

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



HOUSE BILL NO. 5290

Introduced by Honorable Celso G. Regencia

EXPLANATORY NOTE

Artificial Intelligence (AI) is a transformative technology that enables computers and machines to learn, make decisions, and solve problems in ways similar to humans. It is being rapidly adopted across industries worldwide, including education and public services, with governments investing heavily in AI research and infrastructure.

In the Philippines, the Department of Trade and Industry (DTI), the Department of Science and Technology (DOST), and the Department of Information and Communications Technology (DICT) are leading efforts to advance AI through research support, digital infrastructure development, and policy formulation. However, despite these initiatives, the country still lacks a nationally supported infrastructure that integrates AI research, enterprise development, and talent formation under a single, scalable ecosystem. Many promising initiatives remain fragmented, confined to select academic institutions or pilot programs without long-term structural support.

To address this gap, this bill proposes the establishment of the Artificial Intelligence Industrial Research Park (AIIRP) within the campus of the Mindanao State University – Iligan Institute of Technology (MSU-IIT). This measure builds on the goals of the Philippine Development Plan 2023–2028, the Philippine Innovation Act (RA 11293), and the Innovative Startup Act (RA 11337), and the National AI Strategy Roadmap 2.0, all of which recognize the crucial role of innovation ecosystems in driving national development.

The AIIRP will serve as a national hub for applied AI research, ethical technology development, incubation of AI-powered startups, policy experimentation, and workforce training in emerging technologies. It shall also support the development of AI solutions in key sectors such as education, healthcare, agriculture, manufacturing, disaster resilience, and public governance.

This measure affirms the Philippines' commitment to digital innovation, inclusive growth, and responsible technology development. In view of the foregoing, the approval of this bill is earnestly and respectfully recommended.



CELSO GOMERA REGENCIA
Lone District, Iligan City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5290

Introduced by Honorable Celso G. Regencia

AN ACT
ESTABLISHING THE ARTIFICIAL INTELLIGENCE INDUSTRIAL RESEARCH
PARK (AIIRP) IN MINDANAO STATE UNIVERSITY – ILIGAN INSTITUTE OF
TECHNOLOGY (MSU-IIT), DEFINING ITS MANDATE, PROVIDING FOR ITS
ADMINISTRATION, FUNDING, AND DEVELOPMENT, AND FOR OTHER
PURPOSES

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

SECTION 1. *Title.* – This Act shall be known as the “**Artificial Intelligence Industrial Research Park (AIIRP) Act.**”

SECTION 2. *Declaration of Policy.* – The State affirms, in accordance with Article XIV, Section 10 of the 1987 Constitution and reinforced by the Philippine Development Plan and the Innovative Startup Act (RA 11337), that the promotion of science, technology, and innovation are key enablers of national development and inclusive growth. Pursuant to the Philippine Innovation Act (RA 11293), enacted in 2019, the State likewise commits to funding and promoting Research and Development (R&D) initiatives in support of national development.

The State further prioritizes education, science and technology, the acceleration of social progress, and the promotion of total human liberation and development. In accordance with Article XII, Section 14 of the 1987 Constitution, the State shall foster the development of a reservoir of national talents consisting of Filipino scientists, professionals, managers, high-level technical manpower, and skilled workers, and shall encourage the transfer of appropriate technology for the benefit of the nation.

Recognizing AI as a transformative technology with wide-ranging applications in public service, industry, education, and research, the State is committed to harnessing AI in a responsible and equitable manner. This includes establishing institutions that advance AI research, promoting industry

collaboration, strengthening skills development, and accelerating digital transformation.

The National AI Strategy Roadmap 2.0 (NAISR 2.0) , approved by the President of the Philippines on May 22, 2025, shall serve as a guidepost for AI governance under this Act, as part of the government's effort to strengthen both AI capabilities and governance in the country.

The roadmap underscores the crucial role of the academe in developing a robust AI ecosystem. As AI is driven by human intellectual power, its foundation must stem from a strong core of human capital. The academe plays a pivotal role in this through the conduct of foundational research, institutionalized training of skilled professionals, and linkages and partnerships with industry, such as BigTech and BigData, to translate innovations into practical applications.

SECTION 3. *Definition of Terms.* - For the purpose of this Act, the following terms are hereby defined:

- a. **Artificial Intelligence (AI)** refers to systems or machines capable of performing tasks that ordinarily require human intelligence, including but not limited to learning, reasoning, problem-solving, perception, and language understanding.
- b. **Artificial Intelligence Industrial Research Park (AIIRP)** refers to the dedicated facility to be established under this Act within the Mindanao State University – Iligan Institute of Technology (MSU-IIT), which shall serve as a hub for AI research, innovation, technology incubation, talent development, and public-private collaboration.
- c. **Artificial Intelligence Talent Development** refers to initiatives within the AIIRP aimed at building the national pool of AI practitioners and researchers through training programs, degree offerings, certifications, internships, and industry immersion.
- d. **Data Governance** refers to the frameworks, policies, and protocols that govern the ethical and lawful collection, storage, use, and sharing of data used in or generated by AI systems within the AIIRP.
- e. **Emerging Technologies** refer to transformative fields of innovation that intersect with or complement AI, including but not limited to robotics, Internet of Things (IoT), blockchain, quantum computing, and data science.
- f. **Incubation** refers to the structured support provided to startups, research teams, or project groups within the AIIRP through mentorship, shared infrastructure, business development, access to capital, and assistance in commercialization.

- g. **Innovation Ecosystem** refers to the interconnected network of institutions, actors, infrastructure, and policies that collectively support the development, testing, deployment, and scaling of AI technologies within and beyond the AIIRP.
- h. **Public Sector AI Solutions** refer to AI-driven tools, platforms, or systems designed to enhance the delivery of public services, improve governance, or increase operational efficiency in government agencies.
- i. **Research Commercialization** refers to the process of transforming academic or scientific research on AI into market-ready products, services, or tools that address commercial or societal needs.
- j. **Responsible AI** refers to the development and deployment of AI systems in a manner that upholds ethical principles, safeguards human rights, and ensures transparency, fairness, accountability, and privacy in accordance with applicable laws and international best practices.
- k. **Stakeholders** refer to all institutions, organizations, and individuals engaged in or affected by the design, governance, implementation, or use of AI technologies within the AIIRP ecosystem. This includes government agencies, academic institutions, industry partners, and civil society.
- l. **Technology Transfer** refers to the process of translating AI research outputs into real-world applications, whether through licensing, commercialization, or collaborative implementation in government or industry settings.

SECTION 4. *Creation of the AIIRP.* – There is hereby established an AIIRP, which shall be hosted within the MSU-IIT.

The AIIRP shall serve as the National Center for applied research, innovation, and capacity-building in AI.

While initially established in Mindanao through the MSU-IIT, the AIIRP shall likewise serve as a model for the establishment of future artificial intelligence hubs in other regions of the country, thereby advancing a balanced and inclusive national innovation ecosystem. It shall perform the following functions:

- a. Conduct advanced research and development on AI technologies across key sectors;
- b. Serve as an incubation hub for AI-powered startups and industry collaboration;

- c. Offer training, reskilling, and certification programs in AI and related fields;
- d. Provide technical assistance to government agencies and local governments in adopting ethical and inclusive AI applications;
- e. Develop policy models and frameworks that promote responsible AI deployment in the public sector; and
- f. Facilitate public-private-academic partnerships to foster an inclusive and sustainable AI ecosystem.

The AIIRP shall be developed in consultation with the Department of Science and Technology (DOST), the Department of Information and Communications Technology (DICT), the Commission on Higher Education (CHED), and the Department of Trade and Industry (DTI), as well as other relevant government agencies, stakeholders, and industry experts.

SECTION 5. *Administrative Supervision and Governance Structure.* – The MSU-IIT shall administer the AIIRP under the overall policy guidance and technical coordination of the DOST.

To ensure strategic alignment and effective implementation, an AIIRP Governing Council shall be established, composed of:

- 1. The Chancellor of MSU-IIT, as Chairperson;
- 2. A representative from the DOST, as Co-Chair;
- 3. One (1) representative each from the DICT, CHED, and DTI;
- 4. Two (2) representatives from the private sector with recognized expertise in AI or digital innovation, appointed by the Governing Council; and
- 5. One (1) representative from a civil society or academic organization engaged in responsible technology or AI ethics.

The Governing Council shall be responsible for:

- a. Setting strategic directions and development priorities of the AIIRP;
- b. Approving internal policies, project guidelines, and performance benchmarks;
- c. Facilitating inter-agency and public-private coordination;
- d. Spearheading AI Talent Development by offering training programs, certifications, and practical industry immersion initiatives in collaboration with academic units and industry partners;

- e. Supporting the development and deployment of Public Sector AI Solutions to enhance service delivery, optimize government operations, and promote evidence-based decision-making across agencies;
- f. Overseeing financial sustainability, compliance, and transparency; and
- g. Ensuring alignment of AIIRP programs with national innovation and digital transformation strategies.

The Governing Council shall meet at least once every quarter and may establish technical working groups or advisory panels, as may be necessary, to effectively discharge its mandate.

SECTION 6. *Components and Functions of the AIIRP.* – The AIIRP shall be composed of interrelated units designed to fulfill its mandate of research, development, and innovation, in accordance with the Philippine Development Plan, and other national strategies for inclusive and sustainable development.

These units shall include, but not be limited to, the following components:

- a. The **R&D Center** shall conduct basic and applied research in AI and emerging technologies. It shall support interdisciplinary collaboration among faculty, researchers, and partner institutions, and contribute to the advancement of AI science, algorithms, and tools.
- b. **Innovation and Incubation Hub** shall serve as a startup incubator and business accelerator focused on AI-based products and solutions. It shall offer mentorship, access to prototyping and testing facilities, funding networks, and commercialization support.
- c. **Talent Development and Training Division** shall provide capacity-building programs such as degree courses, certifications, workshops, and internships aimed at developing AI practitioners, engineers, data scientists, and policy professionals.
- d. **Public Sector Solutions Unit** shall develop and pilot test AI tools and platforms for improving government operations, public services, and decision-making in coordination with relevant national and local agencies.
- e. **Ethics, Data Governance, and the Responsible AI Office** shall establish and enforce safeguards for responsible AI development and use. It shall oversee ethical reviews, privacy, and data protection compliance, and advocacy for inclusive and transparent AI practices.
- f. The **Industry and Partnership Office** shall coordinate external engagements with private sector entities, civil society organizations, and

international institutions to foster collaboration, technology transfer, and resource mobilization.

Each component shall have a designated head and technical staff, and operate by policies approved by the Governing Council.

SECTION 7. *Infrastructure Development.* – The Department of Public Works and Highways (DPWH), in coordination with the DOST and the MSU-IIT, shall undertake the planning, design, and construction of the necessary infrastructure to operationalize the AIIRP. Such infrastructure shall include, but not be limited to:

- a. Research laboratories and data centers;
- b. Co-working and incubation spaces for startups and partner institutions;
- c. Training halls, classrooms, and conference facilities for talent development;
- d. Administrative offices and technical support units; and
- e. High-speed digital infrastructure, cybersecurity facilities, and essential utilities to support AI development and experimentation.

The design and implementation of these facilities shall adhere to the principles of digital resilience, environmental sustainability, and accessibility, and shall be aligned with the overall master development plan of the MSU-IIT.

SECTION 8. *AIIRP as a Regional HPC Center.* - The AIIRP shall serve as one of the regional High-Performance Computing (HPC) sites under the national strategy outlined in NAISR to increase the country's HPC capacity. As a regional HPC center, the AIIRP will provide decentralized access to advanced computing resources, thereby supporting AI research and innovation across the Philippines. This will enable researchers and institutions, particularly in the Mindanao region, to benefit from state-of-the-art HPC infrastructure, strengthening the nation's overall computing backbone for AI development.

In line with the roadmap in NAISR 2.0, the academe plays a pivotal role in this effort by conducting foundational research, training skilled professionals, and partnering with industry to translate innovations into practical applications.

SECTION 9. *Funding.* – The amount necessary for the construction, establishment, and initial operation of the AIIRP, including capital outlay, maintenance and other operating expenses (MOOE), and personnel services, shall be charged against the current appropriations of the DPWH and MSU-IIT, as may be available.

Subsequent funding requirements for the full implementation of the AIIRP, including site development, equipment procurement, staffing, research

activities, and operational support, shall be included in the annual General Appropriations Act (GAA).

The implementation of the AIIRP may be undertaken in phases, subject to the availability of funds and the strategic plan to be adopted by the Governing Council. Priority shall be given to core infrastructure and essential research and incubation components in the initial phase.

The establishment, maintenance, upgrading, and operation of the HPC infrastructure at the AIIRP, shall be included in the annual GAA under the DOST.

SECTION 10. *Innovation, Digitization, and Digital Infrastructure.* - Under the Innovation pillar of NAISR, the R&D dimension forms the cornerstone of innovation through collaborative efforts across academia, industry, and government. MSU-IIT plays a crucial role in conducting fundamental research and developing AI talent, while private-sector innovation groups focus on applied research and commercial applications. Complementing the establishment of the Center for AI Research (CAIR), MSU-IIT AIIRP shall serve as a hub to fostering synergistic partnerships between national stakeholders and the whole of Mindanao.

The Digitization and Infrastructure dimension aims to build a robust digital foundation necessary for AI development and deployment. This includes initiatives to expand internet access and quality, promote data accessibility, and meet computational needs. Locating the AIIRP within a STEM-focused university of MSU-IIT's calibre provides immediate access to advanced laboratories, high-performance computing resources, and a pool of talented students and researchers trained in mathematics, statistics, computing, and AI. Such infrastructure enables the integration of foundational STEM education with applied research in data analytics, business analytics, and AI, fostering graduate-level programs that contribute to global AI knowledge through scholarly publications and international collaborations.

Equally important, embedding the AIIRP in a university environment supports the development of an AI "conscience" or governance framework, where ethical, societal, and technological considerations are rigorously researched, taught, and modeled alongside cutting-edge AI innovation.

SECTION 11. *Monitoring and Evaluation.* - The MSU-IIT, in coordination with the DOST, shall develop a monitoring and evaluation framework to assess the performance, impact, and outcomes of the AIIRP.

The framework shall include measurable indicators covering research productivity, innovation outputs, industry linkages, talent development, and societal impact. Regular performance reports shall be submitted to the CHED, the DBM, and other relevant oversight agencies.

An annual review shall likewise be conducted to ensure alignment with national development goals and to inform policy and budgetary decisions concerning the continued operation and scaling of the AIIRP.

SECTION 12. *Intellectual Property Rights (IPR).* – The Governing Board shall establish clear policies and mechanisms for the ownership, management, and protection of IPR resulting from activities undertaken within the AIIRP.

These policies shall also support Research Commercialization by enabling the transfer, licensing, and practical application of research outputs in collaboration with industry partners, startups, and government agencies, by Republic Act No. 8293 or the Intellectual Property Code of the Philippines.

The ownership, licensing, and commercialization generated through public funds shall observe the following principles:

1. **Fair Benefit-Sharing.** Innovations developed through collaboration between MSU-IIT, public agencies, and private sector partners shall be subject to equitable benefit-sharing agreements;
2. **Recognition of Inventors and Institutions.** Creators, researchers, and institutions shall be appropriately credited and compensated by applicable laws and institutional policies;
3. **Open Innovation Encouraged.** The AIIRP may adopt open innovation frameworks where appropriate, to maximize public benefit and accelerate responsible AI deployment;
4. **IP Management.** The AIIRP Governing Council shall oversee the proper protection, management, and commercialization of research outputs developed within the AIIRP.

The Implementing Rules and Regulations (IRR) shall further define the institutional arrangements for IPR governance.

SECTION 13. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the MSU-IIT, in consultation with the DOST, the DICT, the DTI, the DBM, the CHED, and other relevant agencies, shall promulgate the rules and regulations necessary to implement the provisions of this Act.

The IRR shall define the governance structure, operational policies, and coordination mechanisms of the AIIRP, consistent with national priorities on science, technology, and innovation.

SECTION 14. *Separability Clause.* – If any provision of this Act is declared unconstitutional or invalid, the remaining provisions shall remain in full force and effect.

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

Approved,