

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

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25 AUG -7 P3:09

SENATE

S.B. No. 1121

RECEIVED 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. In 2022, Payoneer reported that as many as 1.5 million Filipinos are engaged in various freelancing platforms, offering a wide range of work and services, ranging from content creation to customer service for both local and foreign clients.¹ With the ongoing digital revolution that has significantly transformed the global labor market, it comes as no surprise how the online freelancing sector has emerged as a vital component of the Philippine economy, especially during and after the pandemic.

The Philippine Institute for Development Studies (PIDS) reported an impressive 208% growth in freelance revenues from 2019 to 2020, noting that this upward trend has continued into 2023 with the proliferation of digital platforms and as more Filipinos

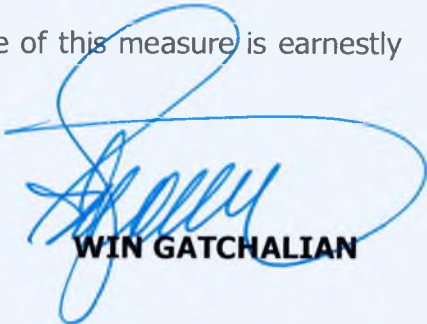
¹ Cecille dela Pena and Lira Moncada, *Gig economy: The rise of freelancing and its untapped opportunity*, COLLIER'S, at <https://www.colliers.com/en-ph/news/gig-economy-rise-of-the-freelancing-industry> (last visited July 8, 2025).

seek flexible work arrangements.² Globally, we also see continuous growth in the freelance market, as shown in the global freelance market's significant growth from USD 7.33 billion in 2024 to USD 8.39 billion in 2025, with a compound annual growth rate of 14.5%. According to the Business Research Company, the global freelance platforms market can be expected to grow to USD 16.89 billion in 2029, with a compound annual growth rate of 19.1%.³

As the country moves towards digitalization and as more Filipinos gain online access, allowing them to gain various work opportunities from different freelancing platforms and earn higher wages, while at the same time maintaining flexibility, we can expect the local freelancing market to grow alongside the global freelancing market. However, despite the numerous advantages of freelancing, many Filipino freelancers are still confronted with unique challenges, such as lack of access to social benefits and uncertainty in terms of enforcing payment against their clients.

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 protection of their rights, as well as provision of social services such as credit opportunities, trainings, and social welfare benefits. Under this proposed measure, freelancers are also empowered to exercise their right to seek redress for grievances and to avail of alternative dispute mechanisms.

In view of the foregoing, the immediate passage of this measure is earnestly sought.



WIN GATCHALIAN

² Mon Ibrahim, *The Filipino online freelancers: Digital workforce of the world*, PIDS, at <https://www.pids.gov.ph/details/news/in-the-news/the-filipino-online-freelancers-digital-workforce-of-the-world> (last visited July 8, 2025).

³ *Freelance Platforms Global Market Report 2025*, THE BUSINESS RESEARCH COMPANY, at <https://www.thebusinessresearchcompany.com/report/freelance-platforms-global-market-report> (last visited July 8, 2025).

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

4 b) *Crowdwork* 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 their freely chosen means or
10 methods, free from any forms of economic dependence, control or supervision
11 by the client, regardless of whether they are paid by results, piece, task, hour,
12 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, whether rendered in-person, online, or through any online web
15 platforms, such as crowdwork, work on-demand or through 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 crowdwork,
20 work on-demand or through any digital lifestyle applications, that provides
21 facilities, 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; and

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

1 In no case, however, shall the terms and conditions thereof derogate
2 the 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 SEC. 6. *Rights of Freelancers.* – The State shall accord to freelancers all
6 the rights of workers guaranteed under the 1987 Philippine Constitution,
7 applicable provisions of the Labor Code of the Philippines, as amended, and
8 relevant international human rights instruments and international labor
9 standards.

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

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

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

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

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

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

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

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

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

27 (i) Right to education and skills training;

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

29 (k) Right to speedy redress of grievances, including alternative dispute
30 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; and
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 SEC. 8. *Right to Access Their Own Data and Information.* – The
7 Department of Information and Communications Technology (DICT) shall
8 conduct trainings for online freelancers, and in coordination with the
9 appropriate regulating agency, such as the National Privacy Commission (NPC)
10 and the Department of Trade and Industry (DTI), ensure that freelancers
11 engaged with or through platform providers or online web platforms shall have
12 access to their own data, information and resources for the promotion and
13 protection of their rights and welfare.

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

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

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

1 SEC. 12. *Right to Redress of Grievances, Including Alternative Dispute*
2 *Resolution Processes.* – The right of freelancers to seek redress for grievances
3 and to avail of alternative dispute mechanisms in accordance with law shall be
4 guaranteed.

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

8 SEC. 13. *Enforceability of the Rights Provided under this Act.* – The rights
9 granted under this Act shall be implemented in compliance with the
10 requirements mandated by Republic Act No. 11032, otherwise known as the
11 "Ease of Doing Business and Efficient Government Service Delivery Act of
12 2018".

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

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

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

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

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

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

7 SEC. 16. *Penalty.* – Any person who commits any of the foregoing
8 prohibited acts shall be meted with a fine equivalent to up to three times the
9 contract price or compensation agreed upon in the contract between the
10 freelancer and the client.

11 SEC. 17. *Public Awareness Program.* – The DOLE, DTI, DICT and other
12 relevant agencies shall raise public awareness on the rights and welfare of
13 freelancers. Information dissemination on the provisions of this Act, its
14 implementing rules and regulations, and capacity building on reasonable pricing
15 of task, work or service, payment methods, entrepreneurship and career
16 development in freelance work shall also be conducted.

17 SEC. 18. *Prospective Application.* – This Act shall apply to contracts or
18 agreements entered into after the effectivity of this Act.

19 SEC. 19. *Applicability to Freelancers in the Public Sector.* – The Civil
20 Service Commission shall issue the appropriate rules and regulations applicable
21 to freelancers in the public sector to ensure compliance with the rights and
22 privileges granted to freelancers under this Act, subject to applicable laws, rules
23 and regulations governing workers in the public sector.

24 SEC. 20. *Implementing Rules and Regulations.* – Within sixty (60) days
25 from the effectivity of this Act, the DOLE, DTI, DICT, DOST, TESDA, DOTr,
26 upon consultation with the SSS, PhilHealth and HDMF, and other relevant
27 agencies and sectors, shall promulgate the implementing rules and regulations
28 as may be necessary to carry out the provisions of this Act.

1 SEC. 21. *Separability Clause.* – If any provision of this Act is declared
2 invalid or unconstitutional, the provisions not affected thereby shall remain in
3 full force and effect.

4 SEC. 22. *Repealing Clause.* – All laws, presidential decrees, executive
5 orders, presidential proclamations, resolutions, orders, rules and regulations,
6 ordinances or parts thereof contrary to or inconsistent with this Act are hereby
7 repealed or modified accordingly.

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

Approved,