

## AN OVERVIEW OF THE E-COMMERCE ACT OF 2000

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### I. INTRODUCTION

Information technology is described by the World Bank as a "major opportunity for developing countries that can access and use it effectively and a threat to those that cannot." Meanwhile, North America dominates the 60 million internet users worldwide with a 68% majority or 40 million users. By default, global businesses are effectively conducted along Western arrangements. The necessary substructure commerce, such as the disciplines of banking, accounting, taxation, education, and especially information technology, is largely derived from Western practices.

By 2002, however, when the number of users are expected to increase to 228 million, the ration will also change. 143 million or 62% of users will come from outside the United States and Canada. Already, 30% of "hits" from the top ten web sites in the United States come from outside the United States, evidencing the global reach of the internet. The potential of the Internet is a challenge to a developing nation such as the Philippines.

For this potential to be realized fully, governments must adopt a non-regulatory, market-oriented approach to electronic commerce: one that facilitates the emergence of a transparent and predictable legal environment to support global business and commerce. Official decision-makers must respect the unique nature of the medium and recognize that widespread competition and increased consumer choice should be the defining features of the new digital marketplace.<sup>1</sup>

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\* Senator Ramon B. Magsaysay, Jr. is the author of the Senate Bill No. 1902, which was consolidated with House Bill No. 9971 to become the E-Commerce Act of 2000. The Ateneo Law Journal thanks Atty. Sofronio Larcia, Chief of Staff of the Office of Senator Magsaysay, for his assistance in soliciting this note. The author also wishes to acknowledge Ms. Amanda Carpo and Ms. Margaux Salcedo for their contributions to this work.

<sup>1</sup> A Framework For Global Electronic Commerce, former President William J. Clinton and former Vice President Albert Gore, available at <<http://www.ecommlaw.com>> (accessed 2 April 2000).

In June 2000, the Eleventh Congress of the Philippines enacted the Electronic Commerce Act of 2000.<sup>2</sup> Its bold objective is to promote and protect electronic commerce transactions and the participants in these business transactions through the adoption of an appropriate legal framework and the adoption of an E-government policy.

Specifically, the E-Commerce Act confers the same validity and extends the same legal recognition to electronic data messages, electronic documents, electronic signatures, and electronic contracts as their "non-electronic" counterparts.

An electronic data message as defined in the Act is information generated, sent, received, or stored by electronic, optical, or similar means. An electronic document refers to representation of information: data, figures, symbols, or other modes of written expression by which a right is established, an obligation is extinguished, or a fact may be proved and affirmed. While the substance of the document and its content remain the same, the difference lies in the form and manner by which this is represented. Specifically, the substance is expressed through electronic media.

The issue raised with respect to electronic documents is whether or not, due to the form it is in, it maintains *integrity* and *reliability*. These are the same standards expected of written/traditional documents. To meet this standard, the E-Commerce Act requires that e-documents remain complete, unaltered, and reliable in light of the purpose for which it was generated.

The ease with which electronic data are transmitted certainly facilitates commerce/ e-commerce. At the same time the parties to business transactions are tentative toward the binding force of documents and contracts which all substantially consist of nothing more than electrons floating through wires. E-commerce challenges the adaptability of our rules on evidence and presents new issues with respect to juridical ties between parties who contract through electronic media.

The law is tasked to balance these interests. On the one hand, it seeks to encourage the universal use of electronic optical and similar media technology for the general public, but it must also address the concerns with respect to the validity of these documents and their ability to represent and protect the rights of the parties. Congress has taken the position that e-commerce is simply another form of commerce whose use of digital technologies does not change its fundamental nature. Existing laws applicable to commerce generally apply to e-commerce as well.

<sup>2</sup> An Act Providing for the Recognition and Use of Electronic Commercial and Non-Commercial Transactions and Documents, Penalties for Unlawful Use Thereof and For Other Purposes, R.A. 8792 (2000) [hereinafter ECA].

The purpose of this note is to explain and discuss how the E-Commerce Act makes this balance. The law treats of the validity of such documents as evidence, and the use of electronic documents in government.

## II. THE LEGAL FRAMEWORK

### A. LEGAL RECOGNITION AND VALIDITY OF ELECTRONIC CONTRACTS

A contract is a meeting of minds between two persons whereby one binds himself<sup>3</sup> with respect to the other, to give something or to render some service.<sup>3</sup> Generally, a contract is valid in any form:

Art. 1356. Contracts shall be obligatory in whatever form they may have been entered into, provided all the essential requisites for their validity are present.<sup>4</sup>

A new form of contract that has been introduced with the advent of electronic messaging is the electronic contract, which introduces another form of commerce. The use of digital technologies, however, does not change the fundamental nature of commerce, for it is simply commerce by another means. Thus, existing laws that apply to commerce in general, apply to electronic commerce as well.

The E-Commerce Act contains no definition of an electronic contract. Section 16 of the Act regulating the formation and validity of electronic contracts does state however that an electronic contract may be understood to mean one where "the offer, the acceptance of the offer and such other elements required under existing laws for the formation of contracts are expressed in, demonstrated and proved by means of electronic data message or electronic documents."<sup>5</sup> These contracts are, by this law, classified as valid. Section 16 of the Act further provides:

... no contract shall be denied validity or enforceability on the sole ground that it is in the form of an electronic data message or electronic document, or that any or all of the elements required under existing laws for the formation of the contracts is expressed, demonstrated and proved by means of electronic documents.

Thus, the E-Commerce Act recognizes the legal effect, validity or enforceability of electronic data messages, electronic documents, electronic signatures and electronic contracts as any other document or legal writing. The electronic form is treated generally as neutral.

<sup>3</sup> The New Civil Code of the Philippines, art. 1305 (1950).

<sup>4</sup> The New Civil Code of the Philippines, art. 1356 (1950).

<sup>5</sup> ECA, d 16.

Section 6 also provides:

Sec. 6. Legal Recognition of Electronic Data Message. - Information shall not be denied validity or enforceability solely on the ground that it is in the form of a electronic data message purporting to give rise to such legal effect, or that it is merely incorporated by reference in that electronic data message. Similarly, with respect to electronic documents,

Section 7 provides:

Sec. 7. Legal Recognition of Electronic Documents. - Electronic documents shall have the legal effect, validity or enforceability as any other document or legal writing...

There are certain instances, however, when the law requires that a document be in writing to be valid and enforceable.<sup>6</sup> The question is thus posed: can an electronic document qualify as a written document to meet this requirement of the law? The E-Commerce Act resolves this question in the affirmative. An electronic document may qualify as a written document according to the requirements of the law, provided it meets two conditions:

- (1) The electronic document must maintains the integrity and reliability of the document, and
- (2) It must be able to be authenticated so as to be usable for subsequent reference.<sup>7</sup>

This means that the e-document must remain (1) complete and unaltered, save for authorized changes, (2) reliable in light of the purpose for which it was generated, and (3) reliable in light of all relevant circumstances.<sup>8</sup>

<sup>6</sup> Art. 1403, New Civil Code. "The following contracts are unenforceable, unless they are ratified: ... (2) Those that do not comply with the Statute of Frauds as set forth in this number. In the following cases an agreement hereafter made shall be unenforceable by action, unless the same, or some note or memorandum thereof, be in writing, and subscribed by the party charged, or by his agent; ... (a) An agreement that by its terms is not to be performed within a year from the making thereof; (b) A special promise to answer for the debt, default, or miscarriage of another; (c) An agreement made in consideration of marriage, other than a mutual promise to marry; (d) An agreement for the sale of goods, chattels or things in action, at a price not less than five hundred pesos, unless the buyer accept and receive part of such goods and chattels, or the evidences, or some of them, of such things in action , or pay at the time some apt of the purchase money; ..."

<sup>7</sup> ECA, § 10.

<sup>8</sup> Implementing Rules and Regulations of the E-Commerce Act, § 10 (2000).

The integrity requirement may be met by means of evidence *aliunde*.<sup>9</sup> The criteria for assessing integrity is whether the information has remained complete and unaltered, apart from the addition of any endorsement and any change which arises in the normal course of communication, storage and display. Reliability, on the other hand, is assessed in light of the purpose for which the information was generated, and in light of all relevant circumstances.<sup>10</sup>

The requirement of a signature in written documents is met in electronic documents by means of the electronic signature. An electronic signature is any distinctive characteristic mark, and/or sound in electronic form, any methodology or procedure employed, executed or adopted by a person with the intention of authenticating or approving an electronic document. It is equivalent to the signature of a person on a written document.<sup>11</sup> However, to be legally recognized, a prescribed procedure must be employed that is not alterable by the parties interested in the electronic document wherein the party who sought to be bound is identified and this party's access to the electronic document indicated. It is further required that the other party is authorized and enabled to verify the electronic signature and to make the decision to proceed with the transaction authenticated by the him.<sup>13</sup>

However, this validity extends only to establish the existence of the contract, as in cases falling under the Statute of Frauds (in such cases an electronic document would be sufficient to prove the existence of the contract); and for purposes of making the contract effective as against third parties, as in the cases falling under Article 1358 of the New Civil Code<sup>14</sup> (in such cases an electronic document would suffice as well). The validity does not extend to cases when the law requires that the contract be in some form in order that it may be valid or enforceable, or that a contract be proved in a certain way, for in such cases, as specified by Article 1356 of the New Civil Code, the requirement of the law as to formalities is absolute and indispensable.<sup>15</sup> Thus, in support of Article 1356 of the New Civil Code, Section 7 of the E-Commerce Act provides:

<sup>9</sup> ECA, § 10.

<sup>10</sup> ECA, § 10.

<sup>11</sup> ECA, § 5.

<sup>12</sup> ECA, § 8.

<sup>13</sup> ECA, § 8.

<sup>14</sup> Art. 1358, ¶ 5 of the New Civil Code provides: "...All other contracts where the amount involved exceeds five hundred pesos must appear in writing, even a private one. But sales of goods, chattels or things in action are governed by Articles 1403, No. 2 and 1405."

<sup>15</sup> Art. 1356 of the New Civil Code provides: "... when the law requires that a contract be in some form in order that it may be valid or enforceable, or that a contract be proved in a certain way, that requirements is absolute and indispensable...."

... no provision of this Act shall apply to vary any and all requirements of existing laws on formalities required in the execution of documents for their validity.

The following table may be used as a guide in determining the validity of electronic documents:

FORMALITIES REQUIREMENT	E-DOCUMENT VALIDITY
For validity ( <i>ad esentia, ad solminatam</i> )	NOT valid
To make contracts effective as against third parties <sup>16</sup>	Valid
To establish the existence of the contract <sup>17</sup>	Valid

B. Valid Transactions

E-commerce in Philippine trade has awakened in the consciousness of the business community. There are a number of electronic data interchange companies in the country engaged in e-commerce in a very limited way. Due to lack of a clearly defined e-commerce policy, and the absence of e-commerce legislation, Philippine businesses are now limited to activities involving only purchase orders and reporting forms.

Businesses and other enterprises of varying scale should engage in e-commerce through the Internet to survive this fiercely growing competitive marketplace as it enables the small businessman to establish his presence online on a level playing field. Through the internet and e-commerce, consumers around the globe are able to shop and avail themselves of goods and services conveniently without actually leaving the comfort of his own home or workplace.

One may ask, what exactly are the advantages of doing business via the internet? There are three good reasons why we should develop e-commerce in the Philippines:

- 1) Business through the Internet allows global reach at affordable cost;
- 2) Business through the Internet allows direct interaction with clients and suppliers;
- 3) Business through Internet replaces routine, expensive and usually slow-paced trading with immediate, online transactions

<sup>16</sup> The New Civil Code of the Philippines, arts. 1357 & 1358 (1950).

<sup>17</sup> The New Civil Code of the Philippines, art. 1403 (1950).

with gratifying results.

The Internet is not just for medium and large enterprises. It is for everyone with the entrepreneurial spirit and the vigor to be globally competitive. With the development of the Internet and e-commerce in the country, we can encourage and expect an increase in the number of young and dynamic entrepreneurs engaging in high technology trading.

This Act therefore intends to trigger the development and application of online business transactions in the country through the personal computer. Various banking and financial institutions in the country hope that this will lead to the full-blown implementation of electronic payments.

To enable local businesses to maximize the capabilities of e-commerce, the Act makes most transactions online legally valid. Section 16 of the Act specifically recognizes the validity of electronic banking transactions. It provides:

SEC. 16. Formation and Validity of Electronic Contracts. x x x

(2) Electronic transactions made through networking among banks, or linkages thereof with other entities or networks, and vice versa, shall be deemed consummated upon the actual dispensing of cash or the debit of one account and the corresponding credit to another, whether such transaction is initiated by the depositor or by an authorized collecting party: Provided, that the obligation of one bank, entity, or person similarly situated to another arising therefrom shall be considered absolute and shall not be subjected to the process of preference of credits.

The validity of electronic documents also extends to contracts of carriage of goods. Section 25 of the Act provides:

SEC. 25. Actions Related to Contracts of Carriage of Goods. - Without derogating from the provisions of Part Two of this Act, this Chapter applies to any action in connection with, or in pursuance of, a contract of carriage of goods, including but not limited to:

- (a) (i) furnishing the marks, number, quantity or weight of goods;
- (ii) stating or declaring the nature or value of goods;

- (iii) issuing a receipt for goods;
- (iv) confirming that goods have been loaded;
- (b) (i) notifying a person of terms and conditions of the contract;
- (ii) giving instructions to a carrier;
- (c) (i) claiming delivery of goods;
- (ii) authorizing release of goods;
- (iii) giving notice of loss of, or damage to goods;
- (d) giving any other notice or statement in connection with the performance of the contract;
- (e) undertaking to deliver goods to a named person or a person authorized to claim delivery;
- (f) granting, acquiring, renouncing, surrendering, transferring or negotiating rights in goods;
- (g) acquiring or transferring rights and obligations under the contract.

Rights over goods can also be transferred electronically. If the existing laws require that the right is to be granted to, or an obligation is to be acquired by, one person and no other person; and that in order to effect this, the right or obligation must be conveyed to that person by the transfer, or use of, a paper document, that requirement is met if the right or obligation is conveyed using one or more electronic data messages or electronic documents.<sup>18</sup>

Contracts entered into through "electronic agents" are valid as well. Generally, an electronic message is transmitted from the originator, who is a person by whom, or on whose behalf the electronic data message or electronic document is created or sent<sup>19</sup> to the addressee. However, Section 18 of the Act adds that even if the message was sent by the originator to the

addressee through an electronic agent, the contract remains valid. Section 18 (2) provides:

(2) As between the originator and the addressee, an electronic data message is deemed to be that of the originator if it was sent by a person who had the authority to act on behalf of the originator with respect to that electronic data message or electronic document; or by an information system programmed by, or on behalf of the originator to operate automatically.

### C. Evidentiary Value of E-Commerce Documents

Another purpose of the E-Commerce Act is facilitate the admissibility of electronic documents and electronic signatures in case of dispute. As regards the admissibility of electronic documents, the Act provides:

SEC. 12. Admissibility and Evidential Weight of Electronic Data Message and Electronic Documents. - In any legal proceedings, nothing in the application of the rules on evidence shall deny the admissibility of an electronic data message or electronic document in evidence -

- a. On the sole ground that it is in electronic form; or
- b. On the ground that it is not in the standard written form and electronic data message or electronic document meeting, and complying with the requirements under Sections 6 or 7 hereof shall be the best evidence of the agreement and transaction contained therein.

In assessing the evidentiary weight of an electronic data message or electronic document, the reliability of the manner in which it was generated, stored or communicated, the reliability of the manner in which its originator was identified, and other relevant factors shall be given due regard.

Authentication of electronic documents requires technological expertise. It is done by showing proof of the use of an appropriate security procedure adopted and employed to verify the originator, or to detect error or alteration in the communication from a specific point and the security procedure adopted has acknowledgement procedures, or similar security devices.<sup>20</sup>

<sup>18</sup> ECA, § 26 (3).

<sup>19</sup> ECA, § 5.

<sup>20</sup> ECA, § 11 ¶ 3.

When the substance of an inquiry is the contents of a document, our Rules of Court provides generally that no evidence is admissible except the original. The requirement of the original e-document rule is met if there is a reliable assurance as to the integrity of the document from the time it was generated in its original form. The document should be capable of being displayed to the persons to whom it was represented and it is shown by evidence *aliunde*.

Electronic signatures, on the other hand, are authenticated by proof that a letter, character, number or other symbol in electronic form, or that the appropriate methodology or security procedures were employed or adopted by a person and executed or adopted, with the intention of authenticating or approving an electronic data message or electronic document.<sup>21</sup>

In cases where existing laws require that a document be retained in its original form, Section 13 of the Act would be applicable. Under Section 13, if any provision of law requires that certain documents be retained in their original form, an electronic document, to fulfill the requirement, must retain the form of the electronic data message and such message must remain accessible for subsequent reference. The retained format must be the format in which the electronic document was generated, sent or received. The retained format must also be such that identification of its originator and the addressee and the determination of the date and the time when it was sent or received is made possible.<sup>22</sup>

#### D. SECURITIES PROVISIONS

Due in part to the accessibility of E-Commerce, security of transactions is an issue. The Act promotes security by outlawing and penalizing unauthorized access to information and interference in communications systems. It also allows the parties to any electronic transaction to freely determine the type and level of electronic data message/document security needed, as well as select and use or implement appropriate technological methods that suit their needs. Section 24 of the Act provides:

SEC. 24. Choice of Security Methods. - Subject to applicable laws and/or rules and guidelines promulgated by the Department of Trade and Industry with other appropriate government agencies, parties to any electronic transaction shall be free to determine the type and level of electronic data message and electronic document security needed, and to select and use or implement appropriate technological methods that suit their needs.

<sup>21</sup> ECA, § 11 ¶ 2.

<sup>22</sup> ECA, § 13.

The E-Commerce Act also regulates access to electronic data messages/documents. Section 31 provides:

SEC. 31. Lawful Access. - Access to an electronic file, or an electronic signature of an electronic data message or electronic document shall only be authorized and enforced in favor of the individual or entity having a legal right to the possession or the use of the plaintext, electronic signature or file and solely for the authorized purposes. The electronic key for identity or integrity shall not be made available to any person or party without the consent of the individual or entity in lawful possession of that electronic key.

The Act also protects the confidentiality of electronic key, electronic data message/ document, book, register, correspondence, information, or other material obtained.

SEC. 32. Obligation of Confidentiality. - Except for the purposes authorized under this Act, any person who obtained access to any electronic key, electronic data message, or electronic document, book, register, correspondence, information, or other material pursuant to any powers conferred under this Act, shall not convey to or share the same with any other person.

Thus, violations to the security of electronic commerce transactions are sanctioned and penalized. The Act penalizes hacking or cracking and other cybernet offenses. Section 33 of the Act provides for penalties:

SEC. 33. Penalties. - The following Acts shall be penalized by fine and/or imprisonment, as follows:

a) Hacking or cracking which refers to unauthorized access into or interference in a computer system/server or information and communication system; or any access in order to corrupt, alter, steal, or destroy using a computer or other similar information and communication devices, without the knowledge and consent of the owner of the computer or information and communications system, including the introduction of computer viruses and the like, resulting in the corruption, destruction, alteration, theft or loss of electronic data messages or electronic document shall be punished by a minimum fine of one hundred thousand pesos (P100,000.00) and a maximum commensurate to the damage incurred and a mandatory imprisonment of six (6) months to three (3) years

Piracy is penalized by the E-Commerce Act as well. This is the unauthorized copying, reproduction, dissemination, distribution, importation, use, removal, alteration, substitution, modification, storage, uploading, downloading, communication, making available to the public, or broadcasting or printed protected material, electronic signature or copyrighted works, including legally protected sound recordings or phonograms or information material on protected works, through the use of telecommunication networks such as the Internet in a manner that interferes with Intellectual Property Rights. Violations of the Consumer Act or Republic Act No. 7394 and other relevant or pertinent laws through transactions covered by or using electronic data messages or electronic documents, shall be penalized with the same penalties as provided in those laws. The penalty is P100,000.00 and a maximum commensurate to the damage incurred, and mandatory imprisonment of 6 months to three years.<sup>23</sup>

Violations of other laws covered by or using electronic data messages / documents, such as the Consumer Act or Republic Act No. 7394 and other laws are penalized with the same penalties as provided in those laws. Other violations of the provisions of this Act, shall be penalized with a maximum penalty of one million pesos (P1,000,000.00) or six (6) years imprisonment.<sup>24</sup>

### III. THE E-GOVERNMENT FRAMEWORK

For internet commerce to reach its full potential, businesses and government agencies must cooperate to benefit from it. According to a report released recently by Forrester Research, Inc. entitled, "The Commerce Threshold," Internet commerce sales will reach \$3.2 trillion in 2003 if businesses and government collaborate, and \$1.8 trillion if they don't. The same report claimed that if these two forces don't take advantage of the e-commerce opportunity by working together, they would end up spending more and gaining lower returns.

Realizing this, the E-Commerce Act has mandated government agencies to promulgate rules and regulations to be implemented in the conduct of all their electronic transactions.

The benefits that would be derived by government in going online may be seen if applied to, for example, the Bureau of Customs. Although the BOC has been engaging in business to business (B2B) e-commerce, it still has to perform the actual paper transactions and undergo the normal procedure of signature paper flow. They also need to retain the actual documents as currently mandated by law. Thus, the efficiency gained and

<sup>23</sup> ECA, § 33.

<sup>24</sup> ECA, § 33.

the increase in effectiveness of collections would increase exponentially if e-commerce is institutionalized in government.

The E-Commerce Act therefore authorizes not only private commercial transactions but mandates the government as well to use electronic documents in dealing with the general public.<sup>25</sup> Section 24 of said bill likewise provides government use of electronic records and signatures in all its transactions (i.e., creation and acceptance of documents, issuance of permits and receipts, acceptance of payments). The departments, bureaus, offices and agencies of the government and government-owned and -controlled corporations are mandated, within a period of two years from the effectivity of the Act, mandated to use or accept the use of electronic data messages or electronic documents in the following:

- (1) Accepting the creation, filing or retention of necessary documents, licenses, permits, certificates of registration or approval in the form of electronic data messages or electronic documents;
- (2) Issuing permits, licenses, or approval in the form of electronic data messages or electronic documents;
- (3) Requiring and/or accepting payments, and issue receipts acknowledging such payments through systems using electronic data messages or electronic documents; and
- (4) Transacting the government business and/or perform governmental functions using electronic data messages or electronic documents.<sup>26</sup>

Through this Act, the accumulation of voluminous written records in government and in the private business sector is minimized, if not eliminated.

The Act also mandates the installation the RPWEB, an electronic online network to facilitate online transmission, conveyance and use of electronic data messages or electronic documents.<sup>27</sup> The RPWEB is an electronic online network whose purpose is to serve as an initial platform of the government information infrastructure (GII) to facilitate to facilitate the open, speedy and efficient electronic online transmission, conveyance and use of electronic data messages or electronic documents amongst all government and other public instrumentalities, universities, colleges and

<sup>25</sup> ECA, § 27.

<sup>26</sup> ECA, § 27.

<sup>27</sup> ECA, § 28.

other schools, and also seeks to provide universal access to the general public.

Additionally, we must always be reminded of the fact that our people anticipate a new regime in government characterized by more expeditious transaction of their businesses with the government. This is because the E-commerce Act mandates an e-government by 2002. The Act requires the use of the electronic data messaging system in all government transactions, like issuance of permits, licenses, and approvals. The E-Commerce Acts therefore demands that the process be implemented upon their adoption, promulgation and publication of the appropriate rules, regulations, or guidelines, and within two (2) years from the date of the effectivity of this Act, for both the rules and regulations and the RPWEB installation.<sup>28</sup>

#### IV. CONCLUSION

For the first time in a generation, the Philippines is poised participate, if not be a leader, in the emerging reality of doing business, *i.e.*, in an electronic fashion. Surely, the changes will be radical, even be upsetting, considering that that our current method of conducting commerce essentially dates back to Europe's middle ages. During that period, the world transitioned from a barter economy to one wherein products to be bought or sold as well as payments came to be evidenced or represented by paper documents. We are comfortable with paper documents because of the accumulated agreements, treaties, laws, regulations, and traditions that govern said documents.

This bill does not seek to alter existing legal arrangements governing commerce; it merely seeks to move the country to the next logical step after paper documents. Information technology now allows us to conduct and evidence our affairs and transactions electronically. Having such an environment will give birth to newer and more efficient methods of doing business.

After all, wouldn't we all direct most if not all of our business to the one that gives us the fastest, most accurate, and cost efficient product or service? The other side of the argument is that the countries that do not adapt will be left on the periphery of the global economy – outsiders looking in.

<sup>28</sup> § 36 of the Act provides for the necessary appropriations for the implementation of the mandates of the Act. It states that in the first year of effectivity, funds will come from available funds and/or savings under the General Appropriations Act of 2000. Thereafter, funds needed for the continued implementation shall be included in the annual General Appropriations Act.

Now what does this tell us? If the government does not act proactively to support this new economy, we can never be at par with the rest of the world, as we are right now with the other Asean countries. As citizens of this great nation, can we afford to just sit and watch as the rest of the world progresses? We obviously cannot.

The Eleventh Congress has therefore enacted the E-Commerce Act of 2000. With this piece of legislation, our Congress is responding to the challenge of providing an enabling legal environment that will allow Filipinos to participate in this wealth-creating global phenomenon.