Second Regular Session

S E N A T E

S. No. <u>211903</u>

Introduced by Mr. Lion De Leon

AN ACT

PROMOTING FAIR, TRANSPARENT, AND ACCOUNTABLE USE AND DEVELOPMENT OF GENERAL-PURPOSE ARTIFICIAL INTELLIGENCE SYSTEMS (GPAI) IN THE PHILIPPINES

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 "Philippine GPAI Act."

SECTION 2. *Declaration of Policy.* – **It is the policy of the State to actively foster responsible development of General-Purpose Artificial Intelligence (GPAI) in the Philippines. This Act aims to align the Philippine AI landscape with principles promoting transparency, fairness, and equity in use of AI systems, with a specific focus on GPAI.**

SECTION 3. *Definitions.* – For the purposes of this act, the following definitions apply:

(a) *Artificial Intelligence System (AI system)*: A machine-based system designed to derive insights from data inputs in order to generate outputs such as predictions,

categorizations, recommendations, or decisions, operating with varying levels of autonomy and adaptiveness after deployment.

(b) *General-Purpose AI System (GPAI):* an AI system based on a general-purpose AI model that displays significant generality and is capable of competently performing a wide range of distinct tasks regardless of the way the model is released on the market.

(c) *Risk:* the likelihood of an occurrence of harm, with consideration of the severity of that harm.

(d) *Provider:* a natural person, agency, or other body that develops an AI system or a GPAI model. It also encompasses entities that, having had an AI system or a GPAI model developed, introduce them to the market under their own name or trademark.

(e) *Deployer:* a natural person, agency, or other body using an AI system under its authority, except where the AI system is used in a personal non-professional activity.

(f) *Deep Fake:* a form of media depicting a person whose face or body has been digitally edited, making them appear as someone else.

SECTION 4. *Establishment of the AAA and the Philippine Artificial Intelligence Regulatory Body.* – The **Analytics and AI Association of the Philippines (AAP)** is hereby appointed and rebranded as the **Analytics and AI Agency of the Philippines (AAA)**, designated as the government agency responsible for overseeing and regulating AI systems within the country.

The Philippine Artificial Intelligence Regulatory Body (the 'Regulatory Body') shall be established, operating under the auspices of the AAA. With representatives appointed by the directors of various government agencies, including DOST, DICT, NPC, NTC, DTI, NEDA, DOLE, and DOH, the Regulatory Body ensures a comprehensive and collaborative approach to AI regulation. The Regulatory Body is vested with the authority to determine the appropriate application of AI technology in various fields and use cases and to enact

regulatory measures accordingly. The AAA Director assumes the role of an observer within the Regulatory Body.

This collaborative structure between the Regulatory Body and the AAA shall ensure effective oversight and regulation of AI systems.

SECTION 5. *Prohibitions on AI System Practices.* – The Philippine GPAI Act prohibits AI systems that pose a potential risk to any person's fundamental rights. The specific prohibitions include the following:

(a) AI system practices that are prohibited by Philippine law such as data privacy, anti-discrimination, anti-violence, and consumer protection.

(b) AI systems that inflict physical or psychological harm, exploiting the vulnerabilities of specific individuals or groups (such as children, the elderly, or people with disabilities), or manipulating individuals by circumventing their free will and deceiving them in ways that subvert their decision-making, resulting in significant harm to them or others.

(c) AI systems engaged in social scoring or categorization of individuals using biometric data to infer social behaviors. However, note that this prohibition does not apply to lawful biometric classification based solely on biometric categories.

(d) AI systems engaging in non-consensual and non-targeted data scraping of facial images from the internet, cameras, or surveillance technologies for the purpose of compiling a facial recognition database are prohibited.

(e) AI systems used to identify emotions or intentions of people in situations related to the workplace (such as human resource management function) and education.

(f) AI systems posing significant safety risks to individuals and causing detrimental health effects, especially within healthcare institutions. In healthcare settings, AI-assisted diagnostics influencing decisions with high life stakes must meet stringent accuracy standards.

SECTION 5. *Rule Exceptions Due to Law Enforcement* – Exemptions are granted for employing AI Systems engaged in real-time biometric identification systems in publicly accessible spaces for law enforcement in the Philippines, provided there is prior judicial approval and adherence to clearly defined lists of criminal offenses. However, shall an AI system be utilized in behavior-prediction, individuals shall not be judged solely based on their personality traits without reasonable suspicion of involvement in criminal acts, substantiated by verifiable facts and evidence.

SECTION 6. *Obligations of Providers of GPAI* – Providers of GPAI shall:

(a) Maintain an up-to-date technical documentation of the GPAI model and all AI models integrated in the GPAI system, which includes their training and testing techniques for the purpose of providing it to the AAA Office.

(b) Ensure a comprehensive and sufficiently detailed summary of the content utilized in the development of the GPAI and make it readily accessible to the public.

(c) Cooperate with the AAA as necessary and adhere to the Philippine Copyright Law.

SECTION 7. *Transparency Obligations of Providers and Deployers of GPAI* – Providers must ensure that the GPAI, when directly interacting with individuals, sufficiently informs them of its AI nature, unless it is evident that the individual using it is well-informed of its nature.

Providers are required to ensure that the contents produced or modified by GPAI, encompassing synthetic audio, images, videos, or text outputs, are appropriately labeled as artificially generated or manipulated, with the ability to be recognized as such by third-party AI systems. Consequently, providers must also ensure the capability of GPAI in distinguishing media labeled as AI-generated from content created by a natural person.

Providers of GPAI systems capable of biometric categorization must inform users that their personal data will be subjected to the GPAI system practice.

Deployers of GPAI, when utilizing it to produce deep fakes by altering images, audios, and videos, shall be obliged to disclose the AI nature of the resultant media. Even in instances of GPAI deployment for artistic or creative works, deployers are still mandated to disclose the AI nature of the generated content without impeding its intended display or enjoyment. Furthermore, deployers utilizing GPAI for generating or altering text must also disclose its artificial intelligence nature.

Providers and deployers of GPAI must possess sufficient knowledge of AI systems and ethics. They are obligated to ensure that their personnel and all individuals involved in operating the AI technology under their jurisdiction possess the requisite expertise in AI, encompassing technical proficiency and a thorough understanding of the specific use of the AI technology.

Exceptions to these rules are granted for AI systems utilized for the prevention and detection of criminal activities, contingent upon the implementation of suitable measures to protect the rights of third parties.

Section 8. *Reporting on GPAI Transparency Measure* – The AAA shall require providers and deployers to submit periodic reports on measures taken to fulfill transparency obligations outlined in this Act. Failure to comply with these reporting requirements may result in penalties as determined by the Regulatory Body.

Section 9. *Penalties* – Violations of the transparency requirements outlined in this Act shall be subject to penalties as determined by the Regulatory Body.

Section 10. *Separability Clause* – If any provision of this Act is determined invalid or unconstitutional, the other provisions not affected by such determination shall remain in full force and effect.

Section 11. *Repealing Clause* – All laws, executive and administrative orders, rules and regulations inconsistent with the foregoing provisions are hereby repealed or modified accordingly.

Section 12. *Effectivity* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,