NINETEENTH CONGRESS OF THE

REPUBLIC OF THE PHILIPPINES

Second Regular Session

S E N A T E

Senate Bill No. 1204

Introduced by Senator Lyandrei Go Duero

AN ACT IN THE ETHICAL USE OF ARTIFICIAL INTELLIGENCE IN DECISION-MAKING PROCESSES WITH A FOCUS ON PREVENTING ALGORITHMIC DISCRIMINATION

EXPLANATORY NOTE

Algorithmic discrimination arises when automated systems contribute to unwarranted differential treatment or negative effects, disadvantaging individuals based on protected characteristics such as race, color, ethnicity, sex (including pregnancy, childbirth, and related medical conditions, gender identity, intersex status, and sexual orientation), religion, age, national origin, disability, veteran status, genetic information, or any other legally safeguarded classification. Depending on the context, such algorithmic discrimination may breach legal safeguards. Designers, developers, and implementers of automated systems are encouraged to adopt proactive and ongoing measures to safeguard individuals and communities from algorithmic discrimination. This entails incorporating proactive equity assessments into system design, utilizing representative data, guarding against proxies for demographic features, ensuring accessibility for people with disabilities in both design and

development, conducting pre-deployment and continuous disparity testing, and implementing clear organizational oversight. Independent evaluations and transparent reporting, including algorithmic impact assessments, should be conducted and disclosed whenever possible to validate these protective measures.

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

SECTION 1. *Short title* – This Act shall be known as the "*Algorithmic Discrimination Protections Act*"

SEC. 2. *Declaration of Policy.* – It is the policy of the State to hinder and tackle algorithmic discrimination, bias, and unfair treatment in the creation and implementation of artificial intelligence systems. This legal framework endeavors to guarantee that AI technologies are developed and executed with ethical considerations, emphasizing fairness, transparency, and accountability.

SEC. 3. *Definition of Terms* – As used in this Act, the following terms shall mean:

(1) Algorithmic Discrimination: Any unfair or biased treatment that emerges from the utilization of algorithms, leading to uneven consequences, harm, or disadvantage for individuals or groups based on attributes like race, gender, ethnicity, religion, disability, sexual orientation, or any other safeguarded attributes.

(2) AI System: Any software or hardware that is created to carry out activities that traditionally necessitate human intelligence, encompassing, but not limited to, machine learning models, decision support systems, and automated decision-making processes.

SEC. 4. *Prohibition of Algorithmic Discrimination*

(1) No person shall develop, deploy, or use AI systems that result in algorithmic discrimination.

(2) Algorithmic decision-making systems used in critical sectors, such as healthcare, education, finance, and criminal justice, shall undergo rigorous and extensive testing and critical scrutiny to prevent and mitigate algorithmic discrimination.

SEC. 5. *Transparency and Explainability*

(1) Developers and users of AI systems shall provide clear and understandable explanations of the functionality, decision-making processes, and data sources used in their algorithms.

(2)   Individuals affected by algorithmic decisions shall have the right to obtain information about the logic, significance, and consequences of those decisions.

SEC. 6. *Data Privacy and Protection*

(1)   AI developers and users shall adhere to the Data Privacy Act of 2012, ensuring the responsible handling and processing of personal and sensitive information.

(2)   Individuals shall have the right to access, correct, and delete data used in AI systems that may impact decisions about them

SEC. 7. *Accountability and Redress*

(1)   Developers, users, and entities deploying AI systems shall be held accountable for any algorithmic discrimination that occurs as a result of their technologies.

(2)   Adequate mechanisms for redress, appeal, and rectification shall be established to address instances of algorithmic discrimination.

(3) Penalties for non-compliance with this Act shall include a fine of not less than Two Hundred Thousand Pesos (PhP200,000.00) but not more than Five Hundred Thousand Pesos (PhP500,000.00); suspension or revocation of licenses, and other appropriate sanctions, as determined by the regulatory body.

SEC. 8. *Reporting and Compliance* – Organizations or individuals implementing AI systems are required to regularly provide reports to the relevant regulatory authority,

outlining their adherence to the stipulations of this legislation. Failure to comply may lead to penalties, fines, or other measures imposed by the regulatory body.

SEC. 9. *Implementing Rules and Regulations* – The Department of Information and Communications Technology (DICT), in collaboration with relevant government agencies, willing and credible organizations, and stakeholders, shall promulgate the necessary rules and regulations for the effective implementation of this Act not later than thirty (30) days from the effectivity of this Act.

SEC. 10. *Effectivity* – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.