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Senate  
Office of the Secretary

**NINETEENTH CONGRESS OF THE ]**  
**REPUBLIC OF THE PHILIPPINES ]**  
***First Regular Session* ]**

'22 JUL 18 A10 :03

RECEIVED BY:

**SENATE**

**S.B. No. 685**

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**Introduced by SEN. WIN GATCHALIAN**

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**AN ACT**  
**MANDATING THE FULL DIGITAL TRANSFORMATION OF ALL GOVERNMENT**  
**AGENCIES, OFFICES AND CORPORATIONS, INCLUDING LOCAL**  
**GOVERNMENT UNITS, APPROPRIATING FUNDS THEREFOR AND FOR**  
**OTHER PURPOSES**

**EXPLANATORY NOTE**

Governments are facing increasing expectations to deliver innovative and responsive public services effectively and promptly, while dealing with strong pressures to consolidate public finances to remain globally competitive and to spur growth.<sup>1</sup> However, governments have been slow in using digital technology to change the way it delivers necessary services to the general public.

In the Philippines, the e-Government Master Plan, thru the Medium-Term Information Technology Harmonization Initiative (MITHI), and related e-Government (e-Gov) and Integrated Government Philippines (iGovPhil) programs have been launched as early as 2012 by then Information and Communication Technology Office of the Department of Science and Technology. While e-Gov and iGovPhil programs laid the foundation necessary for the Philippines to build its technology capabilities by establishing government data centers, installing initial Wi-Fi facilities, providing

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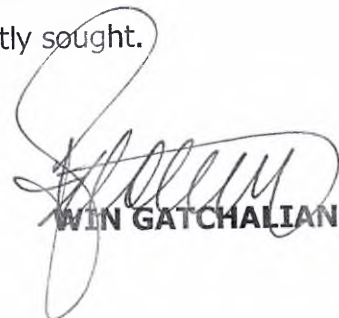
<sup>1</sup> "OECD Comparative Study: Digital Government Strategies for Transforming Public Services in the Welfare Areas", p. 6, 2016.

government agencies with internet-based shared services,<sup>2</sup> the Philippines has been very slow in integrating the use of digital technology in its modernization efforts to improve the delivery of its services.

The benefits of digitization and digitalization cannot be overemphasized, especially its potential to increase productivity and inclusiveness of service production and delivery in public welfare area considering that digitization and digitalization can be a precursor to establishing and maintaining sound fiscal policies in the long run.

Thus, this measure will mandate a time frame for the full digital transformation of the government to compel government agencies, offices, instrumentalities, corporations and units to adopt a digitization and digitalization strategy aligned with the Philippine Digital Transformation Strategy 2022 of the Department of Information and Communication Technology or such other strategy as may be approved later on. This includes the creation of a Digital Transformation department in every agency and office, which will perform functions beyond the current responsibilities of their Information, Communications and Technology Department if already existing. It will also oblige them to fully provide by 2025 an integrated E-Government services by using digital technologies in administrative processes and in modernizing the delivery of public services to the public. It likewise imposes penalties and liabilities to public officers and employees who continuously refuse or unwarrantedly delay the adoption of digitization efforts without any justifiable reason, among others.

Accordingly, the passage of this measure is earnestly sought.



**WIN GATCHALIAN**

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<sup>2</sup> Philippine Digital Transformation Strategy 2022, Department of Information and Communications Technology.



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OTHER PURPOSES**

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

1           SECTION 1. Short Title. – This Act shall be known as the "Full Digital  
2 Transformation Act".

3

4           SEC. 2. Declaration of Policy. – It is hereby declared a policy of the State to  
5 afford efficient and cost-effective public services to citizens and businesses in the  
6 country. Towards this end, it is necessary to employ information technologies (IT) in  
7 public administration and in the delivery of public services, to improve organizational  
8 and inter-government coordination thru digital transformation of basic services,  
9 streamlining and integration of workflows and processes and enhancing the  
10 government workforce's Information and Communication Technology (ICT) capacity.  
11 It is likewise necessary for the government to effectively manage and secure its data,

1 information and transactions with the public, as well as expand communication  
2 channels for engagement and empowerment of the Filipino people.

3 SEC. 3. Integrated E-Government Services. - All government offices, agencies,  
4 government-owned and controlled corporations, instrumentalities and all local  
5 government units are mandated to adopt a digitization and digitalization strategy in  
6 accordance with the Philippine Digital Transformation Strategy 2022 and as may be  
7 further amended by the Department of Information and Communications Technology  
8 (DICT), and to fully-provide integrated E-Government services to the public by  
9 December 31, 2025. For this purpose, these offices, agencies and corporations shall

10 -

11 (a) immediately take measures to set-up electronic and online systems that will  
12 make the means of exchanging data and information between offices,  
13 departments and agencies secure, efficient and seamless;

14 (b) streamline procedures by adopting automation, digitization and digitalization  
15 of government services to promote zero-contact policy and to facilitate its  
16 efficient delivery in accordance with Republic Act No. 11032 or the Ease of  
17 Doing Business and Efficient Government Service Delivery Act of 2018,  
18 Republic Act No. 11234 or the Energy Virtual One-Stop Shop Act, and other  
19 applicable laws;

20 (c) build-up its technology capabilities, including the establishment of  
21 government data centers, data repositories, basic messaging and electronic  
22 mail facilities, encryption systems and cyber-security facilities;

23 (d) pursuant to and in accordance with Republic Act No. 11055 or the Philippine  
24 Identification System Act, Republic Act No. 11315 or the Community-Based  
25 Monitoring Systems Act, and other applicable laws, harmonize common data  
26 related to persons, transportation, business and land; reference data widely  
27 used as a standard across multiple domains such as those pertaining to  
28 industry, occupational and commodity classifications, tariff, geographical

1 information; and regional and international data standards that are bound  
2 to unilateral or bilateral treaties or agreements;

3 (e) support agency onboarding on open-source systems advocated and offered  
4 by the DICT; and

5 (f) invest heavily into developing organizational capability and staff  
6 competencies that are well-suited to support national digital transformation.  
7

8 SEC. 4. Creation of Digital Transformation Department. – A Digital  
9 Transformation Department (DTD) shall be created in every government agency,  
10 office, corporation, instrumentality, and unit. In case an Information &  
11 Communications Technology (ICT) Department already exists, the same shall be  
12 transformed into a DTD. The DTD shall perform the functions of the existing ICT  
13 Department, if any, of various agencies, offices, corporations, instrumentalities, and  
14 units, as well as to be primarily tasked to perform the following functions and  
15 responsibilities:

16 a) promote and support the onboarding and training of government personnel  
17 in using eGov services aligned with the government’s digital transformation  
18 strategy;

19 b) speed up the acquisition and adoption of solutions of the agency, office,  
20 corporation, instrumentality, or unit, and improving support capabilities to  
21 other departments;

22 c) obtain and monitor networking tools to create channels of communication  
23 with the general public and secure real-time feedback on the relevance and  
24 quality of services it provides;

25 d) provide a system that will allow and promote coordination among various  
26 departments or offices to ensure that workflows, responsibilities and  
27 accountabilities are properly tracked to allow the transacting public to know  
28 the status of their requests at any given time; and

1 e) design service processes and procedures that will promote efficiency and  
2 sense of expediency in the government.

3 SEC. 5. Violations and Persons Liable. – Any person who performs or cause the  
4 performance of the following acts shall be liable under this Act, in addition to violations  
5 under other laws, rules and regulations:

6 (a) Willful refusal or delaying to adopt or use the agency's digitization or  
7 digitalization efforts to streamline its procedures, to harmonize its data, and  
8 to improve its technological capabilities, without any justifiable reason;

9 (b) Continuous use of proprietary legacy systems that were implemented for  
10 more than ten (10) years, despite digitization or digitalization efforts of the  
11 agency, office, corporation, instrumentality, or unit;

12 (c) Continuous refusal to upgrade or update its IT systems for at most three  
13 (3) years without justifiable cause;

14 (d) Fixing and/or collusion with fixers in consideration of economic and/or other  
15 gain or advantage to delay the implementation of the agency's digitization  
16 or digitalization efforts; or

17 (e) Failure to render government services within the prescribed processing time  
18 on any application or request due to refusal or delay in the implementation  
19 of the agency's digitization or digitalization efforts.

20  
21 SEC. 6. Penalties and Liabilities; Administrative Jurisdiction. – Any violations of  
22 the preceding actions will warrant the following penalties and liabilities:

23 (a) First offense: administrative liability with six (6) months suspension:  
24 Provided, however, that in the case of fixing and/or collusion with fixers  
25 under Section 5(d), the penalty and liability under Sec. 6(b) of this Act shall  
26 apply.

27 (b) Second offense: Administrative and criminal liability of dismissal from the  
28 service, perpetual disqualification from holding public office and forfeiture

1 of retirement benefits and imprisonment of one (1) year to six (6) years  
2 with a fine of not less than Five hundred thousand pesos (P500,000.00) but  
3 not more than Two million pesos (Php2,000,000.00)

4 Criminal liability shall also be incurred through the commission of bribery,  
5 extortion or when violation was done deliberately and maliciously to solicit favor in  
6 cash or in kind. In such cases, the pertinent provisions of the Revised Penal Code and  
7 other special laws shall apply.

8 The administrative jurisdiction on any violation of the provisions of this Act shall  
9 be vested in either the Civil Service Commission or the Office of the Ombudsman as  
10 determined by appropriate laws and issuances.

11 The finding of administrative liability under this Act shall not bar the filing of  
12 criminal, civil or other related charges under existing laws arising from the same act  
13 or omission enumerated herein.

14  
15 SEC. 7. Appropriations. — All national government offices, agencies, and  
16 instrumentalities, and local government units shall incorporate the amount necessary  
17 in the implementation of this Act in the annual General Appropriations Act. All  
18 government-owned and controlled corporations shall source the amount necessary  
19 for the implementation of this Act from their respective corporate funds in the  
20 corporate operation budget approved by the Department of Budget and Management.

21  
22 SEC. 8. Implementing Rules and Regulations. — Within ninety (90) days from  
23 the effectivity of this Act, the Department of Information and Communication  
24 Technology (DICT), in consultation with appropriate government agencies and other  
25 stakeholders, shall promulgate the necessary rules and regulations to implement this  
26 Act.

27 The DICT shall implement, oversee, monitor and evaluate compliance by  
28 various agencies, offices, instrumentalities, corporations, and units with the objectives  
29 and provisions of this Act.

1           SEC. 9. Separability Clause. – If any provision of this Act is declared invalid or  
2 unconstitutional, the provisions not affected thereby shall remain in full force and  
3 effect.

4  
5           SEC. 10. Repealing Clause. – All laws, presidential decrees, executive orders,  
6 presidential proclamations, rules and regulations or parts thereof contrary to or  
7 inconsistent with this Act are hereby repealed or modified accordingly.

8  
9           SEC. 11. Effectivity. – This Act shall take effect fifteen (15) days after its  
10 publication in the Official Gazette or at least two (2) national papers of general  
11 circulation.

Approved,