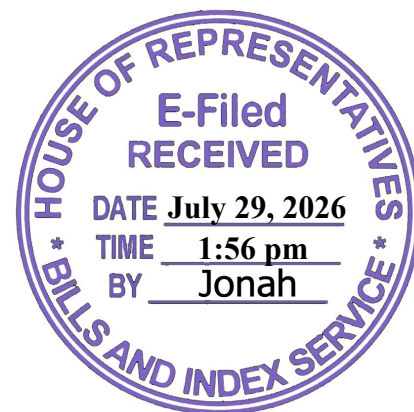


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City
Twentieth Congress
Second Regular Session

House Bill No. 10362



Introduced by Honorable Representatives
JOSE MANUEL TADEO “CHEL” I. DIOKNO (Akbayan Partylist)
PERCIVAL V. CENDAÑA (Akbayan Partylist)
DADAH KIRAM ISMULA (Akbayan Partylist)
KAKA BAG-AO (Dinagat Islands)

AN ACT
PROVIDING FOR A NATIONAL FRAMEWORK FOR ARTIFICIAL
INTELLIGENCE GOVERNANCE, ESTABLISHING AN ARTIFICIAL
INTELLIGENCE BILL OF RIGHTS, CREATING AN ARTIFICIAL
INTELLIGENCE MULTI-STAKEHOLDER ADVISORY COUNCIL,
PROMOTING LITERACY, INSTITUTIONAL READINESS,
RESPONSIBLE INNOVATION, AND WORKER PROTECTION,
PRESCRIBING PENALTIES FOR VIOLATIONS THEREOF,
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

Artificial Intelligence (AI) is no longer a future technology. It is already reshaping economies, labor markets, education systems, public governance, media, finance, healthcare, communications, and everyday life at an unprecedented speed. In the Philippines, AI systems are now widely used in schools, offices, call centers, banks, hospitals, online platforms, content creation, transportation, customer service, and government operations.

The rapid expansion of AI in the country is already measurable. The Philippine AI Report 2025 found that more than ninety-two percent (92%) of surveyed Philippine organizations have adopted AI in some capacity,

while more than half (54%) have already used generative AI tools for over a year. Executive-level AI adoption and deployment continue to accelerate across industries. Meanwhile, studies indicate that Filipinos are among the most active users of generative AI tools globally.¹

The Philippine AI market itself is projected to expand rapidly in the coming years. Industry studies estimate that the Philippine generative AI market may grow from approximately USD 292 million in 2025 to more than USD 1.2 billion by 2034, driven by the country's highly digital population, expanding internet access, and increasing demand for automation in business process outsourcing, finance, education, and creative industries.²

Despite the speed and scale of AI adoption, the Philippines still has no comprehensive national law governing the responsible development, deployment, accountability, oversight, and regulation of AI systems. Existing laws such as the Data Privacy Act of 2012, the Cybercrime Prevention Act of 2012, and the Philippine Innovation Act address only certain aspects of AI-related concerns. At present, there is no unified national framework that establishes safeguards against harmful AI systems, protects workers from AI-driven displacement, guarantees transparency in automated decision-making, promotes AI literacy, establishes accountability standards, or creates institutional mechanisms for AI governance. This legal and regulatory gap leaves the public vulnerable to the risks of unregulated AI deployment.

AI technologies create enormous opportunities for economic growth, innovation, scientific advancement, improved public services, and increased

¹ Tim Santos & Pia Besmonte Ligot-Gordon, *The Philippine AI Report 2025 2* (2025), <https://philippineaireport.com/>

² IMARC Group, *Philippines Generative AI Market 2026 Worth USD 1,242.67 Million by 2034*, OPENPR (May 20, 2025), <https://www.imarcgroup.com/philippines-generative-ai-market>

productivity. Global studies estimate that AI adoption could increase global economic output by as much as fifteen percent (15%) over the next decade.³

However, the same technologies also create serious and urgent risks that directly affect democratic institutions, labor rights, public trust, human rights, and national development. AI systems are now capable of generating highly realistic deepfakes, synthetic media, fabricated audio and video, deceptive impersonations, and large-scale automated disinformation. These technologies can be weaponized to manipulate public opinion, undermine elections, spread fraud, damage reputations, and erode trust in democratic institutions and public information.

AI systems may also produce discriminatory or biased outcomes in hiring, lending, education, healthcare, policing, insurance, and access to government services. Automated systems often operate without transparency, making it difficult for individuals to understand, question, or challenge decisions that significantly affect their lives.

At the same time, AI-driven automation is expected to significantly disrupt labor markets worldwide. The International Monetary Fund (IMF) estimates that approximately forty percent (40%) of jobs globally may be affected by AI technologies. In advanced economies, the figure may reach sixty percent (60%).⁴ Experts have warned that AI may disproportionately affect younger workers, entry-level employment, and vulnerable sectors of

³ PricewaterhouseCoopers, *AI Adoption Could Boost Global GDP by an Additional 15 Percentage Points by 2035*, (Apr. 29, 2025), <https://www.pwc.com/gx/en/news-room/press-releases/2025/ai-adoption-could-boost-global-gdp-by-an-additional-15-percentage.html>

⁴ Kristalina Georgieva, *AI Will Transform the Global Economy. Let's Make Sure It Benefits Humanity*, international Monetary Fund (Jan. 14, 2024), <https://www.imf.org/en/blogs/articles/2024/01/14/ai-will-transform-the-global-economy-lets-make-sure-it-benefits-humanity>

the workforce if governments fail to establish proactive labor transition policies and worker protections.⁵

These risks are especially significant for the Philippines because of the country's large service sector, including business process outsourcing (BPO), clerical work, administrative support services, online content work, and other industries that may undergo major transformation due to automation and generative AI technologies.⁶

Without clear national policies, the Philippines risks being technologically unprepared, economically vulnerable, and institutionally incapable of addressing the profound social and economic consequences of AI-driven transformation.

The absence of governance standards also creates uncertainty for businesses, educational institutions, innovators, workers, investors, and government agencies seeking responsible pathways for AI adoption. Without clear safeguards and accountability mechanisms, public trust in AI technologies may weaken, while irresponsible or harmful AI deployment may proliferate unchecked.

The Constitution recognizes the vital role of science and technology in nation-building and directs the State to prioritize research, development, and innovation for national progress. This constitutional mandate also requires the State to ensure that technological development is ethical, inclusive, human-centered, rights-based, and consistent with democratic values.

⁵ Reuters, *Artificial Intelligence Hitting Labor Forces Like a "Tsunami" – IMF Chief*, (May 13, 2024), <https://www.reuters.com/technology/artificial-intelligence-hitting-labour-forces-like-tsunami-imf-chief-2024-05-13/>

⁶ International Labor Organization, *Generative AI and Jobs in the Philippines: Labor Market Exposure and Policy Implications* (2026), <https://www.ilo.org/publications/generative-ai-and-jobs-philippines-labour-market-exposure-and-policy>

Hence, this bill which seeks to: (1) establish the country's first comprehensive and future-oriented national framework for AI governance; (2) promote AI literacy, institutional readiness, responsible innovation, transparency, accountability, worker protection, ecosystem development, and democratic safeguards; (3) establish rights relating to high-impact AI systems; (4) protect workers and communities affected by AI-driven technological transition; (5) ensure sustainable AI infrastructure through environmental and social safeguards; (6) strengthen public education and media literacy against AI-generated disinformation; (7) support local research and innovation; (8) encourage the development of Philippine AI capabilities; and (9) institutionalize multi-stakeholder participation in AI governance.

Innovation and regulation are not incompatible. Responsible governance is necessary to ensure that AI technologies develop in a manner that strengthens democracy, public trust, labor rights, human dignity, and inclusive national development.



JOSE MANUEL TADEO "CHEL" I. DIOKNO
Akbayan Representative



PERCIVAL V. CENDAÑA
Akbayan Representative



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

1 CHAPTER I

2 GENERAL PROVISIONS

3 **Section 1. Short Title.** This Act shall be known as the “National AI
4 Governance Act.”

5 **Section 2. Declaration of Policy.** The State recognizes the vital role of
6 science, technology, research, innovation, and digital transformation in
7 nation-building and inclusive national development. In addition, the State
8 adopts the following policies:

- 9 a. Artificial Intelligence (AI) must be developed and used in a
10 responsible, ethical, inclusive, and human-centered manner.

- b. AI must capacitate and not unjustly replace the Filipino workforce.
- c. Workers and communities must be protected from unjust displacement arising from technological change driven by AI, and a just and inclusive transition toward an AI-ready economy must be ensured.
- d. Democratic processes and the integrity of public information must be protected from harmful AI-generated disinformation, synthetic media manipulation, and other forms of digitally enabled deception.
- e. The establishment of AI infrastructure, including data centers, must be environmentally sustainable and socially responsible.
- f. The State must promote an AI Framework that does not hinder innovation, research, freedom of expression, academic inquiry, or responsible technological development.

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

- a. “Advisory Council” refers to the Multi-Stakeholder Advisory Council created under this Act.
- b. “Artificial Intelligence” or “AI” refers to machine-based systems capable of generating outputs such as predictions, recommendations, decisions, or content that influence physical or virtual environments through learning, reasoning, inference, pattern recognition, adaptation, or similar computational processes commonly associated with human intelligence.
- c. “Artificial Intelligence System” or “AI System” refers to a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, recommendations, decisions, or content that may influence physical or virtual environments, and which may operate with varying levels of autonomy and adaptiveness.
- d. “AI Governance” refers to the laws, policies, standards, safeguards, institutions, and practices of the government and private entities that guide the development, deployment, use, oversight, and accountability of AI systems.

- e. “AI Infrastructure” refers to the physical and digital systems that support the development, training, deployment, operation, storage, maintenance, or use of AI systems, including computing systems, cloud services, networks, data systems, and related facilities.
- f. “AI Impact Assessment” refers to a structured evaluation conducted before or during the deployment of AI systems to identify, analyze, and mitigate potential risks to individuals, communities, democratic institutions, labor, and the environment.
- g. “AI Literacy” refers to the knowledge, skills, and critical understanding necessary to safely, responsibly, and effectively evaluate, use, and interact with AI systems.
- h. “Algorithmic Impact Assessment” refers to an evaluation of the societal effects and risks of automated decision-making systems, particularly those used in public services.
- i. “Automated Decision-Making” refers to any process by which an AI system makes or substantially influences decisions affecting individuals or groups without or with little meaningful human involvement.
- j. “Data Center” refers to a facility or physical infrastructure used to house computer systems, servers, storage systems, networking equipment, and related technologies for the processing, storage, management, or transmission of digital data, including data used for AI systems.
- k. “High-Impact AI System” refers to an AI system that, by reason of its purpose, scale, or manner of deployment, may significantly affect the rights, safety, livelihood, opportunities, access to essential services, or wellbeing of individuals or communities.
- l. “Just Transition” refers to a a set of principles ensuring that the shift to AI-driven economies protects workers, shares economic benefits fairly, and respects environmental limits. It guarantees that no person, group, or community is left behind or harmed by rapid automation and technological changes.

1 m. “Regulatory Sandbox” refers to a regulatory approach, typically
2 summarized in writing and published, that allows live, time-bound
3 testing of innovation under a regulator’s oversight.

4 n. “Synthetic Media” refers to text, audio, image, video, or other media
5 wholly or substantially generated or manipulated through AI
6 systems.

7
8 ***Section 4. Scope and Application.*** This Act applies to all natural and
9 juridical persons, whether public or private, that develop, deploy, operate,
10 provide, or use AI systems within the Philippines, or whose AI systems
11 affect persons, institutions, or communities within the Philippines. Nothing
12 in this Act will diminish the powers and functions of existing regulatory
13 agencies under their respective charters and mandates.

14 15 CHAPTER II

16 ARTIFICIAL INTELLIGENCE BILL OF RIGHTS

17 ***Section 5. Rights Relating to Artificial Intelligence Systems.*** Every
18 person affected by AI systems or automated decision-making has the
19 following rights:

20 a. *Right to Transparency.* Every person has the right to know when a
21 high-impact AI system or automated decision-making is being used
22 on or about them, including the nature and purpose of such system
23 and what it is used for, which must be communicated in plain and
24 clear language.

25 b. *Right to Information.* Every person has the right to receive complete
26 information regarding the basis of automated decision-making,
27 including the principal factors and considerations that materially
28 influenced the decision, subject to reasonable protection of trade
29 secrets and proprietary information.

30 c. *Right Against Discriminatory Automated Decisions.* Every person has
31 the right to equal treatment regardless of race, ethnicity, religion, sex
32 characteristics, gender identity or expression, sexual orientation,
33 ability, age, socioeconomic status, or any other protected
34 characteristic under existing laws, in all automated decision-making.

- 1 d. *Right to Human Review*. Every person has the right to request
2 meaningful human review of automated decision-making, which must
3 be conducted by a person with sufficient authority and competence to
4 change, reverse, or confirm the decision.
- 5 e. *Right to Privacy and Data Protection*. Every person has the right to
6 protection of personal information, including sensitive personal
7 information, consistent with the Data Privacy Act of 2012 and any
8 applicable AI-specific data governance rules issued by the
9 Department of Information and Communications Technology (DICT)
10 and the National Privacy Commission (NPC).
- 11 f. *Right to be Forgotten*. Every person has the right to demand the
12 permanent deletion of their personal data from all training datasets,
13 storage repositories, and operational parameters of an artificial
14 intelligence system, requiring the data controller to completely erase
15 the data or provably eliminate its influence through machine
16 unlearning or model retraining, unless retention is strictly required
17 by law.
- 18
- 19 g. *Right to Safety*. Every person has the right to protection from AI
20 systems that pose unreasonable or foreseeable risks to a person's life,
21 health, or wellbeing.
- 22 h. *Right to Disclosure of Synthetic Media*. Every person has the right to
23 know when they are exposed to synthetic media. Any synthetic media
24 that materially or deceptively alters or realistically depicts the image
25 or likeness of a person or any statement, event, or circumstance in a
26 manner likely to mislead the public must contain a clear and
27 conspicuous disclosure that it is AI-generated or AI-manipulated.

28 CHAPTER III

29 ARTIFICIAL INTELLIGENCE MULTI-STAKEHOLDER ADVISORY 30 COUNCIL

31 **Section 6. Lead Agency.** The DICT will serve as the lead implementing
32 and coordinating agency for the implementation of this Act. In
33 implementing this Act, the DICT must coordinate with the Artificial
34 Intelligence Multi-Stakeholder Advisory Council.

Section 7. Powers and Functions of the DICT. The DICT, in coordination with the Artificial Intelligence Multi-Stakeholder Advisory Council, must exercise the following powers and functions:

- a. To formulate and periodically update the National AI Strategy;
- b. To develop, in coordination with the relevant government agencies, the national standards, guidelines, and safeguards on AI systems;
- c. To coordinate with relevant agencies regarding possible violations of existing laws involving AI systems;
- d. To promote AI literacy, institutional readiness, and public awareness;
- e. To support AI research, innovation, and local ecosystem development;
- f. To establish regulatory sandbox programs for emerging AI technologies;
- g. To develop standards for and, where authorized under this Act or other laws, conduct or require AI impact assessments and algorithmic impact assessments for high-impact AI systems;
- h. To coordinate with international organizations and foreign counterparts to promote cooperation on AI governance, including the exchange of best practices, technical expertise, standards, and capacity-building initiatives;
- i. To submit annual reports to Congress and the President on the state of AI governance in the Philippines; and
- j. To perform other functions as may be necessary and consistent with the purposes of this Act.

Section 8. Multi-Stakeholder Advisory Council. An Artificial Intelligence Multi-Stakeholder Advisory Council is hereby created to advise and support the implementation of this Act. The Advisory Council includes representatives from:

- a. The DICT as *ex-officio* Chairperson;
- b. One (1) representative from each of the following agencies:

- i. NPC;
 - ii. Department of Labor and Employment (DOLE)
 - iii. Department of Science and Technology (DOST);
 - iv. Department of Trade and Industry (DTI);
 - v. Department of Education (DepEd);
 - vi. Commission on Higher Education (CHED);
 - vii. Technical Education and Skills Development Authority (TESDA);
 - viii. Department of Economy, Planning, and Development (DEPDev);
 - ix. Department of the Interior and Local Government (DILG);
 - x. Department of Energy (DOE); and
 - xi. Board of Investments (BOI);
- Permanent and alternate authorized representatives to the Advisory Council must be designated by the agencies. The representative must have the rank of at least an Undersecretary.
- c. One (1) representative from each of the following sectors:
 - i. The academe and research institutions;
 - ii. Labor organizations and workers' associations;
 - iii. Consumer and digital rights organizations;
 - iv. Media organizations;
 - v. Youth and student organizations; and
 - vi. The private sector, particularly the technology industry.

The Advisory Council may include other government agencies as members of the Advisory Council upon approval of at least two-thirds (2/3) majority of all the members thereof.

Section 9. Purpose and Functions of the Advisory Council. The Advisory Council serves as a multi-stakeholder body that provides technical and ethical advice to DICT in the exercise of its powers and functions under this Act. The Advisory Council shall:

- a. Advise the DICT on the implementation of this Act and the development of national AI governance policies;
- b. Participate in all policy consultations and rulemaking processes related to AI;
- c. Assist in the analysis and identification of emerging risks and opportunities related to AI; and
- d. Recommend the development or adoption of policies, including updates to the National AI Strategy.

Section 10. The Secretariat. The DICT shall establish a Secretariat to provide technical, administrative, and research support to the Advisory Council, including the coordination of meetings, monitoring of compliance with this Act, maintenance of records and reports, stakeholder engagement, and such other functions as may be necessary to carry out the objectives of this Act. The Secretariat shall be composed of personnel with relevant expertise in technology, governance, law, labor, public policy, economics, education, and related fields.

CHAPTER IV

NATIONAL ARTIFICIAL INTELLIGENCE STRATEGY

Section 11. National Artificial Intelligence Strategy. Within one (1) year from the effectivity of this Act, the DICT must formulate a National AI Strategy covering:

- a. Infrastructure and connectivity;
- b. Literacy and education;
- c. Research and development;
- d. Just transition and labor protection;
- e. Local ecosystem development;

- f. Digital resilience, strategic technological capability, and secure data governance;
- g. Environmental sustainability;
- h. Public sector adoption; and
- i. Ethical and rights-based governance.

The National AI Strategy must be updated every three (3) years.

Section 12. National Artificial Intelligence Research Centers. The DICT, in coordination with the DOST and CHED, may establish National AI Research Centers in state universities and colleges. These centers may conduct foundational and applied research relating to AI safety, transparency, fairness, labor impact, environmental impact, Philippine language models and datasets, and related areas.

Section 13. Regulatory Sandbox. The DICT must establish a regulatory sandbox program for the controlled testing of emerging AI systems with limited and clearly defined regulatory flexibility consistent with existing laws for a defined period. Participation in the regulatory sandbox does not exempt any person from liability for harm caused during testing. The DICT must publish the findings and lessons from sandbox programs to guide future policy development.

Section 14. National Artificial Intelligence Literacy Program. The DICT, in coordination with the DepEd, CHED, TESDA, and the Presidential Communications Office (PCO), must establish a National AI Literacy Program. The program must:

- a. Integrate age-appropriate AI literacy into the education system;
- b. Promote media and information literacy, critical digital awareness, and responsible engagement with AI-generated content and disinformation;
- c. Provide public AI literacy programs for adults and senior citizens;
- d. Develop AI literacy modules in Filipino and major regional languages;
- e. Include nationwide public information campaigns; and

- f. Be conducted in partnership with local government units, civil society organizations, schools, and community organizations; and
- g. Be accessible to marginalized, vulnerable, and geographically isolated communities.

Section 15. Artificial Intelligence Adoption and Ecosystem Development. The DICT, in coordination with the DTI, DOST, and BOI, must develop programs that:

- a. Provide opportunities for AI adoption among micro, small, and medium enterprises (MSMEs);
- b. Support local AI startups and innovators;
- c. Encourage the development of Philippine AI technologies and datasets;
- d. Strengthen local employment, training, and entrepreneurship opportunities for AI-skilled workers;
- e. Identify sectors where AI adoption may improve public welfare and productivity; and
- f. Strengthen domestic AI capability and promote strategic technological resilience while maintaining openness to international collaboration and innovation.

Section 16. Institutional Artificial Intelligence Governance Policies.

Government agencies, educational institutions, and private entities deploying or utilizing high-impact AI systems must adopt internal AI governance policies consistent with this Act. The Advisory Council will issue model guidelines on ethical, safe, and accountable use of AI. An employer may not impose disciplinary action on the basis of errors caused by employer-mandated AI tools where adequate training, supervision, or reasonable safeguards were not provided.

Section 17. Just Transition Framework. The State must support workers and communities affected by AI-driven technological change through a just transition framework. The DOLE, in coordination with the DICT, TESDA, and relevant stakeholders, must develop programs for:

- a. Reskilling and upskilling of workers in sectors affected by AI-driven automation;
- b. Workforce redeployment and labor market transition support;
- c. Social protection for displaced workers;
- d. Meaningful worker participation in decisions involving the adoption of AI; and
- e. Identification and monitoring of sectors vulnerable to AI-related displacement.

Section 18. Employer Obligations During Artificial Intelligence Transition. An employer introducing a high-impact AI system that is reasonably expected to substantially alter, reduce, or replace the core functions of existing employees must:

- a. Give affected employees and their representatives at least six (6) months' advance notice before deployment. The notice must include;
 - i. the purpose and scope of the AI system;
 - ii. the business processes or job functions affected;
 - iii. the anticipated impact on work assignments, performance evaluation, scheduling, hiring, promotion, discipline, compensation, or termination, where applicable;
 - iv. the categories of employee data to be processed;
 - v. available reskilling, redeployment, or transition assistance; and
 - vi. the mechanisms through which employees may raise questions or seek clarification regarding the deployment;
- b. Consult with employees and registered labor unions before deployment; and
- c. Offer reasonable reskilling and upskilling opportunities at no cost to affected employees before resorting to termination.

1 A worker who is terminated as a result of AI-driven automation is entitled
2 to separation benefits in accordance with law and other appropriate
3 transition support, as determined by DOLE in its just transition framework.

4 DOLE must track AI-related labor displacement across industries and
5 report findings to Congress every year.

6 CHAPTER V

7 ENVIRONMENTAL AND SOCIAL SAFEGUARDS

8 *Section 19. Sustainable Artificial Intelligence Infrastructure.*

9 Operators of data centers and AI infrastructure must comply with
10 applicable environmental laws, sustainability standards, and consultation
11 requirements. Each data center operator must:

- 12
- 13 a. Comply with the applicable Environmental Impact Assessment and
14 Environmental Compliance Certificate requirements under the
15 Philippine Environmental Impact Statement system, where
16 applicable;
 - 17 b. Conduct meaningful and timely consultations, consistent with
18 existing laws and local government processes, with communities that
19 may be displaced or whose resources may be significantly affected by
20 the establishment or operation of the data center or AI infrastructure;
 - 21 c. Publicly disclose material information on annual energy and water
22 consumption, sustainability measures, and plans for transitioning to
23 renewable or energy-efficient systems, subject to reasonable
24 confidentiality protections; and
 - 25 d. Comply with environmental and sustainability standards for AI
26 infrastructure developed by the DICT in coordination with the
27 Department of Environment and Natural Resources (DENR) and the
28 Department of Energy (DOE).

29 The DICT must coordinate with relevant agencies to study and monitor the
30 environmental and social impact of AI infrastructure, including energy
31 consumption, water use, and community displacement.

CHAPTER VI

MONITORING AND ENFORCEMENT MECHANISMS

Section 20. Prohibited Practices. An employer must not impose performance standards that are unreasonable, opaque, or based solely on AI-generated outputs without meaningful human evaluation. An employer must not impose disciplinary action on the basis of errors caused by an employer-mandated AI system where adequate training, supervision, or safeguards were not provided. Finally, an employer may not use an AI system to evade obligations under labor laws, including obligations relating to security of tenure, minimum wage, employee benefits, and the right to self-organization.

The use of AI systems for the following purposes is prohibited:

- a. Identity theft;
- b. Fraud and deceptive impersonation;
- c. Exploitation or abuse of children;
- d. Unlawful surveillance;
- e. The creation or dissemination of deceptive synthetic media intended to facilitate fraud, cause public harm, unlawfully manipulate the image or likeness of a person, or infringe upon the rights of others; and
- f. Other unlawful uses.

Section 21. Penalties. – Any person who willfully or knowingly does or who shall aid, permit, or cause to be done any of the prohibited acts will suffer the following penalties:

- a. Imprisonment of not less than six months or more than six years;
- b. Accessory penalty of temporary or perpetual absolute disqualification from public office if the offender is a public official at the time of the commission of the offense; and
- c. Deportation if the offender is an alien.

1 ***Section 22. Civil Liability and Access to Remedies.*** Any person who
2 suffers injury or damage arising from the negligent, reckless,
3 discriminatory, deceptive, or unlawful use of an AI system may institute the
4 appropriate civil action under the Civil Code and existing laws. The action
5 shall be brought against the person or entity that deployed, operated, or
6 used the AI system. In addition, it may also be brought against the person
7 or entity that developed or provided the AI system if:

- 8 a. The AI system was designed, trained, marketed, or offered principally
9 for a use prohibited under Section 20 of this Act or under other penal
10 laws;
- 11 b. The developer or provider had actual knowledge of a specific unlawful
12 use of its AI system and failed, within a reasonable period, to take
13 reasonable and proportionate measures to prevent its continuation or
14 recurrence;
- 15 c. The developer or provider failed to create or implement safeguards in
16 the AI system that would be proportionate to the gravity and
17 likelihood of injury and damage; or
- 18 d. The injury or damage is traceable to a defect in the AI system, or a
19 capability of the AI system or to the failure of the AI developer or
20 provider to comply with the provisions of this Act or the standards
21 issued by the DICT.

22 Where a complainant for any case establishes reasonable grounds to believe
23 that a high-impact AI system materially contributed to an adverse decision
24 affecting them, the court or administrative agency may require the
25 respondent to disclose relevant records, documentation, audit logs, or other
26 information necessary to determine compliance with this Act. Nothing in
27 this Act shall prevent a competent court or government agency from
28 ordering an independent technical audit or expert examination to determine
29 whether an AI system contributed to the alleged injury or damage.

30 Any person found liable under this Section shall be subject to the
31 appropriate remedies under existing laws, including actual, moral, nominal,
32 temperate, or exemplary damages, injunctive relief, and other appropriate
33 relief.

1 **Section 23. Violation of Juridical Entities.** – If the violation is
2 committed by a corporation, partnership, association, or other juridical
3 entity, the responsible directors or officers thereof shall be held criminally
4 or solidarily liable, in addition to possible sanctions from relevant
5 government agencies.

6 **CHAPTER VII**

7 **FINAL PROVISIONS**

8 **Section 24. Appropriations.** The amount necessary for the initial
9 implementation of this Act is charged against the current appropriations of
10 the DICT. Thereafter, such amounts as may be necessary for the continued
11 implementation of this Act must be included in the annual General
12 Appropriations Act.

13 **Section 25. Implementing Rules and Regulations.** Within one hundred
14 eighty (180) days from the effectivity of this Act, the DICT, in coordination
15 with relevant government agencies and stakeholders, will issue the rules
16 and regulations necessary for the effective implementation of this Act.
17 Failure to issue the said rules and regulations will not prevent the
18 effectivity of this Act.

19 **Section 26. Separability Clause.** If any part or provision of this Act is
20 declared unconstitutional or invalid, the remaining provisions remain in full
21 force and effect.

22 **Section 27. Repealing Clause.** All laws, executive orders, presidential
23 decrees, rules, and regulations, or parts thereof, inconsistent with this Act
24 are hereby repealed or modified accordingly.

25 **Section 28. Effectivity.** This Act takes effect fifteen (15) days after
26 publication in the Official Gazette or in at least two (2) newspapers of
27 general circulation, whichever comes earlier.