

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



'22 JUL 13 P4 :34

**SENATE**  
**S. No. 537**

RECEIVED BY: 

Introduced by Senator Grace Poe

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**AN ACT**  
**DEFINING ECONOMIC SABOTAGE IN COMPUTER-RELATED OFFENSES AND**  
**AMENDING REPUBLIC ACT NO. 10175, OTHERWISE KNOWN AS**  
**THE "CYBERCRIME PREVENTION ACT OF 2012"**

EXPLANATORY NOTE

The lurking threat of the COVID-19 virus which discouraged personal, face-to-face transactions has rendered the digital and online economy the preferred form of consumer transactions. While it conforms with the new normal of staying at home, social distancing and limiting social interaction, it made online consumers more vulnerable to cyber fraud specifically to a rapidly increasing financial online scam known as phishing. Phishing is a social engineering scheme which obtains or attempts to obtain personal, sensitive financial information and electronic credentials by disguising as a trustworthy entity to illegally access a victim's online account for financial gain.

In 2019, around 217,600 phishing incidents were reported, with NCR recording the highest of approximately 58,200 victims, followed by Regions 3 and 4-A1.<sup>1</sup> In the first quarter of 2020, reported phishing attacks increased by 158%. The National Bureau of Investigation registered a much higher increase at 200% beginning March when the lockdown was implemented.<sup>2</sup> Kaspersky, a multinational cybersecurity and anti-virus provider, reported that it blocked 76,478 fraudulent

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<sup>1</sup> <https://www.statista.com/statistics/1136171/philippines-number-phishing-incidents-by-region/>

<sup>2</sup> <https://www.rappier.com/business/coronavirus-pandemic-lets-loose-scammers-philippines>

emails in the Philippines for the first quarter of the year alone, double the recorded figure of 29,677 in 2019.<sup>3</sup>

Given the situation today, when Filipinos are already economically burdened by closing of businesses, unemployment, rising prices of basic goods, among others, this form cyber fraud can be considered an economic sabotage.

If left unattended and unpunished, phishing and other forms of cyber fraud will continue to proliferate depriving Filipinos of a safe financial environment for their hard-earned money, and can adversely affect the confidence of consumers with online transactions and the banking industry in general.

If passed into law, this measure seeks to include economic sabotage, in relation to phishing and other forms of fraudulent scheme, as punishable acts under RA 10175 or the Cybercrime Prevention Act, and provide penalties for the commission of the same. This shall ensure that technology is not exploited to perpetuate crimes and put Filipino consumers at a disadvantage, and that perpetrators are punished at the maximum allowed by law.

In view of the foregoing, approval of this measure is eagerly sought.



GRACE POE

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<sup>3</sup> <https://www.manilatimes.net/2020/05/13/business/business-top/phishing-attacks-in-ph-soar-by-158-in->

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THE "CYBERCRIME PREVENTION ACT OF 2012"**

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

1 Section 1. Section 2 of Republic Act No. 10175 is hereby amended to read as  
2 follows:

3 "Section 2. Declaration of Policy. — The State recognizes the vital role  
4 of information and communications industries such as content production,  
5 telecommunications, broadcasting electronic commerce, and data processing,  
6 in the nation's overall social and economic development. The State also  
7 recognizes the importance of providing an environment conducive to the  
8 development, acceleration, and rational application and exploitation of  
9 information and communications technology (ICT) to attain free, easy, and  
10 intelligible access to exchange and/or delivery of information; and the need to  
11 protect and safeguard the integrity of computer, computer and  
12 communications systems, networks, and databases, and the confidentiality,  
13 integrity, and availability of information and data stored therein, from all  
14 forms of misuse, abuse, and illegal access by making punishable under the  
15 law such conduct or conducts. **THE STATE LIKEWISE ACKNOWLEDGES**  
16 **THAT THE CAPACITY OF INFORMATION AND COMMUNICATIONS**  
17 **TECHNOLOGY TO BE USED AS A MEANS OF PERPETRATING CRIME**  
18 **IN BULK AND AT A SCALE PREVIOUSLY UNHEARD OF, HAS BEEN**  
19 **EXPLOITED BY CRIMINALS AND CRIMINAL SYNDICATES IN**

1           **PERPETRATING FRAUDULENT ACTIVITIES TO UNDERMINE THE**  
2           **TRUST OF THE PUBLIC IN THESE NEW TECHNOLOGIES AND THE**  
3           **EMERGING NEW ECONOMY IT SUPPORTS. DUE TO THIS**  
4           **DELETERIOUS EFFECT ON THE ECONOMY, THE STATE DECLARES**  
5           **THAT THE COMMISSION OF CERTAIN CRIMES UNDER THIS ACT**  
6           **USING INFORMATION AND COMMUNICATIONS TECHNOLOGY IS A**  
7           **FORM OF ECONOMIC SABOTAGE AND A HEINOUS CRIME AND SHALL**  
8           **BE PUNISHABLE TO THE MAXIMUM LEVEL ALLOWED BY LAW.** In this  
9           light, the State shall adopt sufficient powers to effectively prevent and combat  
10          such offenses by facilitating their detection, investigation, and prosecution at  
11          both the domestic and international levels, and by providing arrangements for  
12          fast and reliable international cooperation."  
13

14          Sec. 2. Section 3 of the same Act is hereby amended to read as follows:

15                 "Section 3. Definition of Terms. — For purposes of this Act, the  
16          following terms are hereby defined as follows:

17                                 XXX

18          **(C) BULK EMAIL MASS MAILER REFERS TO A SERVICE OR**  
19          **SOFTWARE USED TO SEND ELECTRONIC MAIL IN MASS.**

20                                 XXX

21          **(O) PHISHING REFERS TO A SOCIAL ENGINEERING SCHEME TO**  
22          **OBTAIN OR ANY ATTEMPT TO OBTAIN SENSITIVE INFORMATION**  
23          **SUCH AS USERNAMES, PASSWORDS, BANK ACCOUNT DETAILS,**  
24          **CREDIT CARD, DEBIT CARD, AND E-WALLET INFORMATION AMONG**  
25          **OTHER ELECTRONIC CREDENTIALS BY DISGUIISING AS A**  
26          **TRUSTWORTHY ENTITY IN AN ELECTRONIC COMMUNICATION FOR**  
27          **THE PURPOSE OF ILLEGALLY ACCESSING A VICTIM'S ONLINE**  
28          **ACCOUNT FOR FINANCIAL GAIN.**

29                                 XXX"

30  
31          Sec. 3. Section 4 (b) of the same Act is hereby amended to read as follows:

1 "Section 4. Cybercrime Offenses. — The following acts constitute the  
2 offense of cybercrime punishable under this Act:

3 XXX

4 (b) Computer-related Offenses:

5 XXX

6 **(4) ECONOMIC SABOTAGE - ANY OFFENSE PERPETRATED UNDER**  
7 **THIS SUBSECTION USING A BULK E-MAIL, MASS MAILER OR ANY**  
8 **SERVICE, SOFTWARE, OR OTHER METHOD OF DELIVERY**  
9 **CALCULATED TO UTILIZE THE MASSIVE REACH OF THE INTERNET**  
10 **TO REACH THE MAXIMUM NUMBER OF VICTIMS, PURSUANT TO A**  
11 **"PHISHING" OR OTHER SIMILAR FRAUDULENT SCHEME, SHALL BE**  
12 **PUNISHED AS AN ACT OF ECONOMIC SABOTAGE."**

13  
14 Sec. 4. Section 8 of the same Act is hereby amended to read as follows:

15 Section 8. Penalties. Any person found guilty of any of the punishable  
16 acts enumerated in Sections 4(a) and 4(b) of this Act shall be punished with  
17 imprisonment of prison mayor or a fine of at least two hundred thousand  
18 pesos (PhP200,000.00) up to a maximum amount commensurate to the  
19 damage incurred or both.

20 Any person found guilty of the punishable act under Section 4(a)(5)  
21 shall be punished with imprisonment of prison mayor or a fine of not more  
22 than Five hundred thousand pesos (PhP500,000.00) or both.

23 If punishable acts in Section 4 (a) are committed against critical  
24 infrastructure, the penalty of reclusion temporal or a fine of at least Five  
25 hundred thousand pesos (PhP500,000.00) up to maximum amount  
26 commensurate to the damage incurred or both, shall be imposed.

27 **ANY PERSON FOUND GUILTY OF AN OFFENSE THAT**  
28 **CONSTITUTES ECONOMIC SABOTAGE UNDER SECTION 4(B)(4)**  
29 **SHALL BE PUNISHED WITH LIFE IMPRISONMENT AND A FINE OF**  
30 **NOT LESS THAN ONE MILLION PESOS (P1,000,000.00) BUT NOT**  
31 **MORE THAN FIVE MILLION PESOS (P5,000,000.00).**

32 XXX."

1           Sec. 5. *Separability Clause.* – If any separable provision of this Act is declared  
2 unconstitutional, the remaining provisions shall continue to be in force.

3           Sec. 6. *Repealing Clause.* – All laws, decrees, executive orders, rules and  
4 regulations or parts thereof which are inconsistent with this Act are hereby repealed,  
5 amended or modified accordingly.

6           Sec. 7. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
7 publication in the Official Gazette or in a newspaper of general circulation.

Approved,