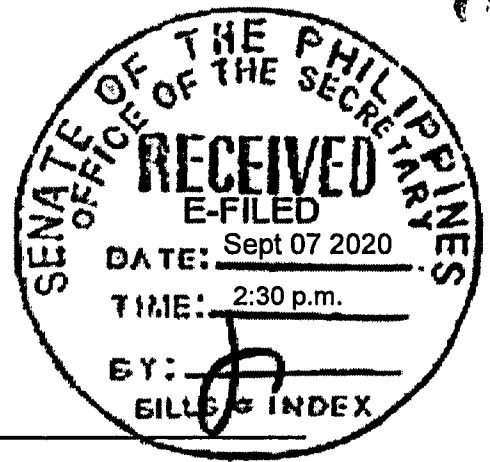


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



SENATE

COMMITTEE REPORT NO. 109

Submitted by the Committee on Labor, Employment and Human Resources
Development on Sept 07 2020.

Re: Senate Bill No. **1810**

Recommending its approval in substitution of Senate Bill Nos. 155 and 644.

Sponsor: Senator Joel Villanueva

MR. PRESIDENT:

The Committee on Labor, Employment and Human Resources Development
to which were referred:

Senate Bill No. 155 introduced by Senator Joel Villanueva, entitled:

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

And

Senate Bill No. 644, introduced by Senator Ramon "Bong" Revilla Jr., entitled:

**"AN ACT TO FURTHER STRENGTHEN THE STANDARD OF PROTECTION AND
ENHANCEMENT OF THE WELFARE OF SELF-EMPLOYED WORKERS AND
CRAFTSMEN AND THE PROMOTION OF ENTREPRENEURSHIP THEREBY
AMENDING FOR THIS PURPOSE, SECTION 8 OF REPUBLIC ACT NO. 8282
OTHERWISE KNOWN AS THE SOCIAL SECURITY ACT OF 1997"**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached **Senate Bill No. 1810** prepared by the Committee, entitled:

**"AN ACT
PROVIDING PROTECTION TO FREELANCERS
AND FOR OTHER PURPOSES"**

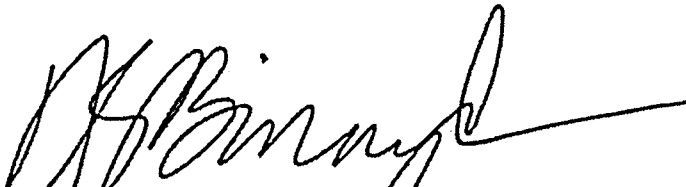
be approved in substitution of Senate Bill Nos. 155 and 644 with Senators Villanueva and Revilla, Jr. as authors thereof.

Respectfully submitted:



JOEL VILLANUEVA
Chairperson

Committee on Labor, Employment and Human Resources Development



MARIA LOURDES NANCY S. BINAY
Vice-Chairperson

Committee on Labor, Employment and Human Resources Development

Members



CHRISTOPHER BONG GO



WIN GATCHALIAN



SONNY ANGARA



RAMON BONG REVILLA JR.



FRANCIS "TOL" N. TOLENTINO



EMMANUEL "MANNY" D. PACQUIAO

RONALD "BATO" DELA ROSA

PANFILO M. LACSON

AQUILINO "KOKO" PIMENTEL III



RISA HONTIVEROS



FRANCIS "KIKO" N. PANGILINAN

Members

CHRISTOPHER BONG GO

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RAMON "BONG" REVILLA JR.

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FRANCIS "KIKO" N. PANGILINAN

Ex-Officio Members

RALPH G. RECTO
Senate President Pro-Tempore



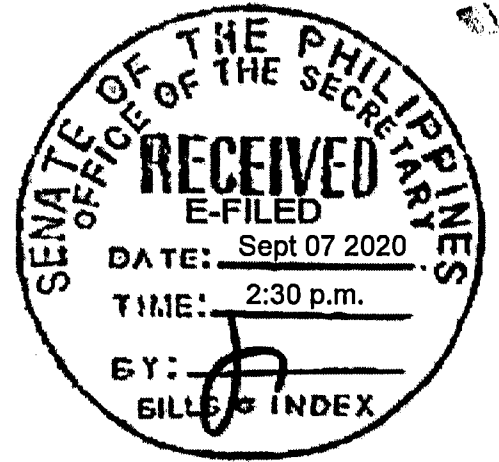
JUAN MIGUEL F. ZUBIRI
Majority Floor Leader



With Reservations
FRANKLIN M. DRILON
Minority Floor Leader

HON. VICENTE C. SOTTO III
Senate President

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



SENATE
S. NO. 1810

Prepared by the Committee on Labor, Employment and Human Resources
Development with Senators Villanueva and Revilla as authors thereof.

**AN ACT
PROVIDING PROTECTION TO FREELANCERS
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 "Freelancers
2 Protection Act."

3 SEC. 2. *Declaration of Policy.* – It is the policy of the State to promote gainful
4 employment and decent work for all workers. Towards this end, the State shall
5 provide a regulatory framework that guarantees full protection to all workers in new
6 forms of work arrangements, such as freelance work, whether in-person or through
7 online platforms or gig economy, which has grown exponentially with technological
8 development, weakening labor rights and changing concepts of work and employer-
9 employee relationship.

10 SEC. 3. *Coverage.* – This Act shall cover all freelancers, regardless of the
11 profession, talent, skills, task, work or service required or to be rendered.

12 SEC. 4. *Definition of Terms.* – As used in this Act, the following terms shall
13 mean:

14 a) *Client* - refers to any foreign or Philippine-based person, company or
15 entity, or platform provider who engages a freelancer to render specific task,
16 work or service in-person or online;

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

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

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

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

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

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

24 **SEC. 5. *Contractual Relations.*** – The relationship between the client and the
25 freelancer, absent proof of existence of employer-employee relationship, shall be
26 governed primarily by applicable civil and commercial laws. In no case however, shall
27 the terms and conditions thereof derogate the rights of workers guaranteed by the
28 Philippine Constitution or be lower than the minimum standards provided by the Labor
29 Code of the Philippines, as amended, or by industry standards and international labor
30 standards.

1 **SEC. 6. *Rights of Freelancers.*** – The State shall accord to freelancers all the
2 rights of workers guaranteed under the 1987 Philippine Constitution, applicable
3 provisions of the Labor Code of the Philippines, as amended, and relevant international
4 human rights instruments and international labor standards. For this purpose, the
5 State shall ensure the formulation by concerned agencies of policies and programs for
6 the free exercise of the following:

- 7 (a) Right to a written contract or agreement;
- 8 (b) Right to just compensation and equal remuneration for work of equal value
9 without manipulation or distinction of any kind;
- 10 (c) Right to safe and healthy working conditions;
- 11 (d) Right to self-organization and to collectively negotiate with the government, the
12 client, and other entities for the promotion of their welfare and in the
13 advancement of their rights and interests;
- 14 (e) Right to be free from any form of discrimination, violence, sexual harassment,
15 and abuse;
- 16 (f) Right to representation and participation in policy and decision-making processes
17 and social dialogue;
- 18 (g) Right to access their own data, information and resources for the promotion and
19 protection of their rights and welfare;
- 20 (h) Right to affordable and adequate financial services, including, among others,
21 collateral-free and gender-balanced credit at low interest;
- 22 (i) Right to education and skills training;
- 23 (j) Right to social protection and social welfare benefits; and
- 24 (k) Right to speedy redress of grievances, including alternative dispute resolution
25 processes.

26 **SEC. 7. *Standards for Freelance Work.*** – The Department of Labor and
27 Employment (DOLE) shall ensure:

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

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

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

- 17 b) Registration of freelancers or freelancers' association in the DOLE registry of
18 freelancers and provide them with labor market interventions and assistance;
19 *Provided*, That registration with the DOLE shall not be construed as a
20 requirement to be able to engage as a freelancer;
- 21 c) Free exercise of freelancers' right to self-organization and to collectively
22 negotiate with the government, the client, and other entities for the promotion
23 of their welfare and in the advancement of their rights and interests, and to their
24 representation and participation in policy and decision-making processes and
25 social dialogue;
- 26 d) Observance of programs and policies on non-discrimination, absence of violence,
27 sexual harassment, and abuse in freelance work environment;
- 28 e) Entering into bilateral or multilateral agreements with countries where online
29 web platforms are registered or located for the protection and enforcement of
30 Philippine freelancers' rights.

1 SEC. 8. *Right to access their own data and information.* – The Department of
2 Information and Communications Technology (DICT) shall conduct trainings for online
3 freelancers, and in coordination with the appropriate regulating agency, such as the
4 Department of Transportation (DOTr) and the Department of Trade and Industry
5 (DTI), ensure that freelancers engaged with or through platform providers or online
6 web platforms shall have access to their own data, information and resources for the
7 promotion and protection of their rights and welfare.

8 SEC. 9. *Right to affordable and adequate financial services.* – The DTI and other
9 government financial institutions shall provide freelancers access to affordable and
10 adequate financial services, including, among others, collateral-free and gender-
11 balanced credit at low interest.

12 SEC. 10. *Right to education and skills training.* – The Technical Education and
13 Skills Development Authority (TESDA) and other government agencies, such as the
14 Department of Science and Technology (DOST), DTI and DICT shall provide training
15 and certifications for upskilling and entrepreneurial enhancement of freelancers.

16 SEC. 11. *Right to social protection and social welfare benefits.* – The Social
17 Security System, Philippine Health Insurance Corporation (PhilHealth) and Home
18 Development Mutual Fund (HDMF) shall ensure a simplified and online registration
19 and remittance process for freelancers as self-employed workers and provide easy
20 access to members' benefits such as sickness and unemployment benefits.

21 SEC. 12. *Right to simplified tax registration, filing and payment system.* – The
22 Bureau of Internal Revenue (BIR) shall simplify and automate the registration process
23 and minimize the requirements for the registration of freelancers. The BIR shall also
24 further enhance the online filing of tax returns and payment of appropriate taxes,
25 including online submission of requirements. It shall also provide assistance to
26 freelancers in their application, registration, and processing of documents, and other
27 inquiries.

1 SEC. 13. *Right to redress of grievances, including alternative dispute resolution*
2 *processes.* – The right of freelancers to seek redress for grievances and to avail of
3 alternative dispute mechanisms in accordance with law shall be guaranteed. For this
4 purpose, the DOLE shall conduct seminars on the legal recourses available to
5 freelancers, and as far as practicable, encourage the parties to a freelance work
6 agreement to avail of alternative dispute mechanisms.

7 SEC. 14. *Payment; Burden of Proof.* – Except as otherwise provided under the
8 contract entered into by the parties, the agreed compensation shall be paid in full not
9 later than thirty (30) days after the completion of the task, work or service subject of
10 the freelance work engagement.

11 The burden of proving the payment of the compensation or consideration due to the
12 freelancer as agreed under the contract shall rest on the client, upon proof of
13 performance or completion of the job or service contracted.

14 SEC. 15. *Prohibited Acts.* – The following acts shall be prohibited under this
15 Act:

16 a) **Contract Alteration.** Once performance of the work or service under the
17 contract has commenced, no freelancer shall be required to accept less than the
18 specified or agreed contract price, as a condition for the payment of the service
19 or work rendered: *Provided,* That nothing herein precludes the parties from
20 arriving at a settlement in good faith of a dispute arising out of or in connection
21 with the contract or from agreeing to a modification of the contract in accordance
22 with applicable laws.

23 b) **Deduction.** No deduction shall be made on the agreed contract price or
24 compensation, unless the parties have agreed otherwise, or such deduction is on
25 account of payment of applicable taxes.

26 c) **Waiver.** Except as otherwise provided by law, any provision of any contract
27 entered into by a freelancer and a client purporting to waive any of the rights
28 provided under this Act shall be void as against public policy.

29 Any person who commits any of the foregoing prohibited acts shall be meted a fine
30 equivalent to up to three times the contract price or compensation agreed upon in the
31 contract between the freelancer and the client.

1 SEC. 16. *Public Awareness Program.* – The DOLE, DTI, DICT and other relevant
2 agencies shall raise public awareness on the rights and welfare of freelancers.
3 Information dissemination on the provisions of this Act, its implementing rules and
4 regulations and capacity building on reasonable pricing of task, work or service,
5 payment methods, entrepreneurship and career development in freelance work shall
6 also be conducted.

7 SEC. 17. *Prospective Application.* – This Act shall apply to contracts or
8 agreements entered into on or after the effectivity of this Act.

9 SEC. 18. *Applicability to Freelancers in the Public Sector.* – The Civil Service
10 Commission shall issue the appropriate rules and regulations applicable to freelancers
11 in the public sector to ensure compliance with the rights and privileges granted to
12 freelancers under this Act, subject to applicable laws, rules and regulations governing
13 workers in the public sector.

14 SEC. 19. *Implementing Rules and Regulations.* – Within sixty (60) days from
15 the effectivity of this Act, the DOLE, DTI, DICT, DOST, TESDA, DOTr, upon
16 consultation with the BIR, SSS, PhilHealth and HDMF, and other relevant agencies and
17 sectors, shall promulgate the implementing rules and regulations as may be necessary
18 to carry out the provisions of this Act.

19 SEC 20. *Separability Clause.* – If any part of this Act shall be held
20 unconstitutional or invalid, other parts not otherwise affected thereby shall remain in
21 force and effect.

22 SEC. 21. *Repealing Clause.* – All laws, decrees, resolutions, orders, or
23 ordinances or parts thereof inconsistent with this Act are hereby repealed, amended
24 or modified accordingly.

25 SEC. 22. *Effectivity.* – This Act shall take effect fifteen (15) days after its
26 publication in the Official Gazette or in one (1) newspaper of general circulation.

27 *Approved,*