

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **3892**



Introduced by **REP. EVELINA G. ESCUDERO**

EXPLANATORY NOTE

Each year, more than a million Filipinos leave the country to work abroad through overseas employment agencies and other programs; and in the course of the recruitment process, the government allows one (1) month salary placement fees charged to the prospective OFW to allow the employment agency to cover the cost of processing the application.

However, very few recruitment agencies comply with the standards set in charging placement fees, and some collect as much as four (4) times the monthly salary of the aspiring OFW. This practice of charging excessive processing fees can cost the prospective OFW as much as one-hundred thousand pesos (P100,000.00), and most get mired in debts even before getting hired, if not backing out from the recruitment process altogether.

Therefore, this bill deserves immediate consideration and approval.

A handwritten signature in cursive script, appearing to read "Evelina G. Escudero".

EVELINA G. ESCUDERO

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AN ACT
PENALIZING CERTAIN ACTS IN THE IMPOSITION OF EXCESSIVE PLACEMENT
FEES AGAINST OVERSEAS FILIPINO WORKERS

Be it enacted by 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 “Fair Placement Fees for OFWs Act”.

SEC. 2. *Statement of Policy; Prohibited Acts.* The following acts committed by any person involving and relating to the imposition of placement fees against Overseas Filipino Workers (OFW), are hereby prohibited:

- a. Collecting placement fee above the legitimate placement fee fixed and determined by the Philippine Overseas Employment Agency (POEA) without prejudice to Section 5 hereof;
- b. Collecting placement fee in advance of the job’s availability overseas;
- c. Not issuing the appropriate receipts for any placement fee collected;
- d. Not returning any placement fee collected when deployment does not materialize;
- e. Forcing an OFW to issue post dated checks to guarantee payment of any placement fee; and
- f. Forcing an OFW to borrow money only from designated persons or lending institutions.

SEC. 3. *Penalties.* Commission of any of the following acts in the immediately preceding Section shall be punished by six (6) years imprisonment or a fine of One Hundred Thousand Pesos (Php100,000.00) to Five Hundred Thousand Pesos (Php500,000.00), or both, at the discretion of the court.

The penalties herein provided shall be treated as separate and distinct from any liability arising from the same punishable acts in Section 1 hereof.

If any of the acts in Section 1 is committed by a corporation, its officers and directors shall be made liable in the same manner as the employee or person related in any capacity to the corporation who actually committed the same.

Moreover, if any of the acts is committed by a licensed recruitment agency, its agent or representative, such agency's license shall be automatically revoked with finality and no longer eligible for reinstatement.

SEC. 4. *Implementing Rules.* The POEA is hereby mandated to promulgate the schedule of placement fees abroad together with the implementing rules and regulations within ten (10) days from the effectivity of this Act.

SEC. 5. *Definition of Terms.* For purposes of this Act, placement fee shall refer to the amount charged by a Private Recruitment and Placement Agency (PRPA) or any person from a recruit as payment for placement services which shall not exceed the equivalent of one (1) month salary of the job for which an OFW has been recruited.

SEC. 6. *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. 7. *Repealing Clause.* All laws, presidential decrees, executive orders, proclamations and/or administrative regulations which are inconsistent with the provisions of this Act are hereby amended, modified, superseded or repealed accordingly.

SEC. 8. *Effectivity Clause.* This Act shall take effect fifteen (15) days from its publication in the Official Gazette or at least three (3) newspapers of national circulation.

Approved,