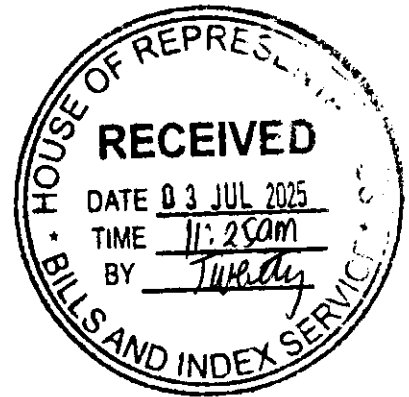


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



TWENTIETH CONGRESS
First Regular Session
House Bill No. **1196**

Introduced by Representative

BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

**AN ACT ESTABLISHING A COMPREHENSIVE LEGAL FRAMEWORK FOR THE
DEVELOPMENT, DEPLOYMENT, AND REGULATION OF ARTIFICIAL
INTELLIGENCE IN THE PHILIPPINES, CREATING THE ARTIFICIAL
INTELLIGENCE DEVELOPMENT AUTHORITY (AIDA), AND FOR OTHER
PURPOSES**

EXPLANATORY NOTE

Artificial Intelligence (AI) is rapidly transforming societies, economies, and governance worldwide. Its growing capabilities have immense potential to spur innovation, improve public services, drive economic growth, and address complex social challenges. However, AI also presents serious risks—particularly when used in high-stakes environments such as law enforcement, healthcare, critical infrastructure, and education.

Recognizing both the opportunities and challenges posed by AI, this bill seeks to establish a comprehensive legal and institutional framework that will guide the development, deployment, and regulation of AI technologies in the Philippines. It aligns with global standards and best practices, including the European Union's AI Act, the OECD AI Principles, and the UK's pro-innovation regulatory approach.

The proposed legislation introduces the Philippine Artificial Intelligence Governance Act, which aims to balance innovation with safety, and economic competitiveness with the protection of fundamental rights. Its core policy objectives include:

- Promoting the ethical, responsible, and inclusive use of AI;
- Ensuring AI systems are transparent, accountable, and subject to human oversight;
- Protecting human rights and public safety from potential harms caused by high-risk or manipulative AI;
- Encouraging cooperation between the government, private sector, civil society, and academia in AI development;
- Creating a level playing field for Filipino innovators and businesses in the global AI ecosystem.

At the heart of this proposed legislation is the creation of the Artificial Intelligence Development Authority (AIDA), an attached agency of the Department of Science and Technology (DOST). AIDA shall be tasked with formulating the National AI Strategy, setting regulatory standards, facilitating multi-sectoral coordination, and ensuring compliance with this Act.

The bill adopts a risk-based classification system for AI systems, similar to the EU model. AI applications are categorized as:

- Unacceptable Risk – AI systems that pose clear and systemic threats to safety and rights are outright prohibited (e.g., social scoring, subliminal manipulation, untargeted facial recognition).
- High Risk – AI systems used in critical sectors (e.g., law enforcement, education, employment) are subject to stringent compliance obligations.
- Limited Risk – Systems like chatbots must meet transparency standards.
- Minimal Risk – All other AI uses are allowed with light or no regulation.

To ensure responsible innovation, the bill mandates transparency, robust data governance, technical documentation, and human oversight in high-risk applications. It also establishes a regulatory sandbox where emerging technologies can be tested under controlled conditions.

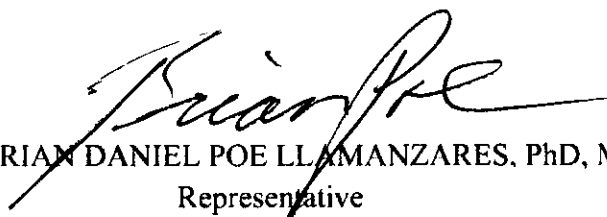
Moreover, the bill encourages international collaboration, allowing the Philippines to align its AI governance with global frameworks and engage in cross-border regulatory cooperation.

In light of the growing relevance of General-Purpose AI (GPAI), such as large language models and generative AI systems, this bill also outlines obligations for GPAI providers regarding documentation, training data transparency, intellectual property compliance, and output traceability.

This bill is both future-forward and rights-based, safeguarding Filipino citizens while enabling the country to harness the transformative power of AI. The passage of this measure will

not only support a safe and innovation-friendly AI ecosystem but will also position the Philippines as a proactive participant in shaping global AI governance.

The passage of the bill is earnestly sought.

A handwritten signature in black ink, appearing to read 'Brian Poe', is positioned above the printed name.

HON. BRIAN DANIEL POE LLAMANZARES, PhD, MNSA
Representative
FPJ Panday Bayanihan Party-List

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

TWENTIETH CONGRESS
First Regular Session
House Bill No. **1196**

Introduced by Representative
BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

**AN ACT ESTABLISHING A COMPREHENSIVE LEGAL FRAMEWORK FOR THE
DEVELOPMENT, DEPLOYMENT, AND REGULATION OF ARTIFICIAL
INTELLIGENCE IN THE PHILIPPINES, CREATING THE ARTIFICIAL
INTELLIGENCE DEVELOPMENT AUTHORITY (AIDA), AND FOR OTHER
PURPOSES**

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 "Philippine Artificial Intelligence Governance Act."

SECTION 2. Declaration of Policy. – It is the policy of the State to:

- a. Promote the responsible development and use of Artificial Intelligence (AI) technologies that align with ethical standards, respect human rights, and uphold national interests;
- b. Establish a regulatory framework that ensures transparency, accountability, and fairness in AI systems;
- c. Foster innovation and competitiveness in the AI sector while safeguarding public welfare and safety;

d. Encourage collaboration among government, industry, academia, and civil society in the development and oversight of AI technologies.

SECTION 3. Definition of Terms. – For purposes of this Act, the following terms are defined:

a. **Artificial Intelligence (AI):** A system that displays intelligent behavior by analyzing its environment and taking actions—with some degree of autonomy—to achieve specific goals.

b. **High-Risk AI Systems:** AI systems that pose significant risks to health, safety, or fundamental rights, including those used in critical infrastructure, education, employment, law enforcement, and essential private services.

c. **General-Purpose AI (GPAI):** AI systems intended for multiple purposes, including those not specifically designed for a particular application.

d. **AI Provider:** Any natural or legal person, public authority, agency, or other body that develops an AI system or has an AI system developed and places it on the market or puts it into service under its own name or trademark.

e. **AI User:** Any natural or legal person, public authority, agency, or other body using an AI system under its authority, except where the AI system is used in the course of a personal non-professional activity.

SECTION 4. Scope and Application. – This Act applies to:

a. AI systems placed on the market, put into service, or used in the Philippines, regardless of whether the provider or user is established within the country;

b. Providers and users of AI systems whose output is used in the Philippines.

SECTION 5. Establishment of the Artificial Intelligence Development Authority (AIDA).

a. **Creation:** There is hereby created the Artificial Intelligence Development Authority (AIDA), an attached agency under the Department of Science and Technology (DOST).

b. **Mandate:** AIDA shall be responsible for:

i. Developing and implementing a national AI strategy;

ii. Overseeing compliance with this Act and related regulations;

iii. Facilitating collaboration among stakeholders in the AI ecosystem;

- iv. Promoting research and development in AI technologies.
- c. Powers and Functions: AIDA shall have the authority to:
 - i. Issue guidelines and standards for AI development and deployment;
 - ii. Conduct audits and assessments of AI systems;
 - iii. Impose administrative sanctions for violations of this Act;
 - iv. Coordinate with international bodies on AI governance.

SECTION 6. Risk-Based Classification of AI Systems.

AI systems shall be classified into the following categories:

- a. Unacceptable Risk: AI systems that pose a clear threat to safety, livelihoods, or rights of people are prohibited. This includes systems that:
 - i. Employ subliminal techniques beyond a person's consciousness to materially distort behavior in a manner that causes or is likely to cause harm;
 - ii. Exploit vulnerabilities of specific groups due to age, disability, or social or economic situation;
 - iii. Engage in social scoring by governments;
 - iv. Utilize untargeted scraping of facial images to create facial recognition databases;
 - v. Implement emotion recognition in workplaces and educational institutions, except for medical or safety reasons;
 - vi. Conduct predictive policing based solely on profiling or assessing personal characteristics.
- b. High Risk: AI systems used in critical areas such as:
 - i. Biometric identification and categorization of natural persons;
 - ii. Management and operation of critical infrastructure;
 - iii. Education and vocational training;
 - iv. Employment, workers management, and access to self-employment;

- v. Access to essential private and public services;
- vi. Law enforcement;
- vii. Migration, asylum, and border control management;
- viii. Administration of justice and democratic processes.

These systems are subject to strict obligations before they can be put into service.

c. Limited Risk: AI systems with specific transparency obligations, such as chatbots, must inform users that they are interacting with a machine.

d. Minimal Risk: All other AI systems can be developed and used with minimal regulatory intervention.

SECTION 7. Obligations for High-Risk AI Systems.

Providers of high-risk AI systems must:

- a. Implement a risk management system;
- b. Ensure high-quality datasets for training, validation, and testing;
- c. Maintain technical documentation and logs;
- d. Ensure transparency and provide information to users;
- e. Enable human oversight;
- f. Ensure robustness, accuracy, and cybersecurity.

SECTION 8. Obligations for General-Purpose AI Models.

Providers of general-purpose AI models shall:

- a. Create and maintain up-to-date technical documentation for their models;
- b. Make available information and documentation to providers of AI systems who intend to integrate the general-purpose AI model into their AI systems;
- c. Put in place a policy to comply with applicable laws on copyright and related rights;
- d. Draw up and make publicly available a detailed summary about the content used for training of the general-purpose AI model;

- e. Ensure that the outputs of general-purpose AI systems are marked in a machine-readable format and detectable as artificially generated or manipulated.

SECTION 9. Transparency and Information Requirements.

AI systems must be designed and developed to ensure transparency. Users should be informed when:

- a. They are interacting with an AI system;
- b. AI is used to generate or manipulate content (e.g., deepfakes);
- c. Automated decision-making processes are in place.

SECTION 10. Data Governance and Management.

AI systems must comply with data protection laws, ensuring:

- a. Lawful and fair data processing;
- b. Data minimization and accuracy;
- c. Security and confidentiality;
- d. Rights of data subjects are upheld.

SECTION 11. Human Oversight.

High-risk AI systems must be designed to allow human oversight, enabling:

- a. Prevention or minimization of risks;
- b. Intervention or interruption of the system's operation;
- c. Understanding of the system's functioning.

SECTION 12. Regulatory Sandbox.

AIDA shall establish a regulatory sandbox to:

- a. Facilitate innovation in AI technologies;
- b. Allow controlled testing of AI systems under supervision;
- c. Gather data to inform future regulations.

SECTION 13. International Cooperation.

AIDA shall collaborate with international organizations and counterparts to:

- a. Harmonize AI standards and regulations;
- b. Participate in global discussions on AI governance;
- c. Share best practices and knowledge.

SECTION 14. Offenses and Penalties.

- a. Unlawful AI Practices: Engaging in prohibited AI practices shall be punishable by a fine of up to Fifty Million Pesos (₱50,000,000) or imprisonment of up to five (5) years, or both.
- b. Non-Compliance with Obligations: Failure to comply with obligations for high-risk AI systems may result in administrative fines of up to Twenty Million Pesos (₱20,000,000).
- c. Other Violations: Violations of other provisions of this Act shall be subject to appropriate penalties as determined by AIDA.

SECTION 15. Appropriations.

The amount necessary for the initial implementation of this Act shall be charged against the current year's appropriations of the DOST. Thereafter, such sums as may be necessary for its continued implementation shall be included in the annual General Appropriations Act.

SECTION 16. Implementing Rules and Regulations.

Within one hundred twenty (120) days from the effectivity of this Act, AIDA, in coordination with relevant agencies and stakeholders, shall promulgate the necessary rules and regulations for its implementation.

SECTION 17. Separability Clause.

If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

SECTION 18. Repealing Clause.

All laws, decrees, executive orders, rules, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 19. Effectivity.

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

Approved,