

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

TWENTIETH CONGRESS
First Regular Session
House Bill No. 4184



Introduced by Representative

BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

**AN ACT PROMOTING NATIONAL DEFENSE INNOVATION AND TECHNOLOGY
TRANSFER THROUGH LOCAL AND INTERNATIONAL COLLABORATION
STRATEGIES, CREATING THE DEFENSE TECHNOLOGY INNOVATION OFFICE,
AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

This legislative proposal, the "National Defense Innovation and Technology Transfer Act," is a critical piece of legislation needed to address long-standing policy gaps that have hindered the Philippines' ability to build a truly self-reliant and modern defense capability. While current laws exist, they are either too general or too focused on short-term solutions, failing to create a comprehensive and sustainable framework for defense innovation. This bill is essential for national security because it moves beyond simply buying foreign military equipment and instead focuses on building the domestic capacity to produce, innovate, and transfer key technologies.

Existing laws like the Revised AFP Modernization Act (RA 10349) and the Philippine Technology Transfer Act (RA 10055) are foundational but incomplete. RA 10349 primarily focuses on the procurement of military hardware, but it lacks a dedicated mechanism for systematically transferring the technology and expertise needed for local production. This has resulted in a continued reliance on foreign suppliers for maintenance, spare parts, and future upgrades, which is costly and leaves the country vulnerable to supply chain disruptions. RA 10055 is too broad; it governs technology transfer for all government-funded research, not the

unique and sensitive domain of defense, which requires specialized security protocols and legal frameworks.

While the recently passed Self-Reliant Defense Posture Revitalization Act (RA 12024) is a significant step, this bill provides the necessary, granular details and specialized structures to make that policy a reality.

This proposed bill fills these policy gaps by introducing several innovative and vital components:

1. **Creation of a Centralized Office:** The establishment of the Defense Technology Innovation Office (DTIO) is a game-changer. It provides a single, dedicated body within the DND with the explicit mandate and expertise to manage complex technology transfer agreements, intellectual property rights, and compliance with international defense trade standards like the Wassenaar Arrangement. This prevents the fragmentation of efforts and ensures a coordinated, professional approach.
2. **Formalizing the Innovation Process:** The bill doesn't just encourage innovation; it creates a structured framework for it. By mandating the development of a National Defense Technology Transfer Framework, it provides a clear roadmap for due diligence on foreign partners, risk assessment, and long-term integration of technology. This systematic approach is absent in current laws.
3. **Dedicated Funding and Long-Term Incentives:** The creation of a Defense Innovation Capacity Fund ensures that R&D, training, and infrastructure development are consistently funded and are not subject to the ad-hoc nature of annual procurement budgets. This commitment of resources is crucial for building a sustainable defense industry. Additionally, the bill provides specific, explicit incentives for joint ventures, which encourages foreign partners to invest in the Philippines' domestic defense industry.
4. **Proactive Strategic Planning:** The bill's mandate to create a Defense Technology Watch Unit is a forward-looking measure. This unit will continuously monitor global trends, allowing the Philippines to anticipate emerging threats and opportunities, and make strategic investments that will keep its defense capabilities on the cutting edge. This shifts the national approach from reactive to proactive, a vital step in modern defense.

The establishment of a comprehensive and coordinated framework for defense innovation and technology transfer is a matter of paramount national interest. This Act will empower the Philippines to move from a posture of reactive defense procurement to one of strategic, self-reliant defense. It will not only strengthen our Armed Forces but also stimulate economic

growth, create high-skilled jobs, and position the country as a credible and capable partner in the global defense landscape.

The bill's provisions, including the creation of a specialized office, a dedicated innovation fund, and a mechanism for international collaboration, are designed to fill existing policy gaps and ensure that the nation is prepared to meet the complex security challenges of the 21st century. Its passage will signal a resolute commitment to securing our sovereignty and fostering a future where the Philippines can confidently stand on its own in matters of national defense.

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

A handwritten signature in black ink, reading "Brian Poe", with a stylized, flowing script.

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. 4184

Introduced by Representative

BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

**AN ACT PROMOTING NATIONAL DEFENSE INNOVATION AND TECHNOLOGY
TRANSFER THROUGH LOCAL AND INTERNATIONAL COLLABORATION
STRATEGIES, CREATING THE DEFENSE TECHNOLOGY INNOVATION OFFICE,
AND FOR OTHER PURPOSES**

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

SECTION 1. Short Title.

This Act shall be known as the "National Defense Innovation and Technology Transfer Act."

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

- a) Strengthen the defense capabilities of the Philippines by fostering innovation, technology transfer, and collaboration between local and international stakeholders;
- b) Promote self-reliance in defense production by bridging capability gaps through the acquisition and adaptation of foreign defense technologies;
- c) Encourage joint ventures, research collaborations, and capacity-building initiatives to enhance the domestic defense industry;
- d) Uphold national security interests, intellectual property rights, and compliance with international arms control regulations.

SECTION 3. Creation of the Defense Technology Innovation Office (DTIO).

a) There is hereby created the Defense Technology Innovation Office (DTIO) under the Department of National Defense (DND), which shall serve as the primary agency for:

- (1) Facilitating technology transfer agreements between foreign defense entities and Philippine defense manufacturers;
- (2) Overseeing and regulating the import, adaptation, and integration of defense technologies;
- (3) Ensuring compliance with national laws and international defense trade standards.

b) The DTIO shall have the following powers and functions:

- (1) Develop and implement the National Defense Technology Transfer Framework;
- (2) Review and approve technology transfer agreements and joint venture proposals;
- (3) Conduct due diligence and risk assessments on prospective foreign partners;
- (4) Monitor and evaluate the effective integration of transferred technologies into local production;
- (5) Coordinate with relevant agencies, such as the DTI, DFA, and DICT, for technology promotion, intellectual property protection, and export controls;
- (6) Establish guidelines for intellectual property rights protection and safeguards against unauthorized dissemination of sensitive technologies;
- (7) Submit an annual report to Congress on technology transfer activities, partnerships, and industry capacity-building outcomes.

SECTION 4. Incentives for Joint Ventures and Technology Partnerships. – Foreign defense companies and their Philippine counterparts engaging in joint ventures, co-production agreements, or technology-sharing collaborations shall be entitled to:

- a) Tax incentives as provided under existing laws;
- b) Expedited processing of permits and licenses;
- c) Access to government-backed financing schemes for approved projects;
- d) Priority access to government defense procurement contracts where applicable.

SECTION 5. Research and Development Collaboration. – The DTIO shall facilitate research and development (R&D) partnerships between Philippine universities, research institutions, and defense industries by:

- a) Creating grants and funding mechanisms for joint R&D projects on advanced defense technologies;
- b) Supporting internship and exchange programs for Filipino scientists, engineers, and defense professionals in foreign technology hubs;
- c) Encouraging local innovation hubs and incubators for dual-use technologies with defense applications.

SECTION 6. Funding for Capacity Building. – A Defense Innovation Capacity Fund shall be established, sourced from the national budget, to:

- a) Provide training and upskilling programs for local defense engineers, technicians, and industry workers;
- b) Support study grants and international exposure programs for Filipino defense personnel and researchers;
- c) Fund infrastructure upgrades for defense manufacturing facilities to meet global standards.

SECTION 7. Safeguards and Compliance Measures.

- a) The DTIO shall enforce strict compliance protocols to prevent unauthorized export, leakage, or misuse of transferred defense technologies.
- b) All technology transfer agreements must include:
 - (1) End-use monitoring clauses;
 - (2) Non-transferability provisions without prior government approval;
 - (3) Confidentiality and intellectual property protections in line with Philippine and international law.
- c) The Philippines shall align its practices with global defense trade frameworks, including the Wassenaar Arrangement, Arms Trade Treaty, and other relevant international standards.

SECTION 8. Global Trend Monitoring. – The DTIO shall maintain a Defense Technology Watch Unit to:

- a) Monitor global trends, innovations, and emerging technologies in the defense sector;
- b) Identify opportunities and risks for the Philippine defense industry;
- c) Recommend strategic priorities for R&D investments and technology acquisitions.

SECTION 9. Appropriations. – The amount necessary for the initial implementation of this Act shall be charged against the current appropriations of the DND. Thereafter, such sums as may be necessary shall be included in the annual General Appropriations Act (GAA).

SECTION 10. Implementing Rules and Regulations (IRR). – Within ninety (90) days from the effectivity of this Act, the DND, in consultation with relevant stakeholders, shall promulgate the necessary IRR for the effective implementation of this Act.

SECTION 11. Separability Clause. – If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall remain in full force and effect.

SECTION 12. Repealing Clause. – All laws, executive orders, rules, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 13. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,


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