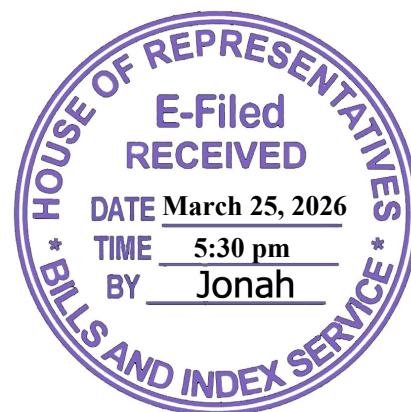


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **8794**



Introduced by **REP. NATHANIEL “Atty. Nat” M. ODUCAO**

EXPLANATORY NOTE

Despite advances in information and communications technology, government service delivery in the Philippines remains largely manual, fragmented, and dependent on in-person processes. These conditions continue to impose high costs on citizens, businesses, and the government, while weakening efficiency, transparency, and public trust.

In 2024, the Philippine digital economy reached Php 2.25 trillion, equivalent to 8.5% of GDP. However, government digital services contributed only Php 6.6 billion, or 0.3% of the total, making it the smallest component. This highlights how public sector digitalization has lagged behind rapid private sector adoption.

This gap is not due to limited connectivity. Internet access has expanded significantly, with household penetration rising to 48.8% and 67.3% of Filipinos now online. Mobile connectivity is nearly universal, demonstrating that most citizens already have the means to access digital government services.

Despite this, government efficiency remains low. The Philippines ranked 52nd out of 67 countries in the 2024 IMD World Competitiveness Rankings, and starting a business takes 33 days—far longer than in neighboring countries. These delays reflect persistent bureaucratic inefficiencies that increase costs and discourage investment.

Although over 70% of services are reported as “available online,” implementation remains uneven. Many systems are incomplete, unreliable, or still require physical follow-ups, as there is no unified mechanism to ensure full digitalization across agencies and local government units.

Weak accountability has also limited the impact of existing anti-red tape laws. Compliance remains inconsistent, resulting in delays, duplication, and inefficient use of public funds across a large and fragmented bureaucracy.

This bill addresses these issues by establishing a Digital-by-Default policy, requiring all core government services to be fully accessible online by 31 December 2028. It provides a clear transition period while ensuring that physical service channels remain available to avoid excluding citizens.

The measure also mandates a National Digital Service Roadmap and strengthens cybersecurity and data protection. It builds on existing frameworks by requiring minimum standards, capacity planning, and effective incident-response mechanisms.

¹DataReportal (2024). Digital 2024: Philippines. Availability at <https://datareportal.com/reports/digital-2024-philippines>

To ensure enforcement, the bill creates a compliance monitoring system under the DICT, with regular reporting and performance-based certification. This promotes continuous oversight rather than one-time compliance.

It also introduces a 10% budget reduction for non-compliant agencies, alongside incentives for early compliance, such as priority access to funding for digital infrastructure. This balanced approach aligns accountability with support.

Transparency and public trust are strengthened through real-time tracking, service standards, and public performance dashboards. These tools reduce opportunities for corruption and improve overall accountability in government processes.

The benefits of digitalization are substantial. Faster processing, lower administrative costs, and improved efficiency can generate significant savings while enhancing the country's business climate and investor confidence.

In sum, the proposed Digital-by-Default Rule Act is a governance reform aimed at reducing bureaucracy, strengthening transparency, improving competitiveness, and delivering faster, more accessible public services.

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



REP. NATHANIEL “ATTY. NAT” M. ODOCADO
1 Tahanan Party List

²GMA News Online (2024). Philippines stays at 52 spot in world competitiveness ranking. Available at <https://www.gmanetwork.com/news/money/economy/910440/philippines-stays-at-52nd-spot-in-world-competitiveness-ranking/story/>

³Philippine Statistics Authority (2025). Digital Economy Contributes 8.5 Percent to the Philippine Economy in 2024. Available at <https://psa.gov.ph/statistics/digital-economy>

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HOUSE BILL NO. **8794**

Introduced by **REP. NATHANIEL “ATTY. NAT” M. ODUCAO**

**AN ACT MANDATING THE ADOPTION OF A DIGITAL-BY-DEFAULT RULE IN
THE DELIVERY OF GOVERNMENT SERVICES, PROVIDING PENALTIES FOR
NON-COMPLIANCE, AND FOR OTHER PURPOSES**

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “*Digital-by-Default Rule Act.*”

2 **SEC. 2. *Declaration of Policy.*** – It is hereby declared the policy of the State to promote
3 efficient, transparent, and citizen-centered governance through the full integration of digital
4 technologies in public service delivery. Towards this end, the State shall ensure that government
5 services are accessible, reliable, and convenient through secure online platforms, thereby reducing
6 bureaucracy, minimizing corruption, and strengthening public trust in government institutions.

7 **SEC. 3. *Definition of Terms.*** – For purposes of this Act, the following terms are defined:

- 8 a) *Covered Agency* - refers to all departments, bureaus, offices, agencies, state
9 universities and colleges, government-owned or controlled corporations, and local
10 government units.
11 b) *Digital Platform* - refers to an official government-managed website, portal, or
12 application used to deliver public services.
13 c) *Digital-by-Default* - refers to the principle that government services shall be
14 designed and delivered primarily through secure and accessible online platforms.
15 d) *Online Government Service* - refers to any public service, transaction, application,
16 approval, payment, or request that can be completed electronically without
17 requiring physical appearance, except where personal presence is required by law.

18 **SEC. 4. *Mandatory Digitalization of Government Services.*** - All covered agencies are
19 hereby mandated to ensure that their core services are fully accessible online not later than 31
20 December 2028. Each agency shall redesign its processes to prioritize online service delivery while
21 maintaining physical service channels for individuals who cannot access digital services.

22 In doing so, covered agencies shall ensure that online services are secure, resilient, and fit-
23 for-purpose, with due regard to the nature, complexity, and risk level of the transactions involved.

SEC. 5. *National Digital Service Roadmap.* - The Department of Information and Communications Technology (DICT), in coordination with the Department of Budget and Management (DBM), the National Economic and Development Authority (NEDA), and the Anti-Red Tape Authority (ARTA), and a representative from the Private Sector Advisory Council (PSAC) on Digital Transformation or a designated private sector partner, shall formulate and implement a National Digital Service Roadmap within one (1) year from the effectivity of this Act. The roadmap shall set annual targets, technical standards, cybersecurity requirements, and timelines for all covered agencies.

It shall, at a minimum:

- a) Prescribe standards to ensure that digital platforms are fit-for-purpose, user-centric, and accessible, including to persons with disabilities and other vulnerable sectors;
- b) Establish minimum infrastructure and information security requirements, including network and application security, encryption, authentication and access controls, security testing, incident response, and business continuity and disaster recovery arrangements;
- c) Set capacity-planning and bandwidth-management guidelines to ensure that government digital platforms are able to handle expected transaction volumes and peak-load conditions in a stable and reliable manner; and
- d) Define performance indicators and reporting templates for use by covered agencies and for consolidation by the DICT.

SEC. 6. *Compliance Monitoring and Certification.* – The DICT shall establish a Digital-by-Default Compliance Monitoring System and shall issue an annual Compliance Certification for each covered agency based on established performance indicators and readiness standards.

For this purpose, all covered agencies shall submit to the DICT, on a quarterly basis or as may be prescribed in the implementing rules and regulations, standardized reports on the operation of their digital platforms, including, but not limited to, system availability and uptime, transaction volumes, capacity utilization, and significant security and service incidents, subject to applicable confidentiality and national security laws.

The DICT may require additional information as may be necessary to assess compliance with this Act and with the National Digital Service Roadmap.

SEC. 7. *Automatic Budgetary Consequence for Non-Compliance.* - Any covered agency that fails to achieve full online accessibility of its core services by the prescribed deadline shall be subject to an automatic ten percent (10%) reduction of its approved budget for the immediately succeeding fiscal year, subject to existing budgeting, accounting, and auditing laws, rules, and regulations.

SEC. 8. *Incentives for Early and Full Compliance.* - Agencies that achieve full compliance ahead of the mandated timeline may be granted priority in budget augmentation for digital infrastructure, cybersecurity upgrades, and capacity-building programs, subject to applicable budgetary laws.

1 **SEC. 9. *Capacity Building and Technical Assistance.*** - The DICT, in coordination with
2 the Civil Service Commission (CSC) and the Department of the Interior and Local Government
3 (DILG), shall provide training, technical support, and change-management assistance to covered
4 agencies to ensure successful implementation of this Act.

5 **SEC. 10. *Public Access and Transparency.*** - All covered agencies shall ensure that their
6 digital platforms provide real-time status tracking of applications and transactions, clear service
7 standards, and publicly accessible performance dashboards, subject to applicable data privacy and
8 cybersecurity laws.

9 For this purpose, all covered agencies shall adopt and implement clear service level
10 standards for their digital platforms, which shall include, as a minimum, targets for system uptime
11 or availability, response times, processing times for applications and requests, and resolution times
12 for user inquiries and complaints.

13 The approved service level standards, as well as the actual performance of the agency
14 against such standards, shall be published and regularly updated on the agency's official digital
15 platforms, without prejudice to the observance of data privacy, cybersecurity, national security, and
16 other applicable laws.

17 **SEC. 11. *Appropriations.*** - The amount necessary to carry out the provisions of this Act
18 shall be charged against the current appropriations of the concerned agencies. Thereafter, such
19 sums as may be necessary for the continued implementation of this Act shall be included in the
20 annual General Appropriations Act.

21 **SEC. 12. *Implementing Rules and Regulations (IRR).*** - Within ninety (90) days from the
22 effectivity of this Act, the DICT, in coordination with DBM, NEDA, CSC, and DILG, shall
23 promulgate the rules and regulations necessary for its effective implementation.

24 **SEC. 13. *Separability Clause.*** - If any provision of this Act is declared unconstitutional or
25 invalid, the other provisions not affected thereby shall remain in full force and effect.

26 **SEC. 14. *Repealing Clause.*** - All laws, decrees, executive orders, rules and regulations, or
27 parts thereof inconsistent with the provisions of this Act are hereby repealed or modified
28 accordingly.

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

31 *Approved,*