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Thank you very much, Mr. President.

The President. The Majority Leader is recognized.

Senator Drilon. We thank the two gentlemen for allowing now the Chamber to proceed with the agenda for the day.

BILL ON SECOND READING
S. No. 1902 - The E-Commerce Law
(Continuation)

Mr. President, I move that we resume consideration of Senate Bill No. 1902 as reported out under Committee Report No. 179.

The President. Is there any objection? [Silence] There being none, resumption of consideration of Senate Bill No. 1902 is now in order.

Senator Drilon. We are still in the period of amendments. For purposes of this debate, may I ask our colleagues to refer to the amended copy as of April 3, 2000.

May I now ask the Chair to recognize the principal author, Sen. Ramon B. Magsaysay, Jr.

The President. Sen. Ramon B. Magsaysay, Jr. is recognized.

MOTION OF SENATOR DRILON
(To go Page by Page in the Introduction
of Individual Amendments on S. No. 1902)

Senator Drilon. Mr. President, may I suggest that we go page by page so that we can have an orderly introduction of the individual amendments from the Floor.

The President. The Chair will treat that as a motion.

Is there any objection? [Silence] There being none, the motion is approved.

Senator Magsaysay. Thank you, Mr. President.

Senator Drilon. May I ask the Chair to recognize Sen. Miriam Defensor Santiago.

The President. Sen. Miriam Defensor Santiago is recognized.

Senator Santiago. Thank you, Mr. President.
Will the distinguished sponsor yield the Floor so that I can terminate my amendment?

Senator Magsaysay. Yes, Mr. President.

Senator Santiago. Mr. President, I would like to request a special permission from the Chair as the presiding officer and from the Majority Leader.

Before we go page by page, I would like instead to finish the amendments that I started in yesterday's session.

If the distinguished sponsor would allow me to make the proposals now, I would like to refer to page 5C of the amended copy of the bill dated April 3, 2000.

Senator Magsaysay. Page 5C?

SANTIAGO AMENDMENTS

Senator Santiago. Page 5C. This refers to Section 13 on *Admissibility and Evidential Weight of Data Messages*.

On page 5C, after line 29, I would like to add the following as paragraph (3):

(3). FOR THE PURPOSE OF DETERMINING UNDER ANY RULE OF LAW WHETHER AN ELECTRONIC RECORD IS ADMISSIBLE, EVIDENCE MAY BE PRESENTED IN ANY LEGAL PROCEEDING IN RESPECT OF ANY STANDARD PROCEDURE, USAGE OR PRACTICE ON HOW ELECTRONIC RECORDS ARE TO BE RECORDED OR STORED, HAVING REGARD TO THE TYPE OF BUSINESS OR ENDEAVOR THAT USED, RECORDED OR STORED THE ELECTRONIC RECORD, AND THE NATURE AND PURPOSE OF THE ELECTRONIC RECORD.

In the document that I previously caused to be circulated among our colleagues entitled "Proposed Amendments to the Electronic Commerce Act By Senator Santiago," I included this proposed amendment and I described it under the title "Standards." I mentioned it yesterday and I was told that it had already been approved. But when I checked with the Secretariat, I was told that it has not yet been approved that is why I am raising it again.

Senator Magsaysay. That is correct, Mr. President. This was supposed to have been approved and accepted yesterday but the Secretariat was not able to catch it. This amendment is accepted.

Senator Santiago. Thank you, Mr. President.

Senator Magsaysay. However, as I mentioned also yesterday which, again, the Secretariat was not able to catch, that all definitions or terms "electronic record" will be removed and in place of "electronic record"--a few of these are all over the place--we will be using

“ELECTRONIC DATA MESSAGE” which the proponent of the amendment already accepted yesterday.

Senator Santiago. That is correct. So, for example, paragraph 3 would read, “FOR THE PURPOSE OF DETERMINING UNDER ANY RULE OF LAW WHETHER AN ELECTRONIC DATA MESSAGE IS ADMISSIBLE,” et cetera.

Senator Magsaysay. It is accepted, Mr. President.

Senator Santiago. Then I would like, Mr. President, to refer to page 7, which is titled *Attribution of Data Messages*. I am referring more specifically to Section 19, paragraphs 4 and 5.

Section 19 provides the instances when the addressee regards a data message as not being that of the originator with the transmission resulting in an error in the data message as received. However, Section 19 is incomplete because it does not provide for the effect of such error or change.

This is why as I indicated yesterday, I would like to amend our bill, so that a new provision which will be Section 20 should be inserted after the Section on Attribution of Data Messages.

The amendment will read: SEC. 20. *EFFECT OF ERROR OR CHANGE*.

It is a long amendment. I have already caused the circulation of this entire amendment to our colleagues. If the gentleman wishes, I will simply dispense with the reading of this amendment although I would be happy to read it out.

Senator Magsaysay. I think it is better that the lady Senator from Iloilo will read it out. Does she want it to be inserted on page 8, after line 11 for a new Section 20?

Senator Santiago. Yes, it will be Section 20.

It should be on page 8, after line 11, a new Section 20, entitled, *EFFECT OF ERROR OR CHANGE*. It will read as follows:

SEC. 20. *EFFECT OF ERROR OR CHANGE*. - IF AN ERROR OR CHANGE IN AN ELECTRONIC DOCUMENT OCCURS IN A TRANSMISSION BETWEEN PARTIES TO A TRANSACTION, THE FOLLOWING RULES APPLY:

(1) IF THE PARTIES HAVE AGREED TO USE A SECURITY PROCEDURE TO DETECT CHANGES OR ERRORS AND ONE PARTY HAS CONFORMED TO THE PROCEDURE, BUT THE OTHER PARTY HAS NOT, AND THE NON-CONFORMING PARTY WOULD HAVE DETECTED THE CHANGE OR

ERROR HAD THAT PARTY ALSO CONFORMED, THE CONFORMING PARTY MAY AVOID THE EFFECT OF THE ERRONEOUS OR CHANGED ELECTRONIC DOCUMENT.

(2) IN AN AUTOMATED TRANSACTION INVOLVING AN INDIVIDUAL, THE INDIVIDUAL MAY AVOID THE EFFECT OF AN ELECTRONIC DOCUMENT THAT RESULTED FROM AN ERROR MADE BY THE INDIVIDUAL IN DEALING WITH THE ELECTRONIC AGENT OF ANOTHER PERSON, IF THE ELECTRONIC AGENT DID NOT PROVIDE AN OPPORTUNITY FOR THE PREVENTION OR CORRECTION OF THE ERROR AND, AT THE TIME THE INDIVIDUAL LEARNS OF THE ERROR, THE INDIVIDUAL:

(A) PROMPTLY NOTIFIES THE OTHER PERSON OF THE ERROR AND THAT THE INDIVIDUAL DID NOT INTEND TO BE BOUND BY THE ELECTRONIC DOCUMENT RECEIVED BY THE OTHER PERSON;

(B) TAKES REASONABLE STEPS, INCLUDING STEPS THAT CONFORM TO THE OTHER PERSON'S REASONABLE INSTRUCTIONS, TO RETURN TO THE OTHER PERSON OR, IF INSTRUCTED BY THE OTHER PERSON, TO DESTROY THE CONSIDERATION RECEIVED, IF ANY, AS A RESULT OF THE ERRONEOUS ELECTRONIC DOCUMENT; AND

(C) HAS NOT USED OR RECEIVED ANY BENEFIT OR VALUE FROM THE CONSIDERATION, IF ANY RECEIVED FROM THE OTHER PERSON;

(3) IF NEITHER PARAGRAPH 1 NOR PARAGRAPH 2 APPLIES THE ERROR OR CHANGE HAS THE EFFECT PROVIDED BY THE OTHER LAW, AND THE PARTIES' CONTRACT, IF ANY.

(4) PARAGRAPHS 2 AND 3 MAY NOT BE VARIED BY AGREEMENT.

These paragraphs, as I have previously indicated were based on the Massachusetts draft of the Uniform Electronic Transactions Act as proposed by the National Conference for Commissioners for Uniform State Law dated December 23, 1999.

I find it necessary to propose to insert Section 20 because of Section 19. Section 19 mentions error or change but does not tell the reader what is the effect of the error or change. That is why I proposed Section 20, titled EFFECT OF ERROR OR CHANGE.

The President. What does the sponsor say?

Senator Magsaysay. May I ask the lady Senator to give us a graphic example on the first paragraph, on the situation contemplated in the first paragraph.

Senator Santiago. First paragraph. There are two parties to the internet transaction, normally the buyer and the seller, B and S, and they have agreed on a certain security procedure when they communicate with each other about their business transaction. There is now a particular

business transaction between B and S, the buyer and the seller and they have agreed to use a security procedure. But on a particular business transaction, let us say, B used the procedure but S did not, and S would have detected the change or the error, if it had conformed to the security procedure. Therefore, the conforming party, meaning B, may avoid the effect of the erroneous or changed electronic document.

It simply says, if two parties have agreed to a procedure, and one of them did not follow the security procedure, then there is no effect of the error. It would not produce any effect.

The President. What does the sponsor say?

Senator Magsaysay. That is a good example. We will accept that.

I think there is a problem with my TWG on paragraph 4. Maybe, the lady Senator may further enlighten us on the effect through some other brief example.

Senator Santiago. Paragraph 4 provides: "PARAGRAPHS 2 AND 3 MAY NOT BE VARIED BY AGREEMENT." meaning to say, that the buyer and the seller cannot enter into an electronic contract avoiding the effect of paragraphs 2 and 3. These are not left to the discretion of the parties.

This procedure or this situation is compulsory on the part of both the buyer and the seller even if both of them agree that it should not apply to them. In other words, it is taken out of the field of jurisdiction of the parties involved. It is compulsory.

The President. The sponsor has accepted the amendment. Is there any objection?

SUSPENSION OF SESSION

Senator Magsaysay. Mr. President, I move that we suspend the session for one minute.

The President. Is there any objection? [Silence] There being none, the session is suspended for one minute.

It was 5:03 p.m.

RESUMPTION OF SESSION

At 5:04 p.m., the session was resumed.

The President. The session is resumed.

Senator Santiago. Mr. President, pursuant to the advice of the sponsor, I would like to enter into the Record that my proposed amendment, referring particularly to paragraph 4, means that paragraphs 2 and 3 may not be varied by agreement so as to result in a more lenient construction of error or change. The parties may make the results more stringent but they cannot make it more lenient when an error or a change occurs during the electronic transaction.

Senator Magsaysay. With that explanation, Mr. President, the amendment is accepted.

Senator Santiago. Thank you, Mr. President. That is all with this bill.

The President. Is there any objection to the amendment? [*Silence*] There being none, the amendment is approved.

SUSPENSION OF SESSION

Senator Drilon. Mr. President, I move that we suspend the session to allow Senator Pimentel, who has a number of amendments, to come to the Hall.

The President. The session is suspended for one minute, if there is no objection. [*There was none.*]

It was 5:06 p.m.

RESUMPTION OF SESSION

At 5:07 p.m., the session was resumed.

The President. The session is resumed.

Senator Drilon. Mr. President, we are in the last stages of the amendment. May I now request that we go page by page so that we can finally approve for the record every page of this bill.

The President. Is there any objection to the motion? [*Silence*] There being none, the motion is approved.

Senator Drilon. Mr. President, on page 1, with the permission of the sponsor, are there any amendments? [*Silence*] Page 1A; page 2; page 2A; page 3.

MAGSAYSAY AMENDMENTS

Senator Magsaysay. Mr. President, we have a committee amendment on page 3...I am sorry, individual amendment. On page 3, line 21, delete the phrase "RELATIONSHIPS OF A COMMERCIAL NATURE" and instead use the word TRANSACTIONS.

The President. Is the gentleman referring to 2a?

Senator Drilon. Page 2i.

Senator Magsaysay. Delete the phrase RELATIONSHIPS OF A COMMERCIAL NATURE and put instead the term TRANSACTIONS.

The President. "ARISING FROM ALL TRANSACTIONS"?

Senator Drilon. That is correct, Mr. President.

The President. Is there any objection to the amendment? [Silence] There being none, the amendment is approved.

Senator Magsaysay. May I continue, Mr. President.

On line 2j, add a comma (,) after the word "NOT" and insert the words TO INCLUDE and then put a comma (,) after the words TO INCLUDE.

Senator Drilon. Can we now read the sentence? It does not make sense anymore, unless there are subsequent amendments.

Senator Magsaysay. Yes.

Senator Drilon. Maybe we can have the subsequent amendments so that we can understand better the provision, Mr. President.

Senator Magsaysay. So I will continue because this is the final amendment on the page and then I can read the complete phrase or statement.

On line 2m, delete the word "TRANSACTIONS" after the word "FOLLOWING". Therefore, the entire phrase will now read as follows:

"THE TERM 'COMMERCIAL' SHOULD BE GIVEN A WIDE INTERPRETATION SO AS TO COVER MATTERS ARISING FROM ALL TRANSACTIONS WHETHER CONTRACTUAL OR NOT, TO INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:"

Senator Drilon. So we delete the phrase "RELATIONSHIPS OF A COMMERCIAL VALUE INCLUDE"?

The President. "COMMERCIAL NATURE".

Senator Drilon. "COMMERCIAL NATURE INCLUDE"--that is on lines 2k and 2l.

Senator Magsaysay. Yes.

Senator Drilon. Because after the word "NOT" on line 2j we replaced the period (.) with a comma (,) and inserted the phrase TO INCLUDE, comma (,).

Senator Magsaysay. Yes.

Senator Drilon. And so on line 2k before the word "RELATIONSHIPS", may we have the amendment again on line 2k? Before the word "RELATIONSHIPS".

Senator Magsaysay. TO INCLUDE. Add TO INCLUDE and then a comma (,)--RELATIONSHIPS OF A COMMERCIAL NATURE...

Senator Drilon. And then...

Senator Magsaysay. The sentence will read: "THE TERM 'COMMERCIAL' SHOULD BE GIVEN A WIDE INTERPRETATION SO AS TO COVER MATTERS ARISING FROM ALL TRANSACTIONS WHETHER CONTRACTUAL OR NOT, TO INCLUDE, BUT NOT LIMITED TO, THE FOLLOWING:" continuing--"ANY TRADE," et cetera.

Senator Drilon. So do we delete the whole line 2k for the record?

Senator Magsaysay. Yes.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

The sponsor may proceed.

Senator Drilon. So if there are no more amendments on page 3, we go to page 4. I am sorry, it is page 3A. If there are no amendments on page 3A, we go to page 3B. If there are no amendments on page 3B, we go to page 4.

Senator Pimentel has amendments on page 4.

The President. Senator Pimentel is recognized.

Senator Pimentel. Mr. President, before I explain my proposed amendments, I would like to mention that the amendments I am about to offer on pages 4, 4A, 5, 5A, 5B, 5C, 6, 6A, are mostly in the nature of simplification of language. In other words, mostly, a matter of style actually. I do not know if the Chamber is prepared to listen to every line of these proposed amendments. Would it rather allow me to put it down in writing so that the proposed amendments can be considered in their totality? Maybe that would be the easier way of doing it.

Senator Magsaysay. The sponsor has no objection to the Senator having it on a page-by-page and/or line-by-line at this time.

The President. The Majority Leader may offer his views.

Senator Pimentel. The reason I am trying to make that proposal is the fact that Sen. Miriam Defensor Santiago has just finished her amendments which could probably need more stylistic amendments too.

The President. So what does the Majority Leader say?

Senator Magsaysay. The proposal of the Senator from Cagayan de Oro, Mr. President, is whether the Chamber will allow the amendments that he is proposing--which are basically matters of style and maybe terms--or just for him to submit the proposed amendments in writing. I think with the approval of the Majority Leader, we are all set to accept now these various individual amendments.

Senator Drilon. Since these are just matters of style, Mr. President, we can proceed, and I do not think these will take us much time. We can just proceed with these proposed amendments.

The President. Yes, Senator Pimentel may proceed.

Senator Pimentel. All right. On page 4, line 6c, the words "SHALL BE THE FUNCTIONAL EQUIVALENT". Would the sponsor be able to follow that?

Senator Magsaysay. Yes, Mr. President.

Senator Pimentel. I would like to present an amendment to read as follows: SHALL BE DEEMED A WRITTEN DOCUMENT UNDER EXISTING LAWS.

In other words, strike out the words "THE FUNCTIONAL" found on line 6c up to the words "EQUIVALENT OF" on line 6d; then after the letter "A", strike out the words "WRITING OR A" so that the line will now read: "SHALL BE DEEMED A WRITTEN DOCUMENT UNDER EXISTING LAWS."

Senator Magsaysay. Personally, Mr. President, I have no objection to this. However, the senator from Camarines Sur insisted on the term "FUNCTIONAL EQUIVALENT" because this is used in the UNCITRAL explanation and the Bicolano senator would like to hew in as close as possible to the UNCITRAL definitions.

Senator Pimentel. Mr. President, we are trying to craft a law for our own purposes. Well, in any event, these are only matters of style. So we will just withdraw that for the moment.

Senator Magsaysay. We appreciate the capacity of the distinguished Senator for understanding my situation, Mr. President.

PIMENTEL AMENDMENTS

Senator Pimentel. On page 4, line 15, Mr. President, which reads: "Where the law requires a signature of a person," I would suggest that the following phrase be inserted: PROOF OF THE SIGNATURE, and then delete the words "that requirement is met in" up to the words "relation to" on line 16, all the way up to the words "data message if"; so that the sentence's introductory clause will now read: "Where the law requires a signature of a person, PROOF OF THE SIGNATURE MAY BE DEEMED ESTABLISHED IF THE IDENTITY OF THE PERSON CONCERNED IS SHOWN BY APPROPRIATE EVIDENCE *ALLUNDE* AND THAT HE OR SHE HAS THE INFORMATION CONTAINED IN THE DATA MESSAGE.

Senator Magsaysay. Will the sponsor of the amendment kindly repeat so that my staff here can get the drift?

Senator Pimentel. From line 14, Mr. President, the present wordings read as follows:

"SEC. 10. *Legal Recognition of Electronic Signatures.*" There is no change there. And then on line 15, the introductory clause, "(1) Where the law requires a signature of a person," that is also retained, Mr. President.

Senator Magsaysay. Yes, Mr. President.

Senator Pimentel. The amendment will now begin by the insertion of the following words after the word "person,". There is a comma (,). So the amendment shall now read as follows: PROOF OF THE SIGNATURE MAY BE DEEMED ESTABLISHED IF THE IDENTITY OF THE PERSON CONCERNED IS SHOWN BY APPROPRIATE EVIDENCE *ALLUNDE* AND THAT HE OR SHE HAS THE INFORMATION CONTAINED IN THE DATA MESSAGE.

Senator Magsaysay. We are deleting also the words "that requirement is met in relation to a data message".

Senator Pimentel. Yes, because it will be redundant.

Senator Magsaysay. It is accepted, Mr. President.

The President. Is there any objection? [*Silence*]
There being none, the amendment is approved.

Senator Pimentel may proceed.

Senator Pimentel. On page 4A, line 30, I propose to delete the words "there exists a reliable assurance as to". So we begin with the words "the integrity of the information from the time when it was first generated in its final form, as a data message." Again, we insert the words BY EVIDENCE ALLUNDE. In other words, there should be other evidence that will show a data here.

Senator Magsaysay. It is accepted, Mr. President.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

Senator Pimentel. On page 5, line 15i, the word "OTHERS" should be modified so that the line will read: "SYSTEM, AMONG OTHER WAYS," instead of the word "OTHERS". Because the word "OTHERS" refers to persons.

Senator Magsaysay. It is accepted, Mr. President.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

Senator Pimentel. On line 15m which reads "ELECTRONIC FORM REPRESENTING THE", the word "NOMINATED" is used. Probably what we can do here, Mr. President, is to add the words NAMED IN and say "ELECTRONIC FORM REPRESENTING THE PERSONS NAMED IN". Then continue with AND ATTACHED TO. The words ATTACHED TO would now refer to symbols.

Senator Magsaysay. We are deleting the word "NOMINATED"?

Senator Pimentel. Yes, Mr. President. I suppose what is meant here is "the person named," instead of "nominated".

Senator Magsaysay. It is accepted, Mr. President.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

Senator Pimentel. On line 15q, instead of the word "WAS", the plural form verb WERE should be inserted. METHODOLOGY OR PROCEDURES WERE.

Senator Magsaysay. It is accepted, Mr. President.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

Senator Pimentel. On page 5A, line 15dd. I am not sure that the words "IN TIME" have any particular useful meaning here. Can we not delete them, Mr. President?

Senator Magsaysay. I think so.

The President. Delete the phrase "IN TIME".

Senator Magsaysay. The amendment is accepted, Mr. President.

The President. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Pimentel. On page 5B, line 15vv up to line 15ww reads: "BY EVIDENCE THAT SUPPORTS A FINDING THAT AT ALL MATERIAL TIMES THE COMPUTER". The amendment suggests that we should delete the words "SUPPORTS A FINDING THAT".

In other words, Mr. President, in any legal proceeding, the integrity of an electronic record is established BY EVIDENCE THAT AT ALL MATERIAL TIMES THE COMPUTER SYSTEM OR OTHER SIMILAR DEVICE... et cetera.

Senator Magsaysay. The amendment is accepted, Mr. President.

The President. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Pimentel. On line 15xx, we add the words IN A MANNER THAT after the word "OPERATING". Then we delete the words "PROPERLY OR, IF IT WAS NOT, THE FACT OF ITS NOT OPERATING PROPERLY". So that the lines will now read: BY EVIDENCE THAT AT ALL MATERIAL TIMES THE COMPUTER SYSTEM OR OTHER SIMILAR DEVICE WAS OPERATING IN A MANNER THAT DID NOT AFFECT THE INTEGRITY OF THE ELECTRONIC RECORD

Senator Magsaysay. The amendment is accepted, Mr. President.

The President. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Pimentel. The same page, line 15hhh. At present the line reads: "THE PARTY SEEKING TO INTRODUCE IT; OR" We propose to delete the words "SEEKING TO INTRODUCE" and substitute the phrase with the word USING. The line will read: "BY THE PARTY USING IT; OR".

Senator Magsaysay. The amendment is accepted, Mr. President.

The President. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Pimentel. Lines 15mm to 15nn as of the present read as follows: PROCEEDINGS AND WHO DID NOT RECORD OR STORE IT.... Delete the phrase "RECORD OR STORE IT" and replace this phrase with a single word, ACT. So that the lines will read: "PROCEEDINGS AND WHO DID NOT ACT UNDER THE CONTROL OF THE PARTY SEEKING TO INTRODUCE THE RECORD."

Senator Magsaysay. ACT, A-C-T?

Senator Pimentel. Yes, Mr. President.

Senator Magsaysay. The amendment is accepted, Mr. President.

The President. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Pimentel. Line 15ooo, to be consistent, Mr. President, we propose to delete the phrase "SEEKING TO INTRODUCE" and substitute it with a single word USING.

Senator Magsaysay. The amendment is accepted, Mr. President.

The President. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Pimentel. On page 5C, line 23a, delete the phrase "IN ANY LEGAL PROCEEDING". Because that was already used in the opening lines of the section, Mr. President.

Senator Magsaysay. So the sentence starts with "SUBJECT".

Senator Pimentel. "SUBJECT TO PARAGRAPH".

Senator Magsaysay. The amendment is accepted, Mr. President.

The President. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Pimentel. On line 23b, delete the word "WHERE". On line 23c, delete the phrase "IS APPLICABLE", so that the lines will now read, from line 23a: SUBJECT TO PARAGRAPH (D), THE BEST EVIDENCE RULE IN RESPECT OF AN ELECTRONIC RECORD IS SATISFIED. In other words, delete also the word "IT" on line 23d and the comma (,) after the word "RECORD" on line 23c.

Senator Magsaysay. We have also earlier amended all "ELECTRONIC RECORD" terms and put in ELECTRONIC DATA MESSAGE.

Senator Pimentel. Yes, good.

Senator Magsaysay. It is accepted, Mr. President, subject to style.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

Senator Pimentel. On line 23g, Mr. President, again delete the phrase "IN ANY LEGAL PROCEEDING" because that was already mentioned in the opening caption, 5C.

Senator Magsaysay. It is accepted, Mr. President.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

Senator Pimentel. Line 23g up to line 23l. Am I to understand, Mr. President, that the words "ELECTRONIC RECORD" will now be substituted?

Senator Magsaysay. That is correct, as ELECTRONIC DATA MESSAGE.

Senator Pimentel. My suggestion, Mr. President, is to delete on line 23l the comma (,) after the word "PRINTOUT" and the words "IS THE RECORD FOR THE PURPOSES OF THE BEST EVIDENCE RULE." Delete that whole thing for the reason that we are precisely talking about the best evidence rule already indicated in the opening caption.

The President. What does the sponsor say?

Senator Magsaysay. So now we have "THE PRINTOUT"?

Senator Pimentel. Yes, Mr. President.

Senator Magsaysay. It is accepted, Mr. President.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

Senator Pimentel. On page 6, after the word "BE", "STANDARDS, MAY BE", insert the following new words....

Senator Magsaysay. What line, Mr. President?

Senator Pimentel. I am sorry. Line 19e, after the word "BE", insert the words PRESUMED TO HAVE BEEN ESTABLISHED BY AN AFFIDAVIT, et cetera.

Senator Magsaysay. MAY BE PRESUMED TO BE ESTABLISHED?

Senator Pimentel. MAY BE PRESUMED TO HAVE BEEN ESTABLISHED BY AN AFFIDAVIT.

Senator Magsaysay. It is accepted, Mr. President.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

Senator Pimentel. Then on line 19g, delete the words "OR BELIEF". The reason is that under the Rules of Court, when an affiant states something, he has to do it as a matter of knowledge, not as a matter of belief.

The President. What does the sponsor say?

Senator Magsaysay. It is accepted, Mr. President.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

Senator Pimentel. And then proceed with the following phrase. In other words, do not put a period (.) after the deletion of the words "OR BELIEF" but continue with the following phrase: SUBJECT TO THE RIGHTS OF PARTIES IN INTEREST AS DEFINED IN THE FOLLOWING SECTION, which is Section 16 on CROSS-EXAMINATION.

In other words, the presumption of integrity of the document in question established by an affidavit still may be subject to the rights of parties in interest as defined in the section following, which is Section 16, Mr. President.

Senator Magsaysay. It is accepted, Mr. President.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

Senator Pimentel. On page 6A, Mr. President....

The President. What line on page 6A?

Senator Pimentel. On line 19o up to line 19p, Mr. President, delete the words "MAY, WITH LEAVE OF THE COURT," and replace those words with the following: HAS THE RIGHT TO. So it will now read: "ANY PARTY TO THE PROCEEDINGS HAS THE RIGHT TO CROSS-EXAMINE A PERSON REFERRED TO IN SECTION 12".

Senator Magsaysay. We will delete the phrase "MAY, WITH LEAVE OF THE COURT," including the comma (,)?

Senator Pimentel. Yes, because that is a matter of right for any party in interest, Mr. President.

Senator Magsaysay. It is accepted, Mr. President.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

Senator Pimentel. My next amendment has to do with additional paragraphs at the pleasure of the proponent on taxation. Actually, it may be contained in one paragraph, Mr. President.

The President. Is the language of the amendment ready?

Senator Magsaysay. Mr. President, before the proponent of this amendment proceeds, may I ask him to go back to page 5C to read back the provision of paragraph (D) from lines 23g up to 23m. I think my staff got lost somewhere.

Senator Pimentel. There is no change on lines 23j and 23k. The amendment only has to do with putting a period (.) after the word "PRINTOUT" on line 23l and then striking out the rest of the words "IS THE RECORD FOR THE PURPOSES OF THE BEST EVIDENCE RULE".

Senator Magsaysay. The sentence might turn out to be not a complete sentence.

Senator Pimentel. I was of the impression that there is an opening clause that says: IN THE ABSENCE OF EVIDENCE TO THE CONTRARY, THE INTEGRITY OF ELECTRONIC RECORD SYSTEM MAY BE ESTABLISHED IN ANY LEGAL PROCEEDING...I am sorry. Is this in Section 13?

Senator Magsaysay. Yes, Mr. President.

Senator Pimentel. IN ANY LEGAL PROCEEDING SHALL APPLY SO AS TO DENY THE ADMISSIBILITY OF A DATA MESSAGE IN EVIDENCE... I am not sure if there is something missing here.

Senator Magsaysay. Maybe subject to style, Mr. President.

Senator Pimentel. Yes. Just correct it if there are any...

Senator Magsaysay. Yes. The amendment is accepted then. We will base it on what has to be done, but the substance is there.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

Senator Pimentel. Finally, Mr. President, I would suggest in any appropriate page of this bill that a new section or a new part be inserted with this caption: TAXES ON E-COMMERCE TRANSACTIONS.

Very briefly, Mr. President, the following provision would read: VALUE-ADDED, SALES AND OTHER APPROPRIATE TAXES SHALL BE COLLECTED ON E-COMMERCE TRANSACTIONS BY THE CENTRAL AND LOCAL GOVERNMENTS CONCERNED.

In other words, it recognizes the right of central government and local government to collect taxes.

Senator Magsaysay. In other words, any existing taxes.

Senator Pimentel. Yes, Mr. President.

Senator Magsaysay. This does not mean that there will be additional taxes, but rather any existing taxes.

It is accepted, Mr. President.

Senator Pimentel. Now, that the distinguished sponsor has pointed that out, I have been talking about existing taxes.

In other words, the recognition of this right does not preclude the imposition of new taxes as may be deemed fit by central government or by local governments concerned.

Senator Magsaysay. It is accepted, Mr. President.

The President. Is there any objection? [Silence]
There being none, the amendment is approved.

The Majority Leader is recognized.

Senator Drilon. Mr. President, there are no more amendments. May I therefore move that we close the period of amendments.

The President. Is there any objection? [Silence]
There being none, the motion is approved.

APPROVAL OF S. NO. 1902 ON SECOND READING

Senator Drilon. Mr. President, I move that we vote on Second Reading on Senate Bill No. 1902, as amended.

The President. Is there any objection? [Silence]
There being none, we shall now vote on Second Reading on Senate Bill No. 1902, as amended.

As many as are in favor of the bill, say aye.
[Silence]

Several Members. Aye.

The President. As many as are against the bill, say nay. [Silence]

The ayes have it; Senate Bill No. 1902, as amended, is approved on Second Reading.

SUSPENSION OF CONSIDERATION OF S. NO. 1902

Senator Drilon. Mr. President, I move that we suspend consideration of Senate Bill No. 1902.

The President. Is there any objection? [Silence] There being none, the motion is approved.

SUSPENSION OF SESSION

Senator Drilon. Mr. President, I move that we suspend the session for one minute.

The President. The session is suspended for one minute, if there is no objection. [There was none.]

It was 5:40 p.m.

RESUMPTION OF SESSION

At 5:41 p.m., the session was resumed.

The President. The session is resumed.

The Majority Leader is recognized.

Senator Drilon. Mr. President, I understand that the sponsor would wish to manifest the inclusion of certain senators as coauthors of the measure.

Senator Magsaysay. Yes, Mr. President.

MOTION OF SENATOR DRILON

(Reconsideration of S. No. 1902)

Senator Drilon. Mr. President, I move that we resume consideration of Senate Bill No. 1902.

The President. Is there any objection? *[Silence]* There being none, the motion is approved.

Senator Drilon. May I ask the Chair to recognize Sen. Ramon B. Magsaysay Jr.

The President. Sen. Ramon B. Magsaysay Jr. is recognized.

MOTION OF SENATOR MAGSAYSAY
(Inclusion of Other Senators as Coauthors
of S. No. 1902)

Senator Magsaysay. Thank you, Mr. President.

The Majority Leader is very aware of how tedious and difficult the measure has gone through the wringer for almost a year and a half. The coauthors that I will mention also put in a lot of work because each of them researched a lot on e-commerce globally through their computers.

Mr. President, in addition to the original coauthors--the original being Senate President Blas F. Ople, Sen. Juan M. Flavier, Sen. Vicente C. Sotto III--may I include as coauthors of this bill the following senators who put in a lot of work and amendments: Sen. Raul S. Roco, Sen. Miriam Defensor Santiago, Sen. Franklin M. Drilon, Sen. Juan Ponce-Enrile, Sen. Gregorio B. Honasan, Sen. Renato *Companero* L. Cayetano, Sen. Teofisto T. Guingona Jr., Sen. Ramon B. Revilla and, of course, Sen. Aquilino Q. Pimentel Jr. Others who might want to be included as coauthors of this bill are certainly welcome. We will also include the lady Senator who is the Chairman of the Committee on Education, Arts and Culture, Sen. Teresa Aquino Oreta. This is a big part of the education sector.

That is all, Mr. President.

The President. Is there any objection to the motion? *[Silence]* There being none, the motion is approved.

SUSPENSION OF CONSIDERATION OF S. NO. 1902

Senator Drilon. Mr. President, may I once more move that we suspend consideration of Senate Bill No. 1902.

The President. Is there any objection to the motion? *[Silence]* There being none, the motion is approved.