

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 3480



Introduced by Representative Jan Rurik D. Padiernos, GP (Galing sa Puso) Party-List

EXPLANATORY NOTE

Artificial Intelligence (AI) is rapidly reshaping how decisions are made in areas such as education, employment, commerce, governance, and information access. In the Philippines, AI is increasingly embedded in everyday tools—from chatbots and recommendation engines to AI-assisted hiring, grading, and content creation. However, this widespread integration of AI technologies has outpaced the development of protective legal frameworks, leaving consumers and citizens vulnerable to harm.

At present, there is no unified policy in the country that regulates how AI should be deployed, particularly in high-impact or sensitive applications. AI-driven systems can amplify discrimination, embed bias in hiring or credit evaluations, or mislead the public through the use of hyper-realistic deepfakes. People usually are often unaware that AI is processing their data or that decisions that impact their lives are being made with little human input. These risks are heightened by the absence of transparency requirements, ethical standards, and effective mechanisms for accountability or redress.

In addition, the mandates of government agencies involved in digital policy—such as the Department of Information and Communications Technology (DICT), Department of Science and Technology (DOST), and Department of Trade and Industry (DTI)—often overlap or lack coordination when it comes to AI governance. This fragmentation results in regulatory confusion and slows the establishment of coherent national standards. The country also faces challenges in preparing its workforce and education system for the demands of an AI-driven economy, further widening the digital divide.

This bill seeks to fill these regulatory and institutional gaps by introducing a comprehensive and future-ready legal framework for responsible AI development and use. It establishes foundational rules to ensure that individuals are clearly informed when they are subject to AI-based interactions or

decisions. It mandates safeguards for ethical AI use in employment, education, and public services, particularly to prevent bias and discrimination. It also supports education, skills development, and public awareness programs to equip Filipinos with the competencies needed to engage with AI safely and productively. Recognizing the importance of local innovation, the measure encourages the development of Philippine-specific AI technologies and research that promote social good.

By integrating safeguards for ethics, promoting capacity-building and education, ensuring enforceability of standards, and supporting responsible AI engineering, this measure aims to protect citizens without stifling innovation. It offers a balanced and principled approach that embraces the benefits of AI while guarding against its misuse—anchoring national progress on technological responsibility and public trust.

In view of the foregoing, the immediate passage of this measure is earnestly sought.



ATTY. JAN RURIK D. PADIERNOS

GP (Galing sa Puso) Party-List

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**AN ACT ESTABLISHING A LEGAL FRAMEWORK FOR THE RESPONSIBLE
AND ACCOUNTABLE USE OF ARTIFICIAL INTELLIGENCE IN THE
PHILIPPINES**

SECTION 1. *Short Title.* - This Act shall be known as the "***Responsible AI Development and Use Act***".

SEC. 2. *Declaration of policy.* - The State recognizes the transformative role of Artificial Intelligence (AI) in national development, particularly in improving public services, enhancing productivity, and supporting innovation. At the same time, the State affirms its duty to protect the rights, freedoms, and dignity of all Filipinos from potential risks posed by the irresponsible use of AI. Towards this end, the balancing rights between State's right and of the people shall primarily be considered when decisions are made or influenced by AI systems. Policy decisions, with the use of AI shall, at all times, be guided by the principles of ethics, transparency, accountability, fairness, and respect for human rights, and must support inclusive and sustainable development.

SEC. 3. *Definition of Terms.* -

- a. Artificial Intelligence (AI) - refers to a scientific discipline and a set of computational techniques that enable machines or systems to simulate human intelligence, including reasoning, learning, perception, planning, language understanding, and decision-making.
- b. AI System - refers to any application or service that uses Artificial Intelligence (AI) for its core functionality and is designed to operate with varying levels of autonomy to infer, generate, or recommend outputs—such as predictions, content, decisions, or actions—which influence physical or virtual environments.
- c. High-impact AI - refers to AI systems that significantly affect legal rights, access to public services, financial or health outcomes, or involve sensitive personal data.
- d. Automated Decision-making - refers to decisions made by AI without meaningful human involvement.

SEC. 4. *Scope.* - This Act applies to:

- a. Government Sector – All national government agencies, local government units, and government-owned and controlled corporations that use AI in service delivery, public decision-making, citizen data management, automated processing of benefits, or any application that affects the public.
- b. Private Sector – All private companies, organizations, and institutions that deploy AI systems in customer-facing services, decision-making processes affecting individuals, or in handling personal, financial, educational, health, or employment-related data.
- c. Critical Sectors – AI applications used in key sectors such as healthcare, education, employment, finance, law enforcement, and media, particularly when such use involves high-impact AI systems that may influence access to services, rights, opportunities, or social outcomes.
- d. Physical AI-enabled Systems – Systems such as drones, autonomous vehicles, surveillance tools, and robotics, particularly those that interact with the public, collect personal data, or operate in public or regulated spaces.

SEC. 5. *Mandatory Disclosure of AI Use.* - All entities covered under Section 4 of this Act shall ensure that individuals are clearly informed when interacting with or being affected by AI systems. These include, but are not limited to, chatbots, automated messaging services, recommendation engines, virtual assistants, and AI-driven decision-making tools.

- a. Entities in the Government Sector must disclose the use of AI in delivery of government services, automated processing of benefits, and citizen data management, particularly when such use affects individual rights or access to services.
- b. Entities in the Private Sector must disclose the use of AI in customer-facing platforms, service delivery, and any decision-making that involves personal, financial, health, educational, or employment-related data.
- c. Such disclosures shall be made in a manner that is plain, visible, and accessible to the affected individuals.
- d. Internal systems not directly affecting individuals are exempt from disclosure, unless they are involved in high-impact AI or automated decision-making with real-world consequences.

SEC. 6. *Ethical Standards for AI Use.* - All AI systems used in the Philippines must be developed and deployed in a manner that respects ethical standards and avoids harm. To this end:

- a. Entities in the Government Sector and Private Sector must ensure that AI systems used in hiring, promotions, and employment evaluations are free from discrimination and bias. Employers and public institutions must ensure that AI tools do not violate labor rights or perpetuate unfair labor practices.

- b. The creation, use, or sharing of content generated through artificial intelligence that falsely represents individuals, such as deepfakes, shall be subject to regulation. If such content results in reputational damage, invades a person's privacy, or amounts to libel or deception, it shall fall under existing laws on defamation, privacy, and cybercrime.
- c. AI systems must be aligned with the principles of fairness, non-discrimination, and respect for human dignity.
- d. In the education sector, AI systems used for admissions, grading, tutoring, or student profiling shall promote inclusivity and transparency. Entities in both sectors operating within the education system shall be supported through government-led programs that train educators to use AI tools for classroom enhancement, personalized learning, and academic support, without replacing human judgment.

SEC. 7. *AI Education and Training Program.* - To support the development of an adaptive and AI-capable workforce, the Department of Education (DepEd), Commission on Higher Education (CHED), and the Technical Education and Skills Development Authority (TESDA), in collaboration with the Department of Science and Technology (Department of Science and Technology (DOST) and the Department of Labor and Employment (Department of Labor and Employment (DOLE), shall implement a nationwide AI education and workforce transition program for both the Government Sector and the Private Sector. The program shall:

- a. Integrate AI literacy and responsible use principles in the basic education and higher education curriculum.
- b. Provide technical training and certification on AI technologies through TESDA learning centers and partner institutions;
- c. Offer continuing education, scholarships, and retraining initiatives for workers in both sectors affected by automation, including a national AI skills development and workforce transition program to prepare Filipino workers for employment opportunities in AI-related industries and mitigate the impact of automation on job displacement;
- d. Promote the inclusion of women, persons with disabilities, and marginalized groups in AI skills development.

SEC. 8. *Center for Responsible AI Development.* - A Center for Responsible AI Development shall be established under the Department of Science and Technology (DOST), in coordination with the Department of Information and Communications Technology (DICT) and the Commission on Higher Education (CHED), to serve as a national hub for AI research, innovation, and policy support for both the Government Sector and the Private Sector. The Center shall:

- a. Promote collaborative research on AI safety, fairness, and human-centered design;
- b. Assist government agencies and private stakeholders in evaluating and improving AI systems;
- c. Provide guidance and tools for ethical compliance, documentation, and technical auditing; and
- d. Support local startups, academic institutions, and industries in developing AI technologies aligned with Filipino needs and values.

SEC. 9. *Human Oversight and Redress.* - Entities using AI systems that impact individual rights or access to services must:

- a. Provide a clear and accessible mechanism for individuals to seek human assistance or appeal decisions made through automated decision-making, especially in the case of high-impact AI systems.
- b. Establish a grievance process that allows users to report issues related to the AI system.
- c. Entities in the Government Sector shall observe the same standards in their use of AI for delivery of government services.

SEC. 10. *Enforcement and Compliance.* - The Department of Information and Communications Technology (DICT) shall be the primary implementing agency for this Act and shall be responsible for its overall administration and enforcement.

Any entity found to be in violation of Sections 5, 6, or 9 of this Act shall, after due notice and hearing, be liable to an administrative fine not exceeding Five Hundred Thousand Pesos (P500,000.00).

SEC. 11. *Implementing Rules and Regulations.* - Within ninety (90) days from the effectivity of this Act, DICT, in coordination with the NPC, DOST, DOLE, DepEd, CHED, TESDA, and other emerging concerned agencies, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 12. *Separability Clause.* - If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected shall remain in full force and effect.

SEC. 13. *Repealing Clause.* - All laws, decrees, executive orders, rules, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 14. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,