

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City



EIGHTEENTH CONGRESS
First Regular Session

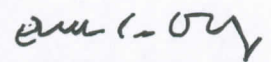
House Bill No. 6146

Introduced by REPRESENTATIVE ERIC L. OLIVAREZ

EXPLANATORY NOTE

There are approximately 10 million Overseas Filipino Workers (OFW). This huge number translates to substantial remittances in the country which in turn translate the Philippines' economic growth. Considering that the OFWs contribute largely for the benefit of our country, this Bill is intended to encourage the OFWs to contribute in a sovereign fund which will be beneficial both for the OFWs and the government.

The OFW Sovereign Fund is intended to provide for a safe alternative for OFWs and their immediate family members in investing their hard-earned income to be used for significantly urgent national government and private projects with strong emphasis on productive and job-generating industrial or agricultural projects. Through the OFW Sovereign Fund, the government is able to provide an avenue for the OFWs to better utilize their monies while simultaneously contributing to the creation of programs and plans that are of national importance. In view of the foregoing, the passage of this Bill is earnestly sought.


ERIC OLIVAREZ

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**AN ACT CREATING THE OVERSEAS FILIPINO WORKERS (OFW)
SOVEREIGN FUND**

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

SECTION 1. Title. – This Act shall be known as the “OFW
Sovereign Act of 2020”.

SECTION 2. Declaration of Policy. – It is hereby declared the
policy of the State to create a system that will help generate revenue
in order to improve and create programs which shall be beneficial to
its contributors and as well as the government.

SECTION 3. Investment Program. – The Bureau of Treasury
shall create a program specifically designed to encourage all OFWs,
their immediate family members and other Filipino citizens
overseas, to invest their monies or remittances with the
government, defining guidelines therefor, including the minimum
amount acceptable for investment, terms of the investment and
interest rates.

SECTION 4. *Overseas Filipino Workers as Investors.* – This Act shall cover all Overseas Filipino Workers (OFW) and former OFWs and their immediate family members. If unmarried, this Act shall also cover their siblings. Other Filipinos overseas are also covered by this Act as long as they are citizens of the Philippines.

SECTION 5. *Proof of Identity and Prohibitions Thereon.*– Those under the coverage of this Act as defined in Section 4 hereof shall be required to show proof of their identity as such through their Overseas Employment Certificates (OECs), birth certificates, marriage contracts, proof of Filipino citizenship and other verifiable authentic documents. The use of dummies by persons, corporations or other entities not under the coverage of this Act and/or the submission of fake or forged documents to facilitate the participation in the program and to benefit from it shall be punished according to existing laws.

SECTION 6. *Creation of OFW Sovereign Fund.* – For the purpose of proper monitoring of the investments made by OFWs and its use, the Bureau of Treasury shall create a separate special fund to be referred to as OFW Sovereign Fund, where all investments made by all OFWs, their immediate family members and other Filipino citizens overseas, under the program herein created shall be initially lodged, until it is utilized by the government for its select key project.

The proceeds of all the investments lodged in the OFW Sovereign Fund shall be used solely by the national government to finance significantly urgent national government and private projects with strong emphasis on productive and job-generating industrial or agricultural projects, as may be directed by the President. The significantly urgent national government projects referred to here shall include the purchase or establishment by the

government of strong cash-generating private corporation or government-owned and controlled corporations, respectively, in enterprises related to the downstream petroleum industry, electric power generation, transmission and distribution industry, information and communications technology industry, and other enterprises that shall wean away the government from heavy reliance on taxes and fees as its main source of revenues.

The infrastructure and government offices to be built through the income generated for such funds can be supplemented by other funds of the government.

No amount from the OFW Sovereign Fund shall be released for current needs of government like personal services, maintenance and other operating expenses nor for any capital outlay inconsistent with the aforementioned projects.

The Bureau of Treasury, shall, in coordination with the Department of Budget and Management and the Commission on Audit, make an accounting of all the receipts and disbursements from the OFW Sovereign Fund. It shall prepare an annual report to be submitted to the Senate and the House of Representatives not later the 30th of April of the succeeding year.

SECTION 7. *Tax Exemption of Interest Income and other Earnings from Investments in the OFW Sovereign Fund.* – The earnings of OFWs and former OFWs, their immediate family members and their siblings, if unmarried, and other Filipino citizens overseas, from their investments in the bonds or other debt or investment instruments that the government shall issue in the implementation of this Act, shall be exempted from any and all kinds of taxes.

SECTION 5. *Strong Information Drive.* – To ensure the success of this Act, the Bureau of Treasury is directed to regularly adopt a strong information drive, with assistance from relevant agencies of government it may deem appropriate, that shall help notify and educate all OFWs about the program, the creation and purpose of the OFW Sovereign Fund and how investment in the fund will be mutually-beneficial to the OFW and the government.

SECTION 8. *Implementing Rules and Regulations.* – The Treasurer of the Philippines, in consultation with other concerned government agencies, including the House Committee on Overseas Workers Affairs and the Senate Committee on Labor, Employment and Human Resources Development shall, within ninety (90) days from the effectivity of this Act, promulgate such rules and regulations necessary to implement this Act.

SECTION. 9. *Separability Clause.* - If any provision of this Act is declared unconstitutional or otherwise invalid, the validity of the other provisions shall not be affected thereby.

SECTION. 10. *Repealing Clause.* - All laws, decrees, orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SECTION. 11. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,