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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Thirteenth Congress
First Regular Session

HOUSE BILL NO. 1246

Introduced by Honorable Eric D. Singson

EXPLANATORY NOTE

This bill seeks to prevent and penalize computer fraud, abuses and other cyber related fraudulent activities and creating for the purpose Cyber-Crime Investigation and Coordinating Center (CICC) which shall investigate, coordinate, collate and synergize efforts of all law enforcement agencies in combating cyber crimes.

Advancements in information technology (IT) can be characterized as a double-edged sword. On one hand, advanced IT enhances reliability and promotes efficiency in facilitating the exchange and delivery of information. On the other hand, the value of high technology is vulnerable to exploitation and abuse. For one, confidential stored data can be readily accessed, intercepted and corrupted without permission or authority.

According to Time Magazine, the "Love Bug" virus which originated from the Philippines destroyed $10 Billion worth of data files worldwide. Cyberspace users became wary of receiving information from the Philippines through the Internet for fear of computer viruses.

Although the recently approved E-Commerce Law provides penalties or sanctions on computer related crimes, it generally refers to all acts inimical to the use of computers and application of information technologies such as computer hacking. The proposed Anti-Cyber Crime Law complements the E-Commerce Law as it further specifies cyber offenses and their corresponding penalties.

A stronger and more specific anti-cyber crime law is expected to deter computer users from indulging into illegal acts. Moreover, the law itself will send a signal to the international community that the country does not tolerate cyber crimes. Hence, this bill.

In view of the foregoing, immediate approval of this bill is highly recommended.

ERIC D. SINGSON

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AN ACT
PREVENTING AND PENALIZING COMPUTER FRAUD, ABUSES AND OTHER CYBER-RELATED FRAUDULENT ACTIVITIES, AND CREATING FOR THE PURPOSE THE CYBER-CRIME INVESTIGATION AND COORDINATING CENTER, PRESCRIBING ITS POWERS AND FUNCTIONS, AND APPROPRIATING FUNDS THEREFOR.

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

SECTION 1. ***Title.*** – This Act shall be known as the Anti-Cyber Crime Act of 2001.

SEC. 2. ***Objective.*** – It is the objective of this Act to protect and safeguard the integrity of computers, computer systems, computer networks, computer servers, database, and the information and data stored therein from computer users who resorted to computer fraud, abuses and other cyber-related fraudulent activities, by providing penal sanctions to the perpetrators and creating a coordinating body which shall coordinate, collate and synergize efforts of all law enforcement agencies in combating cyber crimes.

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

(a). Access - the interception, instruction, communication with, storing data in, retrieving data from, or otherwise making use of any resources of a computer, computer system, computer network, or database;

(b) Computer - any device or apparatus singly or interconnected which, by electronic, electro-mechanical, optical and/or magnetic impulse, or other means with the same function, can receive, record, transmit, store, process, correlate, analyze, project,

retrieve and/or produce information, data, text, graphics, figures, voice, video, symbols or other modes of expression or perform any one or more of these functions;

(c) Computer Network - the interconnection of two (2) or more computers through the use of a satellite, microwave, line, or other communication medium;

(d) Computer Program - an ordered set of instructions or statements and related data that, when automatically executed in actual form in a computer system, causes it to perform specified functions;

(e) Computer software - a set of computer programs, procedures, and associated documentation concerned with the operation of a computer system;

(f) Computer system - a set of related, connected, or unconnected computer equipment, devices, and software;

(g) Computer virus - a computer program copied to or installed on a computer, computer network, computer program, computer software, or computer system without the informed consent of the owner of the computer, computer network, computer program, computer software, or computer system that may replicate itself and that causes unauthorized activities within or by the computer, computer network, computer program, computer software, or computer system;

(h) Cyber space - the internet or the online or digital world in general;

(i) Database - a representation of information, knowledge, facts, concepts, or instruction which are being prepared or processed or have been prepared or processed in a formalized manner and which are intended for use in a computer, computer system, computer server, or data-base, which the accesser is not entitled to obtain or alter;

(j) Financial institution –

(1) Any institution whose deposits are insured by the Philippine Deposit Insurance Corporation;

(2) The Bangko Sentral ng Pilipinas;

(3) A credit information or rating agency;

(4) Brokers or dealers in securities registered as such with the Securities and Exchange Commission;

(5) Mutual fund managers and the like;

(6) A branch or agency of a foreign bank;

(7) The Social Security System;

(8) The Government Service Insurance System, and

(9) Investment houses and pre-need entities.

(k) Financial record - any information derived from any record held by a financial institution pertaining to a customer's relationship with that financial institution.

(l) Government or Government entity - any agency of the Government of the Republic of the Philippines, or any of its agencies or instrumentalities, including local government units and government owned or controlled corporations; any foreign country; and any state, province, municipality, or other political subdivision, agency, or instrumentality of any foreign country; and

(m)Protected computer - refers to a computer which is:

(1) Used exclusively by a financial institution, the government, or in the case of a computer not exclusively used for such use, is used by (i) or for a financial institution; (ii) or a government; and any person, natural or juridical, and the conduct constituting the offense affects thr use by, or for, the financial institution, government, or person; or

(2) Used in domestic or foreign commerce or communications;

(n) Services - computer time, data processing, storage functions and other similar services.

SEC. 4. ***Cyber-Crime Investigation and Coordinating Center.*** – There is hereby created, thirty (30) days from the effectivity of this Act, a Cyber-Crime Investigation and Coordinating Center, hereinafter referred to as CICC, under the control and supervision of the Office of the President principally to combat cyber-related fraudulent activities and to investigate, coordinate, collate and synergize efforts of all law enforcement agencies in combating cyber crimes.

SEC. 5. ***Composition.*** – The CICC shall be headed by the Secretary of the Transportation and Communications as Chairman; with the Director of the National

Bureau of Investigation as Vice-Chairman; Director-General of the Philippine National Police; Chief of the National Prosecution Service; and Head of the National Computer Center as members.

The CICC shall be manned by a Secretariat headed by an Executive Director to be appointed by the Chairman. The Executive Director shall possess adequate training and experience in the field of computer technology, or in information and communication system, or other related fields. He shall be assisted by a functional staff composed of Administrative or Logistics Division, Intelligence and Investigation Division, Plans and Operations Division, Prosecution and Legal Division and Instructional Cooperation Division. Selected personnel and representatives from the different participating agencies shall be assigned to the CICC.

The Chairman may call upon any government agency to render assistance in the accomplishment of the CICC's mandated tasks and functions.

SEC. 6. ***Powers and Functions.*** – The CICC shall have the following powers and functions:

a) To prepare and implement appropriate and effective measures to prevent and suppress computer fraud, abuses and other cyber-related fraudulent activities as provided in this Act;

b) To conduct intelligence and counter-intelligence operations to identify person(s), private or government-owned corporations, government officials and employees, cyber crime syndicates and their cohorts who are involved in cyber-related criminal activities;

c) To effect searches and seizures in accordance with law, and to cause or direct the immediate arrest, investigation and speedy prosecution of computer users indulging in cyber crimes;

d) To refer the case(s) at hand, as the CICC may deem proper and necessary, to the Department of Justice, or any other appropriate law enforcement agencies for investigation or prosecution, as the case may be;

e) To follow-up the progress of on-going investigation and prosecution of cases taken cognizance by the CICC;

f) To formulate and implement plans and programs for international cooperation on intelligence and investigations relative to cyber crimes and prevention;

g) To coordinate and orchestrate the support and participation of the business sector, local government units and non-government organizations in the anti-cyber crime prevention program;

h) To recommend the enactment of appropriate anti-cyber crime laws and issuances; and

i) To perform such other functions and duties necessary for the proper implementation of this Act.

SEC. 7. ***Prohibited Activities.***– It is hereby declared unlawful for any person, whether natural or juridical, public or private, to commit the following acts:

a) Computer Fraud - The input, alteration, erasure or suppression of computer data or computer programs, or other interference in the course of data processing, that influences the result of data processing thereby causing economic or possessory loss of property of another person;

b) Computer Forgery - The input, alteration, erasure or suspension of computer data or computer programs, or other interference in the course of data processing, in a manner or under such conditions, as prescribed by national law, that would constitute the offense of forgery if it had been committed with respect to a traditional object of such offense;

c) Damage to Computer Data or Computer Programs - The erasure, alteration, damaging, deterioration or suppression of computer data or computer programs without right or prior authorization;

d) Computer Sabotage - The input, alteration, erasure or suppression of computer data or computer programs, or interference with computer systems, with the intent to hinder the functioning of a computer or of a telecommunication system;

e) Unauthorized Access - The access without authority or right to a computer system or network by infringing security measures;

f) Unauthorized Interception - The interception made without authority or right and by technical means of communication to, from and within a computer system or network;

g) Knowingly accessing a computer without authorization or exceeding authorized access, and by means of such conduct obtains information that has been determined by the government pursuant to regulations requiring protection against unauthorized disclosure for reasons of national security or foreign relations, or any restricted data, with the intent or reason to believe that such information so obtained is to be used to the injury of the country, or to the advantage of any foreign nation;

h) Intentionally accessing a computer without authorization or exceeding authorized access, and thereby obtains information contained in a financial record of a financial institution, or of a card issuer or contained in a file of a consumer reporting agency on a consumer;

i) Intentionally, without authorization to access any computer of a department or agency of the government of the Philippines or any public or private financial institution operating under Philippine laws, accesses such a computer of the department or agency that is exclusively for the use of the government of the Philippines, or, in the case of a computer not exclusively for such conduct affects the use of the government's operation of such computer;

j) Knowingly and with intent to defraud, accessing a vital government or private financial institution or agencies as indicated in the implementing rules and regulations (IRR) without authorization, or exceeds authorized access, and by means of such conduct furthers the intended fraud and obtain anything of value, unless the object of the fraud and the thing obtained consist only of the use of the computer;

k) Internationally accessing a national government computer without authorization and by means of one or more instances of such conduct alters, damages, or

destroys information in any computer, or prevents authorized use of any such computer or information and thereby:

1) causes losses to one or destroys property of value;

2) modifies or impairs, or potentially modifies or impairs the medical examination, medical diagnosis, medical treatment, or medical care of one or more individuals;

l) Knowingly and with intent to defraud traffics in any password or similar information through which a computer may be accessed without authorization, if such trafficking affects inter-country or foreign trade or such computer is used by the government of the Philippines in its transactions; and

m) Introduces immoral doctrines, obscene publications and exhibitions, and indecent shows in cyberspace.

SEC. 8. ***Compensation.*** – The Chairman and the members of the CICC shall not receive additional compensation for the services rendered thereto: Provided, however, That they shall be entitled to reimbursement for the actual expenses they have incurred in the performance of their duties and in the attendance of meetings as members of the CICC.

SEC. 9. ***Penalties.***– Any person or entity found guilty of any of the prohibited activities under Section 7 hereof shall be punished with imprisonment of not less than ten (10) years nor more than twenty (20) years or suffer the penalty of a fine of not less than Five hundred thousand pesos (P500,000.00) nor more than One million pesos (P1,000,000.00) or twice the value of the property involved in the prohibited act, whichever is greater, or both imprisonment and fine, at the discretion of the court.

Any person or entity who introduces immoral doctrines, obscene publications and exhibitions, and indecent shows in cyberspace as provided under Sec. 7(m), shall, upon conviction, be punished with imprisonment of not less than four (4) years but not more than six (6) years or a fine of not less than Fifty thousand pesos (P50,000.00) nor more

than One hundred thousand pesos (P100,000.00) or both imprisonment and fine, at the discretion of the court.

If the offender is a corporation, partnership, association or entity, the penalty shall be imposed upon the officers of the corporation, partnership, association or entity responsible for the violation.

SEC. 10. ***Appropriation.***– The amount necessary for the effective implementation of this Act shall be taken out of any funds of the National Treasury not otherwise appropriated for the initial organization and operation of the CICC. Thereafter, such amounts as may be necessary to finance its operations and maintenance shall be included in the annual General Appropriations Act.

SEC. 11. ***Implementing Rules and Regulations.***– The Secretary of Transportation and Communications shall issue the necessary rules and regulations to carry out the objectives of this Act.

SEC. 12. ***Separability Clause.***– In the event that any part of this Act is declared unconstitutional, the other parts not so declared shall remain valid and effective.

SEC. 13. ***Repealing Clause.***– Any provision of law, decree, executive order, rule or regulation which are in conflict or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 14. ***Effectivity.***– This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,