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## COMMITTEE MEETING ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Trade and Industry	HB 6122	Rep. Gatchalian	Protecting consumers and merchants engaged in internet transactions, creating for this purpose the eCommerce Bureau and appropriating funds therefor	<p>The Committee, chaired by Rep. Wes Gatchalian (1<sup>st</sup> District, Valenzuela City), agreed to create a technical working group (TWG) to deliberate further on HB 6122.</p> <p>At the outset, Rep. Gatchalian said that today's meeting will focus on the following issues that are pertinent to the bill: building trust between consumers and online merchants; present status of internet connectivity in the country; cashless payments; and logistics infrastructure.</p> <p>The resource persons from the following agencies and companies expressed their support for the bill, with some of them presenting their respective recommendations: Office of Cybercrime, Department of Justice (DOJ-OOC); Department of Trade and Industry (DTI); Department of Information and Communications Technology (DICT); Criminal Investigation and Detection Group, Philippine National Police (PNP-CIDG); PLDT, Inc.; Globe Telecom, Inc.; Lazada Philippines; Zalora Philippines; GCash; Paymaya; Grab; and QuadX.</p> <p>Commenting on the provision of the bill requiring all online merchants and e-commerce platforms to register their business in the Philippines, DOJ-OOC State Counsel Angiereen Medina proposed that to be binding on foreign corporations or non-residents, they should be required to appoint resident agents in the country.</p> <p>Medina explained that in case there are violations of the law or complaints against foreign-based online businesses, the appointed resident agents shall be the one to receive summons and respond to complaints. She also said that with local resident agents, the Philippine courts will effectively have jurisdiction over foreign corporations engaged in e-commerce and that relevant data and information will be within the legal system's reach regardless of the location of the service provider's principal office.</p> <p>On the query of Rep. Sharon Garin (Party-List, AAMBIS-OWA) on what major problems were encountered by the PNP Anti-Cybercrime Group pertaining to online trade, PNP-CIDG Deputy Director for Operation Nicolas Torre III said that it is the proliferation of unregistered online merchants and those selling fake or counterfeit, low quality, or bogus products especially on Facebook.</p> <p>Replying to the questions of Rep. Gatchalian, Lazada Philippines Chief Executive Officer (CEO) Ray Alimurung said that Lazada is 100% foreign-</p>

<p>Continuation...</p> <p>Trade and Industry</p>				<p>owned. He also explained that the usual customer issues are the delay in the delivery of items and the sale of products that are different from what was advertised. In most cases, the buyer and seller would resolve the issue among themselves through refund or product replacement. If the issue is not resolved, Lazada steps in and determines who is at fault. If it is the seller's fault, the latter will be penalized and the customer will be refunded.</p> <p>While noting that Lazada has good self-regulatory measures, Reps. Gatchalian and Rosanna "Ria" Vergara (3<sup>rd</sup> District, Nueva Ecija) still believe that the government should exercise its regulatory powers over online businesses to better protect the consumers.</p> <p>Baguio City Rep. Mark Go asked the DTI if all sellers in Lazada and other similar platforms are registered with the DTI.</p> <p>DTI Undersecretary for Consumer Protection Group Ruth Castelo answered that there is no law at present that requires such registration. However, she said that DTI borrows data from the Bureau of Internal Revenue (BIR) to authenticate sellers or merchants in cases of settlement of complaints.</p> <p>Zalora Philippines Co-Founder and CEO Paulo Campos informed the body that before Zalora allows merchants to sell through its platform, they are required to accomplish due diligence requirements first.</p> <p>With regard to the status of internet connectivity in the country, DICT OIC-Director Alona Isidro reported on the status of the National Broadband Program (NBP). She discussed the developments in each of the five major projects under the NBP that would help the country attain full internet connectivity nationwide, namely: National Fiber Backbone; Cable Landing Stations (CLS); Accelerated Tower Build; Accelerated Fiber Build; and Satellite Overlay.</p> <p>PLDT Vice President Silverio Ibay Jr. apprised the body that PLDT has attained 94% coverage for 4G and 3G. In the latest internet survey of the University of California, Los Angeles (UCLA), SMART has actually outranked the Philippine average speed of 14.23 Mbps with its 17.4 Mbps average speed for mobile network, while the PLDT has outranked the Philippine average speed of 22.31 Mbps with its 25.03 Mbps average speed for fixed network.</p> <p>On the issue of cashless payment, GCash Chief Legal Officer Cef Sison said that cashless payments are not only aimed at speeding up and facilitating business but it likewise provides seamless tracking of accounts and ensures transparency in financial processes, especially at this time of pandemic.</p> <p>Meanwhile, QuadX President and Chief Operations Officer Mia Bulatao said that the logistics infrastructure in the country is still very much fragmented and should be improved and developed further for faster mobility of commodities from manufacturers and traders to end-users.</p>
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TECHNICAL WORKING GROUP MEETING ON HOUSE MEASURES				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Information and Communications Technology (Technical Working Group)	HB 1188	Deputy Speaker Romero	Amending RA 10173, otherwise known as the Data Privacy Act of 2012, to adopt a more systematic, comprehensive and effective protection program, to foster the imposition of all existing policies and guidelines, increasing its penalties and sanctions	<p>The technical working group (TWG), chaired by Navotas City Rep. John Reynald Tiangco, will deliberate further on HBs 1188 and 5612 in its next meeting.</p> <p>At the outset, Rep. Tiangco said that although it has only been eight years since the enactment of RA 10173 or the Data Privacy Act, the law needs to be updated to realign the country's digital regime with that of international standards and to contribute to global efforts in data privacy enforcement and protection.</p>
	HB 5612	Rep. Yap (V.)	Amending RA 10173 (by addressing data privacy challenges and other cross-border data processing concerns in support of the country's digital transformation towards a knowledge-based economy)	<p>The TWG will use HB 5612, authored by Committee Chair Rep. Victor Yap (2<sup>nd</sup> District, Tarlac), as its working draft.</p> <p>Among the agreements reached during the meeting were the following:</p> <ul style="list-style-type: none"> <li>• The terms "contact/public information" and "financial data" shall be defined in the bill;</li> <li>• The law will have qualified application on the processing of information necessary in order to carry out the functions of public authorities including the Central Monetary Authority, and information sharing necessary in the investigation and prosecution of child pornography and other forms of child exploitation, terrorism and trafficking in persons; and</li> <li>• The processing of personal information pertaining to a child shall be lawful only if the child is more than 15 years old. If the child is 15 years old or below, such processing shall be lawful only if consent is given by persons exercising parental authority over the child.</li> </ul> <p>With regard to the imposition of fines and penalties, the body agreed to review the provisions on this matter in accordance with RA 10175 or the Cybercrime Prevention Act of 2012.</p> <p>The resource persons were requested to submit their respective amendments and recommendations to the proposed law.</p>

Comments, suggestions and requests for copies may be sent to the Committee Publication Staff, Committee Management Support Service I, 3rd Floor, Ramon V. Mitra, Jr. Bldg., House of Representatives, Constitution Hills, Quezon City, through [cmss1.cad.hrep@gmail.com](mailto:cmss1.cad.hrep@gmail.com) or at tel. nos. 8932-6118/8931-5001 local 7122. Also available at <http://www.congress.gov.ph>