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Introduced by Senator Jezreel S. Marzan<sup>1</sup>

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## **AN ACT**

### **PROVIDING A COMPREHENSIVE GUIDELINE ON THE ETHICAL USE OF AI**

*January 2024*

Artificial Intelligence, also known as AI, refers to the simulation of human intelligence through software-coded heuristics.<sup>2</sup> The concept of AI gained widespread popularity from 2022 to 2023 due to the extensive adoption of Generative Pre-Training Transformer applications, which brought AI into mainstream use. According to Frankenfield (2023), some of the most renowned programs currently include ChatGPT and OpenAI's DALL-E text-to-image converter. However, despite the popularity and association of such programs with AI, it is crucial to note that they represent only a small percentage of AI applications in existence today.

AI generally has the capability to maximize the capacity for reasoning and making decisions. A subtype of AI, known as machine learning (ML), is the term used to refer to the idea that computer programs can automatically learn and adapt to new data without help from humans. Meaning that the program itself is capable of learning the often it is used. This automatic learning is enabled by deep learning techniques—absorbing vast volumes of unstructured data, including texts, photos, and videos.

With this, it is evident that AI is a result of the progressive and technologically advanced society in which nations and citizens reside. It is only correct to anticipate the harmful effects that it may cause. An example is the risk of data privacy concerns, wherein

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<sup>1</sup> Please note that this is fictional and strictly for academic purpose

<sup>2</sup> Frankenfield, J. (2023). Artificial intelligence (AI): What it is and how it is used. Investopedia.  
<https://www.investopedia.com/terms/a/artificial-intelligence-ai.asp>

advanced AI algorithms may collect and analyze vast amounts of personal data, leading to unauthorized access and potential misuse. Another concern is the threat to replace human labor, as humans are recognized as the most significant resource in a nation, and a country would lose its function and purpose without its citizens. Therefore, given the aforementioned threat, it is only right to protect humans from such threats coming from AI to avoid economic inequality and further exacerbate the problem of unemployment in the Philippines.

On the other hand, in terms of ethics, the rapid development of AI technology can also raise moral concerns about transparency, responsibility, and the possibility of unforeseen repercussions when making decisions. This can be further illustrated in a situation where identifying who is responsible for the decisions and actions taken by AI systems becomes challenging, given that it is programmed by humans but has the ability to learn on its own, creating a gray area in the scope of ethics and responsibility.

Overall, this measure intends to establish a thorough border on what AI is and how it can be properly governed, given its extensive use in the present. This should clarify the boundaries between its programmers/creators and users in a manner wherein all parties involved will have accountability in ensuring the safe and ethical use of AI, merely for the pursuit of maximizing work or efficiency without compromising a just and peaceful society.

**AN ACT**

**PROVIDING A COMPREHENSIVE GUIDELINE ON THE ETHICAL USE OF AI**

*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 “AI Governance Act of 2024”.

**SEC. 2. *Declaration of Policy.*** — The State recognizes and upholds the dignity of every individual, ensuring full respect for human rights. This act aims to regulate the responsible development, deployment, and operation of AI technologies, promoting transparency, accountability, and fairness. To support the ethical use of AI and protect the rights and interests of individuals and entities, the State shall establish the National Commission on Artificial Intelligence (NCAI). This government agency will be tasked with overseeing and enforcing the provisions of the AI Governance Act, collaborating with relevant entities to ensure its effective implementation.

The enactment of the AI Governance Act shall contribute to the creation of a just and dynamic social order in the digital age, while still fostering innovation and safeguarding the well-being of individuals.

**SEC. 3. *Definition of Terms.*** — For the purposes of this Act:

- (a) *Artificial Intelligence (AI)* shall refer to the simulation of human intelligence through software-coded heuristics.
- (b) *Algorithms* shall refer to rules or processes created to carry out a certain activity often for problem-solving and decision-making.

(c) *Machine Learning* shall refer to a branch of artificial intelligence that works with data and creates analytical models including algorithms that will promote efficiency in performing tasks.

(d) *Data Mining* shall refer to the process of finding patterns, trends, and relevant information in massive datasets.

**SEC. 4. *Creation.*** — The National Commission on Artificial Intelligence (NCAI) shall be created, under the administrative supervision of the Department of Information and Communications Technology (DICT), and shall be composed of the following:

- (a) Chairperson of the DICT, or his/her duly authorized representative, as Chairperson of the NCAI;
- (b) Secretary of the The National Privacy Commission (NPC), or his/her duly authorized representative, as member;
- (c) The Chairperson and members of the NCAI shall hold office during their incumbency in the respective institutions or associations that they present.

**SEC. 5. *Functions and Duties.*** — The NCAI shall have the following functions and duties:

- (a) Promote awareness of AI to facilitate understanding and informed discussions about its applications, implications, and ethical consideration;
- (b) Develop and enforce guidelines that ensure the ethical use of AI in pursuit of data privacy. This includes establishing standards for the collection, processing, and storage of personal data by AI systems, with a focus on protecting citizens;
- (c) Determine protocols for determining liability in cases of AI malfunctions or wrongful decisions. This includes defining the roles and responsibilities of developers to the user spectrum (developers, users, and AI entities) to

guarantee responsibility and just settlement of legal disputes resulting from occurrences involving AI;

- (d) Foster innovation and ensure the protection of intellectual property rights for any specific algorithms involved in the creation of such AI programs in consideration to bias, fairness, transparency, and potential societal impact of such;
- (e) Monitor global trends in AI regulation and adapt relevant approaches to the Philippine context. NCAI shall actively seek input from various stakeholders—including field experts, legal experts, and the public—to propose regulatory measures that address emerging challenges and advancements in AI technology;
- (f) Foster collaboration with relevant government agencies, industry stakeholders, academic institutions, and civil society organizations to ensure a comprehensive and inclusive approach to AI governance;
- (g) Regulate parameters governing the use of AI to prevent intellectual theft particularly in academia and other research contexts. Ensure that the technology is used ethically, and that proper referencing is adhered to;
- (h) Engage in continuous research and development activities to foster technological advancements, emerging ethical concerns, and best practices in AI governance;
- (i) Promulgate, prescribe, and enforce the necessary rules and regulations for the proper implementation of the foregoing functions.

**SEC. 6. *Applicability.*** — This Act shall be applicable nationwide, covering all territories and regions within the Philippines.

**SEC. 7. *Penalties.*** — Any person, entity, or organization found in violation of the provisions of this Act shall be subject to fines, suspension of operations, or other penalties as determined by the NCAI in consideration of proper due processes.

**SEC. 8. *Enactment Date.*** — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,