precludes the parties from arriving at a settlement in good faith of a
15 dispute arising out of or in connection with a contract or from agreeing
16 to a modification of the contract, in accordance with applicable laws.

17 (b) *Deduction.* No deduction shall be made on the agreed contract price or
18 compensation, unless the parties have agreed otherwise, or such
19 deduction is on account of payment of applicable taxes.

20 (c) *Waiver.* Except as otherwise provided by law, any provision of any
21 contract entered into by a freelancer and a client, purporting to waive
22 any of the rights provided under this Act, shall be void as against public
23 policy.

24 Any person who commits any of the foregoing prohibited acts shall be meted a
25 fine equivalent to up to three (3) times the contract price or compensation agreed
26 upon in the contract between the freelancer and the client.

27 Sec. 16. *Public Awareness Program.* – The DOLE, DTI, DICT and other relevant
28 agencies shall raise public awareness on the rights and welfare of freelancers.
29 Information dissemination on the provisions of this Act, its implementing rules and
30 regulations and capacity building on reasonable pricing of task, work or service,
31 payment methods, entrepreneurship and career development in freelance work shall
32 also be conducted.

1 Sec. 17. *Prospective Application.* – This Act shall apply to contracts or
2 agreements entered into on or after the effectivity of this Act.

3 Sec. 18. *Applicability to Freelancers in the Public Sector.* – The Civil Service
4 Commission (CSC) shall issue the appropriate rules and regulations applicable to
5 freelancers in the public sector to ensure compliance with the rights and privileges
6 granted to freelancers under this Act, subject to applicable laws, rules and regulations
7 governing workers in the public sector.

8 Sec. 19. *Implementing Rules and Regulations (IRR).* – Within sixty (60) days
9 from the effectivity of this Act, the DOLE, DTI, DICT, DOST, TESDA, DOTr, upon
10 consultation with the BIR, SSS, PhilHealth and HDMF, and other relevant agencies and
11 sectors, shall promulgate the IRR as may be necessary to carry out the provisions of
12 this Act.

13 Sec. 20. *Separability Clause.* – If any provision or part hereof is held invalid or
14 unconstitutional, the remainder of the law or the provision or part not otherwise
15 affected shall remain in full force and effect.

16 Sec. 21. *Repealing Clause.* – Any law, presidential decree or issuance,
17 executive order, letter of instruction, administrative order, rule, or regulation contrary
18 to or inconsistent with the provisions of this Act are hereby repealed, modified, or
19 amended accordingly.

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

Approved,