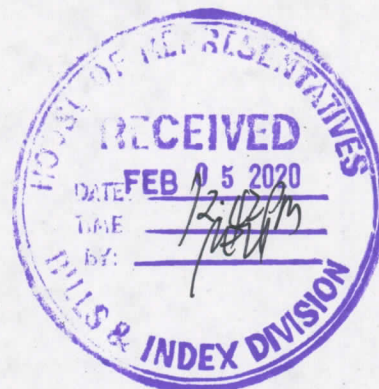


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session
6190
HOUSE BILL NO. _____



Introduced by the Honorable Precious Hipolito Castelo

EXPLANATORY NOTE

Section 3 of Article XIII of the Constitution provides:

SECTION 3. The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.

It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

The State shall promote the principle of shared responsibility between workers and employers and the preferential use of voluntary modes in settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace.

The State shall regulate the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments, and to expansion and growth.

Dubbed as the "sunshine industry of the Philippines", the Business Process Outsourcing (BPO) sector is undeniably one of the most robust industries in the country. It has also proven to be the largest and fastest growing industry in the Philippines¹. Majority of international research and data companies have placed the Philippines as the number 1 country on the list of top outsourcing destinations in the world. In 2015, the Philippines replaced Mumbai as the 2nd ranking BPO destination².

The BPO industry in the country owes much of its success to the relatively low labor costs here and the fluency of majority of Filipinos in the English language. Further, Republic Act No. 7916 or the Special Economic Zone Act of 1995, paved the way for the entry of more and more BPO

¹ <https://www.rappler.com/brandrap/stories/98207-bpo-philippines-timeline>

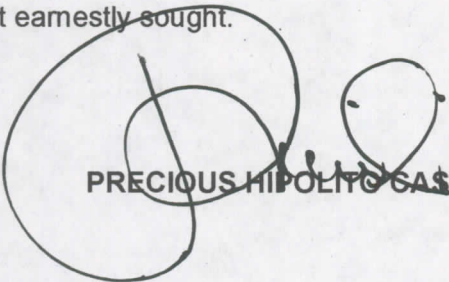
² <https://www.aseanbriefing.com/news/2017/04/17/business-process-outsourcing-philippines.html>

players in the country, given the fact that said law provided for special tax accommodations to those BPO companies which register as ecozone enterprises.

Nevertheless, as enshrined and mandated in the Constitution, it is also important to maintain a balance between the interests of the workers and employees. In a study made by the Asian Development Bank (ADB), it was found that while BPOs have fueled economic growth in the past years, the impact of this growth has barely trickled down to most of the population³. As such, it may be inferred from this study that the employer's side benefits more from the existing laws and regulations relevant to the BPO industry.

It is thus apt to enact a regulation that will ensure the protection of the interests and welfare of BPO employees. This measure intends to guarantee safe and humane working conditions for them.

As such, the immediate passage of this bill is most earnestly sought.



PRECIOUS HIPOLITO CASTELO

³ <https://www.rappler.com/business/3690-inclusive-growth-in-philippines-not-with-bpo.-remittances>

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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6190
House Bill No. _____

Introduced by the Honorable Precious Hipolito Castelo

AN ACT
PROVIDING FOR THE PROTECTION OF EMPLOYEES IN THE BUSINESS PROCESS
OUTSOURCING (BPO) INDUSTRY

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

SECTION 1. *Short Title.* – This Act shall be known as the “Magna Carta for Business Process Outsourcing (BPO) Employees Act”.

SEC. 2. *Declaration of Policy.* – (a) It is the policy of the State to afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equal employment opportunities for all.

(b) The State shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

SEC. 3. *Definitions of Terms.* – As used in this Act, the term:

- a) “Business Process Outsourcing” or “BPO” refers to the delegation of service-type business processed to a third-party service provider;
- b) “Call center” is a type of BPO and refers to a centralized office for receiving and transmitting requests by telephone or Internet. Call center operations include, but are not limited to, the granting of incoming product support, information inquiries from consumers, and outgoing calls for telemarketing, clientele, product services, and debt collection;
- c) “BPO employee” shall refer to any person employed by a BPO either in a temporary/probationary or permanent capacity;
- d) “Department” shall refer to the Department of Labor and Employment;
- e) “Secretary” shall refer to the Secretary of Labor and Employment;

SEC. 4. *Rights of BPO Employees.* – BPO employees shall enjoy the following rights:

- a) The right to organize and join labor organizations;

- b) The right to a safe and healthy working environment which will facilitate optimal physical and mental health in relation to their work;
- c) BPO employees shall have at least a one (1) hour continuous meal break in the middle of every (8) hour shift;
- d) The right to privacy of BPO employees shall be respected. The monitoring of personal phone calls shall not be allowed. In the event that their official phone conversations are monitored, they must be informed of this and there must be consent in their part at all times prior to the start of the monitoring process, in compliance with the Data Privacy Act;
- e) For employees working in the night shift, they shall have the right to stay in a comfortable resting area within the employer's premises until daybreak to ensure their safety;
- f) The right to be informed of the terms and conditions of their contract.

SEC. 5. *Duties of Employers in the Industry.* – It is the duty of all BPO companies engaged in business in the Philippines to observe the following:

- a) Establish and maintain a safe and healthy working environment which will facilitate optimal physical and mental health in relation to the work of BPO employees;
- b) Monitoring software should not be used to unduly pressure employees and should not impose an oppressive working environment;
- c) Employers should incorporate regular rest breaks and changes in activity for all display screen equipment users;
- d) Carry out risk assessments and remove monotonous work and work at a pre-determined rate when designing task whenever possible; and
- e) Inform their prospective recruits that they can have their contract explained to them free of charge at the BPO Help Desk of the Department of Labor and Employment.

SEC. 6. *BPO Help Desk.* – There shall be a BPO Help Desk at the national and regional offices of the Department of Labor and Employment. It shall be equipped to advise employees or prospective employees of BPO companies of the terms and conditions of their employment when presented with a copy of the contract. It shall also inform employees of the proper procedure in filing complaints for violations of this Act.

SEC. 7. *Grievance Mechanism.* – There shall be a mechanism in every company for the adjustment and resolution of grievances arising from the interpretation and enforcement of employment contracts and company personnel policies. This shall not require the prior existence of a collective bargaining agreement for the mechanism to be put in place.

SEC. 8. *Jurisdiction.* – The Labor Arbiter shall have a primary and exclusive jurisdiction to hear and decide within thirty (30) calendar days after the submission of the case by the parties for decision without extensions, even in the absence of stenographic notes, cases involving all workers in the BPO industry as provided for under Article 217 of the Labor Code.

SEC. 9. *Annual Report to Congress.* – The Secretary shall submit a report within one year from the implementation of this Act, and every year thereafter, on the improvement in the working conditions and attrition rate in the call center industry.

SEC. 10. *Implementing Rules and Regulations.* – The Secretary shall formulate and disseminate the Implementing Rules and Regulations of this Act.

SEC. 11. *Separability Clause.* – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SEC. 12. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with, the provisions of this Act is hereby repealed, modified, or amended accordingly.

SEC. 13. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,