


**EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES**
First Regular Session



Senate
Office of the Secretary

19 JUL -2 A11 :44

SENATE

RECEIVED BY: 

S. B. NO. 155

Introduced by **SENATOR JOEL VILLANUEVA**

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

EXPLANATORY NOTE

The worldwide web has opened a lot of opportunities for Filipino, especially to young Filipino workers who opt not to be confined in the traditional 8-to-5 jobs. This have led to a rising number of Filipinos searching for freelancing opportunities, primarily through online job hosting sites. These freelancing opportunities allow them the convenience to work from home, or from remote areas and provinces while still earning enough for themselves and their families.


A recent study done by PayPal, an international payment application, found that there are at least 1.5 million Filipinos engaged in freelancing.¹ It also noted that the Philippines is a potential hot spot for freelancing opportunities, and corporations around the world that want to capitalize on the country's burgeoning freelance workforce. These include jobs such as content generation for various corporations across the globe, medical transcription, financial analysis and other highly competitive fields

Considering the increasing number of Filipino freelance worker, there is a need to craft legislation that would further strengthen the protection accorded to them with due regard to the special nature of their engagement. This bill seeks to provide protection to freelance workers by requiring the execution of a written contract between the freelance worker and the hiring party. It also

¹ 2018, April 1. Freelancing taking root in the Philippines – study. Retrieved from: <https://www.rappler.com/business/199334-freelancer-market-growing-philippines-paypal> (date last accessed: June 27, 2019).

provides civil and criminal penalties for hiring parties that violate the terms of the contract or that fail to pay the fee of the freelance workers on time.

The immediate passage of this bill is earnestly sought.


SENATOR JOEL VILLANUEVA



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*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 "Freelance Workers
Protection Act."

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

SEC. 3. Definition of Terms. – As used in this Act, the following terms shall
mean:

- (a) **Freelance worker** refers to any natural person or a One Person
Corporation registered with the Securities and Exchange Commission
(SEC), or registered as a sole proprietorship with the Department of Trade
and Industry (DTI), or registered as self-employed with the Bureau of
Internal Revenue (BIR), that is hired or retained as an independent
contractor by a hiring party to provide services in exchange for
compensation.
- (b) **Local Hiring party** refers to any Philippine-based person or entity who
retains a freelance worker to provide any service, particularly through a
local agent, hiring website, firm or corporation.
- (c) **Non-local hiring Party** refers to any person or entity not currently
registered, domiciled or based in the Philippines who retains a freelance
worker through a hiring website, portal or agent.

1
2 **SEC. 4. Required Contract.** – The hiring party and the freelance worker shall
3 enter into a written contract governing the terms of their engagement prior to
4 the commencement of their engagement. The contract shall be in plain
5 language and in a language understood by both parties. Each party to the
6 contract shall retain a copy thereof.

7
8 The written contract shall include at a minimum the following:
9

10 (a) Itemization of all services to be provided by the freelance worker and
11 the rate and method of compensation;
12

13 (b) The date on which the hiring party must pay the compensation or the
14 mechanism by which such due date will be determined;
15

16 (c) The name and registered address of the local hiring party;
17

18 (d) In the case of non-local hiring parties, the name and address of the
19 local agent or representative of the duly-designated hiring firm,
20 website or any duly acknowledged representative based in the
21 Philippines; and
22

23 (e) Any other terms and conditions that govern the performance of the
24 mutual obligations of the parties that are not contrary to good morals,
25 public order and public policy.
26

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

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

40 **SEC. 6. Civil Penalties.** – Any person found to have violated this Act or any
41 rule or regulation promulgated in relation to this Act is liable for a civil penalty
42 of not more than Two Hundred Fifty Thousand Pesos (P250,000.00).
43

44 **SEC. 7. Criminal Penalty.** – Any person who knowingly and wilfully violates
45 the provisions of Section 5 of this Act shall be guilty of a misdemeanor
46 punishable by a fine of not more than Twenty Five Thousand Pesos
47 (P25,000.00), or by imprisonment of not more than three (3) months, or both,
48 at the discretion of the court.
49
50

1
2 **SEC. 8. Waiver.** – Except as otherwise provided by law, any provision of any
3 contract or agreement purporting to waive rights under this Act is void as
4 against public policy.
5

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

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

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

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

20 *Approved,*