



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Twentieth Congress
First Regular Session

HOUSE BILL NO. 8234

Introduced by Representative Robert Raymund M. Estrella

EXPLANATORY NOTE

This bill seeks to provide for the legal recognition, validity and enforceability of electronic transferable records, adopting for the purpose the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Electronic Transferable Records (MLETR).

The digitalization of commercial and legal processes has transformed how economic actors conduct business. Traditional paper-based transferable instruments — such as bills of lading, promissory notes, warehouse receipts, and negotiable instruments — serve as foundational records in commerce. However, under existing Philippine law, many of these instruments *lack clear legal status in electronic form*, leading to legal uncertainty, inefficiencies, and potential impediments in digital trade and financing.

This bill seeks to establish a comprehensive legal framework for electronic transferable records based on UNCITRAL MLETR. It draws upon and builds on foundational statutes that recognize and regulate electronic documents in the Philippines such as Republic Act (RA) No. 8792, otherwise known as the “*Electronic Commerce Act of 2000*,” and RA11967, otherwise known as the “*Internet Transactions Act of 2023*.”

The MLETR does not seek to regulate records existing solely in electronic form, nor does it alter substantive laws that are medium-neutral. Instead, it ensures that electronic transferable records enjoy the same legal recognition and enforceability as their paper counterparts, thereby facilitating trust, efficiency, and interoperability in international trade. The adoption of this Model Law is crucial for the Philippines for several reasons:

- **Legal Certainty and Harmonization:** It provides clear rules for recognizing and using electronic transferable records, aligning Philippine law with international standards and practices.

- **Trade Facilitation:** By reducing reliance on paper, it streamlines cross-border transactions, lowers costs, and accelerates processing times in shipping, logistics, and financial services.
- **Digital Transformation:** It supports the government's broader agenda of digitalization, e-commerce development, and modernization of trade infrastructure.
- **Competitiveness:** Adoption enhances the Philippines' attractiveness as a trading partner by ensuring compatibility with jurisdictions that have already implemented the MLETR.

In an economy increasingly driven by digital and virtual interactions, a legal gap remains in effectively recognizing electronic transferable records as legally equivalent to paper instruments. This bill addresses that gap, promoting legal certainty, commercial efficiency, consumer protection, and international competitiveness. By harmonizing existing statutes like RA 8792 and RA 11967 and international norms, the Philippines can provide an enabling environment where trade and commerce can thrive in both domestic and global digital markets.

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


REP. ROBERT RAYMUND M. ESTRELLA



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HOUSE BILL NO. 8234

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AN ACT
PROVIDING FOR THE LEGAL RECOGNITION, VALIDITY, AND
ENFORCEABILITY OF ELECTRONIC TRANSFERABLE RECORDS, ADOPTING
FOR THE PURPOSE THE UNITED NATIONS COMMISSION ON
INTERNATIONAL TRADE LAW (UNCITRAL) MODEL LAW ON ELECTRONIC
TRANSFERABLE RECORDS

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

Chapter I.

General Provisions

SECTION 1. **Short Title.** – This act shall be known as the “*Electronic Transferable Records Act.*”

SEC. 2. **Declaration of Policy.** – It is the policy of the State to adopt the generally accepted principles of international law as part of the law of the land and promote secure, efficient, and reliable electronic commerce. Towards this end, the State shall adopt the UNCITRAL Model Law on Electronic Transferable Records (MLETR) to harmonize the Philippine laws with international standards and enhance the country’s competitiveness in global trade.

SEC. 3. **Definition of Terms.** – As used in this Act:

(a) **Electronic record** refers to information generated, communicated, received or stored by electronic means, including, where appropriate, all information logically associated

with or otherwise linked together so as to become part of the record, whether generated contemporaneously or not;

(b) ***Electronic transferable record*** refers to an electronic record that complies with the prescribed requirements under this Act; and

(c) ***Transferable document or instrument*** refers to a document or instrument issued on paper that entitles the holder to claim the performance of the obligation indicated in the document or instrument and transfers the right to performance of the obligation indicated in the document or instrument through the transfer of the document or instrument.

SEC. 4. ***Interpretation.*** – In the interpretation of this Act, regard is to be had to the international origin and the need to promote uniformity in its application.

Questions concerning matters governed by this Act which are not expressly settled in it are to be settled in conformity with the general principles on which this Act is based.

SEC. 5. ***Scope of Application.*** – This Act applies to electronic transferable records that are functionally equivalent to paper-based transferable documents, including:

- (a) Bills of lading;
- (b) Warehouse receipts;
- (c) Promissory notes;
- (d) Other negotiable instruments recognized under Philippine law.

This Act shall not apply to records existing solely in electronic form where substantive law is medium-neutral.

SEC. 6. ***Party Autonomy and Privity of Contract.*** – The parties may derogate from or vary by agreement as long as the stipulations are not inconsistent or contrary to law, morals, good customs, public order or public policy.

Such an agreement does not affect the rights of any person that is not a party to the agreement.

SEC. 7. ***Information Requirements.*** – Nothing in this Act affects the application of any rule of law that may require a person to disclose its identity, place of business or other information, or relieves a person from the legal consequences of making inaccurate, incomplete or false statements in that regard.

SEC. 8. ***Additional Information in Electronic Transferable Records.*** Nothing in this Act precludes the inclusion of information in an electronic transferable record in addition to that contained in a transferable document or instrument.

SEC. 9. ***Legal Recognition of Electronic Transferable Record.*** – An electronic transferable record that complies with the provisions of this Act shall have the same legal effect, validity or enforceability as paper-based transferable documents or instruments.

Chapter II.

Provisions on Functional Equivalence

SEC. 10. ***Writing.*** – Where the law requires that information must be in writing, that requirement is met with respect to an electronic transferable record if the information contained in the electronic transferable record is accessible or usable for subsequent reference.

SEC. 11. ***Signature.*** – Where the law requires or permits a signature of a person, that requirement is met by an electronic transferable record if a reliable method is used to identify the person and indicate that person's intention in respect of the information contained in the electronic transferable record.

SEC. 12. ***Transferable Instruments or Documents.*** – Where the law requires a transferable document or instrument, that requirement is met by an electronic record if:

(a) The electronic record contains the information that requires to be contained in a transferable document or instrument; and

(b) A reliable method is used to:

- (i) Identify the electronic record as the electronic transferable record;
- (ii) Render that electronic record capable of being subject to control from its creation until it ceases to have any effect or validity; and
- (iii) Retain the integrity of the electronic record.

The criterion for assessing the integrity of the information contained in the electronic transferable record, including any authorized change that arises from its creation until it ceases to have any effect or validity, has remained complete and unaltered apart from any change that arises in the normal course of communication, storage and display.

SEC. 13. ***Control.*** – Where the law requires or permits the possession of a transferable document or instrument, the requirement is met with respect to an electronic transferable record if a reliable method is used to:

- (a) Establish exclusive control of that electronic transferable record by a specific person; and
- (b) Identify that person as the person in control.

Where the law requires or permits the transfer of possession of a transferable document or instrument, that requirement is met in the case of an electronic transferable record by transferring control of the electronic transferable record.

Chapter III.

Use of Electronic Transferable Records

SEC. 14. ***General Liability Standard.*** – For the purposes of Sections 11, 12, 13, 15, 18, 19 and 20, the method referred to shall be:

(a) As reliable as appropriate for the fulfilment of the function for which the method is being used, in the light of all relevant circumstances, which includes:

- (i) Any operational rules relevant to the assessment of reliability;
- (ii) The assurance of data integrity;
- (iii) The ability to prevent unauthorized access to and use of the system;
- (iv) The security of hardware and software;
- (v) The regularity and extent of audit by an independent body;
- (vi) The existence of a declaration by a supervisory body, an accreditation body or a voluntary scheme regarding the reliability of the method;
- (vii) Any applicable industry standard; or

(b) Proven in fact to have fulfilled the function by itself or together with further evidence.

SEC. 15. ***Indication of time and place in electronic transferable records.*** – Where the law requires or permits the indication of time or place with respect to a transferable document or instrument, the requirement is met if a reliable method is used to indicate the time or place with respect to an electronic transferable record.

SEC. 16. ***Place of Business.*** – Where the law requires or permits the indication of place with respect to a transferable document or instrument, the requirement is met if a reliable method is used to indicate the place with respect to an electronic transferable record. For purposes of this Section, a location is not a place of business merely because the location is:

(a) Where equipment and technology supporting an information system used by a party in connection with electronic transferable records are located; or

(b) Where the information system may be accessed by other parties.

The sole fact that a party makes use of an electronic address or other element of an information system connected to a specific country does not create a presumption that its place of business is located in that country.

SEC. 17. ***Endorsement.*** – Where the law requires or permits the endorsement in any form of a transferable document or instrument, the requirement is met with respect to an electronic transferable record if the information required for the endorsement is included in the electronic transferable record and that information is compliant with the requirements set forth in Sections 10 and 11.

SEC. 18. ***Amendment.*** – Where the law requires or permits the amendment of a transferable document or instrument, the requirement is met with respect to an electronic transferable record if a reliable method is used for amendment of the information in the electronic transferable record so that the amended information is identified as such.

SEC. 19. ***Replacement of a Transferable Document or Instrument with an Electronic Transferable Record.*** – An electronic transferable record may replace a transferable document or instrument if a reliable method for the change of medium is used and a statement indicating a change of medium shall be inserted in the electronic transferable record.

Upon issuance of the electronic transferable record, the transferable document or instrument shall be made inoperative and cease to have any effect or validity, but the rights and obligations of the parties shall not be affected.

SEC. 20. ***Replacement of an Electronic Transferable Record with a Transferable Document or Instrument.*** – A transferable document or instrument may replace an

electronic transferable record if a reliable method for the change of medium is used and a statement indicating a change of medium shall be inserted in the transferable document or instrument.

Upon issuance of the transferable document or instrument, the electronic transferable record shall be made inoperative and ceases to have any effect or validity, but the rights and obligations of the parties shall not be affected.

Chapter IV.

Cross-Border Recognition of Electronic Transferable Records

SEC. 21. *Non-discrimination of foreign electronic transferable records.* – An electronic transferable record shall not be denied legal effect, validity or enforceability on the sole ground that it was issued or used outside the country.

Nothing in this Act affects the application to electronic transferable records of rules of private international law governing a transferable document or instrument.

Chapter IV

Final Provisions

SEC. 22. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the Secretary of Information and Communications Technology shall, in coordination with the Secretary of Trade and Industry and the Governor of the Bangko Sentral ng Pilipinas and other heads of concerned agencies, promulgate the rules and regulations necessary for the effective implementation of this Act.

SEC. 23. *Separability Clause.* – If any provision or part of this Act is declared unconstitutional or invalid, the remaining parts or provisions not affected remain in full force and effect.

SEC. 24. *Repealing Clause.* – All laws, decrees, executive orders, proclamations, rules and regulations, or parts thereof, inconsistent with the provisions of this Act are amended or repealed accordingly.

SEC. 25. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,