

REPUBLIC OF THE PHILIPPINES }
CONGRESS OF THE PHILIPPINES }
 First Regular Session

H. No. 7083
S. No. 1505

REPUBLIC ACT NO. 8747

AN ACT REQUIRING DISCLOSURE OF YEAR 2000
STATEMENTS AND READINESS OF COMPUTER-BASED
SYSTEMS AND PRODUCTS, PROVIDING FUNDS
THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. *Title.* – This Act shall be known as the
"Philippine Year 2000 Disclosure and Readiness Act."

SEC. 2. *Coverage.* – All computer-based systems, products,
and products with embedded systems shall be covered by this
Act.

SEC. 3. *Declaration of State Policies.* – In meeting the
challenges posed by the millennium bug, the State recognizes the
vital importance of science and technology in providing a stable
environment for the national development agenda. It likewise
recognizes the need to protect the public from the effects of the
Y2K problem. The State needs to attain Y2K readiness to protect
the national interest and safeguard the state of well-being of the
Filipino nation.

SEC. 4. *Definition of Terms.* – Whenever used in this Act,
the following terms shall mean:

(a) "Commission" shall refer to the Presidential
Commission on Year 2000 Compliance created by virtue of
Executive Order No. 14 issued on 19 August 1998.

(b) "Y2K bug" or "Millennium bug" shall refer to the
inability of computer-based systems and products which include
software and hardware, and products with embedded systems,

hereinafter referred to as "systems and products," to function properly at the turn of the century.

(c) "Y2K compliant systems and products" shall refer to systems and products that have satisfied the criteria defined by the British Standards Institute such as:

(1) No value for current date will cause any interruption in operation;

(2) Data-based functionality must behave consistently for dates prior to, during, and after the Year 2000;

(3) In all interfaces and data storage, the century in any date must be specified either explicitly or by unambiguous algorithms or inferencing rules; and

(4) Year 2000 must be recognized as a leap year; or other criteria identified by the Commission shall function as they are supposed to function after the turn of the century.

(d) "Y2K ready" shall refer to the state inferred to persons or entities whose Y2K compliant systems and products, if interfaced with extraneous systems and products, may not necessarily produce Y2K compliance, but nevertheless have already in place a contingency plan to deal with the effects of the Y2K bug.

(e) "Embedded systems" shall refer to processes or chips in computers, or in electronic, mechanical or other products containing programmed instructions that perform control, protection and monitoring functions.

(f) "Life-threatening" shall refer to systems and products perceived to cause health hazards or pose danger to personal safety if not remediated.

(g) "Year 2000 processing" shall refer to processing including calculating, comparing, sequencing, displaying, or storing and transmitting or receiving of data from, into, between

the 20th and 21st centuries, and during the Years 1999 and 2000 and leap year calculations.

(h) "Maker" shall refer to a person or entity including the Philippine Government or any political subdivision thereof that develops, prepares and issues a Year 2000 statement.

(i) "Year 2000 statement" shall refer to any communication or other conveyance of information expressed in plain written English by a party to another:

(1) Concerning an assessment, projection, or estimate regarding Year 2000 processing capabilities of systems and products;

(2) Concerning plans, objectives, or timetables for implementing or verifying the Year 2000 processing capabilities of systems or products;

(3) Concerning test plans, test dates, test results or operational problems or solutions related to Year 2000 processing by systems or products;

(4) Reviewing, commenting on, or otherwise directly or indirectly relating to Year 2000 processing capabilities;

(5) Concerning contingency plans expressing at least worst case scenarios as a result of a Y2K bug; and

(6) An assertion of whether or not the systems and products are Y2K ready.

(j) "Year 2000 readiness disclosure" shall refer to any written Year 2000 statement submitted by the maker to the Commission or to another concerned government agency as may be determined by the Commission, and an assertion covered in Section 4(i)(6) of this Act to private entities with whom the maker may have transactions with.

(k) "Year 2000 remediation product or service" shall refer to a licensed software program, device sold or service rendered by a person or entity specifically designed to test and correct Year 2000 processing problems with respect to systems and products manufactured or rendered by another person or entity.

(l) "Mission-critical" shall refer to sectors belonging to utilities; telecommunications; transportation; finance; healthcare; manufacturing and government services; or in other sectors and entities as may be determined by the National Security Council (NSC) after due publication in a newspaper of general circulation, whose impact is life-threatening, has the potential of affecting larger groups of the population and a greater impact on the economy, or may jeopardize national security, regardless of whether they are private or public sectors or entities.

(m) "Y2K solution provider" shall refer to any company or entity providing a Year 2000 remediation product or service.

SEC. 5. Disclosure of Year 2000 Statement. – Any provision of law to the contrary notwithstanding, all government entities, private corporations, partnerships, associations, and individuals covered by Section 4(l) of this Act, are deemed as engaging in mission-critical activities and therefore are required to disclose in accordance with Section 4(j) of this Act a Year 2000 statement including their contingency plans formulated to address the millennium bug problem.

The NSC shall coordinate with the Commission to cause the publication of the assertion prescribed in Section 4(i)(6) of this Act in a newspaper of general circulation for as long as national security will not be jeopardized. The publication shall include three (3) disclosure categories, namely: a listing of those entities that have asserted as being Y2K ready; not Y2K ready; or not having disclosed at all.

SEC. 6. Effect of Non-disclosure of Year 2000 Statement.
– In the event of non-disclosure of a Year 2000 statement by government entities, private corporations, partnerships, associations, and individuals covered by Section 4(l) of this Act, there shall be a disputable presumption that their systems and

products are not Y2K ready for purposes of any action brought by another party against them.

SEC. 7. *Protection for Year 2000 Statement Disclosure.* – A Year 2000 statement, in whole or in part, made in good faith shall not be admissible against the maker of the disclosure to prove the accuracy or truth of the Year 2000 statement in any action brought by another party.

SEC. 8. *Liabilities.* – Except as otherwise provided in the preceding sections, all manufacturers, distributors, producers, importers, vendors, dealers, entities covered in, but not limited to, Section 4(l) of this Act, and makers as the case may be, shall be liable for damages for any malfunctioning or defects of their systems and products if not Y2K ready in accordance with existing laws insofar as they are applicable.

SEC. 9. *Implementing Agency.* – The Commission shall enforce the provisions of this Act, and within fifteen (15) days from its effectivity, promulgate the necessary implementing rules and regulations.

The Commission may require other government agencies to assist the Commission in implementing and enforcing this Act and other laws, rules and regulations on Y2K.

SEC. 10. *Y2K Remediation.* – All government agencies may undertake Y2K remediation activities that shall utilize Y2K solution providers from private sector or public sector entities, including the Technology and Livelihood Resource Center (TLRC).

The acquisition of Y2K solutions shall be conducted by canvass notwithstanding any amount to determine the provider with the solution most advantageous to the government that could necessarily be, but not limited to, the lowest cost with equivalent or higher quality of work compared to the other solutions being offered by other participating solution providers in the canvass. Notice announcing the canvass shall be given to the Commission and the TLRC, and published once in a newspaper of general circulation.

SEC. 11. *Contingency Planning.* – The National Security Council, as lead agency, shall formulate a National Y2K Contingency Plan in collaboration with the following:

- (a) Commission;
- (b) Department of Science and Technology (DOST);
- (c) National Computer Center (NCC);
- (d) National Disaster Coordinating Council (NDCC); and
- (e) Technology and Livelihood Resource Center (TLRC);

taking into consideration the respective plans of the agencies and companies included in Section 4(l) herein. The Commission, DOST, NCC, NDCC and TLRC shall provide technical and administrative support to the NSC as may be needed to implement the provisions of this Act.

Government agencies shall submit to the NSC, as may be directed by the latter, their own contingency plans that will outline the steps to be taken in case disruption occurs in public services due to the millennium bug, and which will further escalate into emergency proportions.

In case of actual disruption, the contingency plan shall be executed by the head of the agency concerned.

The NSC shall issue the necessary rules and guidelines to implement this provision.

SEC. 12. *Non-compliance of this Act by Agency Heads.* – Heads of government agencies who fail to comply with the provisions of this Act shall be charged administratively without prejudice to the filing of civil or criminal cases against them, as the cases may warrant.

SEC. 13. *Appropriations.* – Such sum as may be necessary to implement the provisions of this Act shall be charged against the Contingent Fund: *Provided, however,* That funds needed by individual government agencies for their Y2K remediation activities and all other Y2K activities shall be primarily sourced from the agencies' existing appropriations and savings, and as such, the government agencies may realign funds therefor from any budget expense class of existing agency programs and projects without the need of prior individual authority or approval from the Department of Budget and Management for only Y2K remediation activities and directly related Y2K readiness activities.

Thereafter, the amount necessary for the continued implementation of this Act shall be included in the General Appropriations Act of 2000.

SEC. 14. *Reportorial Requirements.* – The implementing and concerned agencies shall submit a report on all the realignments or use of savings and other budgetary adjustments made to the House Committee on Appropriations, Senate Committee on Finance, and the Committees on Science and Technology of both Houses of Congress, copy furnished the Department of Budget and Management and the Commission on Audit within thirty (30) days after such adjustments are made.

Likewise, the Commission in coordination with the NSC, DOST, NCC, NDCC, and TLRC shall submit a monthly report to the President and to the Committees on Science and Technology of both Houses on the status of implementation of this Act including violations thereof until such time as may be determined by the Congressional Oversight Committee on the Y2K bug.

SEC. 15. *Congressional Oversight Committee on Y2K Bug.*
– There is hereby created a Congressional Oversight Committee on the Y2K bug to review and assess, among others, the disclosure and state of Y2K readiness and the implementation of this Act. The Congressional Oversight Committee shall be composed of five (5) members of the Senate and five (5) members of the House of Representatives. It shall be co-chaired by the chairpersons of the Committees on Science and Technology of both Houses. Such

congressional review and oversight shall be undertaken monthly beginning fifteen (15) days after the effectivity of this Act and thereafter as may be determined by the Oversight Committee.

SEC. 16. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations and other issuances inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 17. *Separability Clause.* – If for any reason, any provision of this Act is declared invalid or unconstitutional, the remainder of this Act shall not be affected.

SEC. 18. *Effectivity.* – This Act shall take effect immediately upon publication in a newspaper of general circulation.

Approved, June 1, 1999.