



Republic of the Philippines

House of Representatives

Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 13



**Introduced by Representatives Ferdinand Martin G. Romualdez,
Andrew Julian K. Romualdez and Jude A. Acidre**

EXPLANATORY NOTE

Artificial Intelligence (AI) is becoming a driving force in global economic transformation, offering the potential to increase productivity, improve public services, and stimulate economic growth. Recognizing this potential, the Philippines is moving to integrate AI into its national development plans. However, the rapid advancement of AI also brings significant risks, including job displacement, data privacy concerns, and potential misuse. To address these concerns while maximizing AI's benefits, this proposed bill outlines a comprehensive approach to AI governance.

This bill seeks to establish a framework for the responsible and ethical development of AI in the country. It defines AI broadly, covering technologies like machine learning, neural networks, and natural language processing. The bill mandates transparency, fairness, accountability, and privacy as guiding principles in AI deployment. Organizations would be required to conduct risk assessments, prevent discriminatory outcomes, protect individual data, and explain decisions made by AI systems. This ensures that AI is used in ways that align with societal values and protect human rights. The regulatory framework envisioned by this

bill is expected to position the Philippines as a leader in responsible AI development while safeguarding the rights and welfare of its people.

This bill also introduces safeguards in the labor sector. It prohibits employers from making decisions solely based on AI outputs, thereby protecting workers from unfair treatment. AI is framed as a tool for labor augmentation, not substitution, promoting its use in enhancing workflows rather than cutting jobs. These provisions aim to strike a balance between technological advancement and labor protection, ensuring that AI adoption does not erode workers' rights.

Furthermore, the bill prohibits harmful uses of AI, including autonomous weapons systems, and introduces a "Bill of Rights" to shield Filipinos from the potential harms of AI.

To strengthen policy oversight, the bill calls for the creation of the Philippine Council on Artificial Intelligence and the Artificial Intelligence Board. The Council will evaluate the impact of AI systems and guide national AI policy under the Department of Information and Communications Technology (DICT). The Board, on the other hand, shall serve as a regulatory authority overseeing AI deployment. The bill also proposes the creation of the National Center for AI Research (NCAIR), which shall advance AI innovation and talent development.

Lastly, we acknowledge Representatives Keith Micah "Atty. Mike" D.L. Tan and Juan Carlos "Arjo" Atayde for filing this bill during the 19th Congress.

In view of the foregoing considerations, approval of this bill is earnestly sought.



FERDINAND MARTIN G. ROMUALDEZ



JUDE A. ACIDRE



ANDREW JULIAN K. ROMUALDEZ



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AN ACT

**ESTABLISHING A REGULATORY FRAMEWORK FOR A ROBUST,
RELIABLE, AND TRUSTWORTHY DEVELOPMENT, APPLICATION,
AND USE OF ARTIFICIAL INTELLIGENCE SYSTEMS, CREATING
THE PHILIPPINE COUNCIL ON ARTIFICIAL INTELLIGENCE,
DELINEATING THE ROLES OF VARIOUS GOVERNMENT
AGENCIES, DEFINING AND PENALIZING CERTAIN PROHIBITED
ACTS**

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

CHAPTER I GENERAL PROVISIONS

1 **SECTION 1. Short Title.** – This Act shall be known as the "Artificial
2 Intelligence Development and Regulation Act".
3

4 **SEC. 2. Declaration of Policy.** – The State recognizes that science and
5 technology are essential for national development and progress, driving
6 innovation, education, and overall national competitiveness. It shall support
7 their application in various aspects of national life, including economic growth,

1 social development, and national security. To this end, the State shall pursue the
2 development of artificial intelligence (AI), including digitization and
3 infrastructure, workforce development, research and development, and
4 regulation with the end view of harnessing AI's potentials to uplift the lives of
5 Filipinos.

6

7 **SEC. 3. Definition of Terms.** – For purposes of this Act, the following
8 terms shall be defined as stated below:

9

10 (a) *Algorithm* refers to a process or set of rules to be followed in
11 calculations or other problem-solving operations, especially by a computer;

12

13 (b) *Algorithmic* decisions refer to the analysis of large amounts of
14 personal data to infer correlations or, more generally, to derive information
15 deemed useful to make decisions;

16

17 (c) *Artificial Intelligence (AI)* refers to the simulation of human
18 intelligence in machines that are programmed to think like humans and mimic
19 their actions;

20

21 (d) *Artificial Intelligence eco-system* refers to a group of AI systems
22 which are coupled together to some extent to achieve a common goal. The most
23 common goal of establishing an AI ecosystem is automation via applied
24 machine learning. This is generally achieved by putting AI systems in both real-
25 time as well as historical scenarios and generating intelligence out of it;

26

27 (e) *Artificial Intelligence system* refers to a computer system or software
28 application that utilizes AI technologies and techniques to perform a task or
29 make a decision such as machine learning, deep learning, natural language
30 processing, and robotics;

31

32 (f) *Augmentation* refers to the process of allowing human collaboration
33 with machines to perform a task;

34

35 (g) *Automated decision* refers to the process of making a decision by
36 automated means without any human involvement;

37

38 (h) *Automation* refers to the creation and application of technologies to
39 produce and deliver goods and services with minimal human intervention;

40

41 (i) *Innovation* refers to the creation of new ideas that results in the
42 development of new or improved policies, products, processes, or services
43 which are then spread or transferred across the market;

1 (j) *Lethal autonomous weapons systems (LAWS)* refer to weapons that use
2 artificial intelligence to identify, select, and kill human targets without human
3 intervention;

5 (k) *Regulatory sandbox* refers to a regulatory approach, typically
6 summarized in writing and published, that allows live, time-bound testing of
7 innovations under a regulator's oversight; and

9 (1) *Social scoring* refers to the act of rating a person's level of influence
10 based on evaluating one's followers, friends, and postings on social networks
11 such as Twitter and Facebook.

13 CHAPTER II 14 GUIDING PRINCIPLES

16 **SEC. 4. Principles.** – The development, application, and use of AI
17 systems shall be guided by the following principles:

19 (a) Inclusive growth, sustainable development, and well-being. –
20 Consistent with the provisions of Republic Act No. 11293, otherwise known as
21 the "Philippine Innovation Act" and other existing laws, the development,
22 application, and use of AI must contribute to the developmental goals of the
23 country;

25 (b) Human-centered values and fairness. – AI systems must treat people
26 with dignity and respect;

28 (c) Robustness, security and safety. – AI must be reliable and safe and
29 ensure that the public is protected from errors in processing and outcomes;

31 (d) Accountability. – AI system must provide disclosure of information
32 that enables monitoring, checking or criticism and allow automation auditing to
33 ensure that entities deploying AI technologies are accountable for their
34 consequences;

36 (e) Transparency and Explainability. – Policies, rules and regulations
37 governing AI systems must be understandable and ensure that automated and
38 algorithmic decisions and any associated data driving those decisions can be
39 explained to end-users and stakeholders in non-technical terms; and

41 (f) Trust. – AI systems must be transparent; accurate and reliable; provide
42 augmentation; and protect privacy.

CHAPTER III

AI BILL OF RIGHTS

SEC. 5. Bill of Rights. – The development, application, and use of AI systems shall be guided by the following rights of every Filipino:

(a) *Right to Protection from Unsafe and Ineffective AI Systems.* – The right of every people to be protected from harmful AI systems shall be inviolable. AI systems, tools, and technologies shall be developed with consultation from diverse communities, stakeholders, and domain experts to identify concerns, risks, and potential impacts of the system. Systems shall undergo pre-deployment testing, risk identification and mitigation, and ongoing monitoring that demonstrate they are safe and effective based on their intended use, mitigation of unsafe outcomes including those beyond the intended use, and adherence to domain-specific standards;

(b) *Right Against Algorithmic Discrimination.* – No person shall be discriminated by algorithms and AI systems on the basis of ethnicity, sex, related medical conditions, gender identity, religion, age, national origin, disability, genetic information, or any other classification protected by law. Designers, developers, and deployers of AI systems shall take proactive and continuous measures to protect individuals and communities from algorithmic discrimination and shall use and design systems in an equitable manner.

To protect equal rights, proactive equity assessments as part of the system design, use of representative data and protection against proxies for demographic features, ensuring accessibility for people with disabilities in design and development, pre-deployment and ongoing disparity testing and mitigation, and clear organizational oversight shall be instituted. Independent evaluation and plain language reporting in the form of an algorithmic impact assessment, including disparity testing results and mitigation information, shall be performed and made public whenever possible to confirm these protections;

(c) *Right to Privacy.* – Every people shall be protected from violations of privacy through design choices that ensure such protections are included by default. Data collection that conforms to reasonable expectations and that only data strictly necessary for the specific context is collected shall be ensured. Designers, developers, and deployers of AI systems shall seek permission and respect the decisions of every person regarding collection, use, access, transfer, and deletion data in appropriate ways and to the greatest extent possible. Alternative privacy by design safeguards shall be used whenever applicable. Systems shall not employ user experience and design decisions that obfuscate user choice or burden users with defaults that are privacy invasive. Consent

1 shall only be used to justify collection of data in cases where it can be
2 appropriately and meaningfully given.

3

4 Every person shall have the right to privacy. The processing of personal
5 data in the use of ai systems shall be subject to compliance with the
6 requirements of Republic Act No. 10173, otherwise known as the “Data Privacy
7 Act of 2012” and other laws allowing disclosure of information to the public
8 and adherence to the general data privacy principles. Designers, developers, and
9 deployers of AI systems shall consider the appropriate and proper legal basis
10 when processing personal data and respect the decisions of every person
11 regarding the processing of their personal data. Privacy-by-design safeguards
12 should be employed as early as the development of AI systems. Systems must
13 not use user experience or design decisions that obscure user choice or burden
14 users with defaults that infringe on privacy. Every individual shall be protected
15 from data privacy violations through design choices that ensure such protections
16 are included in the systems by default. Consent shall be considered on an
17 appropriate lawful basis when it is freely given, specifically, an informed
18 indication of will and evidenced by written, electronic, or recorded means;

19

20 (d) *Right to Know.* – Designers, developers, and deployers of AI systems
21 shall provide generally accessible plain language documentation including clear
22 descriptions of the overall system functioning and the role automation plays
23 including notice that such systems are in use, the individual or organization
24 responsible for the system, and explanations of outcomes that are clear, timely,
25 and accessible. Such notice shall be kept up-to-date and people impacted by the
26 system shall be notified of significant use case or key functionality changes; and

27

28 (e) *Right to Remedy.* – Every people shall be given an opportunity to opt
29 out from AI systems in favor of a human alternative, where appropriate. They
30 shall have access to timely human consideration and remedy through a fallback
31 and escalation process if an automated system fails or produces an error. The
32 right to appeal or contest AI’s impacts on every person shall not be denied.
33 Human consideration and fallback shall at all times be accessible, equitable,
34 effective, maintained and shall not impose an unreasonable burden to the public.

35

36 CHAPTER IV 37 PHILIPPINE COUNCIL ON ARTIFICIAL INTELLIGENCE 38

39

40 SEC. 6. *Philippine Council on Artificial Intelligence.* – There is hereby
41 created a policy-making and advisory body of experts under the Department of
42 Information and Communications Technology (DICT) to be known as the
43 Philippine Council on Artificial Intelligence (PCAI), herein after referred to as
the Council.

1 The Council shall engage AI expertise and may call upon technical
2 resource persons from the agencies of government, the private sector, and civil
3 society organizations.

4
5 It may call upon any official, agent, employee, agency or instrumentality
6 of the government for any assistance that they may deem necessary to carry out
7 the purposes of this Act and said agency or instrumentality of the government
8 shall, with the approval of the President, assign the official, agent, or employee
9 and provide the assistance requested by the Council.

10
11 The Council shall have a core committee composed of an AI researcher,
12 robotics specialist; a machine learning expert; a data science specialist; a
13 technology expert; an ethicist; a sociologist or anthropologist, a psychologist; a
14 public health expert; a security analyst; a legal scholar; a human rights
15 advocate; a citizens' representative; and such other experts that the President of
16 the Philippines may appoint. The members of the core committee shall elect
17 from among themselves its Chairperson and other officers as may be necessary.

18
19 The core committee shall create subcommittees or technical working
20 groups as maybe necessary for the effective and efficient performance of its
21 powers and duties as the public interest may require.

22
23 The core committee members shall be appointed by the President for a
24 term of three (3) years except for the AI researcher, robotics specialist, machine
25 learning expert, data science specialist, technology expert, and ethicist who shall
26 serve for a term of four (4) years: *Provided*. That no member shall serve for
27 more than three (3) consecutive terms: *Provided, further*, That the members of
28 the core committee shall receive an honorarium in accordance with existing
29 policies: *Provided, furthermore*, That the Department of Science and
30 Technology (DOST) shall promulgate the nomination process for all core
31 committee members with a clear set of qualifications, credentials and
32 recommendations from the sectors concerned.

33
34 **SEC. 7. Powers and Functions.** – The Council shall have the following
35 powers and functions:

36
37 (a) Conduct an evaluation on the impact of artificial intelligence (AI)
38 systems and development of AI economies in the country;

39
40 (b) Review existing policies on AI;

41
42 (c) Determine the structures or parameters under which AI systems may
43 operate;

1 (d) Develop and promulgate a governance framework based on
2 fundamental guiding principles on the development, application, and use of AI;

3
4 (e) Establish a code of ethics for AI developers for a progressive industry
5 regulation;

6 (f) Promulgate rules to prevent abusive and harmful applications of AI;

7
8 (g) Prepare mitigation measures against the potential consequences and
9 impacts of algorithms to processes and business models;

10
11 (h) Formulate guidelines to prohibit and penalize indiscriminate and non-
12 rights-respecting applications of AI and safeguard the health, safety, security,
13 environmental, and quality standards for the development, application, and use
14 of AI technologies;

15
16 (i) Promote the responsible development, application, and use of AI;

17
18 (j) Provide timely and comprehensive information to the public in
19 addressing emerging issues on AI;

20
21 (k) Build AI ecosystem conscience by strengthening intellectual property
22 and data protection measures;

23
24 (l) In consultation with the affected sectors, establish an AI risk reduction
25 plan;

26
27 (m) Together with the Commission on Higher Education (CHED),
28 Department of Education (DepEd), Technical Education and Skills
29 Development Authority (TESDA) and other education stakeholders, take the
30 appropriate steps to revitalize the teaching of humanities in state universities
31 and colleges (SUCs), private higher education institutions (HEIs), technical
32 vocational institutions, and all elementary and secondary education institutions,
33 including alternative learning systems, both public and private;

34
35 (n) Provide effective measures to counter harmful AIs;

36
37 (o) Provide programmatic direction in the deployment of AI in
38 government agencies' programs and projects;

39
40 (p) Ensure an efficient balance in the regulation of AI and consumer
41 protection to facilitate the growth of emerging business models brought about
42 by AI utilizing regulatory sandbox approach to reduce the cost of innovation

1 and barriers to entry, including the collection of data and information regarding
2 appropriate regulatory action;

3

4 (q) Device appropriate mechanisms to protect workers and professionals
5 from potential job losses brought about by automation and AI;

6

7 (r) Guided by the legal mandates of the agencies and LGUs concerned,
8 identify and task government agencies and LGUs that will be tasked to
9 implement specific functions to implement the provisions of this Act;

10

11 (s) Recommend to the President of the Philippines and the Congress all
12 policy matters regarding AI;

13

14 (t) Submit to the President of the Philippines, the President of the Senate
15 and the Speaker of the House of Representatives, annual and special reports on
16 the implementation of this Act; and

17

18 (u) Exercise all powers and functions necessary for the objectives and
19 purposes of this Act.

20

21 **SEC. 8. Secretariat to the Council.** – The Philippine Council for Industry,
22 Energy and Emerging Technology Research and Development (PCIEERD)
23 under the DOST shall provide Secretariat support to the Council.

24

25 The initial staffing structure and complement of the Secretariat shall be
26 submitted by the DOST to the Department of Budget and Management (DBM)
27 for funding. Pending the creation of the appropriate plantilla positions, the
28 DOST shall constitute an interim Secretariat within one (1) month from the
29 effectivity of this Act, through the temporary detail of its personnel.

30

31

32 **CHAPTER V**
ARTIFICIAL INTELLIGENCE BOARD

33

34

35 **SEC. 9. Artificial Intelligence Board.** – To carry out the provisions of this
36 Act, an agency shall be created to be called the Artificial Intelligence Board
37 (AIB) and shall be composed of the Secretary of the DICT as Chairperson, the
38 Secretary of the DOST as Co-Chairperson, the Secretary of the Department of
39 Trade and Industry (DTI), the Director General of the Intellectual Property
40 Office of the Philippines (IPOPHIL), the Commissioner of the National Privacy
41 Commission (NPC), and the National Intelligence Coordinating Agency
42 (NICA), as members.

1 The AIB shall act unanimously in the discharge of its functions as defined
2 hereunder:

3

4 (a) to exercise regulatory and supervisory authority over the development,
5 application, and use of AI systems;

6

7 (b) to investigate motu proprio or upon report of any person, impose and
8 collect fines and penalties, initiate and resolve the necessary administrative
9 action, or initiate the necessary criminal case against the responsible persons for
10 any violation of this Act;

11

12 (c) to issue *subpoena* and *subpoena duces tecum* in relation to its
13 investigation provided that the subpoena shall state the nature and purpose of
14 the investigation, shall be directed to the person whose attendance is required,
15 and in the case of a subpoena duces tecum, it shall contain a reasonable
16 description of books, documents, or things demanded which must be relevant to
17 the investigation;

18

19 (d) to exercise visitorial powers by itself or in coordination with other
20 competent agencies of the government to ensure the effective implementation of
21 this Act, which shall include the power to scrutinize the records of AI
22 companies and laboratories, except trade secrets and proprietary information,
23 and to inspect their premises. Provided. That trade secrets and proprietary
24 information shall be defined in this Act's implementing rules and regulations;

25

26 (e) to appoint automation auditors with the power to probe and review the
27 behavior of the algorithm;

28

29 (f) to require AI companies and laboratories to submit written or
30 electronic forms or reports as it may deem necessary and reasonable;

31

32 (g) to create, maintain, and regularly update a central database of AI
33 companies and laboratories;

34

35 (h) to conduct a nationwide information campaign with the Philippine
36 Information Agency (PIA) that shall inform the public on the responsible
37 development, application, and use of AI systems to enhance awareness among
38 end-consumers;

39

40 (i) to enlist the assistance of any branch, department, bureau, office,
41 agency or instrumentality of the government, including government-owned and
42 -controlled corporations, in undertaking any and all operations, which may
43 include the use of its personnel, facilities and resources for the more resolute

1 prevention, detection and investigation of offenses and prosecution of offenders;
2 and

3
4 (j) to implement such measures as may be necessary and justified under
5 this Act;

6
7 **SEC. 10. Creation of a Secretariat.** – The AIB is hereby authorized to
8 establish a secretariat to be headed by an Executive Director who shall be
9 appointed by the Council for a term of five (5) years. He or she must be a
10 member of the Philippine Bar, at least thirty-five (35) years of age and of good
11 moral character, unquestionable integrity and known probity. All members of
12 the Secretariat must have served for at least five (5) years in any of the member
13 agencies and shall hold full-time permanent positions within the said agencies.

14
15 **CHAPTER VI**
16 **NATIONAL CENTER FOR ARTIFICIAL INTELLIGENCE**
17 **RESEARCH**

18
19 **SEC. 11. Establishment of the National Center for Artificial Intelligence**
20 **Research.** – There is hereby established a National Center for Artificial
21 Intelligence Research (NCAIR), which shall be attached to the DICT for policy
22 and program coordination and shall be headed by a Board composed of the
23 following members:

24
25 (a) The Secretary of the DICT, who shall act as the Chairperson;

26
27 (b) The Secretary of the DOST as co-chairperson;

28
29 (c) One (1) representative from the DTI;

30
31 (d) One (1) representative from the Department of Labor and
32 Employment (DOLE);

33
34 (e) One (1) representative each from the Department of Education
35 (DepEd) and the Commission on Higher Education (CHED);

36
37 (f) One (1) representative from the Department of Health (DOH);

38
39 (g) One (1) representative from the NICA;

40
41 (h) One (1) representative from the Department of Computer Science,
42 University of the Philippines-Diliman;

(i) Three (3) members representing professional or industrial artificial intelligence or information communications technology (ICT) organizations to be selected by the chairperson from among the list of nominees submitted by Philippines-based ICT professional organizations; and

(j) Three (3) members representing non-governmental ICT or artificial intelligence advocacy organizations to be selected by the chairperson from among the list of nominees submitted by the country's non-governmental ICT organizations.

The Board may avail itself of the expertise and services of local or international resource persons who are of known expertise, knowledge, and/or skill during deliberative sessions.

The Board and its resource persons shall be entitled to such reasonable per diems, allowances, and honoraria as may be allowed under existing laws, rules, and regulations.

SEC. 12. Functions of the NCAIR. – The NCAIR shall be the primary policy-making and research body concerned with the development of artificial intelligence and allied emergent technologies in the country. It shall focus on studying, harnessing, advancing and/or transferring any beneficial AI creations or systems for the upliftment of Filipino innovators, workers, industries, businesses, and consumers. It shall also promote the education, training, and skills-development of Filipinos in this area for employment and professional advancement.

The NCAIR shall aim to capacitate enterprises to produce new products, processes, and services using AI. The NCAIR shall endeavor for AI to benefit every kind of industry to help minimize waste and spoilage, anticipate operational requirements by the use of predictive technology, enhance business decision-making through advanced analytics, and any other similar goal the Center may determine consistent with the declared policies of this Act and the provisions of Chapter IV.

SEC. 13. Personnel. – The personnel of the NCAIR shall be primarily staffed by Filipino scientists. The composition and size of such personnel shall be determined by the chairperson, who may create such offices, divisions, and units under the NCAIR as he may deem necessary, and for this purpose, the chairperson is authorized to adopt and implement the corresponding staffing patterns; Provided, however, that the positions, titles, and salaries of its officials and personnel shall be in accordance with the position classifications and salary grades in the Civil Service Rules and the Salary Standardization Act.

1
2 **CHAPTER VII**
3 **INNOVATION AGENDA**
4

5 **SEC. 14. Role of the National Innovation Council.** – The National
6 Innovation Council (NIC) created under Republic Act No. 11293, otherwise
7 known as the "Philippine Innovation Act", shall give priority to the
8 development of artificial intelligence in the National Innovation Agenda and
9 Strategy Development. The NIC shall incorporate in its overall vision the
10 strategies and objectives outlined in Chapter VIII.
11

12 **SEC. 15. Government-Industry-Academe Synergy.** – To promote synergy
13 among the government, the private sector, and the academe, the Secretary of
14 Science and Technology, Director General of the National Economic and
15 Development Authority, Secretary of Information and Communications
16 Technology, Secretary of Trade and Industry, Secretary of Labor and
17 Employment, Chairperson of the CHED, Secretary of Education, and the
18 Executive Members of the National Innovation Council shall form an Artificial
19 Intelligence sub-group under the NIC.
20

21 **CHAPTER VIII**
22 **NATIONAL ARTIFICIAL INTELLIGENCE STRATEGY**
23

24 **SEC. 16. Research and Development.** – The State shall endeavor to
25 accelerate innovation with AI as well as master and push its boundaries; it shall
26 help industries innovate, nurture and support AI startups, and transform
27 institutions by:

28 (a) Developing competency in AI research as measured by publications,
29 patents, and technology disclosures;

32 (b) Inviting international experts that can bring in new AI technologies
33 and/or AI startup or business ideas;

35 (c) Providing funding for AI algorithmic innovations;

37 (d) Strengthening academe-industry partnerships in AI research and
38 development;

40 (e) Incentivizing Higher Educational Institutions to promote AI research
41 and development internships with local private institutions;
42

1 (f) Creating quantifiable measures to track, coordinate, and improve
2 government services and policies for industries;

3
4 (g) Strengthening technology transfer between Higher Educational
5 Institutions or Research and Development Institutions with industry;

6
7 (h) Identifying and prioritizing sector-specific research and development
8 projects that can maximize the impact of AI research;

9
10 (i) Tracking and analyzing the quality and quantity of jobs displaced,
11 created, and/or transformed as a result of AI academe-industry partnerships;

12 (j) Identifying and supporting local AI startups;

13 (k) Developing state-owned venture funds to support AI startups;

14
15 (l) Incentivizing and encouraging investors to support promising AI
16 businesses; and

17
18 (m) Supporting or co-hosting AI-themed competitions, events, and
19 conventions.

20
21 **SEC. 17. *Digitization and Infrastructure.*** – The State shall improve data
22 access and data value extraction, and build a robust networked environment by:

23
24 (a) Making internet accessible and affordable;

25
26 (b) Improving internet quality;

27
28 (c) Ensuring that the internet access of enterprises is reliable, secure, and
29 at least within global averages;

30
31 (d) Ensuring government agencies and other public institutions serve as
32 reliable areas for information access and transfer;

33
34 (e) Ensuring that Higher Educational Institutions and Research and
35 Development Institutions have access to reliable and secure networks;

36
37 (f) Making public data open, freely available, and downloadable in
38 digestible formats for ready analysis;

39
40 (g) Building a National Data Center (NDC) with a reliable and robust
41 infrastructure and data management system;

1 (h) Encouraging government agencies, research institutions, and top
2 universities, to maintain their own data centers linked with the NDC;

3
4 (i) Working with private institutions to link public and private datasets
5 that will allow for integrated data search;

6
7 (j) Promoting and encouraging data analysis across all functions of
8 businesses, industries, and government agencies;

9
10 (k) Promoting projects that would enable access to more sensitive datasets
11 given clear social or business value; and

12
13 (1) Undertaking extensive and up-to-date training of analysts and data
14 scientists to extract actionable insights from publicly available data.

15
16 **SEC. 18. Workforce Development.** – The State shall transform education
17 and nurture future AI talents as well as upskill or reskill workers by:

18
19 (a) Promoting data literacy for all;

20
21 (b) Ensuring the proper training of teachers in Data Science and
22 Analytics;

23
24 (c) Developing graduate programs centered on data science and AI;

25
26 (d) Increasing the number of graduate students in data science, AI, and
27 business analytics;

28
29 (e) Promoting lifelong learning and design learning pathways for out-of-
30 school individuals;

31
32 (f) Incorporating data science and analytics, including data visualization
33 and storytelling, as general education courses in universities and colleges;

34
35 (g) Working with technology companies to provide sufficient computing
36 resources and equipment to students and teachers;

37
38 (h) Incentivizing industries to offer learning and development programs
39 that improve digital/data literacy;

40
41 (i) Developing sector-specific curricula and/or stackable programs with
42 varying degrees of specialization (low, medium, high);

(j) Identifying industry-specific tools needed to help upskill the country's workforce;

(k) Incentivizing industries to send employees for graduate studies that focus on research and development towards developing a scientific culture within organizations; and

(1) Identifying jobs that are vulnerable to automation and other industry technologies and map the skills that need upgrading or retooling.

SEC. 19. *AI Governance Policies.* – Employers may adopt AI software that they may deem useful and/or beneficial in the workplace as an administrative tool or an integrated or complementary part to process workflows, *Provided*, that the use of AI in operations is regulated through the creation of an AI Governance Policy to provide employees with guidelines for AI adoption and usage in the workplace, how the collection, use and storage of data are compliant to the Data Privacy Act of 2012, and other important information relating thereto.

Such AI Governance Policy may allow employees to use AI in business processes and workflows, subject to limitations made known to the employees through said policy. Employees are enjoined to consult their policy in the event of uncertainty as to a specific application and use of AI and on the propriety of use thereof.

Employers shall ensure the use of AI software in a legally compliant manner. They shall see to it that AI Governance Policies are periodically updated to comply with existing laws and policies.

SEC. 20. Job Displacement Program. – In case a public or private employee is terminated due to the installation or implementation of artificial intelligence technologies or systems, rendering his or her position redundant, the worker affected shall be entitled to separation pay equivalent to at least his or her one (1) month pay or to at least one (1) month pay for every year of service, whichever is higher. A fraction of at least six (6) months shall be considered one (1) whole year. This is without prejudice to any higher benefit as may be provided by any existing law, rule, agreement, practice, or regulation.

The worker shall also be eligible for any unemployment benefits from the Social Security System or the Government Service Insurance System.

The DOLE shall create a Job Displacement Program that will aim to immediately assist and re-employ any workers involuntarily terminated due to

1 the installation or implementation of artificial intelligence technologies or
2 systems. The NCAIR shall always strive to improve the skills, education, and
3 knowledge of employees in sectors that are prone to AI replacement to protect
4 them from any prolonged displacement.

5

6 CHAPTER IX 7 ROLE OF GOVERNMENT AGENCIES

8

9 **SEC. 21. Whole of Government Approach.** – In order to effectively
10 regulate and/or mitigate the risks and harness the potentials of AI across all
11 areas of government policy-spanning health, infrastructure, education, training,
12 energy, communication, industry, science and technology, defense, among
13 others a "whole of government approach" shall be adopted. This approach shall
14 facilitate engagement with business, the research development and extension
15 (RD&E) sector, and the broader community towards ensuring the full and
16 effective implementation of this Act.

17

18 The DOST, DICT, DTI, Department of Agriculture, Department of
19 Environment and Natural Resources, DOH, Department of Energy, Department
20 of Transportation, Department of National Defense, Department of the Interior
21 and Local Government, DepEd, CHED, TESDA, DOLE, Commission on
22 Human Rights, Department of Justice, shall be responsible for implementing the
23 country's policies on AI and, as such, shall observe the "whole of government
24 approach".

25

26 Government agencies shall make available for public access, a joint web
27 portal, that will bear information pertinent to AI regulations.

28

29 Government agencies shall submit periodic reports to the Council on their
30 respective implementation of this Act. Reporting guidelines shall be prepared
31 by the Council for this purpose.

32

33 CHAPTER X 34 MONITORING AND ENFORCEMENT MECHANISMS 35

36 **SEC 22. Reports and Disclosures to the AIB.** – In requiring AI companies
37 and laboratories to submit written or electronic forms or reports pursuant to
38 Section 8 of this Act, the AIB shall be prohibited from sharing, disclosing, or
39 making available to the public and other AI entity any information, document,
40 plan, and report constituting trade secrets, proprietary data, and other legitimate
41 commercial information which are confidential or privileged in nature.

42

1 **SEC. 23. Central Database of AI Industry.** – The central database, which
2 shall be open to the public, created by the AIB pursuant to Section 8 of this Act
3 shall be updated on a monthly basis. It shall include the following information:

4 (a) Corporate, business, or trade name of the AI industry participant;

5 (b) Registered trademark or trade name or logo of AI company or
6 laboratory;

7 (c) Violations committed and incidents relating to such violations; and

8 (d) Other relevant information as may be determined by the Council;

9
10 Provided, That it shall not include trade secrets and other proprietary
11 information as may be determined in this Act's implementing rules and
12 regulations.

13
14 For this purpose, the AIB shall coordinate with the Intellectual Property
15 Office of the Philippines (IPOPHL) for the accurate reporting of trademarks and
16 tradenames of AI companies or laboratories.

17
18 **SEC. 24. Prohibited Use of AI System.** – It shall be unlawful for any
19 person to use AI system that shall cause unnecessary, unjustifiable and
20 indiscriminate moral or pecuniary damage to individuals. The use of lethal
21 autonomous weapon systems (LAWS) is hereby prohibited.

22
23 The development, application, and use of AI to manipulate, exploit or
24 control any person beyond his or her consciousness to materially distort his or
25 her behavior in a manner that is likely to cause him or her or another person
26 physical or psychological harm is prohibited.

27
28 AI based social scoring of natural persons and practices that undermine
29 privacy rights shall also be prohibited.

30
31 **SEC. 25. Penalties.** – Any person who willfully or knowingly does or
32 who shall aid, permit, or cause to be done any of the acts declared to be
33 unlawful in the preceding section, or aids, permits, or causes such violation
34 shall, upon conviction thereof, be punished by imprisonment for not less than
35 six months or more than six years and with the accessory penalty of perpetual
36 absolute disqualification from public office if the offender be a public official at
37 the time of the commission of the offense, and, if the offender is an alien he
38 shall be subject to deportation proceedings.

1 **SEC. 26. Violations by Juridical Entities.** – If the violation is committed
2 by a corporation, partnership, association, or other juridical entity, the penalty
3 of imprisonment shall be imposed on the responsible directors or officers
4 thereof, and the lack of corporate personality cannot be raised as a defense in
5 case the juridical entity is unregistered.

6

7 **CHAPTER XI** 8 **FINAL PROVISIONS**

9

10 **SEC. 27. Appropriations.** – The amounts necessary for the
11 implementation of this Act shall be included in the annual General
12 Appropriations Act.

13

14 **SEC. 28. Implementing Rules and Regulations.** – The DOST, shall, in
15 consultation with the concerned government agencies and stakeholders,
16 promulgate the implementing rules and regulations of this Act within ninety
17 (90) days from its effectivity. All guidelines, regulations, and other issuances
18 mandated to be promulgated in this Act shall be issued within sixty (60) days
19 from the promulgation of this Act's implementing rules and regulations.

20

21 **SEC. 29. Construction and Interpretation.** – Any doubt in the
22 interpretation of any provision in this Act shall be interpreted in favor of the
23 interest of the general public.

24

25 **SEC. 30. Separability Clause.** – If, for any reason, any chapter, section,
26 or provision of this Act shall be declared unconstitutional, illegal, or invalid,
27 such parts not affected thereby shall remain in full force and effect.

28

29 **SEC. 31. Repealing Clause.** – All laws, decrees, executive orders,
30 proclamations, and administrative regulations, or parts thereof inconsistent
31 herewith are hereby repealed or modified accordingly.

32

33 **SEC. 32. Effectivity.** – This Act shall take effect fifteen (15) days after its
34 publication in the Official Gazette or in any newspaper of general circulation.

35

36 Approved,