



NINETEENTH CONGRESS OF THE ]  
REPUBLIC OF THE PHILIPPINES ]  
*First Regular Session* ]

22 AUG -1 NO 36

SENATE

S.B. No. 945

APPROVED BY: \_\_\_\_\_

---

**Introduced by SEN. WIN GATCHALIAN**

---

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

**EXPLANATORY NOTE**

Advancements in information and technology platforms, the adaptability of freelancers even prior to the pandemic due to their international clientele, and the nature of work of freelancers, are strong bases for an upward projection in the freelance economy. As of June 2021, the Creative Economy Council of the Philippines (CECP) said that around 1.5 million Filipinos are contributing to the gig economy. Freelance jobs in the Philippines are mostly web design, writing, graphic design, real estate, and photography,<sup>1</sup> or professions that are mostly part of the creative or copyrights-based economy.

A study conducted by the IPOPHL and the World Intellectual Property Organization showed that in 2010, the creative or copyright-based industries' contribution to the country's gross domestic product (GDP) was P661.23 billion, or 7.34 percent of the Philippine economy. In terms of employment, the creative

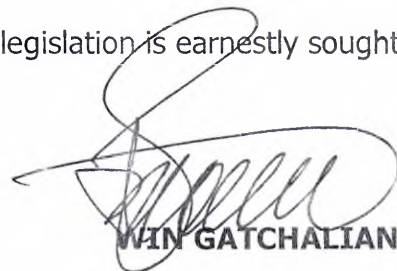
---

<sup>1</sup> Hermoso, Cholo. "Freelancing in the Philippines: A Fad or Here to Stay?," <https://www.bria.com.ph/articles/freelancing-in-the-philippines-a-fad-or-here-to-stay/#:~:text=As%20of%20June%202021%2C%20around,work%2C%20and%20even%20employe d%20internationally.>

industries accounted for 14.14 percent or 560,665 workers in 2010.<sup>2</sup> Since 2019, the CECP has been pushing for greater visibility and tracking of the economic contribution of creative industries to the national economy. The last available national level data on the contribution of creative industries was the said 2010 report, where it was unfortunate that the unregistered creative businesses and freelance creative workers were not counted. The CECP further posited that “in a [pandemic] crisis period such as this, the lack of visibility on the magnitude and state of creative industries makes the sector vulnerable to being deprioritized when it comes to short term aid, subsidies and recovery funds that will be essential for the community to rebound.”<sup>3</sup>

Thus, this bill seeks to provide multiple social protections to the ever-growing sector of freelance workers in the country, especially in tune with the demands of the global economy, and the consequences of this global pandemic, the foremost of which is providing an avenue to formalize the sector. Formalization can lead to better rights’ protection, and provision of social services such as credit opportunities and trainings, among others, for our new normal workforce.

With all these considerations, support for this legislation is earnestly sought.



WIN GATCHALIAN

---

<sup>2</sup> Philippine Star, “Creative industry contributed P661B to Phl economy in 2010,” <https://www.philstar.com/business/2014/11/30/1397319/creative-industry-contributed-p661b-phl-economy-2010>

<sup>3</sup> Mercado, Paolo, “Insight: Paolo Mercado, President of Creative Economy Council of the Philippines, on Creative Disruption During a Global Pandemic,” <https://www.adobomagazine.com/digital-news/insight-paolo-mercado-president-of-creative-economy-council-of-the-philippines-on-creative-disruption-during-a-global-pandemic/>



SENATE  
Office of the Secretary

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

] ] ]

'22 AUG -1. NO 37

SENATE

RECEIVED BY:

S. B. No. 945

---

**Introduced by SEN. WIN GATCHALIAN**

---

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

*Be it enacted by the Senate and the 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

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

11

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

14

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

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

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

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

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

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

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

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

28  
29 SEC. 5. *Contractual Relations.* – The relationship between the client and  
30 the freelancer, absent proof of existence of employer-employee relationship,  
31 shall be governed primarily by applicable civil and commercial laws.



1           In no case however, shall the terms and conditions thereof derogate the  
2 rights of workers guaranteed by the Philippine Constitution or be lower than  
3 the minimum standards provided by the Labor Code of the Philippines, as  
4 amended, or by industry standards and international labor standards.

5  
6           SEC. 6. *Rights of Freelancers.* – The State shall accord to freelancers all  
7 the rights of workers guaranteed under the 1987 Philippine Constitution,  
8 applicable provisions of the Labor Code of the Philippines, as amended, and  
9 relevant international human rights instruments and international labor  
10 standards.

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

13           (a) Right to a written contract or agreement;

14           (b) Right to just compensation and equal remuneration for work of equal  
15 value without manipulation or distinction of any kind;

16           (c) Right to safe and healthy working conditions;

17           (d) Right to self-organization and to collectively negotiate with the  
18 government, the client, and other entities for the promotion of their welfare  
19 and in the advancement of their rights and interests;

20           (e) Right to be free from any form of discrimination, violence, sexual  
21 harassment, and abuse;

22           (f) Right to representation and participation in policy and decision-  
23 making processes and social dialogue;

24           (g) Right to access their own data, information and resources for the  
25 promotion and protection of their rights and welfare;

26           (h) Right to affordable and adequate financial services, including, among  
27 others, collateral-free and gender-balanced credit at low interest;

28           (i) Right to education and skills training;

29           (j) Right to social protection and social welfare benefits; and

30           (k) Right to speedy redress of grievances, including alternative dispute  
31 resolution processes.

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

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

7                     1) Itemization of all work and/or services to be provided by the  
8 freelancer and the terms and conditions of the engagement;

9                     2) The rate and method of compensation, date on which the client  
10 shall pay the compensation or the mechanism by which such due date  
11 shall be determined;

12                    3) The name and registered address of the client, and in the case  
13 of a foreign or foreign-based entity, the name and address of the local  
14 agent or representative, or any duly acknowledged representative based  
15 in the Philippines; and

16                    4) Any other terms and conditions that govern the performance  
17 of the mutual obligations of the parties that are not contrary to law,  
18 morals, good customs, public order or public policy.

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

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

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

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

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

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

15  
16 SEC. 9. *Right to Affordable and Adequate Financial Services.* – The DTI  
17 and other government financial institutions shall provide freelancers access to  
18 affordable and adequate financial services, including, among others, collateral-  
19 free and gender-balanced credit at low interest.

20  
21 SEC. 10. *Right to Education and Skills Training.* – The Technical  
22 Education and Skills Development Authority (TESDA) and other government  
23 agencies, such as the Department of Science and Technology (DOST), DTI and  
24 DICT shall provide training and certifications for upskilling and entrepreneurial  
25 enhancement of freelancers.

26  
27 SEC. 11. *Right to Social Protection and Social Welfare Benefits.* – The  
28 Social Security System (SSS), Philippine Health Insurance Corporation  
29 (PhilHealth) and Home Development Mutual Fund (HDMF) shall ensure a  
30 simplified and online registration and remittance process for freelancers as self-  
31 employed workers and provide easy access to members' benefits such as  
32 sickness and unemployment benefits.

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

8  
9           SEC. 13. *Right to Redress of Grievances, Including Alternative Dispute*  
10 *Resolution Processes.* – The right of freelancers to seek redress for grievances  
11 and to avail of alternative dispute mechanisms in accordance with law shall be  
12 guaranteed.

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

16  
17           SEC. 14. *Enforceability of the Rights Provided under this Act* - The rights  
18 granted under this Act shall be implemented in compliance with the  
19 requirements mandated by Republic Act No. 11032, otherwise known as the  
20 "Ease of Doing Business and Efficient Government Service Delivery Act of  
21 2018".

22  
23           SEC. 15. *Payment; Burden of Proof.* – Except as otherwise provided  
24 under the contract entered into by the parties, the agreed compensation shall  
25 be paid in full not later than thirty (30) days after the completion of the task,  
26 work or service subject of the freelance work engagement.

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



1           SEC. 16. *Prohibited Acts.* – The following acts shall be prohibited under  
2 this Act:

3           a) Contract Alteration. Once performance of the work or service under  
4 the contract has commenced, no freelancer shall be required to accept less  
5 than the specified or agreed contract price, as a condition for the payment of  
6 the service or work rendered: Provided, That nothing herein precludes the  
7 parties from arriving at a settlement in good faith of a dispute arising out of or  
8 in connection with the contract or from agreeing to a modification of the  
9 contract in accordance with applicable laws.

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

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

16

17           SEC. 17. *Penalty* - Any person who commits any of the foregoing  
18 prohibited acts shall be meted with a fine equivalent to up to three times the  
19 contract price or compensation agreed upon in the contract between the  
20 freelancer and the client.

21

22           SEC. 18. *Public Awareness Program.* – The DOLE, DTI, DICT and other  
23 relevant agencies shall raise public awareness on the rights and welfare of  
24 freelancers. Information dissemination on the provisions of this Act, its  
25 implementing rules and regulations and capacity building on reasonable pricing  
26 of task, work or service, payment methods, entrepreneurship and career  
27 development in freelance work shall also be conducted.

28

29           SEC. 19. *Prospective Application.* – This Act shall apply to contracts or  
30 agreements entered into on or after the effectivity of this Act.

31

1           SEC. 20. *Applicability to Freelancers in the Public Sector.* – The Civil  
2 Service Commission shall issue the appropriate rules and regulations applicable  
3 to freelancers in the public sector to ensure compliance with the rights and  
4 privileges granted to freelancers under this Act, subject to applicable laws, rules  
5 and regulations governing workers in the public sector.  
6

7           SEC. 21. *Implementing Rules and Regulations.* – Within sixty (60) days  
8 from the effectivity of this Act, the DOLE, DTI, DICT, DOST, TESDA, DOTr,  
9 upon consultation with the BIR, SSS, PhilHealth and HDMF, and other relevant  
10 agencies and sectors, shall promulgate the implementing rules and regulations  
11 as may be necessary to carry out the provisions of this Act.  
12

13           SEC. 22. *Separability Clause.* - If any provision of this Act is declared  
14 invalid or unconstitutional, the provisions not affected thereby shall remain in  
15 full force and effect.  
16

17           SEC. 23. *Repealing Clause.* - All laws, presidential decrees, executive  
18 orders, presidential proclamations, resolutions, orders, rules and regulations,  
19 ordinances or parts thereof contrary to or inconsistent with this Act are hereby  
20 repealed or modified accordingly.  
21

22           SEC. 24. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
23 publication in the *Official Gazette* or in a newspaper of general circulation in the  
24 Philippines.

*Approved,*