



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL No. 5430



Introduced by **HONORABLE ERNESTO “ERNIX” M. DIONISIO, JR.**

AN ACT
PROVIDING PROTECTION TO FREELANCE WORKERS AND FOR OTHER PURPOSES

EXPLANATORY NOTE

New technologies have given Filipinos the opportunity to earn outside of what is conventional. According to a study from the Philippine Institute for Development Studies titled *Exploring Policies and Initiatives for Online Workers in the Philippines* by Ramonette B. Serafica and Queen Cel A. Oren¹ it was noted that from 2019 to 2020, the Philippines ranked first for freelance revenue growth. This highlights the increasing number of Filipinos choosing freelance work. The same study noted that the movement to freelance work was due to the large population of youth in the country and the enticing working arrangement that freelance work offers.²

During the height of the pandemic, there was also a rise in Filipinos engaging in freelance work due to its work-from-home arrangement.³ Based on a study⁴, in terms of market size, the Philippines ranks third globally after the USA and India. It is estimated that freelance work, with its flexible arrangement and demand, will grow in the future. With this possibility, there is a need to ensure that the rights of freelance workers are protected.

This proposed bill seeks to provide the protection needed by freelance workers in the Philippines. Extending the support of the government is in compliance with the declared policy of the State under the 1987 Constitution to “afford full protection to labor, local and overseas, organized and unorganized, and promote full employment opportunities for all.”

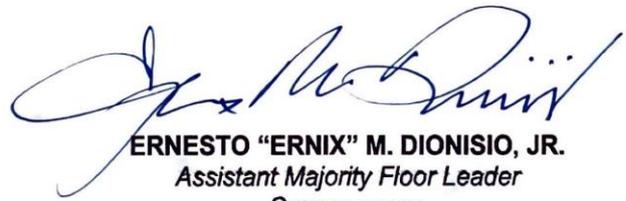
Hence, the passage of this bill is highly sought.

¹ <https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps2201.pdf>

² Tacadao, M. S. (2020). *Reshaping Work: Opportunities and Challenges in Platform Work*. Philippine Journal of Labor Studies.

³ <https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps2201.pdf>

⁴ Seifried, M., R. Jurowetzki, and T. Kretschmer (2020). *Career Paths in Online Labor Markets: Same, same but different?* ZEW Discussion paper No. 20-090. Mannheim, Germany: ZEW-Leibniz Centre for European Economic Research.

A handwritten signature in blue ink, appearing to read 'Ernesto M. Dionisio, Jr.', written in a cursive style.

ERNESTO "ERNIX" M. DIONISIO, JR.
Assistant Majority Floor Leader
Congressman
First Congressional District of Manila



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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 “Freelancers Protection Act.”

SECTION 2. Declaration of Policy. - It is hereby the policy of the State to promote gainful employment and decent work for all types of workers. To this end, the State shall promote measures that will protect and guarantee their rights.

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

a) *Client* shall refer to any foreign or Philippine-based person, company or entity, or platform provider, who engages a freelancer to render specific tasks, work, or service in-person or online;

b) *Crowdwork* refers to online work through platforms that connect a vast number of clients, organizations, and businesses, often across borders. It is performed online by an infinite number of workers for clients spread over a large geographic distance;

c) *Freelance worker* or *freelancer* refers to any natural person who offers or renders a task, work, or service through his or her freely chosen means or methods, free from any forms of economic independence, control or supervision by the client, regardless of whether he or she is paid by results, piece, task, hour, day, job, or by any nature of the services required;

d) *Freelance work* refers to work that is infrequent, unpredictable, and short term, and rendered in-person, online, or through any online web platforms, such as crowdwork, work on-demand, or any digital lifestyle applications;

e) *Platform provider* refers to any foreign or Philippine-based online web platform provider that connects workers with the consumer of work and facilitates the exchange of goods and services for money such as crowdwork, work on-demand, or any digital lifestyle applications, that provides facilities, accounts, and training for one or several freelancers in the Philippines;

f) *Work on-demand* refers to the platform-facilitated yet place-based and geographically limited work;

g) *Written contract* refers to a document, whether electronic file or printed copy, reflecting the mutual consent of the parties to be bound by the terms and conditions of their freelance work engagement and the consideration for the services rendered by the freelancer.

SECTION 5. Contractual Relations – The relationship between the client and the freelancer, absent proof of existence of employer-employee relationship, shall be governed primarily by applicable civil and commercial laws.

SECTION 6. Right of Freelancers. – The State shall accord to freelancers all the rights of workers guaranteed under the 1987 Constitution, applicable provisions of the Labor Code of the Philippines, as amended, and relevant international human rights instruments and international labor standards.

For this purpose, the State shall ensure the formulation by concerned agencies of policies and programs for the free exercise of the following:

- a) Right to a written contract of agreement;
- b) Right to just compensation;
- c) Right to safe and healthy working conditions;
- d) Right to be free from any form of discrimination, violence, sexual harassment, and abuse;
- e) Right to self-organization;
- f) Right to representation and participation in policy and decision-making processes and social dialogue;
- g) Right to access their own data, information, and resources for the promotion and protection of their rights and welfare;
- h) Right to affordable and adequate financial services, including among others, collateral-free and gender-balanced credit at low interest;
- i) Right to education and skills training;
- j) Right to social protection and social welfare benefits; and
- k) Right to speedy redress of grievances, including alternative dispute resolution processes.

SECTION 6. Standards for Freelance Work. – The Department of Labor and Employment (DOLE) shall ensure:

a) Compliance with the written contract between the freelancer and the client, which shall be in a language understood by both parties. Each party to the contract shall retain a copy thereof, and shall include at the minimum, the following:

1. Itemization of all work and/or services to be provided by the freelancer and the terms and conditions of the engagement;
2. The rate and method of compensation, date on which the client shall pay the compensation or the mechanism by which such due date shall be determined;
3. The name and registered address of the client, and in the case of a foreign or foreign-based entity, the name and address of the local agent or representative, or any duly acknowledged representative based in the Philippines;
4. The governing law between the parties; and
5. Any other terms and conditions that govern the performance of the mutual obligations of the parties that are not contrary to law, morals, good customs, public order, or public policy.

In the absence of a written agreement, any written exchange or proof of submission and receipt of the completed task, work or service subject of the freelance work engagement, whether electronic or printed, shall be sufficient basis for the claim for compensation or payment against the client;

b) Registration of freelancers or freelancers' association in the DOLE registry of freelancers and provide them with labor market interventions and assistance; *Provided*, That registration with the DOLE shall not be construed as a requirement to be able to engage as a freelancer;

c) Free exercise of freelancers' right to self-organization and to collectively negotiate with the government, the client, and other entities for the promotion of their welfare and in the advancement of their rights and interests, and their representation and participation in policy and decision-making processes and social dialogue;

d) Observance of programs and policies on non-discrimination, absence of violence, sexual harassment, and abuse in the freelance work environment;

e) Entering into bilateral or multilateral agreements with countries where online web platforms are registered or located for the protection and enforcement of Philippine freelancers' rights.

SECTION 7. Right to Access Their Own Data and Information. – The Department of Information and Communications Technology (DICT) shall conduct training for online freelancers, and in coordination with the appropriate regulating agency, such as the Department of Trade and Industry (DTI) and Department of Transportation (DOTr), ensure that freelancers engage with or through a platform provided or online web platforms shall have access to their own data, information, and resources for the promotion and protection of their rights and welfare.

SECTION 8. Right to Affordable and Adequate Financial Services. – The DTI and other government financial institutions shall provide freelancers access to

affordable and adequate financial services, including, among others, collateral-free and gender-balanced credit at low interest.

SECTION 10. Right to Education and Skills Training. – The Technical Education and Skills Development Authority (TESDA) and other government agencies, such as the Department of Science and Technology (DOST), DTI, and DICT shall provide training and certifications for upskilling and entrepreneurial enhancement of freelancers.

SECTION 11. Right to Social Protection and Social Welfare Benefits. – The Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth) and Home Development Mutual Fund (HDMF) shall ensure a simplified and online registration and remittance process for freelancers as self-employed workers and provide easy access to members' benefits such as sickness and unemployment benefits.

SECTION 12. Right to Simplified Tax Registration, Filing, and Payment System. – The Bureau of Internal Revenue (BIR) shall simplify and automate the registration process and minimize the requirements for the registration of freelancers. The BIR shall also further enhance the online filing of tax returns and payment of appropriate taxes, including online submission of requirements. It shall also provide assistance to freelancers in their application, registration, and processing of documents.

SECTION 13. Right to Redress of Grievances, Including Alternative Dispute Resolution Processes. – The right of freelancers to seek redress for grievances and to avail of alternative dispute mechanisms in accordance with law shall be guaranteed.

For this purpose, the DOLE shall conduct seminars on the legal recourses available to freelancers, and as far as practicable, encourage the parties to a freelance work agreement to avail of alternative dispute mechanisms.

SECTION 14. Applicability to Freelancers in the Public Sector. – The Civil Service Commission shall issue the appropriate rules and regulations applicable to freelancers in the public sector to ensure compliance with the rights and privileges granted to freelancers under this Act, subject to applicable laws, rules and regulations governing workers in the public sector.

SECTION 15. Implementing Rules and Regulations. – Within sixty (60) days from the effectivity of this Act, the DOLE, DTI, DICT, DOST, and TESDA, upon consultation with the BIR, SSS, Philhealth, and HDMF, and other relevant agencies and sectors, shall promulgate the implementing rules and regulations as may be necessary to carry out the provisions of this Act.

SECTION 16. Separability Clause. – If any provision or provision of this Act is declared unconstitutional or invalid, the remainder of this Act or any provisions not affected thereby shall remain in force and effect.

SECTION 17. Repealing Clause. – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

SECTION 18. Effectivity Clause. – This Act shall take effect fifteen (15) days from the date of its publication in the Official Gazette or in a newspaper of general circulation.

Approved,