

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

THIRTEENTH CONGRESS
First Regular Session



HOUSE BILL NO. 4384

Introduced by **Honorable Dr. Reynaldo B. Aquino**

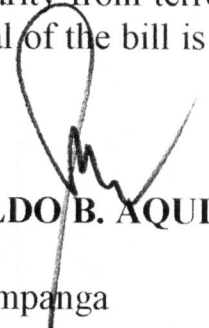
EXPLANATORY NOTE

While it is true that computers stand as the icon of an industrialized country, computer technology has also served as a gateway for criminals and terrorists to transact with their counterparts to the other end of the world and conceptualize their plot via electronic means.

Cryptography, a sophisticated means of converting computer data and messages to something incomprehensible by means of a key so that it can be converted only by an authorized recipient holding the matching key, has proven to be a powerful tool for spies and terrorists. Like a double-edged sword, encryption has not only kept email and financial transactions over the Internet secure and private, but has also concealed the criminals' and terrorists' incriminating evidence and violent plots.

The constitutional mandate that the prime duty of the government to serve and protect the people extends as well to property rights. In support thereof, this Act proposes to regulate the use of cryptography within the Philippine area of jurisdiction.

With the imminent threats to our national security from terrorists and criminals arising every so often, support and approval of the bill is earnestly sought.


DR. REYNALDO B. AQUINO
Representative
3rd District, Pampanga

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AN ACT
REGULATING THE USE OF CRYPTOGRAPHY IN COMPUTERS AND
PROVIDING PUNISHMENTS IN VIOLATION THEREFOR

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

SECTION 1. DECLARATION OF POLICY – Pursuant to the constitutional mandate that the prime duty of the government is to serve and protect the people, it is hereby declared an operative policy of the government to regulate the use of cryptography in computers within the Philippine area of jurisdiction.

SEC. 2. DEFINITION OF TERMS – The terms in this Act shall be taken to mean as follows:

- A. **CRYPTOGRAPHY** – art and science of preparing coded or protected communications intended to be intelligible only to the person possessing a key.
- B. **ENCRYPTION** – the act of converting computer data and messages to something incomprehensible by means of a key, so that it can be reconverted only by an authorized recipient holding the matching key.
- C. **WEB** – a program used for displaying and viewing pages on the World Wide Web.
- D. **TRANSACTION** – a communication or activity between two or more people that influences and affects all of them.

- E. **COMMUNICATION** – the exchange of information between individuals, such as speaking, writing, or using a common system of signs or behavior.

SEC. 3. THE BOARD -- The Department of National Defense, in cooperation with the National Bureau of Investigation, shall form the Encryption Regulatory Board, hereby referred to as the Board, which shall regulate and undertake the monitoring of the use of cryptography in the web for any purposes. The Board shall be headed by one director and two deputies whose responsibilities and qualifications shall be determined by the Secretary of Defense.

SEC. 4. REGISTRATION – Any individual, corporation, business entity, association or organization using codes, symbols, and other encryption in any transaction or communication shall register the same before the Board.

SEC. 5. IMPLEMENTING GUIDELINES – The Secretary of Defense shall adopt and promulgate a set of guidelines to ensure effective implementation of this Act.

SEC. 6. PENALTIES – Failure or willful intent not to register the codes, symbols, and other encryption being used shall pay a fine of not less than ONE THOUSAND PESOS (P1, 000.00) but not more than TEN THOUSAND PESOS (P10, 000.00) and/or imprisonment of not less than one (1) month and one day but not more than six (6) months.

SEC. 7. CONTRACTS AND AGREEMENTS – The Director of the Board, subject to existing rules and regulations, may solicit and enter into contracts and agreements with any local and foreign organization and/or governments who can contribute to the attainment of the objectives of this Act.

SEC. 8. REPEALING CLAUSE – All laws, decrees, letters of instruction, executive order, rules and regulations, which may be inconsistent with this Act are hereby repealed, modified or amended accordingly.

SEC. 9. EFFECTIVITY CLAUSE – This Act shall take effect fifteen (15) days upon approval.

APPROVED.