

**[ REPUBLIC ACT NO. 8747, June 01, 1999 ]**

**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 Y2Kbug.
- 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 Y2Kbug; 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(1) 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