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**S E N A T E**

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S. No. xxxx

(In consideration of Senate Bill Nos. 2146 and 2965)

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**EXPLANATORY NOTE**

As experienced during the national election of 2022 and the time building up to it, data was manipulated in deceitful ways by political parties, organizations, authorities, and even laymen. This created unreliable and confusing knowledge regarding candidates and their stance on certain topics. Additionally, it widened the divide among the Filipino population on which belief is right or wrong, furthered through poor and improper use of data analytics and presentation.

This experience is only a manifestation of the power data holds. In this fast-paced world, the amount of data is growing at an exponential rate and more people have been using it for a variety of purposes. A brainchild of this evolutionary process is the rise of Alternative Intelligence or AI – a neural network that substitutes humans’ task of thinking and only results in good when used for good. Thus, there is an imperative need to establish a system that will hold power over data in a responsible way, especially in a developing country.

**AN ACT**  
**IMPLEMENTING THE REGULATION AND PROMOTION OF PROPER DATA USAGE**  
**AND PROLIFERATION**

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

**Section 1:** *Title* – This Act shall be known as the “Data Management and Reinforcement Act”

**Section 2:** *Definition of Terms* - as used in this Act:

- a) Fairness – referred to as presenting all available information to all parties involved; if any; inasmuch that the information provided presents the subject in its most complete version and substance
- b) Objective – data collection methods should present information that cannot be refuted against its validity, i.e. when conducted on the same participants or subjects, data should be similar and can be logically or quantitatively measured, such as the mean.
- c) Transparency – when data is presented in complete context to its audience, where terminology is explained, references are cited, and proof of collection and calculation are documented.
- d) Inclusive – incorporates all subjects and parties involved and no obstacle to data gathering is encountered that refers to discrimination of background, ethnicity, and identity. All subjects included.
- e) Agenda - the malicious intention to influence results away from what is actually true and right, based on ethical principles

**Sec. 3.** Declaration of Policy – It is the duty of the state to ensure proper handling and dissemination of data most especially in the age of constant transformation and increased usage where data has become the currency of human transactions. The complexity of systems by which data operates leads to a multitude of possibilities for technological advancement, but equally presents risks that can be used for human deception and discrimination, and loopholes that inhibit maximization of communicating information.

Additionally, the state also recognizes the urgent need for the existing population’s data literacy, along with other measures of literacy in education, such as mathematical literacy and reading comprehension, along with the similar goal of strengthening digital literacy.

Furthermore, the state aims to quell disinformation and misinformation that is heavily embedded in Philippine society and form a stand against its unethical practices, more so as currently seen with the proliferation of scandalous text messages.

As the governing body of a country, the state shall institutionalize a committee that will oversee and regulate all processes regarding data transmission and reporting for all entities operating under the economy, promote and enhance data literacy in the population, and will serve as the authoritative body in deciding which sanction to apprehend on the violating entity.

**Section 4: Committee Establishment** - The Philippine Data Management Committee (PDMC) is hereby institutionalized. The PDMC serves as the country's leading authority with regards to the intuitive and ethical use of data. It shall also serve as unique from the National Privacy Commission (NPC) created by Republic Act No. 10173 or the Data Privacy Act of 2012, as the former having a legislative power over any entity it finds breaching its prohibitions as listed therefore in this bill. However, the PDMC shall serve as the modern data management underarm of NPC with similar functions. However, both will still follow international standards on data protection.

**Section 5: Committee Structure and Powers**

The PDMC is hereby constituted and shall be composed of the following:

- a) Chair:

**Privacy Commissioner and Chairman of NPC**

- b) Vice Chair:

**Executive Director of NPC** - in charge of implementing and securing ethics in data in all areas of data transmission

- c) Members:

**Undersecretary of Department of Information and Communications Technology** - in charge of overseeing the whole process of managing data proliferation and transaction in the country, promoting correct and insightful use of data, and prohibiting violations named in this act.

**Undersecretary of Department of Education** - in charge of administering and improving data literacy in all schools and levels

**Undersecretary of Department of Interior and Local Government** - in charge of providing methods and facilities for local governments to carry out the task of managing data usage and processing by assigned authorities

**Chairperson of the Commission on Higher Education** - in charge of creating and reinforcing the program on data literacy to college students, especially fundamentals and advanced techniques especially incorporating the use of modern statistical and programming software

**Head of Agency of the National Intelligence Coordinating Agency** - in charge of overseeing the internal security of the country given the increased of data, most especially in text messages and online platforms.

**Chief Attorney of Supreme Court** - in charge of coordinating with the PDMC to handle individuals' or groups' cases regarding violations named in this act or other bills thereof

**Section 6: Prohibited Acts** - The PDMC shall prohibit the acts as listed below:

*On the grounds of statistical calculation:*

- a) Using data manipulation and machine learning, and other statistical methods to falsely predict the outcome of a variable, event, or probability, with the intention of creation of results for unlawful agenda such as falsifying research, controlling public perception, or starting unwarranted confusion
- b) Using Alternative Intelligence (AI) to create false metrics and statistics regarding a person, firm, or organization, especially for the furtherance of one's agenda
- c) Failure to include all members of the sample wherever possible and not hindered by logistical and monetary constraints
- d) Problematic estimation of sample size and sample units to use, especially if intention was to exclude a certain group or manipulate results toward a certain agenda
- e) Failure to explain the statistical method used in the study or research, such as forecasting, regression, neural networks, time series, and of higher statistics in order to provide context to the audience.

- f) Failure to provide definition for each variable used, along with their units and explanation of how they were quantified.
- g) Not conducting statistical estimations correctly on the basis of agenda and not on human error
- h) Using the wrong methods that lead to false numbers in stock and bond markets
- i) Wrongful calculation of interest income, dividends, and returns in financial institutions
- j) Providing false numbers to public information outlets
- k) Manipulating prices in the market using false accounting information or statistical calculation
- l) Excessively increasing the storage of data file, maximum up to five times its byte size so that the file is not downloadable
- m) Not making all pertinent files of the document, project, research, or event downloadable

*On the grounds of fairness:*

- a) Failure to use data gathered from objective and reliable sources
- b) Samples represented do not amount to the number in the population due to non-inclusion of sample subjects because of background constraints
- c) Not presenting all available information of variables or subjects used, such as data source, name of participants, data configuration and wrangling procedures data set characteristics, date of collection, and even in terms of conduct area of experimentation, materials used, length of study, and all pertinent details for the complete understanding of the audience, inasmuch as they will be able to know the side of the story being told
- d) Failure to update databases of companies, organizations, or government bodies more than the appropriate length of data expiration based on usage and type, unless excused by huge logistical or grave matters
- e) Not establishing a list, system, or guidelines in a common workplace regarding data usage, transparency, and privacy
- f) Failure to receive consent from participating subjects before conducting the study proper
- g) Inclusive participation of participants or samples is violated due to non-ethical constraints

*On the grounds of transparency:*

- a) Failure to explain how the statistical models work, both theoretical and conceptual contexts, and representation of variables in the model
- b) Almost no or lacking documentation of methodical process
- c) Parameters are not defined for each outcome
- d) Parameters do not have a reliable and scientific basis
- e) Performance metrics are not clearly and specifically presented in the output
- f) Failure to give recognition to the author/s of the data set
- g) Using AI to gather information about a person, group, or a firm without consent
- h) Using AI to breach the privacy and protection of people or firms which have made their accounts secure through lawful means

*On the grounds of Accountability:*

- a) Not establishing open channels of communication with the recipient of data, regardless of mode of presentation
- b) Failure to account for errors committed by the creator and compensating the receiver for any damage done
- c) Non-compliance with the duty to rectify the work whenever a problem is encountered in the usage and transmission of data, especially for the reason of passively or lack of monitoring on the output presented
- d) Using AI to avoid accountability by alluring to it as the source of data or data manipulation

**Section 7: Coordination with the Supreme Court** - The PDMC shall coordinate with the supreme court and local judicial courts in administering appropriate charges, fines, or punishments for any people, firm, or organization violating the said acts prohibited in this act. Constant communication will be observed between two parties during the length of the case, and PDMC will provide any relevant material or information as required.

**Section 8: Appropriations** - The amount required for the creation and institutionalization of this committee shall be included in the annual budget of the National Privacy Commission

**Section 9: *Implementation*** - Within ninety (90) days from the start of the effectivity of this Act, the PDMC, along with NPC, DICT, DepED, CHED, DILG, NICA, and the Supreme Court shall put to effect the rules and regulations in order to carry out the provisions of this Act.

**Section 10: *Separability Clause*** - If any provision in the Act be considered unconstitutional after its Approval, other provisions stated shall not come to effect as well.

**Section 11: *Repealing Clause*** - All laws, executive orders, issuances, and rules and regulations found contrary to this Act shall be amended and reconstituted accordingly

**Section 12: *Effectivity*** - This Act shall take effect after fifteen (30) days from its publication in the Official Gazette or in a newspaper of general circulation in the country.

*Approved,*