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REPUBLIC ACT NO. 10173

AN ACT TO AMEND THE DATA PRIVACY ACT OF 2012, INCORPORATING ETHICS IN DATA AND ARTIFICIAL INTELLIGENCE

CHAPTER I

GENERAL PROVISIONS

Section 1. *Short Title*. – This Act shall be known as the "Data Privacy and Artificial Intelligence Ethics Act of 2024".

Sec. 2. *Declaration of Policy*. – It is a policy that highly acknowledges the growing impact of artificial intelligence and machine learning on one's personal data. Through this policy, the state commits to upholding ethical standards to the highest regard when it comes to the use of AI and machine learning to protect the fundamental right of privacy, fairness, transparency, and accountability in data processing to ensure the responsible use of AI technologies. This primarily includes the adherence to ethical principles in AI development and utilization, ensuring non-discrimination, transparency in algorithms used, robust data protection, and accountability for AI-driven decisions, along with regularized ethical assessments to mitigate potential data bias risks and the like. Lastly, this policy advocates for responsible innovation for both AI and Machine learning driven technologies.



- Sec. 3. *Definition of Terms*. Whenever used in this Act, the following terms shall have the respective meanings hereafter set forth:
 - a. Artificial Intelligence refers to the approximation of human intelligence in machines, especially computer systems. These include expert systems, natural language processing, speech recognition, and machine vision.
 - b. Machine Learning refers to a type of artificial intelligence that is primarily concerned with building computer systems through the use of data and algorithms that imitate the way humans learn, thus gradually improving its performance.
 - c. Algorithmic Transparency refers to an organization's openness concerning the goal, structure, and underlying activities of the algorithms used to search for, process, and present information. It is the principle that the factors that influence the decisions made by algorithms should be visible, or transparent to people who use or employ those algorithms.
 - d. Automated Decision-Making is the process of making decisions through automated means without human involvement.
 - e. Data Bias occurs when data or information is limited in some way, thus painting an inaccurate picture of the population; it is the event where the full story is hidden. It has the potential to impact communities, businesses, and individuals at large.
 - f. Ethical AI are systems developed and used to ensure that artificial intelligence systems emphasize fairness, transparency, accountability, and respect for human values. It also brings forth the enhanced awareness on the impact AI has on



individuals, groups, and society as a whole, thus the goal of AI ethics is to promise the responsible use of AI to mitigate risks and prevent harm to the greater population.

SEC. 4. *Scope.* - This section specifies the scope of its application, emphasizing the integration of ethical AI and machine learning principles to protect personal data. The Data Privacy and Artificial Intelligence Ethics Act of 2024 encompasses the processing of all types of personal information within the Philippines and extends to entities involved in personal information processing beyond the country who utilize equipment located in the country or maintain an office, branch, or agency as well. Furthermore, the act outlines specific exceptions and clarifies its extraterritorial application, ensuring that it covers all actions and practices that relate to the data of Philippine citizens or residents, regardless of where the processing occurs. With regards to the extent and reach of its application, by intertwining the principles of AI and machine learning with the overarching goal of personal data protection or privacy, the act will include the following:

- a. The act will include both global and local jurisdiction; this means that this applies to all personal information in the country and extends to foreign entities using equipment for data processing. It also covers the data of Philippine citizens or residents processed anywhere in the world.
- b. The act mandates the use of AI and ML to enhance both data privacy and security. This entails that AI algorithms must be designed to protect personal data from unauthorized access and other privacy risks.



- c. AI and ML algorithms must be free from data related biases to ensure non-discrimination and fairness, especially in automated decision-making processes.
- d. The policy requires clear explanation of the use of both AI and ML decision making processes and algorithms, particularly those that impact personal data. This is to ensure that there is utmost transparency and understanding of AI-driven data processing.
- e. The policy requires that all development and pre-deployment stages of both AI and machine learning systems must be designed ethically and ethical considerations must be of top priority when developing these systems.
- f. Regular auditing of these AI and ML systems are required to ensure the adherence to ethical standards.



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