

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 7976



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR. AND**
HON. BRIAN RAYMUND S. YAMSUAN

EXPLANATORY NOTE

This measure seeks to include economic sabotage, in relation to phishing and other forms of fraudulent scheme, as punishable acts under Republic Act No. 10175 or the Cybercrime Prevention Act, and provide penalties for the commission of the same.

Phishing is a social engineering scheme which obtains or attempts to obtain personal, sensitive financial information and electronic credentials by disguising itself 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-A.¹ However, National Bureau of Investigation NBI-Cyber Crimes Division (NBI-CCD) Senior Agent Francis Señora said that reports of phishing cases to the agency have increased by more than 200% beginning March when the lockdown was implemented.²

Phishing is the top cybercrime being committed in the country during the pandemic, followed by online selling scams and the proliferation of misinformation that cause panic among the public. The increase in crimes committed in cyberspace was expected considering that direct personal interactions are reduced.

Through this bill, steps are taken to ensure that technology is not exploited to perpetuate crimes and put Filipino consumers at a disadvantage.

In view of the foregoing, the immediate passage of this bill is most earnestly sought.


LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.


BRIAN RAYMUND S. YAMSUAN

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

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

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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"

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

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

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

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

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

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

XXX

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

XXX

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

XXX"

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

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

XXX

(b) Computer-related Offenses:

XXX

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

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

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

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

If punishable acts in Section 4 (a) are committed against critical infrastructure, the penalty of reclusion temporal or a fine of at least Five hundred thousand

pesos (PhP500,000.00) up to maximum amount commensurate to the damage incurred or both, shall be imposed.

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

XXX."

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

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

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

Approved,