

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila
TWENTIETH CONGRESS
First Regular Session
HOUSE BILL NO. 6920



Introduced by:

HON. CHRISTOPHERSON "COCO" M. YAP

EXPLANATORY NOTE

Artificial intelligence is rapidly reshaping how Filipinos work, learn, receive public services, and participate in the economy. From education and health care to finance, employment, and digital platforms, AI systems now influence decisions that directly affect lives, livelihoods, and rights. Used responsibly, AI can drive inclusive growth, expand opportunities for micro, small, and medium enterprises, improve public services, and strengthen the country's global competitiveness. This promise aligns with the Constitution and with existing laws that place innovation, science, and technology at the center of national development.

At the same time, AI introduces serious and unprecedented risks. Systems that operate without transparency or accountability can entrench discrimination, undermine privacy, distort public discourse, and displace workers without protection or support. When deployed in high impact settings, such as law enforcement, social protection, credit, or education, poorly governed AI can threaten dignity, due process, and democratic values. At present, the Philippines addresses these risks only indirectly through fragmented laws on data privacy, consumer protection, labor, competition, and sectoral regulation. These statutes were not designed for AI's scale, speed, opacity, and cross border nature, leaving gaps that create uncertainty for innovators and insufficient protection for the public.

This bill responds to that urgent challenge by establishing a clear, comprehensive, and future oriented framework for the development and use of artificial intelligence in the Philippines. It affirms a pro innovation approach while ensuring that AI remains human centered, rights respecting, and aligned with the public interest. By providing legal certainty, coordinated governance, and clear standards for

accountability, the measure seeks to build public trust, attract responsible investment, protect Filipino workers and enterprises, and ensure that the benefits of AI are widely shared rather than narrowly concentrated. In doing so, it ensures that artificial intelligence serves as a tool for national progress and social justice, not a source of unchecked harm or inequality.

The proposed measure was principally authored by Representative Keith Micah “Atty. Mike” D.L. Tan of the Fourth District of Quezon, who filed it as House Bill No. 7913 during the Nineteenth Congress.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.


CHRISTOPHERSON “COCO” M. YAP
Representative, Second District of Southern Leyte

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AN ACT
ESTABLISHING A REGULATORY FRAMEWORK FOR A ROBUST, RELIABLE, AND
TRUSTWORTHY DEVELOPMENT, APPLICATION, AND USE OF ARTIFICIAL
INTELLIGENCE SYSTEMS, CREATING THE PHILIPPINE COUNCIL ON ARTIFICIAL
INTELLIGENCE, DELINEATING THE ROLES OF VARIOUS GOVERNMENT
AGENCIES, DEFINING AND PENALIZING CERTAIN PROHIBITED ACTS

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

CHAPTER I
GENERAL PROVISIONS

SECTION 1. Short Title. — This Act shall be known as the “*Artificial Intelligence Development and Regulation Act*.”

SECTION 2. Declaration of Policy. — The State recognizes that science and technology are essential for national development and progress, driving innovation, education, and overall national competitiveness. It shall support their application in various aspects of national life, including economic growth, social development, and national security. To this end, the State shall pursue the development of artificial intelligence (AI), including digitization and infrastructure, workforce development, research and development, and regulation with the end view of harnessing AI's potentials to uplift the lives of Filipinos.

SECTION 3. Definition of Terms. — As used in this Act:

- (a) *Algorithm* refers to a process or set of rules to be followed in calculations or other problem-solving operations, especially by a computer;
- (b) *Algorithmic decisions* refer to the analysis of large amounts of personal data to infer correlations or, more generally, to derive information deemed useful to make decisions;
- (c) *Artificial Intelligence (AI)* refers to the simulation of human intelligence in machines that are programmed to think like humans and mimic their actions;
- (d) *Artificial Intelligence eco-system* refers to a group of AI systems which are coupled together to some extent to achieve a common goal. The most common goal of establishing an AI ecosystem is automation via applied machine learning. This is generally achieved by putting AI systems in both real- time as well as historical scenarios and generating intelligence out of it;
- (e) *Artificial Intelligence system* refers to a computer system or software application that utilizes AI technologies and techniques to perform a task or make a decision such as machine learning, deep learning, natural language processing, and robotics;
- (f) *Augmentation* refers to the process of allowing human collaboration with machines to perform a task;
- (g) *Automated decision* refers to the process of making a decision by automated means without any human involvement;
- (h) *Automation* refers to the creation and application of technologies to produce and deliver goods and services with minimal human intervention;
- (i) *Innovation* refers to the creation of new ideas that results in the development of new or improved policies, products, processes, or services which are then spread or transferred across the market;
- (j) *Lethal autonomous weapons systems (LAWS)* refer to weapons that use artificial intelligence to identify, select, and kill human targets without human intervention;

- (k) *Regulatory sandbox* refers to a regulatory approach, typically summarized in writing and published, that allows live, time-bound testing of innovations under a regulator's oversight; and
- (l) *Social scoring* refers to the act of rating a person's level of influence based on evaluating one's followers, friends, and postings on social networks such as Twitter and Facebook.

CHAPTER II

GUIDING PRINCIPLES

SECTION 4. Principles. — The development, application, and use of AI systems shall be guided by the following principles:

- (a) *Inclusive growth, sustainable development, and well-being.* — Consistent with the provisions of Republic Act No. 11293, otherwise known as the "Philippine Innovation Act" and other existing laws, the development, application, and use of AI must contribute to the developmental goals of the country;
- (b) *Human-centered values and fairness.* — AI systems must treat people with dignity and respect;
- (c) *Robustness, security and safety.* — AI must be reliable and safe and ensure that the public is protected from errors in processing and outcomes;
- (d) *Accountability.* — AI system must provide disclosure of information that enables monitoring, checking or criticism and allow automation auditing to ensure that entities deploying AI technologies are accountable for their consequences;
- (e) *Transparency and Explainability.* — Policies, rules and regulations governing AI systems must be understandable and ensure that automated and algorithmic decisions and any associated data driving those decisions can be explained to end-users and stakeholders in non-technical terms; and
- (f) *Trust.* — AI systems must be transparent; accurate and reliable; provide augmentation; and protect privacy.

CHAPTER III

AI BILL OF RIGHTS

SECTION 5. Bill of Rights. — The development, application, and use of AI systems shall be guided by the following rights of every Filipino:

- (a) *Right to Protection from Unsafe and Ineffective AI Systems.* — The right of every people to be protected from harmful AI systems shall be inviolable. AI systems, tools, and technologies shall be developed with consultation from diverse communities, stakeholders, and domain experts to identify concerns, risks, and potential impacts of the system. Systems shall undergo pre-deployment testing, risk identification and mitigation, and ongoing monitoring that demonstrate they are safe and effective based on their intended use, mitigation of unsafe outcomes including those beyond the intended use, and adherence to domain-specific standards;
- (b) *Right Against Algorithmic Discrimination.* — No person shall be discriminated by algorithms and AI systems on the basis of ethnicity, sex, related medical conditions, gender identity, religion, age, national origin, disability, genetic information, or any other classification protected by law. Designers, developers, and deployers of AI systems shall take proactive and continuous measures to protect individuals and communities from algorithmic discrimination and shall use and design systems in an equitable manner.

To protect equal rights, proactive equity assessments as part of the system design, use of representative data and protection against proxies for demographic features, ensuring accessibility for people with disabilities in design and development, pre-deployment and ongoing disparity testing and mitigation, and clear organizational oversight shall be instituted. Independent evaluation and plain language reporting in the form of an algorithmic impact assessment, including disparity testing results and mitigation information, shall be performed and made public whenever possible to confirm these protections;

- (c) *Right to Privacy.* — Every people shall be protected from violations of privacy through design choices that ensure such protections are included by default. Data collection that conforms to reasonable expectations and that only data strictly necessary for the specific context is collected shall be ensured. Designers, developers, and deployers of AI systems shall seek permission and respect the decisions of every person regarding collection, use, access,

transfer, and deletion data in appropriate ways and to the greatest extent possible. Alternative privacy by design safeguards shall be used whenever applicable. Systems shall not employ user experience and design decisions that obfuscate user choice or burden users with defaults that are privacy invasive. Consent shall only be used to justify collection of data in cases where it can be appropriately and meaningfully given.

Every person shall have the right to privacy. The processing of personal data in the use of ai systems shall be subject to compliance with the requirements of Republic Act No. 10173, otherwise known as the "Data Privacy Act of 2012" and other laws allowing disclosure of information to the public and adherence to the general data privacy principles. Designers, developers, and deployers of AI systems shall consider the appropriate and proper legal basis when processing personal data and respect the decisions of every person regarding the processing of their personal data. Privacy-by-design safeguards should be employed as early as the development of AI systems. Systems must not use user experience or design decisions that obscure user choice or burden users with defaults that infringe on privacy. Every individual shall be protected from data privacy violations through design choices that ensure such protections are included in the systems by default. Consent shall be considered on an appropriate lawful basis when it is freely given, specifically, an informed indication of will and evidenced by written, electronic, or recorded means;

- (d) *Right to Know.* — Designers, developers, and deployers of AI systems shall provide generally accessible plain language documentation including clear descriptions of the overall system functioning and the role automation plays including notice that such systems are in use, the individual or organization responsible for the system, and explanations of outcomes that are clear, timely, and accessible. Such notice shall be kept up-to-date and people impacted by the system shall be notified of significant use case or key functionality changes; and
- (e) *Right to Remedy.* — Every people shall be given an opportunity to opt out from AI systems in favor of a human alternative, where appropriate. They shall have access to timely human consideration and remedy through a fallback and escalation process if an automated system fails or produces an error. The right to appeal or contest AI's impacts on every person shall not be denied. Human consideration and fallback shall at all times be accessible, equitable, effective, maintained and shall not impose an unreasonable burden to the public.

CHAPTER IV

PHILIPPINE COUNCIL ON ARTIFICIAL INTELLIGENCE

SECTION 6. Philippine Council on Artificial Intelligence. — There is hereby created a policy-making and advisory body of experts under the Department of Information and Communications Technology (DICT) to be known as the Philippine Council on Artificial Intelligence (PCAI), herein after referred to as the Council.

The Council shall engage AI expertise and may call upon technical resource persons from the agencies of government, the private sector, and civil society organizations.

It may call upon any official, agent, employee, agency or instrumentality of the government for any assistance that they may deem necessary to carry out the purposes of this Act and said agency or instrumentality of the government shall, with the approval of the President, assign the official, agent, or employee and provide the assistance requested by the Council.

The Council shall have a core committee composed of an AI researcher, robotics specialist; a machine learning expert; a data science specialist; a technology expert; an ethicist; a sociologist or anthropologist, a psychologist; a public health expert; a security analyst; a legal scholar; a human rights advocate; a citizens' representative; and such other experts that the President of the Philippines may appoint. The members of the core committee shall elect from among themselves its Chairperson and other officers as may be necessary.

The core committee shall create subcommittees or technical working groups as maybe necessary for the effective and efficient performance of its powers and duties as the public interest may require.

The core committee members shall be appointed by the President for a term of three (3) years except for the AI researcher, robotics specialist, machine learning expert, data science specialist, technology expert, and ethicist who shall serve for a term of four (4) years: *Provided*, That no member shall serve for more than three (3) consecutive terms: *Provided, further*, That the members of the core committee shall receive an honorarium in accordance with existing policies: *Provided, furthermore*, That the Department of Science and Technology (DOST) shall promulgate the nomination process for all core committee members with a clear set of qualifications, credentials and recommendations from the sectors concerned.

SECTION 7. Powers and Functions. — The Council shall have the following powers and functions:

- (a) Conduct an evaluation on the impact of artificial intelligence (AI) systems and development of AI economies in the country;
- (b) Review existing policies on AI;
- (c) Determine the structures or parameters under which AI systems may operate;
- (d) Develop and promulgate a governance framework based on fundamental guiding principles on the development, application, and use of AI;
- (e) Establish a code of ethics for AI developers for a progressive industry regulation;
- (f) Promulgate rules to prevent abusive and harmful applications of AI;
- (g) Prepare mitigation measures against the potential consequences and impacts of algorithms to processes and business models;
- (h) Formulate guidelines to prohibit and penalize indiscriminate and non-rights-respecting applications of AI and safeguard the health, safety, security, environmental, and quality standards for the development, application, and use of AI technologies;
- (i) Promote the responsible development, application, and use of AI;
- (j) Provide timely and comprehensive information to the public in addressing emerging issues on AI;
- (k) Build AI ecosystem conscience by strengthening intellectual property and data protection measures;
- (l) In consultation with the affected sectors, establish an AI risk reduction plan;
- (m) Together with the Commission on Higher Education (CHED), Department of Education (DepEd), Technical Education and Skills Development Authority (TESDA) and other education stakeholders, take the appropriate steps to revitalize the teaching of humanities in state universities

- and colleges (SUCs), private higher education institutions (HEIs), technical vocational institutions, and all elementary and secondary education institutions, including alternative learning systems, both public and private;
- (n) Provide effective measures to counter harmful AIs;
 - (o) Provide programmatic direction in the deployment of AI in government agencies' programs and projects;
 - (p) Ensure an efficient balance in the regulation of AI and consumer protection to facilitate the growth of emerging business models brought about by AI utilizing regulatory sandbox approach to reduce the cost of innovation and barriers to entry, including the collection of data and information regarding appropriate regulatory action;
 - (q) Device appropriate mechanisms to protect workers and professionals from potential job losses brought about by automation and AI;
 - (r) Guided by the legal mandates of the agencies and LGUs concerned, identify and task government agencies and LGUs that will be tasked to implement specific functions to implement the provisions of this Act;
 - (s) Recommend to the President of the Philippines and the Congress all policy matters regarding AI;
 - (t) Submit to the President of the Philippines, the President of the Senate and the Speaker of the House of Representatives, annual and special reports on the implementation of this Act; and
 - (u) Exercise all powers and functions necessary for the objectives and purposes of this Act.

SECTION 8. Secretariat to the Council. — The Philippine Council for Industry, Energy and Emerging Technology Research and Development (PCIEERD) under the DOST shall provide Secretariat support to the Council.

The initial staffing structure and complement of the Secretariat shall be submitted by the DOST to the Department of Budget and Management (DBM) for funding. Pending the creation of the appropriate *plantilla* positions, the DOST shall constitute an

interim Secretariat within one (1) month from the effectivity of this Act, through the temporary detail of its personnel.

CHAPTER V

ARTIFICIAL INTELLIGENCE BOARD

SECTION 9. Artificial Intelligence Board. — To carry out the provisions of this Act, an agency shall be created to be called the Artificial Intelligence Board (AIB) and shall be composed of the Secretary of the DICT as Chairperson, the Secretary of the DOST as Co-Chairperson, the Secretary of the Department of Trade and Industry (DTI), the Director General of the Intellectual Property Office of the Philippines (IPOPHIL), the Commissioner of the National Privacy Commission (NPC), and the National Intelligence Coordinating Agency (NICA), as members.

The AIB shall act unanimously in the discharge of its functions as defined hereunder:

- (a) to exercise regulatory and supervisory authority over the development, application, and use of AI systems;
- (b) to investigate *motu proprio* or upon report of any person, impose and collect fines and penalties, initiate and resolve the necessary administrative action, or initiate the necessary criminal case against the responsible persons for any violation of this Act;
- (c) to issue *subpoena* and *subpoena duces tecum* in relation to its investigation provided that the subpoena shall state the nature and purpose of the investigation, shall be directed to the person whose attendance is required, and in the case of a *subpoena duces tecum*, it shall contain a reasonable description of books, documents, or things demanded which must be relevant to the investigation;
- (d) to exercise visitorial powers by itself or in coordination with other competent agencies of the government to ensure the effective implementation of this Act, which shall include the power to scrutinize the records of AI companies and laboratories, except trade secrets and proprietary information, and to inspect their premises. *Provided*, That trade secrets and proprietary information shall be defined in this Act's implementing rules and regulations;

- (e) to appoint automation auditors with the power to probe and review the behavior of the algorithm;
- (f) to require AI companies and laboratories to submit written or electronic forms or reports as it may deem necessary and reasonable;
- (g) to create, maintain, and regularly update a central database of AI companies and laboratories;
- (h) to conduct a nationwide information campaign with the Philippine Information Agency (PIA) that shall inform the public on the responsible development, application, and use of AI systems to enhance awareness among end-consumers;
- (i) to enlist the assistance of any branch, department, bureau, office, agency or instrumentality of the government, including government-owned and -controlled corporations, in undertaking any and all operations, which may include the use of its personnel, facilities and resources for the more resolute prevention, detection and investigation of offenses and prosecution of offenders; and
- (j) to implement such measures as may be necessary and justified under this Act;

SECTION 10. Creation of a Secretariat. — The AIB is hereby authorized to establish a secretariat to be headed by an Executive Director who shall be appointed by the Council for a term of five (5) years. He or she must be a member of the Philippine Bar, at least thirty-five (35) years of age and of good moral character, unquestionable integrity and known probity. All members of the Secretariat must have served for at least five (5) years in any of the member agencies and shall hold full-time permanent positions within the said agencies.

CHAPTER VI

NATIONAL CENTER FOR ARTIFICIAL INTELLIGENCE RESEARCH

SECTION 11. Establishment of the National Center for Artificial Intelligence Research. — There is hereby established a National Center for Artificial Intelligence Research (NCAIR), which shall be attached to the DICT for policy and program coordination and shall be headed by a Board composed of the following members:

- (a) The Secretary of the DICT, who shall act as the Chairperson;
- (b) The Secretary of the DOST as co-chairperson;
- (c) One (1) representative from the DTI;
- (d) One (1) representative from the Department of Labor and Employment (DOLE);
- (e) One (1) representative each from the Department of Education (DepEd) and the Commission on Higher Education (CHED);
- (f) One (1) representative from the Department of Health (DOH);
- (g) One (1) representative from the NICA;
- (h) One (1) representative from the Department of Computer Science, University of the Philippines-Diliman;
- (i) Three (3) members representing professional or industrial artificial intelligence or information communications technology (ICT) organizations to be selected by the chairperson from among the list of nominees submitted by Philippines-based ICT professional organizations; and
- (j) Three (3) members representing non-governmental ICT or artificial intelligence advocacy organizations to be selected by the chairperson from among the list of nominees submitted by the country's non-governmental ICT organizations.

The Board may avail itself of the expertise and services of local or international resource persons who are of known expertise, knowledge, and/or skill during deliberative sessions.

The Board and its resource persons shall be entitled to such reasonable per diems, allowances, and honoraria as may be allowed under existing laws, rules, and regulations.

SECTION 12. Functions of the NCAIR. — The NCAIR shall be the primary policy-making and research body concerned with the development of artificial intelligence and allied emergent technologies in the country. It shall focus on studying,

harnessing, advancing and/or transferring any beneficial AI creations or systems for the upliftment of Filipino innovators, workers, industries, businesses, and consumers. It shall also promote the education, training, and skills-development of Filipinos in this area for employment and professional advancement.

The NCAIR shall aim to capacitate enterprises to produce new products, processes, and services using AI. The NCAIR shall endeavor for AI to benefit every kind of industry to help minimize waste and spoilage, anticipate operational requirements by the use of predictive technology, enhance business decision-making through advanced analytics, and any other similar goal the Center may determine consistent with the declared policies of this Act and the provisions of Chapter IV.

SECTION 13. Personnel. — The personnel of the NCAIR shall be primarily staffed by Filipino scientists. The composition and size of such personnel shall be determined by the chairperson, who may create such offices, divisions, and units under the NCAIR as he may deem necessary, and for this purpose, the chairperson is authorized to adopt and implement the corresponding staffing patterns; *Provided*, however, that the positions, titles, and salaries of its officials and personnel shall be in accordance with the position classifications and salary grades in the Civil Service Rules and the Salary Standardization Act.

CHAPTER VII INNOVATION AGENDA

SECTION 14. Role of the National Innovation Council. — The National Innovation Council (NIC) created under Republic Act No. 11293, otherwise known as the "Philippine Innovation Act", shall give priority to the development of artificial intelligence in the National Innovation Agenda and Strategy Development. The NIC shall incorporate in its overall vision the strategies and objectives outlined in Chapter VIII.

SECTION 15. Government-Industry-Academe Synergy. — To promote synergy among the government, the private sector, and the academe, the Secretary of Science and Technology, Director General of the National Economic and Development Authority, Secretary of Information and Communications Technology, Secretary of Trade and Industry, Secretary of Labor and Employment, Chairperson of the CHED, Secretary of Education, and the Executive Members of the National Innovation Council shall form an Artificial Intelligence sub-group under the NIC.

CHAPTER VIII

NATIONAL ARTIFICIAL INTELLIGENCE STRATEGY

SECTION 16. Research and Development. — The State shall endeavor to accelerate innovation with AI as well as master and push its boundaries; it shall help industries innovate, nurture and support AI startups, and transform institutions by:

- (a) Developing competency in AI research as measured by publications, patents, and technology disclosures;
- (b) Inviting international experts that can bring in new AI technologies and/or AI startup or business ideas;
- (c) Providing funding for AI algorithmic innovations;
- (d) Strengthening academe-industry partnerships in AI research and development;
- (e) Incentivizing Higher Educational Institutions to promote AI research and development internships with local private institutions;
- (f) Creating quantifiable measures to track, coordinate, and improve government services and policies for industries;
- (g) Strengthening technology transfer between Higher Educational Institutions or Research and Development Institutions with industry;
- (h) Identifying and prioritizing sector-specific research and development projects that can maximize the impact of AI research;
- (i) Tracking and analyzing the quality and quantity of jobs displaced, created, and/or transformed as a result of AI academe-industry partnerships;
- (j) Identifying and supporting local AI startups;
- (k) Developing state-owned venture funds to support AI startups;
- (l) Incentivizing and encouraging investors to support promising AI businesses; and

- (m) Supporting or co-hosting AI-themed competitions, events, and conventions.

SECTION 17. Digitization and Infrastructure. — The State shall improve data access and data value extraction, and build a robust networked environment by:

- (a) Making internet accessible and affordable;
- (b) Improving internet quality;
- (c) Ensuring that the internet access of enterprises is reliable, secure, and at least within global averages;
- (d) Ensuring government agencies and other public institutions serve as reliable areas for information access and transfer;
- (e) Ensuring that Higher Educational Institutions and Research and Development Institutions have access to reliable and secure networks;
- (f) Making public data open, freely available, and downloadable in digestible formats for ready analysis;
- (g) Building a National Data Center (NDC) with a reliable and robust infrastructure and data management system;
- (h) Encouraging government agencies, research institutions, and top universities, to maintain their own data centers linked with the NDC;
- (i) Working with private institutions to link public and private datasets that will allow for integrated data search;
- (j) Promoting and encouraging data analysis across all functions of businesses, industries, and government agencies;
- (k) Promoting projects that would enable access to more sensitive datasets given clear social or business value; and
- (l) Undertaking extensive and up-to-date training of analysts and data scientists to extract actionable insights from publicly available data.

SECTION 18. Workforce Development. — The State shall transform education and nurture future AI talents as well as upskill or reskill workers by:

- (a) Promoting data literacy for all;
- (b) Ensuring the proper training of teachers in Data Science and Analytics;
- (c) Developing graduate programs centered on data science and AI;
- (d) Increasing the number of graduate students in data science, AI, and business analytics;
- (e) Promoting lifelong learning and design learning pathways for out-of-school individuals;
- (f) Incorporating data science and analytics, including data visualization and storytelling, as general education courses in universities and colleges;
- (g) Working with technology companies to provide sufficient computing resources and equipment to students and teachers;
- (h) Incentivizing industries to offer learning and development programs that improve digital/data literacy;
- (i) Developing sector-specific curricula and/or stackable programs with varying degrees of specialization (low, medium, high);
- (j) Identifying industry-specific tools needed to help upskill the country's workforce;
- (k) Incentivizing industries to send employees for graduate studies that focus on research and development towards developing a scientific culture within organizations; and
- (l) Identifying jobs that are vulnerable to automation and other industry technologies and map the skills that need upgrading or retooling.

SECTION 19. AI Governance Policies. — Employers may adopt AI software that they may deem useful and/or beneficial in the workplace as an administrative tool or an integrated or complementary part to process workflows, *Provided*, that the use of AI

in operations is regulated through the creation of an AI Governance Policy to provide employees with guidelines for AI adoption and usage in the workplace, how the collection, use and storage of data are compliant to the Data Privacy Act of 2012, and other important information relating thereto.

Such AI Governance Policy may allow employees to use AI in business processes and workflows, subject to limitations made known to the employees through said policy. Employees are enjoined to consult their policy in the event of uncertainty as to a specific application and use of AI and on the propriety of use thereof.

Employers shall ensure the use of AI software in a legally compliant manner. They shall see to it that AI Governance Policies are periodically updated to comply with existing laws and policies.

SECTION 20. Job Displacement Program. — In case a public or private employee is terminated due to the installation or implementation of artificial intelligence technologies or systems, rendering his or her position redundant, the worker affected shall be entitled to separation pay equivalent to at least his or her one (1) month pay or to at least one (1) month pay for every year of service, whichever is higher. A fraction of at least six (6) months shall be considered one (1) whole year. This is without prejudice to any higher benefit as may be provided by any existing law, rule, agreement, practice, or regulation.

The worker shall also be eligible for any unemployment benefits from the Social Security System or the Government Service Insurance System.

The DOLE shall create a Job Displacement Program that will aim to immediately assist and re-employ any workers involuntarily terminated due to the installation or implementation of artificial intelligence technologies or systems. The NCAIR shall always strive to improve the skills, education, and knowledge of employees in sectors that are prone to AI replacement to protect them from any prolonged displacement.

CHAPTER IX

ROLE OF GOVERNMENT AGENCIES

SECTION 21. Whole of Government Approach. — In order to effectively regulate and/or mitigate the risks and harness the potentials of AI across all areas of government policy-spanning health, infrastructure, education, training, energy, communication, industry, science and technology, defense, among others a "whole of

government approach" shall be adopted. This approach shall facilitate engagement with business, the research development and extension (RD&E) sector, and the broader community towards ensuring the full and effective implementation of this Act.

The DOST, DICT, DTI, Department of Agriculture, Department of Environment and Natural Resources, DOH, Department of Energy, Department of Transportation, Department of National Defense, Department of the Interior and Local Government, DepEd, CHED, TESDA, DOLE, Commission on Human Rights, Department of Justice, shall be responsible for implementing the country's policies on AI and, as such, shall observe the "whole of government approach".

Government agencies shall make available for public access, a joint web portal, that will bear information pertinent to AI regulations.

Government agencies shall submit periodic reports to the Council on their respective implementation of this Act. Reporting guidelines shall be prepared by the Council for this purpose.

CHAPTER X

MONITORING AND ENFORCEMENT MECHANISMS

SECTION 22. Reports and Disclosures to the AIB. — In requiring AI companies and laboratories to submit written or electronic forms or reports pursuant to Section 8 of this Act, the AIB shall be prohibited from sharing, disclosing, or making available to the public and other AI entity any information, document, plan, and report constituting trade secrets, proprietary data, and other legitimate commercial information which are confidential or privileged in nature.

SECTION 23. Central Database of AI Industry. — The central database, which shall be open to the public, created by the AIB pursuant to Section 8 of this Act shall be updated on a monthly basis. It shall include the following information:

- (a) Corporate, business, or trade name of the AI industry participant;
- (b) Registered trademark or trade name or logo of AI company or laboratory;
- (c) Violations committed and incidents relating to such violations; and

(d) Other relevant information as may be determined by the Council;

Provided, That it shall not include trade secrets and other proprietary information as may be determined in this Act's implementing rules and regulations.

For this purpose, the AIB shall coordinate with the Intellectual Property Office of the Philippines (IPOPHL) for the accurate reporting of trademarks and tradenames of AI companies or laboratories.

SECTION 24. Prohibited Use of AI System. — It shall be unlawful for any person to use AI system that shall cause unnecessary, unjustifiable and indiscriminate moral or pecuniary damage to individuals. The use of lethal autonomous weapon systems (LAWS) is hereby prohibited.

The development, application, and use of AI to manipulate, exploit or control any person beyond his or her consciousness to materially distort his or her behavior in a manner that is likely to cause him or her or another person physical or psychological harm is prohibited.

AI based social scoring of natural persons and practices that undermine privacy rights shall also be prohibited.

SECTION 25. Penalties. — Any person who willfully or knowingly does or who shall aid, permit, or cause to be done any of the acts declared to be unlawful in the preceding section, or aids, permits, or causes such violation shall, upon conviction thereof, be punished by imprisonment for not less than six months or more than six years and with the accessory penalty of perpetual absolute disqualification from public office if the offender be a public official at the time of the commission of the offense, and, if the offender is an alien he shall be subject to deportation proceedings.

SECTION 26. Violations by Juridical Entities. — If the violation is committed by a corporation, partnership, association, or other juridical entity, the penalty of imprisonment shall be imposed on the responsible directors or officers thereof, and the lack of corporate personality cannot be raised as a defense in case the juridical entity is unregistered.

CHAPTER XI

FINAL PROVISIONS

SECTION 27. Appropriations. — The amounts necessary for the implementation of this Act shall be included in the annual General Appropriations Act.

SECTION 28. Implementing Rules and Regulations. — The DOST, shall, in consultation with the concerned government agencies and stakeholders, promulgate the implementing rules and regulations of this Act within ninety (90) days from its effectivity. All guidelines, regulations, and other issuances mandated to be promulgated in this Act shall be issued within sixty (60) days from the promulgation of this Act's implementing rules and regulations.

SECTION 29. Construction and Interpretation. — Any doubt in the interpretation of any provision in this Act shall be interpreted in favor of the interest of the general public.

SECTION 30. Separability Clause. — If, for any reason, any chapter, section, or provision of this Act shall be declared unconstitutional, illegal, or invalid, such parts not affected thereby shall remain in full force and effect.

SECTION 31. Repealing Clause. — All laws, presidential decrees, executive orders, and rules and regulations contrary to or inconsistent with the provisions of this Act are amended, repealed, or modified accordingly.

SECTION 32. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,