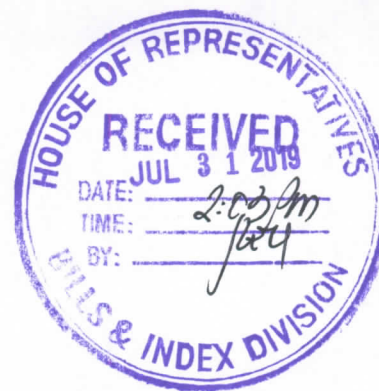


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS
First Regular Session

3219

House Bill No. _____

Introduced by CIBAC Party-List Representatives
Eduardo "Bro. Eddie" C. Villanueva and Domingo C. Rivera

**AN ACT PROVIDING PROTECTION TO FREELANCERS,
PROVIDING PENALTIES THEREFOR AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The current rise in technological advancement, coupled with the changing paradigms and standards in employment, causes an upsurge in one sector of the country's labor force: the freelancers. In fact, according to a recent study done for the University of the Philippines School of Labor and Industrial Relations (UP-SOLAIR), the Philippines ranks 3rd in terms of online freelancing in the world, only next to the United States and India.¹

Based on latest available data, Filipino freelancers are pegged at 1.5 million. And, with the more varied and flexible job opportunities freelancing offers, this number is expected to balloon in the next years. And so are the challenges that come with this nature of employment.

While freelancing gives Filipinos more choices in terms of the number of projects they want to engage in (both locally and internationally), their work environment, and terms of employment, it also somehow leaves freelancers without a choice in some crucial aspects. These include, but are not limited to, the following: existence of contract, standard fees, schedule of payments, and other benefits a regular job affords.

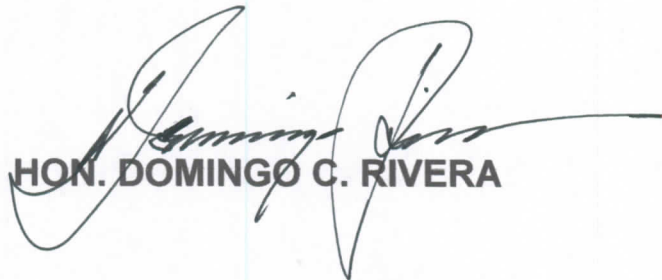
¹ 2018, August 16. Rise of Freelance Work Force by Rene E. Ofreneo. Retrieved from <https://businessmirror.com.ph/2018/08/16/rise-of-freelance-work-force/> on 2019, July 29.

This bill seeks to protect the burgeoning number of Filipino freelancers. While one asset of freelancing is its nature of flexibility both in the employee and employer's perspectives, this bill provides the non-negotiable aspects of their business transaction and outlines the penalties and sanctions of hiring parties committing non-compliance.

As the number of freelancers in the Philippines increases by the day, the immediate passage of this bill is earnestly sought.



HON. EDUARDO "BRO. EDDIE" C. VILLANUEVA



HON. DOMINGO C. RIVERA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

3219
House Bill No. _____

Introduced by CIBAC Party-List Representatives
Eduardo "Bro. Eddie" C. Villanueva and Domingo C. Rivera

**AN ACT PROVIDING PROTECTION TO FREELANCERS,
PROVIDING PENALTIES THEREFOR AND FOR OTHER PURPOSES**

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 "*Freelance Workers*
2 *Protection Act.*"
3

4 **SECTION 2. Declaration of Policy.** – It is the policy of the State to promote gainful
5 employment and decent work, protect all workers from abusive and inhumane
6 conditions of work, and assure their right to just and humane conditions of work.
7 Towards this end, the State shall establish mechanisms to ensure that freelancers are
8 protected from late or non-payment of fees.
9

10 **SECTION 3. Definition of Terms.** – As used in this Act, the following terms shall
11 mean:
12

- 13 a. **Freelance worker** refers to any natural person or a One Person Corporation
14 registered with the Securities and Exchange Commission (SEC), or registered
15 as a sole proprietorship with the Department of Trade and Industry (DTI), or
16 registered as self-employed with the Bureau of Internal Revenue (BIR), that is
17 hired or retained as an independent contractor by a hiring party to provide
18 services in exchange for compensation.
19
20 b. **Local Hiring party** refers to any Philippine-based person or entity who retains
21 a freelance worker to provide any service, particularly through a local agent,

1 hiring website, firm or corporation.

- 2
- 3 c. **Non-local hiring party** refers to any person or entity not currently registered,
4 domiciled or based in the Philippines who retains a freelance worker through a
5 hiring website, portal or agent.
6

7 **SECTION 4. Required Contract.** – The hiring party and the freelance worker shall
8 enter into a written contract governing the terms of their engagement prior to the
9 commencement of their engagement. The contract shall be in plain language and in a
10 language understood by both parties. Each party to the contract shall retain a copy
11 thereof.
12

13 The written contract shall include at a minimum the following:

- 14
- 15 a. Itemization of all services to be provided by the freelance worker and the rate
16 and method of compensation;
17
- 18 b. The date on which the hiring party must pay the compensation or the
19 mechanism by which such due date will be determined;
20
- 21 c. The name and registered address of the local hiring party;
22
- 23 d. In the case of non-local hiring parties, the name and address of the local agent
24 or representative of the duly-designated hiring firm, website or any duly
25 acknowledged representative based in the Philippines; and
26
- 27 e. Any other terms and conditions that govern the performance of the mutual
28 obligations of the parties that are not contrary to good morals, public order and
29 public policy.
30

31 **SECTION 5. Unlawful Payment Practices.** – Except as otherwise provided by law,
32 all compensation earned by the freelance worker shall be paid or provided no later
33 than thirty (30) days after the completion of the freelance worker's services under the
34 contract or the date such payment is due under the express terms of the contract,
35 whichever comes first.
36

37 Once a freelance worker has commenced performance under the contract, no hiring
38 party may require as a condition of payment that a freelance worker accept less than
39 the specified contract price; *Provided*, That nothing herein precludes the parties from
40 arriving at a settlement in good faith of a dispute regarding the performance under the
41 contract or from agreeing to a modification of the contract in accordance with other
42 applicable laws.
43

44 **SECTION 6. Civil Penalties.** – Any person found to have violated this Act or any rule
45 or regulation promulgated in relation to this Act is liable for a civil penalty of not more
46 than Two Hundred Fifty Thousand Pesos (P250,000.00).
47

48 **SECTION 7. Criminal Penalty.** – Any person who knowingly and wilfully violates the
49 provisions of Section 5 of this Act shall be guilty of misdemeanor punishable by a fine
50 of not more than Twenty Five Thousand Pesos (P25,000.00), or by imprisonment of

1 not more than three (3) months, or both, at the discretion of the court.
2

3 **SECTION 8. *Waiver.*** – Except as otherwise provided by law, any provision of any
4 contract or agreement purporting to waive rights under this Act is void as against public
5 policy.
6

7 **SECTION 9. *Prospective Application.*** – This Act shall apply only to contracts or
8 agreements entered into on or after the effectivity of this Act.
9

10 **SECTION 10. *Separability Clause.*** – If any part of this Act shall be held
11 unconstitutional or invalid, other parts not otherwise affected thereby shall remain in
12 force and effect.
13

14 **SECTION 11. *Repealing Clause.*** – All laws, decrees, resolutions, orders, or
15 ordinances or parts thereof inconsistent with this Act are hereby repealed, amended
16 or modified accordingly.
17

18 **SECTION 12. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
19 publication in the Official Gazette or in one newspaper of general circulation.
20
21

22 *Approved,*