



POLICY BRIEF

Shaping the Blueprint: A Multi-Stakeholder Forum on the Proposed AI Regulation and Development Act

Reconciling Stakeholder Consensus with House Bill No. [X], the “AI Development and Regulation Act”

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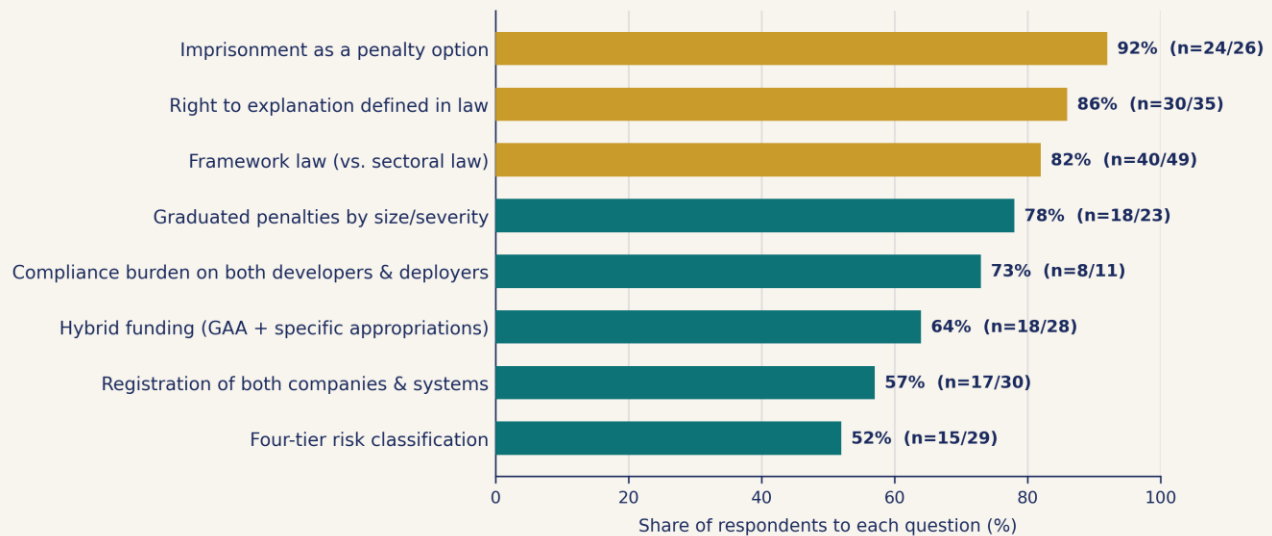
FORUM DATE May 26, 2026 | **PARTICIPATION** 120 online + 18 onsite attendees

EXECUTIVE SUMMARY

On May 26, 2026, the UP CIDS Data Science for Public Policy Program convened a multi-stakeholder forum to examine competing perspectives on artificial intelligence regulation in the Philippines. Legislators, academics, civil society advocates, and industry experts identified points of convergence and divergence to inform the final legislative text. This brief analyzes the forum's findings alongside House Bill No. [X] (the “AI Development and Regulation Act”), assessing how far the proposed legislation reflects stakeholder consensus across fourteen live Mentimeter poll questions.

The analysis reveals substantial alignment on framework-law architecture, risk-based classification, right to explanation, graduated penalties, and hybrid funding — alongside notable discrepancies on institutional design, preemption of local ordinances, and the treatment of AI in criminal law.

Mentimeter Poll — Convergence at a Glance



I. The Forum: Structure, Participation, and Methodology

The forum, titled “*Shaping the Blueprint: A Multi-Stakeholder Forum on the Proposed AI Regulation and Development Act*,” was conducted virtually on May 26, 2026, with 120 online participants and 18 onsite attendees, organized by the UP CIDS Data Science for Public Policy Program under the convenorship of Dr. Ebinezer Florano, with moderation by Dr. Lucia Palpal-Iatoc Tangi of the UP College of Media and Communication.

The forum ran two panels. Panel 1 featured industry and academic experts — Mr. Carl Javier and Ms. Claire Tayco of CirroLytix Philippines, Mr. Sherwin Pelayo of the Analytics and Artificial Intelligence Association of the Philippines, and Professor Prospero Naval of UP Diliman's Department of Computer Science. Panel 2 convened public policy and technical experts — Professor Paul Quintos (UP NCPAG), Professor Eugene

Rex Jalao (UP Industrial Engineering), Dr. Maria Margarita Lavides (UP CIDS-DSPPP), Ms. Jan Llenzl Dagohoy (AI4PH), and Dr. Ivan Pulanco (CirroLytix) — for deeper consultation on specific provisions.

Participant perspectives were captured through live Mentimeter polling across fourteen questions covering institutional design, risk classification, compliance burdens, penalty structures, and preemption; response counts per question ranged from 11 to 49 out of 72 attendees. Government agencies represented included the Department of Health and the Department of Agriculture, among others.

II. Points of Convergence: Where Stakeholders and the Bill Align

A. Framework Law Architecture

Stakeholders demonstrated strong consensus (**40 of 49 respondents, or 82%**) that the AI legislation should be a *framework law* — providing general principles and institutional mandates while delegating detailed rulemaking to executive agencies. The bill substantially reflects this preference: it establishes the Philippine AI Commission with broad standard-setting and regulatory powers, enumerates general principles and a Bill of Rights, and expressly mandates the Commission to promulgate implementing rules and regulations in consultation with sectoral regulators (Section 37).

B. Right to Explanation and Contestability

An overwhelming majority (**30 of 35 respondents, or 86%**) affirmed that the law should explicitly define the minimum elements of a “right to explanation.” The bill addresses this through Section 6(5), guaranteeing every person the right to be informed that an automated decision was made, to receive a meaningful explanation intelligible to a layperson, to contest the decision, and to obtain human review — alongside a right to meaningful human oversight (Section 6[6]) and a right to remedy including opt-out and fallback mechanisms (Section 6[7]).

C. Four-Tier Risk Classification

A plurality (**15 of 29 respondents, or 52%**) favored a four-tier risk system over a simpler two-tier distinction, for its nuance and flexibility. The bill adopts exactly this structure in Section 14 — Prohibited, High-Risk, Limited-Risk, and Minimal-Risk — enabling proportionate regulation consistent with the principle that regulatory obligations shall be proportionate to risk (Section 2[7]). High-Risk is further elaborated with statutory presumptions covering biometrics, employment, financial services, education, social welfare, elections, disaster warning, and healthcare (Section 16).

D. Registration and Compliance Burdens

Stakeholders favored registering *both* AI companies and individual systems (**17 of 30, or 57%**), with the compliance burden falling on *both* developers and deployers (**8 of 11, or 73%**). The bill calibrates registration to risk — high-risk systems require full registration and conformity assessment; limited-risk systems, light notification; minimal-risk systems are exempt (Section 17) — and Section 19 allocates responsibility across all operators proportionate to their supply-chain role.

E. Graduated Penalties and Imprisonment

Consensus was near-unanimous that penalties should be graduated by entity size, severity, and harm (**18 of 23, or 78%**), with an overwhelming majority (**24 of 26, or 92%**) supporting imprisonment as a penalty option. Section 34 implements graduated penalties — fines of ₱100,000 to ₱10 million and imprisonment of six months to twelve years — plus a compliance safe harbor for documented adherence to recognized standards.

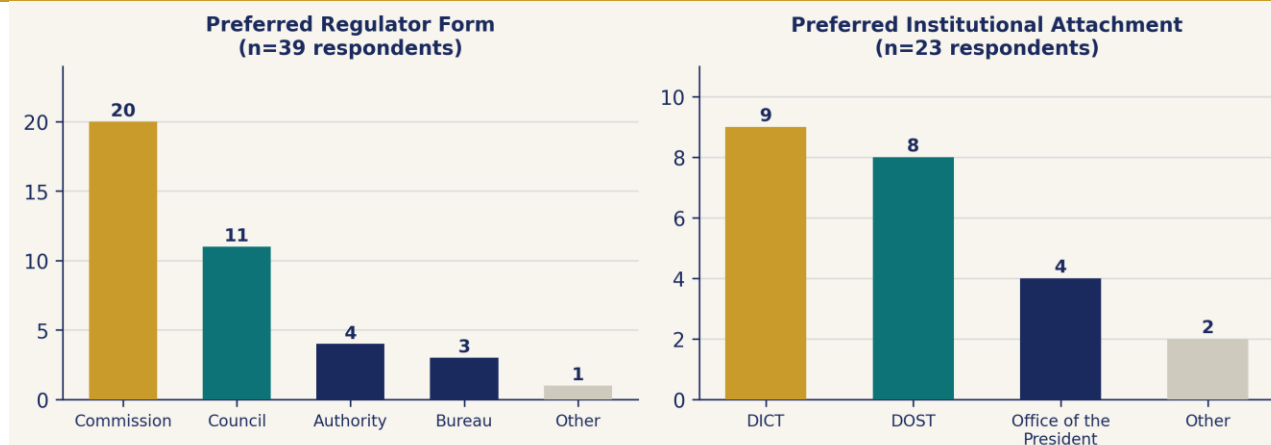
F. Hybrid Funding Mechanism

Stakeholders favored a hybrid model combining specific appropriations with the General Appropriations Act (**18 of 28, or 64%**). Section 35 adopts this hybrid model, charging initial operating requirements against the DICT's current appropriations while providing for later inclusion in the annual GAA — though on the separate question of *which* agency should channel that funding, a plurality actually favored DOST (10 of 28, or 36%) over DICT (7, or 25%) or a new budget line item (9, or 32%), a tension the bill does not resolve.

III. Points of Divergence: Where Preference and the Bill Diverge

A. Institutional Design and Attachment

The forum revealed real disagreement on the regulator's form and placement. Preferences split across a Commission, Council, Authority, and Bureau, with attachment similarly divided among DICT, DOST, and the Office of the President.



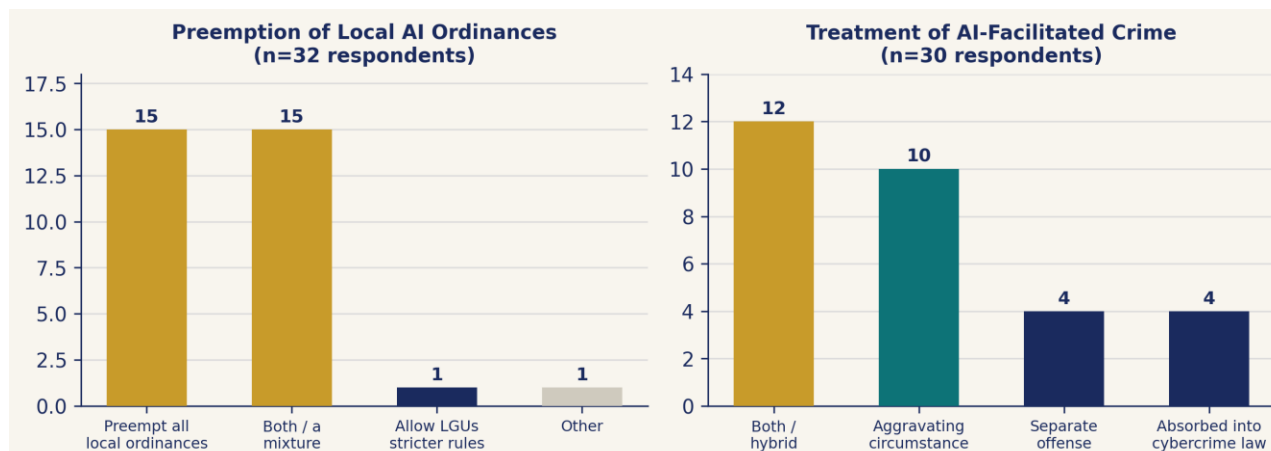
The bill establishes a Commission (Section 8) attached to DICT for administrative and budgetary purposes, with functional and operational autonomy. While the Commission structure reflects the plurality preference, DICT attachment may be contested — the DOST rationale emphasized leveraging existing science and technology mandates and avoiding new bureaucracy, while DICT attachment reflects its broader digital-governance portfolio. The bill attempts to bridge this divide through an Advisory Council of both DICT and DOST plus 15 other agencies (Section 10), and by building on DOST institutions such as NAICRI, COARE, and NAIRA (Section 8).

B. Preemption of Local Ordinances

Sentiment split evenly between full preemption of local AI ordinances (15 votes, 47%) and a mixed / hybrid approach preserving some local discretion (15 votes, 47%) — with almost no support for simply allowing LGUs to impose stricter rules unchecked (1 vote). The bill is silent on preemption entirely, a significant gap that may create regulatory uncertainty for investors operating across multiple localities. Given the tied sentiment, a tiered approach — preserving local discretion for minimal-risk systems while preempting local regulation of high-risk systems — may best reconcile both camps.

C. AI and Criminal Law

Sentiment was most divided here: a plurality favored a hybrid approach (12 votes, 40%), followed by treating AI use as an aggravating circumstance (10 votes, 33%), with separate-offense and absorbed-into-cybercrime treatments tied at 4 votes (13%) each. The bill adopts the hybrid approach: Section 34(2) establishes “Use of AI Systems to Commit, Facilitate, or Conceal Fraud, Crimes, or Cause Harm” as a distinct offense (fines of ₱2–10 million, imprisonment of 6–12 years), while the Deceptive Use of AI provision (Section 34[7]) and prohibited practices (Section 7) may serve as aggravating factors — aligning with the stakeholder plurality.



D. Registration Scope

While a plurality favored registering both companies and individual systems, the bill's calibrated approach registers systems only, exempting minimal-risk systems entirely — reducing regulatory burden on innovators but potentially underaddressing stakeholder concerns about a comprehensive inventory of AI actors.

IV. Recommendations for Legislative Refinement

Recommendation	Priority	Rationale
Clarify preemption of local AI ordinances	High	Resolve the tied 15/15 split via full preemption or a tiered approach preserving local discretion for minimal-risk systems only.
Reconsider institutional attachment and funding channel	High	Evaluate whether DICT attachment and funding serve the Commission's dual mandate, given stakeholder plurality favored DOST for both.
Strengthen human oversight provisions	Medium	Further specify competence standards, resources, and accountability mechanisms for designated human overseers.
Ensure adequate, multi-year resourcing	Medium	Pair the hybrid funding mechanism with specific multi-year appropriations to avoid the "pilot trap."
Monitor implementation	Ongoing	The Joint Congressional Oversight Committee (Sec. 36) should prioritize public consultation and transparency in its five-year mandate.

Appendix — Full Mentimeter Poll Results (14 Questions)

#	Mentimeter Question	n	Leading Response	Share
1	Framework law or sectoral law?	49	Framework law	82%
2	Regulator: Council, Commission, Bureau, or Authority?	39	Commission	51%
3	Attach to DICT, DOST, or Office of the President?	23	DICT	39%
4	Should the law define a "right to explanation"?	35	Yes	86%
5	If mandatory, which sectors are prioritized first?	18	Both consumers & developers	72%
6	Four-tier or two-tier risk system?	29	Four-tier	52%
7	Register companies, systems, or both?	30	Both	57%
8	Compliance burden: developers, deployers, or both?	11	Both	73%
9	Uniform or graduated penalties?	23	Graduated	78%
10	Include imprisonment as a penalty?	26	Yes	92%
11	AI-facilitated crime: separate, aggravating, absorbed, or hybrid?	30	Both / hybrid	40%
12	Specific appropriations or rely on the GAA?	28	Both / a mixture	64%
13	Fund the regulator via DICT, DOST, OP, or new line item?	28	DOST	36%
14	Preempt local AI ordinances, or allow LGUs stricter rules?	32	Preempt all / Both tied	47%

ABOUT THIS BRIEF

This policy brief was prepared by the UP CIDS Data Science for Public Policy Program (DSPPP) based on Mentimeter poll data and proceedings from the May 26, 2026 multi-stakeholder forum. For questions or collaboration, contact the DSPPP through the UP Center for Integrative and Development Studies.