

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



'22 AUG -1 P 1 :59

SENATE

S. No. 974

RECEIVED BY:

Introduced by Senator Manuel "Lito" M. Lapid

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

EXPLANATORY NOTE

The COVID-19 pandemic underscored the pressing need to adapt digitalization in the Philippines due to the various imposed quarantine measures and other health and safety protocols that restricted the movements of the people and discouraged face-to-face interactions. Due to this, merchants and government agencies found remote ways for the people to still be able to transact with them and to enable the continuation of social and business interactions. According to the Bangko Sentral ng Pilipinas, the digital payments made up 20.1% of all transactions in 2020, which corresponded to one in five payments or translated to a total of 910 million transactions done online¹. The volume of digital payments increased by 10.1 percentage point compared to that in 2018, which was hugely to the government's efforts to fully digitalize its payment of salaries to its employees and emergency subsidies².

Digitalization can help the Philippines overcome the impact of the pandemic and recover from the crises brought about by the same. According to the research conducted by the economic consultancy firm AlphaBeta, the Philippines' digital

¹ Beltran, Bjorn Biel. Business World Online. (15 November 2021). *Embarking on a journey towards digital economy*. Retrieved from: <https://www.bworldonline.com/special-features/2021/11/15/410552/embarking-on-a-journey-towards-digital-economy/>

² *Id.*

economy can create up to P5 trillion through digital transaction by 2030, which is equivalent to 27% of the country's GDP in 2020 alone³. Moreover, digitalization can significantly reduce the costs of transactions at government offices, including, but not limited to, the cost of travelling to and extended time spend at a government office which could have been better used for other productive endeavors.

This bill aims to digitalize frontline services of all government agencies in order to improve and boost productivity of the public sector as a great tool to help the country recover from the crises brought about by the pandemic. The Department of Information and Communications Technology (DICT) shall establish an electronic transaction system online, which is in line with the Philippine Development Plan 2017-2022 that targets maximization of ICT to promote efficient, clean, and people-centered governance.

In view of the foregoing, early passage of this bill is earnestly requested.



MANUEL "LITO" M. LAPID
Senator

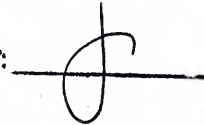
³ DICT (10 November 2021). Retrieved from: <https://dict.gov.ph/ph-digital-economy-can-create-p5-trillion-by-2030/>

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1 **AN ACT**
2 **PROMOTING THE DIGITALIZATION OF FRONTLINE SERVICES OF ALL**
3 **GOVERNMENT AGENCIES AND APPROPRIATING FUNDS THEREFOR**

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

4 Section 1. *Short Title.* - This Act shall be known as the "*E-Government Services*
5 *Act of 2022.*"

6 Section 2. *Declaration of Policy.* – It is hereby declared a policy of the State to:

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

15 For these purposes, the State shall pursue a client-focused digitalization of
16 frontline services that will make government transactions more accessible and
17 responsive to the changing needs of the people.

1 Section 3. *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 privilege,
6 right, permit, reward, license, concession, or for any modification, renewal or
7 extension of the enumerated applications and/or requests which are acted upon in the
8 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, described
11 or however represented, by which a right is established, or an obligation extinguished,
12 or by which a fact may be proved and affirmed, which is received, recorded,
13 transmitted, stored, processed, retrieved or produced electronically;

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

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

23 Section 4. *Coverage.* – This Act shall apply to National Government Agencies,
24 Local Government Units, and Government-Owned or Controlled Corporations and
25 other government instrumentalities that provide frontline services.

26 Section 5. *Digitalization of Government Frontline Services.* - All government
27 offices, in coordination with the Department of Information and Communications

1 Technology (DICT), should promote the establishment of an electronic transaction
2 system online which shall:

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

7 (b) Minimize face-to-face transactions with a requesting party during the
8 assessment and evaluation of submitted electronic documents for an application or
9 request, unless such interaction is necessary for the processing of the request or
10 application; and

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

14 Section 6. *Road Map and Progressive Realization.* – The DICT shall establish a
15 roadmap for the implementation of this Act which shall not exceed ten (10) years. The
16 goals of this Act shall be realized progressively.

17 Section 7. *Implementing Rules and Regulations (IRR).* - Within sixty (60) days
18 upon approval of this Act, the DICT shall promulgate the necessary rules and
19 regulations for the effective implementation of the provisions of the digitalization of
20 frontline services. The Department of Interior and Local Government (DILG), in
21 consultation with local government units, and the Governance Commission for the
22 GOCCs (GCG), in consultation with the GOCCs, shall promulgate the necessary rules
23 and regulation with respect to the entities under their supervision.

24 Section 8. *Appropriations.* - The amount necessary to carry out the provisions
25 of this Act shall be included in the budget of the concerned government agencies in
26 the General Appropriations Act of the year following the enactment into law and
27 thereafter.

1 Section 9. *Separability Clause.* - If any provision, section, or part of this Act
2 shall be declared unconstitutional or invalid, such judgement shall not affect, invalidate
3 or impair any other provisions, sections or parts hereof.

4 Section 10. *Repealing Clause.* - All provisions of existing laws, orders, rules and
5 regulations or parts thereof which are in conflict or inconsistent with the provisions of
6 this Act are hereby repealed, amended or modified accordingly.

7 Section 11. *Effectivity.* - This Act shall take effect fifteen (15) days after its
8 publication in the *Official Gazette* or in at least two (2) newspapers of general
9 circulation.

10 *Approved,*