

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

25 JAN 20 P1:09

SENATE
S. No. 2924

RECEIVED



Introduced by Senator MARK A. VILLAR

AN ACT
ESTABLISHING THE PHILIPPINE SCAM PREVENTION CENTER AND
PROVIDING FUNDS THEREFOR

With the advent of more sophisticated technology also comes the new breed of complex criminal enterprises, such as financial scamming committed through online or digital means.

Based on global TransUnion Philippines analysis, just in the first half of 2024, 18.0% of digital transactions originating from the Philippines across communities were suspected of being digital fraud – higher than the global rate of 11.5%.^[1] The analysis also mentioned that the Philippines has 13% suspected digital fraud rate, significantly higher than the global rate of 5.2%.

Additionally, as published by the Global Anti-Scam Alliance (GASA) under its "State of Scams in the Philippines 2024", Filipinos have reportedly lost \$8.1 billion, or nearly Php 460 billion, in the past twelve (12) months because of text messaging scams alone that offered too-good-to-be-true deals. It is estimated that the losses amount to 1.9% of the country's Gross Domestic Product (GDP) and that fraudsters cause an average loss of \$275, or around P16,000, for each Filipino victim.^[2]

With these alarming reports and increasing numbers of scam victims, deterrence and eventual prosecution of these cybercrimes have proven to be challenging and therefore, new and responsive legislation must be introduced to combat the worsening rate of financial cybercrime in the country.

Thus, this bill seeks to complement the newly enacted Anti-Financial Account Scamming Act (AFASA) or the Republic Act 12010, by establishing a Philippine Scam

Prevention Center (PSPC). The PSPC shall be headed by the CICC, in close coordination with the Department of Trade and Industry (DTI), Bangko Sentral ng Pilipinas (BSP), National Telecommunications Commission (NTC), National Privacy Commission (NPC), financial institutions, telecommunication companies, online marketplaces, financial technology companies, and operators of online or payment systems, among others.

Among the main functions of the PSPC is to serve as a coordinating link between the relevant public and private sectors, such as financial institutions and law enforcement agencies, to facilitate the expeditious availment of actions or remedies for victims of scamming.

In light of the foregoing, approval of this bill is earnestly sought.



MARK A. VILLAR

[1] TransUnion Philippines. (2024, November 12). TransUnion analysis finds online forum and dating site fraud from the Philippines much higher than global average. <https://newsroom.transunion.ph/transunion-analysis-finds-online-forum-and-dating-site-fraud-from-the-philippines-much-higher-than-global-average/>

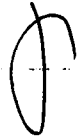
[2] Jasper, T. (2024, October). *"Alarming": P460B lost to scams in PH, says study*. INQUIRER.net. <https://newsinfo.inquirer.net/1993340/alarming-p460b-lost-to-scams-in-ph-says-study#ixzz8u4kwO0O9>

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

25 JAN 20 P 1:39

SENATE
S. No. 2924

REC'D



Introduced by Senator MARK A. VILLAR

AN ACT
ESTABLISHING THE PHILIPPINE SCAM PREVENTION CENTER AND
PROVIDING FUNDS THEREFOR

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

1 Section 1. *Short Title.* – This Act shall be known as the "*Philippine Scam*
2 *Prevention Center (PSPC).*"

3 Sec. 2. *Declaration of Policy.* – It is hereby declared a policy of the State to
4 promote and preserve the integrity of the country's financial system by providing
5 adequate protection against fraudulent activities committed in cyberspace or digital
6 platforms.

7 Towards this end, the State shall ensure proper mechanisms and remedies in
8 place for the effective and efficient enforcement of the relevant laws for the protection
9 of the financial sector and the general public.

10 Sec. 3. *Creation and Composition of the Philippine Scam Prevention Center.* –
11 Within six (6) months from the effectivity of this Act, the Philippine Scam Prevention
12 Center, hereinafter referred to as PSPC, shall be created under the Cybercrime
13 Investigation and Coordinating Center (CICC).

14 The PSPC shall be composed of agencies comprising the CICC with the
15 Department of Trade and Industry (DTI), Bangko Sentral ng Pilipinas (BSP), National
16 Telecommunications Commission (NTC), National Privacy Commission (NPC), financial

1 institutions, telecommunication companies, online marketplaces, financial technology
2 companies, and operators of online or payment systems, among others.

3 The Executive Director of the CICC shall determine the organizational structure
4 and staffing pattern of the PSPC and its secretariat, subject to the approval of the
5 majority of inter-agency members of the CICC.

6 Sec. 5. *Functions of the Philippine Scam Prevention Center.* – The PSPC shall
7 have the following powers and functions:

- 8 a. Serve as the primary governmental agency in enforcing and
9 implementing laws related to online or digital fraud and financial
10 scamming;
- 11 b. Act as central office for online or digital fraud and financial scamming-
12 related complaints;
- 13 c. Establish Scam Prevention Centers in different regions and localities of
14 the country, subject to the existing rules and regulations under Executive
15 Order No. 292, s. 1987, or the Administrative Code of 1987;
- 16 d. Develop and implement national strategies to combat online or digital
17 fraud and financial scamming;
- 18 e. Coordinate the programs and projects of the various member agencies
19 to effectively address the issues and problems attendant to online or
20 digital fraud and financial scamming;
- 21 f. Assist in filing of cases against individuals, agencies, institutions or
22 entities that violate the provisions of Republic Act No. 12010, also known
23 as the Anti-Financial Account Scamming Act and the Republic Act No.
24 10175, also known as the Cybercrime Prevention Act of 2012;
- 25 g. Develop the mechanism and ensure the timely, coordinated, and
26 effective response to cases of online or digital fraud and financial
27 scamming;
- 28 h. Serve as a coordinating link between the relevant public and private
29 sectors, such as financial institutions and law enforcement agencies, to
30 facilitate the expeditious availment of actions or remedies for victims of
31 scamming, and;

1 i. Monitor the implementation of Republic Act No. 12010 or the Anti-
2 Financial Account Scamming Act and the Republic Act No. 10175 or the
3 Cybercrime Prevention Act of 2012, for policy making and program
4 development purposes.

5 Sec. 6. *Implementing Rules and Regulations.* – Within one (1) year from the
6 effectivity of this Act, the CICC, in coordination with the law enforcement agencies the
7 DTI, BSP, NTC, and NPC, shall promulgate the rules and regulations to effectively
8 implement the provisions of this Act.

9 Sec. 7. *Appropriations.* – The amount necessary for the initial implementation
10 of this Act shall be charged against the current year's appropriations of the
11 departments/agencies concerned. Thereafter, such sums as may be necessary for the
12 continued implementation shall be included in the annual General Appropriations Act.

13 Sec. 8. *Separability Clause.* – If any provision of this Act is declared
14 unconstitutional, the remainder thereof not otherwise affected thereby shall remain in
15 full force and effect.

16 Sec. 9. *Repealing Clause.* – All laws, presidential decrees, executive orders,
17 letters of instruction, and administrative regulations that are inconsistent with the
18 provisions of this Act are hereby repealed, amended or modified accordingly.

19 Sec. 10. *Effectivity.* – This Act shall take effect after fifteen (15) days following
20 the completion of its publication in the *Official Gazette* or in a newspaper of general
21 circulation.

Approved,