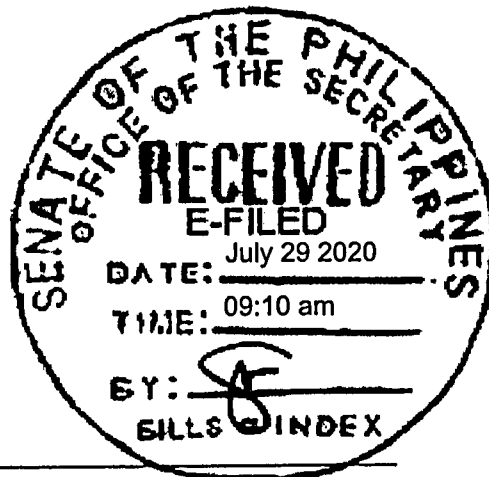


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE

S. No. 1750



Introduced by Senator Ralph G. Recto

**AN ACT
REQUIRING THE DIGITALIZATION OF FRONTLINE SERVICES OF ALL
GOVERNMENT AGENCIES AND APPROPRIATING FUNDS THEREFOR**

EXPLANATORY NOTE

The restrained mobility of people due to the imposed physical distancing brought on by the COVID-19 pandemic radically changed consumer behavior towards digital transactions, for both private and public goods alike. Barred from leaving homes and wary of using cash as it is tagged as an agent for transmitting the virus, there was an increase in online transactions for buying goods and services.

Despite limited digital adoption, recent trends have shown that the Filipino people have accelerated their uptake of digital transactions in light of the COVID-19 pandemic. According to the *State of Digital Payments in the Philippines*, digital transactions made by individuals in the Philippines have increased from 0.3% of total transactions in 2013, to 12% in 2018¹. For this year, UnionBank noted over one million fund transfer transactions in the month of March alone; while the Bank of the Philippines Islands noted a 25% increase in digital transactions including inter-bank transfers and bills payments during the first two weeks of the enhanced community quarantine.² Similarly, the *Bangko Sentral ng Pilipinas* noted a 57% increase in

¹ Better than Cash Alliance. (2019). The State of Digital Payments in the Philippines. Retrieved from <https://www.betterthancash.org/tools-research/case-studies/country-diagnostic-the-philippines-2019-edition>

² Digital banking grows sharply during lockdown (2020, April 17), *Philippine Star*. Retrieved from <https://www.philstar.com/business/2020/04/17/2007762/digital-banking-grows-sharply-during-lockdown>

transactions using the fund transfer service InstaPay from April to May, and a 325% increase for PesoNet for the same period.³

In addition, some government offices have recognized the pressing need to go digital and have looked into the transition from analog to digital transactions. These include the Department of Trade and Industry for Business Name Registration System, the Philippine Statistics Authority for requesting civil registry documents, and Pag-IBIG for applications for and payments of loans, among others.

Despite limitations in internet penetration, the number of internet users in the Philippines has leapt from 55 million in 2015, to 73 million as of January 2020, with internet penetration at 67% for the same period.⁴ In a report by *HootSuite* and *We Are Social*, internet users from the Philippines aged 16 to 64 years utilizing any device spent an average of 9 hours and 45 minutes per day⁵ on the internet, signifying that Filipinos have begun embracing the internet as a significant part of their daily lives.

Digitalization can reduce the costs of transactions at government offices—including the cost of travelling to and extended time spent at a government office that could have otherwise been used for more productive endeavors. In particular, face-to-face transactions now come with a higher potential cost during the time of pandemic, as public transportation remains limited, offices operate on limited capacity and time, and the potential to get infected by COVID-19 remains high.

The proactive citizen-centric redesigning of frontline services across agencies, with health, safety, and convenience in mind provides significant gains to public welfare. In particular, ensuring safety of citizens and improving productivity in the public sector over the long term will justify the funding for digitalization program that

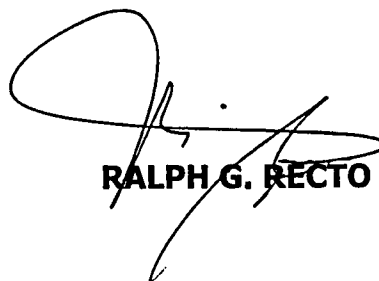
³ BSP chief: COVID-19 pandemic shows 'increasing importance' of digital transactions (2020, July 08), *Inquirer.Net*. Retrieved from <https://business.inquirer.net/302013/bsp-chief-covid-19-pandemic-shows-increasing-importance-of-digital-transactions>

⁴ We Are Social. (2020). Digital 2020: The Philippines. Retrieved from <https://datareportal.com/reports/digital-2020-philippines>

⁵ We Are Social. (2020). Digital 2020: Global Digital Overview. Retrieved from <https://datareportal.com/reports/digital-2020-global-digital-overview>

will also be in line with the Department of Information and Communications Technology's (DICT) *Philippine Digital Transformation Strategy 2022*, which aims to transform the government into a digital platform providing transparent and accountable governance, efficient operations, direct citizen engagement, and innovation; as well as supportive of the agency's *National Government Portal*, which will contain all online information and public services of the government.

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



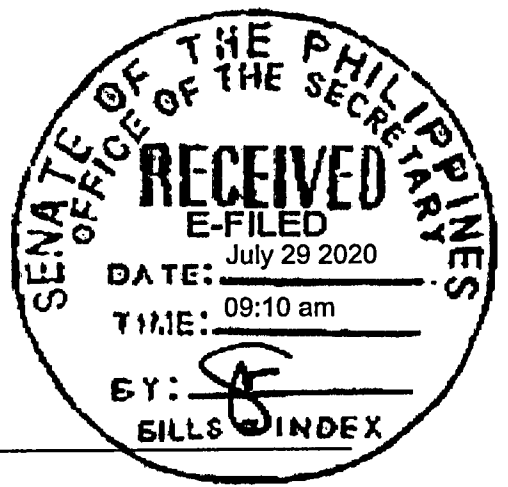
RALPH G. RECTO

FMPC/MRLG

EIGHTEENTH CONGRESS OF THE)
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S. No. 1750



Introduced by Senator Ralph G. Recto

**AN ACT
REQUIRING THE DIGITALIZATION OF FRONTLINE SERVICES OF ALL
GOVERNMENT AGENCIES AND APPROPRIATING FUNDS THEREFOR**

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 "E-Government Services
2 Act of 2020".

3 Sec. 2. *Declaration of Policy and Objectives.* - It is hereby declared a policy of
4 the State to:

- 5 (a) Recognize the vital role of information and communications technology in
- 6 the social and economic development of the country;
- 7 (b) Promote and support innovations in providing better service to citizens and
- 8 in raising efficiency and productivity in the public sector;
- 9 (c) Build resilience in the face of external shocks such as natural disasters and
- 10 pandemics where the mobility of citizens are restricted; and
- 11 (d) Encourage the use of electronic documents and digital payments.

12 For these purposes, the State shall pursue a citizen-centric digitalization of
13 frontline services that will make government transactions more accessible and
14 responsive to the changing needs of the people.

15 Sec. 3. *Coverage.* - This Act shall apply to National Government Agencies, Local
16 Government Units, and Government-Owned or Controlled Corporations and other
17 government instrumentalities that provide frontline services.

1 **Sec. 4. *Definition of Terms.*** – As used in this Act,

2 (a) *Digitalization* refers to the adoption of information and communication
3 technologies to upgrade processes for better ease and accessibility;

4 (b) *Frontline Services* refer to the process or transaction between citizens as
5 clients and government offices or agencies involving applications for any
6 privilege, right, permit, reward, license, concession, or for any modification,
7 renewal or extension of the enumerated applications and/or requests which are
8 acted upon in the ordinary course of business of the agency or office concerned;

9 (c) *Electronic Documents* refer to information or the representation of
10 information, data, figures, symbols or other modes of written expression,
11 described or however represented, by which a right is established or an
12 obligation extinguished, or by which a fact may be proved and affirmed, which
13 is received, recorded, transmitted, stored, processed, retrieved or produced
14 electronically;

15 (d) *Electronic Signatures* refer to any distinctive mark, characteristic and/or
16 sound in electronic form, representing the identity of a person and attached to
17 or logically associated with the electronic data message or electronic document,
18 or any methodology or procedures employed or adopted by a person and
19 executed or adopted by such person with the intention of authenticating or
20 approving an electronic data message or electronic document; and

21 (e) *Digital Payments* refer to monetary transaction between two parties through
22 a digital payment instrument in which both payer and the payee use an
23 electronic medium.

24 **Sec. 5. *Digitalization of Government Frontline Services.*** – All government
25 offices, in coordination with the Department of Information and Communications
26 Technology (DICT), shall establish an electronic transaction system online which shall:

27 (a) Accept the creation and filing of electronic documents with electronic
28 signatures for the application for any privilege, right, permit, reward, license,
29 concession, or for any modification, renewal or extension of the enumerated
30 applications and/or requests;

31 (b) Restrict face-to-face transactions with a requesting party during the
32 assessment and evaluation of submitted electronic documents for an

1 application or request, unless such interaction is strictly necessary for the
2 processing of the request or application; and

3 (c) Require and/or accept payments, and issue receipts acknowledging such
4 payments, through an online payment system accessible anytime and
5 anywhere through any device connected to the internet.

6 **Sec. 6. Appropriations.** – The amount necessary for the implementation of the
7 provisions of this Act shall be included in the regular appropriations of the DICT
8 following its enactment into law. The local government units (LGUs) shall include in
9 their respective appropriation ordinances such amounts needed for the
10 implementation of this Act in their LGUs.

11 **Sec. 7. Implementing Rules and Regulations (IRR).** – Within sixty (60) days
12 upon approval of this Act, the DICT shall promulgate the necessary rules and
13 regulations for the effective implementation of the provisions of the digitalization of
14 frontline services.

15 **Sec. 8. Separability Clause.** – If any provision, section, or part of this Act shall
16 be declared unconstitutional or invalid, such judgement shall not affect, invalidate or
17 impair any other provisions, sections or parts hereof.

18 **Sec. 9. Repealing Clause.** – All provisions of existing laws, orders, rules and
19 regulations or parts thereof which are in conflict or inconsistent with the provisions of
20 this Act are hereby repealed, amended or modified accordingly.

21 **Sec. 10. Effectivity.** – This Act shall take effect fifteen (15) days after its
22 publication in the *Official Gazette* or in at least two (2) newspapers of general
23 circulation.

Approved,