HOUSE OF REPRESENTATIVES
Quezon City

Eightheenth Congress
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HOUSE RESOLUTION NO. 136

Introduced by Rep. Bernadette Herrera-Dy

A RESOLUTION DIRECTING THE APPROPRIATE HOUSE COMMITTEE OF THE HOUSE
OF REPRESENTATIVES TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION ON
THE INFLUX OF FOREIGN WORKERS IN THE PHILIPPINES AND FOR CONCERNED
AGENCIES TO EXPEDITE THEIR JOINT MEMORANDUM THAT IMPOSES ADDITIONAL
WORKING VISA REQUIREMENTS ON FOREIGN WORKERS

WHEREAS, it was reported that the Department of Labor and Employment (DOLE) issued
169,893 alien working permits from 2015 to 2018, half of which went to Chinese Nationals. DOLE
Secretary Silvestre Bello III said 35.9% of the Chinese workers with AEP work under
administrative support, offshore gaming operations, and business process outsourcing.
WHEREAS, during the budget deliberations for DOLE in 2018, DOLE Secretary Silvestre Bello
III said that 40,000 foreigners were given alien employment permits (AEPs) in the last 18 months.
Of the 40,000, 25,000 of them are Chinese Nationals. However, Senator Drilon argued that there
are 400,000 foreign workers and some 100,000 foreigners are employed at Entertainment City in
Pasay City.
WHEREAS, DOLE maintained that their figures are correct but admitted to the possibility that
some foreign nationals work illegally in the country.
WHEREAS, it must be recalled that President Duterte issued Executive Order (EO) No. 13 in
2016, which transfers the responsibility of regulating Philippine Offshore Gaming Operators
(POGO) to the Philippine Amusement and Gaming Corporation (Pagcor). This was done to
strengthen the fight against illegal online gambling as it clarifies jurisdictions of government
agencies.
WHEREAS, following the EO, in 2016, the Union for National Development and Good
Governance-Philippines (UNLAD-Philippines) asked the Supreme Court (SC) to nullify the policy
that allows Pagcor to issue offshore gaming licenses to Philippine or foreign operators.
WHEREAS, Pagcor issued a statement and “asserted its authority” over the offshore online
gaming sector and that its directive to grant a new type of license called the Philippine Online
Gaming Operation (Pogo) is “within the bounds of its charter” as it mandates that agency to
"operate, authorize and license games of chance, games of cards, and games of numbers" in the
Philippines.
WHEREAS, at present, Pagcor has authorized 57 POGOs to operate in the Philippines. However, as of June 2018, 170 POGO establishments were raided and discovered to be operating without proper licenses.

WHEREAS, it was estimated there are around 100,000 to 250,000 Chinese workers that are employed in POGOs. However, Pagcor cannot provide any data on the employees of POGOs since they do not regulate the employees of POGOs. The agency argued that it only focused on regulating operations when offshore operations where put under their jurisdiction in 2016.

WHEREAS, as an effect of the influx of foreign nationals, it was reported that many companies have been scouting and renting lodging areas for their foreign workers. Due to this, properties have surged its prices and have affected many Filipino nationals. A property firm, Santos Knight Frank, stated that residential rental rates in the Bay Area surged by a whopping 62.2% during the 2nd quarter of 2018 compared to the same period in 2017. Further, the rate of increase is said to be faster compared to the other central business districts in Metro Manila.

WHEREAS, Article 12, Section 12 of the 1987 Constitution of the Republic of the Philippines mandates that the state shall promote the preferential use of Filipino labor, domestic materials and locally produced goods, and adopt measures that help make them competitive. Thus, a general rule of a "Filipino first" policy was adopted.

WHEREAS, Article 40 of Presidential Decree No. 442 or the Labor Code of the Philippines mandates that any alien seeking admission to the Philippines for employment purposes and any domestic or foreign employer who desires to engage an alien for employment in the Philippines shall obtain an employment permit from the Department of Labor; given that employment permit will be issued to a non-resident alien or to the applicant employer after a determination of the non-availability of a person in the Philippines who is competent, able and willing at the time of application to perform the services for which the alien is desired.

WHEREAS, foreigners who intend to engage in gainful employment in the Philippines must secure an Alien Employment Permit (AEP) from the Bureau of Local Employment (BLE) as one of the requirements for the issuance of a work visa. The permit is valid for a year or for the complete duration of the employment contract but not exceeding three years. However, the issued AEP is valid only for the position and company that it was secured for.

WHEREAS, the 9(G) visa, also known as the Pre-arranged Employment Visa, allows employers in the country to employ foreign nationals with skills, qualifications, and experience that may be in short supply in the country.

WHEREAS, foreigners can still opt to work in the country even if their work visa has not yet been issued. This can be done through a Provisionary Work Permit (PWP) or a Special Work Permit. A PWP is valid up six months and issued to foreigners who already have their Alien Employment Permit (AEP) and whose work visa application is pending approval. However, there are cases where the duration of the contract are less than six months. Thus, applicants are only required to apply for a Special Work Permit (SWP) with the Bureau of Immigration (BI) as they are assumed to only provide temporary services in the country.
WHEREAS, the Bureau of Immigration (BI) stated that it issued 185,000 special work permits (SWP) from January to November 2018. Currently, 64,087 of the 72,010 valid SWPs were given to Chinese nationals.

WHEREAS, there are gaps in the country's entry system for foreign workers. Visas and permits seem to override one another as foreigners can still apply for permits despite not having a valid visa. The general principle of hiring foreign workers, only if Filipino Nationals do not fit work requirements, is being hampered due to the loopholes of the system.

WHEREAS, on June 10, 2019, a joint memorandum circular is being sought to be implemented by Department of Foreign Affairs, Department of Finance, Department of Justice, Bureau of Internal Revenue (BIR), Department of Environment and Natural Resources, Professional Regulation Commission, Bureau of Immigration, and National Intelligence Coordinating Agency. This would require foreign nationals to first secure an alien employment permit, a working visa, and a tax identification number (TIN) before they can work in the Philippines. Essentially, this will impose more requirements on foreign workers.

WHEREAS, foreigners that want to work in the Philippines must secure a working visa from their countries of origin aside from the special working permit. They can apply for working visas at the Philippine consulate or the Philippine Overseas Labor Office in their home countries.

WHEREAS, the proposed policy is seen to harmonize policy guidelines for foreign nationals intending to work in the Philippines, specifically on the issuance of documents to prospective workers. At the same time, this will ensure that foreign workers are paying the proper taxes.

WHEREAS, a database of foreigners is being developed by the Bureau of Internal Revenue (BIR) and the Department of Labor and Employment (DOLE) to monitor if foreign workers are paying the right taxes. Specifically, the accurate data on foreigners working in the Philippines is needed to tax foreign workers. BIR claimed that they had no data on whether the POGO operators are withholding taxes from their employees.

WHEREAS, the Bureau of Internal Revenue (BIR) also sent out 29 notices to several POGO service providers asking them to remit taxes amounting to P4.44 billion.

WHEREAS, the rising number of foreign workers in the Philippines and the problems they cause on labor, lodging, and taxation serve to be detrimental to Filipino Nationals as they are in danger of being left out in their own country. Additionally, the appropriate agencies that oversee this matter are not unified in terms of policies and mandates.

NOW, THEREFORE, BE IT RESOLVED, by the House of Representatives, directing the appropriate House Committee to conduct an investigation, in aid of legislation on the influx of foreign workers in the Philippines and for concerned agencies to expedite their joint memorandum that imposes additional working visa requirements on foreign workers. As mandated by the 1987 Philippine Constitution and other related polices, is the duty of the state to prioritize its citizens in all aspects of labor and production. As a general principle, Filipinos should always come first. However, the gaps in policies and guidelines in approving working visa requirements hinder the appropriate agencies to monitor the surge of foreign workers and to remedy the implications to labor and production in the Philippines. Due to this issue, work opportunities for Filipino citizens
are affected. While the country pushes for a non-discriminatory policy for foreign workers, there is a need to ascertain that their work cannot be done by a Filipino national. The proposed memorandum circular must be adopted and implemented as soon as possible by the appropriate agencies. To ensure that the citizens is the government's top priority, the House of Representatives shall monitor developments of this concern and continuously direct all its efforts towards this end.

Adopted,

[Signature]

BERNADETTE HERRERA-DY