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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

First Regular Session
TWENTIETH CONGRESS

House Bill No. 3968



Introduced by REP. JESUS MANUEL "BONG" C. SUNTAY

EXPLANATORY NOTE

15 Motorcycles have become indispensable to Filipino mobility, especially for first- and last-
16 mile connectivity. Yet their status in law has remained uncertain, exposing both riders
17 and passengers to risk and leaving regulators without adequate oversight.

18 This bill recognizes motorcycles-for-hire as public utility vehicles subject to common
19 carrier obligations. It mandates safety standards, training, insurance, and accreditation
20 of operators, while ensuring route planning and regulation consistent with local and
21 national transport plans.

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23 In so doing, the State affirms that innovation must not come at the expense of safety, and
24 that the law must embrace progress while upholding the public good.

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

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REP. JESUS MANUEL "BONG" C. SUNTAY

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Introduced by REP. JESUS MANUEL “BONG” C. SUNTAY

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**AN ACT ALLOWING AND REGULATING THE USE OF MOTORCYCLES
AS PUBLIC UTILITY VEHICLES, AND FOR OTHER PURPOSES**

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Be it enacted by the Senate and the House of Representatives of the Philippines in
Congress assembled:

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Section 1. *Short Title.* – This Act shall be known as the “Motorcycle-for-Hire Act.”

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Sec. 2. *Declaration of Policy.* – The State recognizes the importance of
transportation in economic development. The recent innovations in technology have
allowed the riding public access to alternative modes of public conveyance such as
motorcycles-for-hire, which have emerged as a reliable and accessible mode of
transportation. However, despite its promise of convenience and fast service,
motorcycles-for-hire must be regulated to ensure that the interest of the general public is
protected. Thus, the State shall allow the regulated operation of motorcycles-for-hire to
provide the public with an alternative mode of public transportation that is safe, secure,
and economical. Towards this end, the State shall establish mechanisms and guidelines
in regulating all operational aspects of motorcycles-for-hire.

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Sec. 3. *Definition of Terms.* – As used in this Act:

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(a) *Biker* refers to the driver of a motorcycle-for-hire;

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(b) *Certificate of Public Convenience* or *CPC* refers to the authority issued by the
Land Transportation Franchising and Regulatory Board (LTFRB) to Motorcycle Taxi
Operator (MTO) in order that they may authorize bikers to operate motorcycles-for-hire
or to bikers to operate motorcycles-for-hire;

1 (c) *Customer* or *user* refers to a natural person requesting for services of a
2 motorcycle-for-hire on a digital platform or through other means;

3 (d) *Digital platform* refers to an information and communications technology-
4 enabled mechanism that connects and integrates providers and users in online
5 environments where services are requested, developed, and sold and data is generated
6 and exchanged;

7 (e) *Motorcycle* refers to any two (2)-wheeled motor vehicle without appendages;

8 (f) *Motorcycle Taxi Operator* or *MTO* refers to any natural or juridical person that
9 makes available pre-arranged transportation services of motorcycles-for-hire, whether on
10 a digital platform or through other means, and connects its customers or users with bikers
11 to facilitate the creation a contract of carriage for compensation;

12 (g) *Motorcycle-for-hire* refers to a motorcycle, duly registered as such under this
13 Act, used in the provision of services offered to the public for the carriage of passengers
14 on a for hire basis. A motorcycle-for-hire shall be considered a public utility vehicle and
15 its operation a public utility;

16 (h) *Motorcycle-for-hire Operator's Permit* or *MOP* refers to the authority issued
17 to bikers by LGUs in order that they may operate a motorcycle-for-hire;

18 (i) *Multi-homing* refers to an approach where a particular biker may be accredited
19 by more than one MTO, allowing such biker to utilize the services of more than one MTO
20 in the provision of transportation services; and

21 (j) *Passenger* refers to a natural person being transported from point to point by
22 a biker using a motorcycle-for-hire.

23 *Sec. 4. Scope and Application.* – This Act shall apply to all aspects of the operation
24 of motorcycles used as a common carrier for the transportation of passengers.

25 *Sec. 5. Recognition of Motorcycles-for-Hire as a Viable Mode of Public*
26 *Transportation.* – Motorcycles-for-hire shall be recognized as a viable mode of public
27 transportation and, for this purpose, shall be included as a mode of transport in the Local
28 Public Transport Route Plan (LPTRP) to be developed by LGUs and approved by the
29 DOTr and LTFRB as well as in separate manuals or guidelines issued by LGUs on any
30 public transportation plans concerning any province, city or municipality based on local
31 mobility requirements.

1 Motorcycles-for-hire shall also be included in all plans and programs for route
2 rationalization and traffic management, both at the local and national level.

3 *Sec. 6. Motorcycles-For-Hire as Common Carriers.* – The operation of motorcycles-
4 for-hire is imbued with public interest. As such, the same shall be governed by the
5 applicable provisions of Republic Act No. 386, otherwise known as the “Civil Code of the
6 Philippines,” and other pertinent laws, rules, and regulations on common carriers,
7 particularly on the required degree of diligence to be observed by bikers in the course of
8 transporting passengers and on the presumption of culpability in case of death or injuries
9 to passengers.

10 *Sec. 7. Registration of Motorcycles-For-Hire.* – A motorcycle intended to be used
11 as a motorcycle-for-hire must be duly registered with the Land Transportation Office
12 (LTO) in accordance with the requirements set forth in Section 11 of this Act. The LTO
13 shall ensure the roadworthiness of all motorcycles-for-hire before their registration, or
14 any renewal thereof.

15 *Sec. 8. Standards and Specifications of Motorcycles-For-Hire.* – The DOTr, upon
16 the recommendation of the LTO, shall prescribe standards and specifications of
17 motorcycles that may be allowed to operate as motorcycles-for-hire, taking into
18 consideration the safety of the passengers and bikers.

19 No modifications shall be made on any motorcycles-for-hire except for the
20 installation of the appropriate accessories, such as a step board, footrest, speed limiter or
21 monitoring devices, in accordance with the standards and specifications to be prescribed
22 by the DOTr.

23 *Sec. 9. Accreditation Requirements for MTOs.* – An individual or juridical entity
24 duly registered with the with the appropriate government agencies may be accredited by
25 the LTFRB to operate as an MTO.

26 MTOs must comply with the nationality requirements under applicable laws:
27 *Provided*, That, where permitted, foreign nationals shall not be allowed to directly or
28 indirectly own more than forty percent (40%) of the capital of any MTOs unless the
29 country of such foreign nationals accords reciprocity to Philippine nationals as may be
30 provided by foreign law, treaty or international agreement.

31 The accreditation shall be valid for five (5) years and may be renewed: *Provided*,
32 That an MTO applying for renewal shall have maintained an average safety rating of at

1 least ninety-five percent (95%) as certified by an independent auditor for the validity
2 period of its previous accreditation.

3 *Sec. 10. Power to Regulate and Grant Permits to Operate Motorcycles-for-Hire. –*
4 The power to regulate and grant permits to operate motorcycles-for-hire shall be as
5 follows:

6 (a) *Metropolitan and Highly Urbanized Areas. –* In metropolitan and highly
7 urbanized areas, the authority to regulate and grant permits for the operation of
8 motorcycles-for-hire is vested in the LTFRB through the issuance of a CPC to an MTO or
9 an individual biker that fulfills the requirements under Sections 11(a) and (b),
10 respectively. The LTFRB shall set forth in the CPC the terms and conditions applicable to
11 the operation of motorcycles-for-hire.

12 A CPC granted to an MTO shall allow an MTO's authorized bikers to operate
13 motorcycle-for-hire services nationwide while a CPC granted to an individual biker shall
14 authorize such biker to operate a motorcycle-for-hire nationwide or within several service
15 areas. An MTO's authorized bikers and an individual biker who has been granted a CPC
16 with nationwide coverage may no longer apply for MOPs under Section 9(b). All CPCs
17 shall have a validity period of two (2) years and may be renewed consecutively for the
18 same period.

19 (b) *Other Areas Apart from Metropolitan and Highly Urbanized Areas. –* The
20 authority to regulate and grant permits for the operation of motorcycles-for-hire in other
21 areas that are not considered metropolitan or highly urbanized areas shall be vested in
22 local government units (LGUs) through the issuance of an MOP to individual bikers that
23 fulfill the requirements under Section 11(b). For routes within their jurisdictions, the
24 MOP shall be issued by the city or municipality concerned. For routes traversing two (2)
25 or more cities or municipalities, the MOP shall be issued by the province of the component
26 LGUs. In cases where a route traverses two or more cities or municipalities belonging to
27 two or more provinces, the MOP may be obtained from any of the provinces concerned:
28 *Provided, That* the consent of the other province or provinces must be secured prior to
29 the operation of the motorcycle-for-hire.

30 An MOP is only valid for the operation of a motorcycle-for-hire within the
31 designated route. An individual biker may be issued several MOPs covering different
32 service areas.

1 MOPs shall be valid for a period of two (2) years and may be renewed consecutively
2 for the same period.

3 Sec. 11. *Requirements for the Grant of a CPC or MOP.* – A CPC may be granted to
4 an MTO or to an individual biker. An MOP may only be granted to an individual biker.

5 (a) A CPC with nationwide coverage shall only be issued to an MTO upon
6 submission of proof that the following requirements have been met:

7 (i) minimum capital of at least Twenty Million Philippine Pesos
8 (PHP20,000,000.00);

9 (ii) capability to evaluate and determine the skills and competence of bikers
10 through an established training center duly accredited by TESDA;

11 (iii) a digital platform where the services of motorcycles-for-hire can be
12 booked with a reporting feature through which users can report accidents or lodge
13 complaints; and

14 (iv) an established accident quick response system.

15 An MTO may authorize individuals to operate motorcycles-for-hire under the
16 MTO's CPC subject to their submission of the requirements set out in subsection (b)
17 below: *Provided*, That a non-professional driver's license shall be sufficient for
18 purposes of this authorization.

19 (b) A CPC with several service areas or nationwide coverage or MOP shall only be
20 issued to a biker upon submission of the following requirements:

21 (i) proof of Filipino citizenship;

22 (ii) valid professional driver's license for the operation of motorcycles;

23 (iii) for areas with a existing MTO, proof of registration with an MTO and
24 completion of the MTO's training course that covers, at the minimum, pillion-
25 ferrying skills, traffic rules and regulations, and customer relations training and
26 includes written and practical tests as components;

27 (iv) for areas without an existing MTO, a certification issued by any TESDA-
28 accredited institution confirming that the biker has undergone the necessary safety
29 and skills training for the operation of a motorcycle-for-hire;

30 (v) Certificate of Registration of the motorcycle-for-hire duly issued by the
31 LTO;

1 (vi) insurance coverage for the death of or injuries suffered by the biker,
2 passenger or any third party or damage to property by reason or on occasion of the
3 operation of a motorcycle-for-hire; and

4 (vii) Taxpayer Identification Number issued by the BIR.

5 *Sec. 12. Fees for the Grant of a CPC and MOP.* – The LTFRB or the issuing LGUs,
6 as applicable, are authorized to charge and collect from any applicant CPC or MOP fees
7 as reimbursement of its expenses in the authorization, supervision, and regulation of
8 motorcycles-for-hire. Such fees shall be determined by the LTFRB, subject to the approval
9 of the Department of Transportation (DOTr), or the issuing LGUs.

10 *Sec. 13. Conditions for the Maintenance of a CPC or MOP.* – An MTO must maintain
11 the requirements set out in subsections (ii) to (iv) of Section 11(a) for the duration of the
12 validity of its CPC. A biker must maintain the requirements set out in Section 11(b) for the
13 duration of the validity of their CPC or MOP.

14 The LTO shall promulgate the necessary guidelines setting forth requirements for
15 registration of bikers with MTOs.

16 Bikers that are not registered with an MTO shall ensure that the certifications issued
17 to them by the TESDA-accredited institution are valid or renewed throughout the
18 duration of the validity of their CPC or MOP and that they undergo continuing safety and
19 skills training with a curriculum duly certified by TESDA.

20 *Sec. 14. Effect of Non-Use of a CPC or MOP.* – If an MTO or biker fails to use a CPC
21 or MOP within one (1) year from its issuance, the LTFRB or the relevant LGU may, after
22 due notice and hearing, order the cancellation or suspension of the CPC or MOP,
23 *Provided*, That such MTO or biker whose CPC or MOP was ordered cancelled shall not be
24 precluded from applying for a new CPC or MOP in accordance with the requirements
25 provided in this Act.

26 *Sec. 15. Operation of Motorcycles-For-Hire.* – A biker who is authorized to operate
27 as a motorcycle-for-hire pursuant to an MTO's CPC may only do so through the MTO's
28 digital platform. The MTO shall ensure that such bikers are not holders of their own CPC
29 or MOP and they are not authorized to operate as a motorcycle-for-hire pursuant to
30 another MTO's CPC. The LTFRB shall work with MTOs to create a database of bikers that
31 have been authorized by MTOs to operate as motorcycles-for-hire under their CPCs. The

1 database shall be maintained by the LTFRB and shall be accessible to MTOs for the
2 limited purpose of verifying if any biker who applies for authorization to operate as a
3 motorcycle-for-hire under their CPC has not been issued their own CPC or MOP and has
4 not been authorized to operate as a motorcycle-for-hire by another MTO.

5 A biker who is the holder of a CPC or MOP shall be allowed to adopt a multi-homing
6 approach within the service areas designated in their CPC or MOP and MTOs are
7 prohibited from refusing a biker’s application for accreditation solely on the ground that
8 such biker is accredited by another MTO.

9 Except for private use, any operation of motorcycles-for-hire outside of an MTO in
10 areas with accredited MTOs shall be considered *colorum* and, therefore, illegal.

11 *Sec. 16. Fare Setting.* – The fares, including surcharges and other transportation
12 fees, that may be charged by bikers shall be as follows:

13 (a) Fares charged by bikers for the provision of motorcycle-for-hire services within
14 metropolitan and highly urbanized areas must be in accordance with the fare structure
15 issued and within the parameters determined and prescribed by the LTFRB, in
16 consultation with stakeholders of the motorcycle taxi industry, including bikers and
17 MTOs, and subject to the approval of the DOTr;

18 (b) Fares charged by bikers for the provision of motorcycle-for-hire services in
19 other areas must be in accordance with the fare structure issued and within the
20 parameters determined and prescribed by the relevant LGUs.

21 The fare structure to be implemented by the LTFRB and the LGUs must take into
22 consideration supply and demand components and shall allow dynamic pricing on
23 account of market variations based on location and time. The fare structure and
24 parameters for determining the applicable fares, including the minimum fee that may be
25 charged by holders of CPCs issued by the LTFRB, shall be periodically reviewed by the
26 LTFRB and the LGUs.

27 *Sec. 17. Processing of Personal Data.* – Any processing, collection, use and/or
28 storage of personal information and sensitive personal information involved in the
29 operations of motorcycles-for-hire, registration/accreditation of bikers, bookings, and
30 other activities under this Act shall be done in accordance with the provisions of Republic
31 Act No. 10173, otherwise known as the “Data Privacy Act of 2012.”

1 Sec. 18. *Liabilities for Death, Injuries or Damage to Property.* – The biker and the
2 MTO that facilitated the transportation service at the time when the death, injury or
3 damage to persons or property occurred in the course of the operation of a motorcycle-
4 for-hire shall be jointly and solidarily liable for civil liabilities arising from such death,
5 injury or damage, with rights of subrogation against any party at fault: *Provided*, That the
6 liability of the MTO shall not exceed the amount of the insurance coverage of the biker;
7 *Provided further*, That the following provision on civil liability is without prejudice to the
8 imposition of appropriate criminal and/or administrative liabilities on the driver at fault.

9 Sec. 19. *Accident Quick Response System.* – MTOs shall establish and maintain a
10 quick response team to provide immediate medical care or bring any person injured by a
11 motorcycle-for-hire providing transportation services facilitated by such MTOs to the
12 nearest hospital or medical facility able to provide sufficient necessary care. When a
13 person injured by the operation of a motorcycle-for-hire is prevented from receiving
14 medical care due to financial constraints, the MTO shall advance a reasonable amount
15 necessary for the provision of such medical care and, if necessary, the admission of such
16 injured person to a hospital or medical facility up to the maximum amount of the
17 insurance coverage of the biker.

18 A function that will allow the biker or passenger to alert the quick response team
19 during an emergency or road incident shall be a required feature of an MTO’s digital
20 platform. An MTO shall implement a similar system that will allow a biker or passenger
21 to alert their quick response team during an emergency or road crash.

22 Sec. 20. *Reportorial Requirements.* – MTO shall submit quarterly reports
23 containing rides, safety, and accident data to the LTFRB, which data shall be utilized in
24 regulating and improving overall traffic management and local mobility conditions and
25 to gain industry-wide insights on MTO operations.

26 The LTFRB shall ensure that reports are submitted through an online facility
27 equipped with a data aggregation tool to ensure that the data accessible to the LTFRB,
28 any other governmental authority, and to the general public is consolidated and
29 anonymized to prevent association of any data with any specific MTO.

30 The LTFRB may not compel MTOs to submit proprietary or confidential data on its
31 business operations or strategies, such as but not limited to trade secrets, any financial

1 data not otherwise accessible to the public, and technical information such as systems,
2 source codes, and software.

3 Sec. 21. *Confidentiality.* – The LTO, LTFRB, DOTr, and other relevant government
4 agencies shall not disclose any proprietary and confidential data unless prior consent of
5 the owner of such data has been obtained by the requesting party.

6 Sec. 22. *Enforcement.* – Unless otherwise provided under this Act, the LTFRB shall
7 have original and primary jurisdiction over the enforcement and implementation of the
8 provisions of this Act, and its implementing rules and regulations, and shall exercise the
9 following powers and functions:

10 (a) Conduct administrative proceedings for any violation of this Act and its
11 implementing rules, upon its own initiative, a verified complaint in writing from any
12 interested party or referral by any concerned regulatory agency;

13 (b) Upon finding after notice and hearing, based on substantial evidence, that an
14 MTO or biker has violated any provisions of this Act or its implementing rules, to stop or
15 redress the same by applying penalties prescribed under this Act, including the revocation
16 of CPCs and MOPs, and the imposition of fines, under such reasonable parameters as
17 shall be prescribed by the rules and regulations implementing this Act;

18 (c) Charge reasonable fees to defray the administrative costs of services rendered;
19 and

20 (d) Monitor compliance by persons or entities with the provisions of this Act.

21 LGUs shall have original and primary jurisdiction to resolve issues or complaints in
22 relation to violations of the terms and conditions of an MOP or for non-compliance with
23 the fare matrix prescribed by LGUs for the provision of motorcycle-for-hire services.

24 For the avoidance of doubt, MTOs shall not be precluded from exercising the power
25 to impose sanctions such as suspension or blacklisting of bikers on account of violation of
26 internal rules made known to them, acts detrimental to safety and security, and other
27 reasonable or valid grounds.

28 Sec. 23. *Protection Against Anti-Competitive Conduct.* – The LTFRB shall protect
29 MTOs, bikers, and the riding public from monopolistic conduct, anti-competitive
30 conduct, and unfair trade practices, and shall exercise all powers and functions consistent
31 with this Act, to ensure such protection.

32 (a) The following acts by MTOs shall be prohibited under this Act:

1 (i) Consummating a merger or acquisition which will give rise to a change in
2 control of the MTO without securing the prior endorsement of the DOTr. This
3 requirement shall be separate from and in addition to the notification requirements
4 under Republic Act No. 10667, otherwise known as the “Philippine Competition
5 Act.”

6 (ii) Engaging in any anti-competitive conduct that has the object or effect of
7 substantially preventing, restricting or lessening competition in the market for
8 motorcycle-for-hire services.

9 (iii) Leveraging network effects in a separate market to gain undue advantage
10 or dominance in the market for motorcycle-for-hire services. Network effects arise
11 when the value of a product or service increases the more people use such product
12 or service. In markets that depend on two or more user groups, network effects occur
13 when the number of users in one group affects the value derived by users of the other
14 group from the product or service.

15 (iv) Using dominance in a separate market to gain advantage in the market
16 for motorcycle-for-hire services. There is a presumption of dominance if the market
17 share of an MTO in the separate market is at least fifty percent (50%).

18 (b) The following acts committed by MTOs shall give rise to a *prima facie*
19 presumption of anti-competitive conduct:

20 (i) When an MTO that operates a digital platform that has allowed it to
21 accumulate a considerable database of users and ready supply of bikers enters the
22 market for motorcycle-for-hire services;

23 (ii) Owning or operating, whether directly or indirectly, more than one MTO
24 offering motorcycle-for-hire services;

25 (iii) Refusing to accept or denying a biker’s application for registration solely
26 on the ground that such biker is registered with another MTO, unless such biker is
27 operating as a motorcycle-for-hire under another MTO’s CPC;

28 (iv) Implementing incentive or other programs or loyalty-rewarding schemes
29 that have the object or effect of inducing bikers or customers to utilize the services
30 of an MTO exclusively or of several MTOs owned or operated, whether directly or
31 indirectly, by the same persons or entity;

1 (v) Offering benefits, products or services to bikers intended to help them
2 with their needs, including but not limited to financial products and services such
3 as low-interest business loans and bespoke insurance plans, the enjoyment or
4 utilization of which is subject to a condition prohibiting bikers from using the
5 services of a different MTO that is not owned or operated, whether directly or
6 indirectly, by the same persons or entity that owns or operates, whether directly or
7 indirectly, the offering MTO;

8 (vi) Charging fares below the minimum fee provided in Section 16(a); and

9 (vii) Any other conduct that is similar or analogous to the above described
10 acts.

11 *Sec. 24. Prohibited Acts.* – The following acts shall be unlawful and punishable
12 under Section 25 of this Act:

13 (a) Of MTOs:

14 (i) Operating as an MTO without a valid accreditation;

15 (ii) Authorizing bikers to operate as a motorcycle-for-hire without a
16 valid CPC or MOP, unless such authorization is granted pursuant to the MTO's
17 CPC;

18 (iii) Refusing or denying a biker's application for registration solely on
19 the ground that such biker is registered with another MTO;

20 (iv) Charging any fares, surcharges or other transportation fees not in
21 accordance with the fare structure issued and within the parameters
22 determined and prescribed by the LTFRB or relevant LGU;

23 (v) Failure to submit reportorial requirements to the LTFRB; and

24 (vi) Failure to comply with any requirement for the maintenance of its
25 accreditation and/or CPC under this Act or as prescribed in the implementing
26 rules and regulations.

27 (b) Of bikers:

28 (i) Operating as a biker without a valid authorization from an MTO
29 pursuant to the MTO's CPC, a CPC or an MOP;

1 (ii) Charging any fares, surcharges or other transportation fees not in
2 accordance with the fare structure issued and within the parameters
3 determined and prescribed by the LTFRB or relevant LGU; and

4 (iii) Failure to comply with any requirement for the maintenance of its
5 authorization, CPC or MOP under this Act or as prescribed in the
6 implementing rules and regulations.

7 *Sec. 25. Penalties.* – The LTFRB may impose a fine of not less than One million
8 Philippine Pesos (PHP1,000,000.00) but not more than Ten million Philippine Pesos
9 (PHP10,000,000.00) upon any MTO that has committed any of the prohibited acts under
10 Section 24 of this Act. A biker found liable for any of the prohibited acts under Section 24
11 of this Act shall be blacklisted from operating motorcycles-for-hire.

12 In addition to the foregoing penalties, any biker who operates a motorcycle-for-hire
13 in violation of traffic rules and regulations, carrying capacity, and licensing requirements
14 shall suffer the appropriate penalty imposed under the applicable law, ordinance, rule or
15 regulation for such violation. The LTO shall impose the appropriate penalty on an erring
16 biker commensurate to the gravity of the offense and frequency of commission.

17 *Sec. 26. Taxation of MTOs.* – The gross remittances of MTOs to bikers for services
18 sold through their digital platforms or through other means used to connect such bikers
19 with customers or users shall not form part of the taxable income of the MTO and shall
20 not be subject to income tax or withholding tax on the part of the MTO. The term gross
21 remittance shall refer to the total amount of the value of the services of a biker net of any
22 commissions or service fees due to and deducted by the MTO that is collected by the MTO
23 on behalf of such biker, regardless of whether the payment for the services is in cash or
24 made through electronic payment channels, and remitted by the MTO to the biker. An
25 MTO shall be liable for value-added tax only for its commissions or service fees.

26 *Sec. 27. Incentives.* – The following incentives shall be made available to MTOs:

27 (a) *Income Tax Holiday.* – In order to promote the expansion of transportation
28 services, pioneer MTOs shall be granted an exemption from payment of income tax for a
29 period of five (5) consecutive years from the effectivity of this Act and non-pioneer MTOs
30 shall be granted an exemption from payment of income tax for a period of three (3) years
31 from the date of their registration. A pioneer MTO refers to operators that were accredited

1 under the pilot program for motorcycle taxis before 2020. The period for exemption may
2 be extended for an additional period of two (2) years, contingent upon meeting
3 performance benchmarks related to service quality, safety, and environmental
4 compliance, as may be prescribed by the LTFRB.

5 (b) *Zero-Rated Value-Added Tax on Services.* – Services provided by registered
6 MTOs shall be subject to zero percent (0%) value-added tax.

7 (c) *Regional Development Incentives.* – MTOs that establish operations in rural
8 and less-developed areas, including but not limited to third-class municipalities and
9 mountainous regions, designated by the National Economic and Development Authority
10 upon the recommendation of the Department of the Interior and Local Government, shall
11 receive extended tax holidays, infrastructure development grants, and employment
12 subsidies.

13 Sec. 28. *Income Tax Rates for Bikers.* – For a period of two (2) consecutive years
14 from the effectivity of this Act, bikers shall enjoy a preferential tax rate of five percent
15 (5%) on their gross income in excess of Three Hundred Fifty Thousand Pesos
16 (PhP350,000.00) derived from their operations as a motorcycle-for-hire: *Provided*, That
17 their gross income does not exceed the value-added tax threshold provided in Section
18 109(BB) of Republic Act No. 8424, otherwise known as the “National Internal Revenue
19 Code of 1997,” as amended. Upon the expiration of the two (2)-year period, bikers shall
20 be subject to the income tax rates set out in Section 24 of the National Internal Revenue
21 Code of 1997.

22 Sec. 29. *Exemption of Technology Professionals from Income Tax.* – To incentivize
23 recruitment and retention of skilled technology professionals in recognition of the
24 importance of fostering growth and innovation in the technology sector and in support of
25 technology entrepreneurship in the country, technology professionals, including but not
26 limited to software developers, engineers, and IT specialists, shall be exempt from the
27 payment of income tax for a period of five (5) consecutive years from the effectivity of this
28 Act. This exemption shall apply only to compensation income and shall not extend to
29 other sources of income.

30 In order to qualify for the exemption, the technology professional must be a regular
31 full-time employee and hired to work in a position directly related to technology or
32 essential digital platform operations.

1 MTOs employing technology professionals benefitting from the exemption shall be
2 required to report the employment status and aggregate income information of their
3 technology professionals to the BIR on an annual basis. Any changes in employment
4 status or employing MTO must also be reported by the MTO and technology professionals
5 to the BIR.

6 *Sec. 30. Appropriations.* – The amount needed for the initial implementation of this
7 Act shall be taken from the current year’s appropriation of the LTFRB. Thereafter, such
8 sums as may be necessary for its continued implementation shall be included in the
9 annual General Appropriations Act.

10 *Sec. 31. Transitory Provision.* – In order to provide a smooth transition in the full
11 implementation of this Act, operators that are accredited under the pilot program for
12 motorcycle taxis before 2020 shall be deemed to have been accredited as an MTO under
13 Section 9 of this Act and shall be issued CPCs pursuant to Section 11(a) of this Act. Bikers
14 registered with such MTOs shall be authorized to operate as motorcycles-for-hire under
15 the MTO’s CPC.

16 *Sec. 32. Implementing Rules and Regulations.* – The DOTr, in coordination with
17 the LTFRB, LTO, BIR, TESDA, Department of the Interior and Local Government,
18 Metropolitan Manila Development Authority, and Philippine National Police-Highway
19 Patrol Group, and in consultation with stakeholders, shall within ninety (90) days from
20 the effectivity of this Act shall promulgate the necessary rules and regulations to carry out
21 the implementation of this Act.

22 *Sec. 33. Separability Clause.* – If for any reason any clause, sentence, section or part
23 of this Act is declared invalid or unconstitutional, the remaining portions of this Act not
24 otherwise affected shall remain valid and subsisting.

25 *Sec. 34. Amendatory and Repealing Clause.* – The specific provisions of Republic
26 Act No. 4136 that are inconsistent with this Act are hereby amended or repealed
27 accordingly.

28 All provisions of laws, decrees, executive orders, presidential issuances, and other
29 administrative rules and regulations, or parts thereof, which are incompatible or
30 inconsistent with the provisions of this Act are hereby repealed, amended or modified
31 accordingly.

1 Sec. 35. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication
2 in the Official Gazette or in a newspaper of general circulation.

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4 Approved,