Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City, Metro Manila 

EIGHTEENTH CONGRESS  
Second Regular Session  

HOUSE BILL NO. 7454

Introduced by ANG PROBINSYANO  
Party-List Representative Alfred Delos Santos

EXPLANATORY NOTE

We often hail our OFWs as bagong bayani, and to that we agree. Leaving one’s family and surviving in a foreign land is a great sacrifice that OFWs. But they power through every hardship because staying abroad is the only way to give their families a good life.

The contribution of OFWs is not only felt by their families. Even us are benefited by their hard work and persistence. In 2019, the Bangko Sentral ng Pilipinas (BSP) released a preliminary report that for 2019, OFWs made personal remittances at around 33.5 billion US dollars, and cash remittances coursed through banks at 30 billion US dollars.\(^1\) Because of the continuous inflow of money from them, the economy was boosted through higher household income and consumption last year, which accounts for at least 7.8% of the gross national income 9.3% of the country’s gross domestic product (GDP).\(^2\)

Meanwhile, in 2019, the Philippine Statistics Authority (PSA) reported\(^3\) that there is already an estimate of 2.3 million OFWs. Some of them are lucky enough to get good-paying jobs, but many are still working for smaller amounts. Based on the study by PSA in 2018, 37.6% of OFWs said that they remitted zero to PhP39,999 in a month. We can see with these data that despite the great contribution of our OFWs, there is still a significant number of them and their families that need help. It is important to bear in mind that OFWs do not only support their immediate family but also their other collateral relatives. Thus, the burden of OFWs remains heavy despite the seemingly good-looking income.

Hence, in order to ensure that the term “bagong bayani” will not ring hollow, it is proposed that OFW remittances be given a special exchange rate that is higher than the exchange rate for all other remittance or exchange

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1. \(\text{http://www.bsp.gov.ph/statistics/keystat/ofw.htm}\)
3. \(\text{https://psa.gov.ph/content/statistical-tables-overseas-filipino-workers-ofw-2018}\)
transactions. This way, the government can augment their income and ease their burden. This measure is proposed in order to show that it is not enough to call them heroes, we need to treat them as such. It is for these reasons that the passage of this bill is earnestly sought.

Alfred C. Delos Santos
Representative, Ang Probinsyano Partylist
Republic of the Philippines  
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EIGHTEENTH CONGRESS  
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HOUSE BILL NO. 7454  

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AN ACT PROVIDING FOR A SPECIAL EXCHANGE RATE EXCLUSIVELY FOR  
REMITTANCES MADE BY OFWs FOR THEIR FAMILIES IN THE  
PHILIPPINES  

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

SECTION 1. Short Title. – This Act shall be known as the “Special Exchange  
Rate (SER) for OFWs Remittances Law.”  

SECTION 2. Declaration of Policy. – It is the policy of the State to affirm  
labor as a primary economic force. It shall protect the right of workers and  
promote their welfare. The State likewise recognizes the great contribution of  
Overseas Filipino Workers (OFWs) to our country’s growth and development.  
Thus, the State shall endeavor to give well-deserved benefits for OFWs and their  
families.  

SECTION 3. Definition. – For purposes of this Act, the terms “Overseas  
Filipino Worker” shall refer to a person who is to be engaged, is engaged, or has  
been engaged in a remunerated activity in a state of which he or she is not a  
citizen or on board a vessel navigating the foreign seas other than a government  
ship used for military or non-commercial purposes or on an installation located  
offshore or on the high seas; to be used interchangeably with migrant worker.  

SECTION 4. Special Exchange Rate for remittances of OFWs. – There shall  
be a special exchange rate (SER) for the remittances of OFWs. The special rate  
shall be applicable only to OFWs registered with the Philippine Overseas  
Employment Administration and the Overseas Workers Welfare Administration  
(OWWA).
The POEA and OWWA shall jointly issue a Special Remittance Rate identification card (SRR ID) for the OFW and another for his family who will be receiving the remittance. The special rate shall only be applied upon presentation of the SRR ID.

SECTION 5. Authority of the Bangko Sentral ng Pilipinas to set the Special Exchange Rate for OFW Remittances. — The Bangko Sentral ng Pilipinas (BSP) shall have the authority to set the special exchange rate (SER) for OFW remittances. It shall have the discretion to set the schedule of the SER, whether daily, weekly, or monthly, depending on its assessment of the financial capacity of banks and remittance centers in relation to the economy and other relevant factors.

The BSP shall likewise have the authority to temporarily suspend the application of the SER in times of grave economic crisis or whenever its application will prove to be prejudicial to national interest, but in no case shall the suspension be more than one (1) year.

SECTION 6. Separability Clause. — If any provision or part of this Act is held invalid or unconstitutional, the remaining provisions or parts unaffected shall remain in full force and effect.

SECTION 7. Repealing Clause. — All laws, executive orders, presidential decrees or issuances, letters of instruction, administrative orders, rules, and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 8. Effectivity Clause. — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,