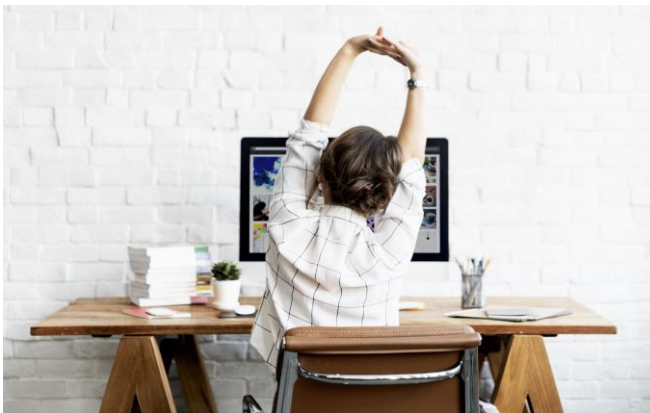


## ELECTRONIC SIGNATURE

### What is an electronic signature?

Generally speaking, an electronic signature (or e-signature) is a technical process logically associated with a document which two (or more) individuals or organizations (the signatories) agree to rely on in order to express their intent to sign such document. Three components are therefore necessary: a document, a signatory and an e-signature tool. While the tool most commonly used for handwritten signatures is a simple pen, electronic signature tools are typically more complex.



From a regulatory standpoint, an electronic signature is a broad category that encompasses many types (or levels) of electronic signatures. Depending on the country it is used in, there are differences in purpose, legal acceptance, technical implementation and cultural acceptance of electronic signatures. In particular, e-signature requirements tend to vary significantly between most “civil law” countries (including the European Union and many countries in South America and Asia), and most “common law” countries (such as the United States, Canada and Australia). Civil law countries typically support a

“tiered” approach including higher levels of signature often called digital or qualified electronic signatures (typically required for specific types of contracts), as opposed to common law jurisdictions which are typically more technology-neutral.

In addition, some industries (such as healthcare or banking) and documents (such as marriage or adoption contracts) may require a higher level of e-signature.

### What are the laws and regulations in the Philippines?

Electronic signatures are permitted in the Philippines per the Electronic Commerce Act of 2000. Under the Electronic Commerce Act, an electronic signature is considered a “distinctive mark, characteristic and/or sound in electronic form, representing the identity of a person and attached to or logically associated with the electronic data message or electronic document or any methodology or procedures employed or adopted by a person and executed or adopted by such person with the intention of authenticating or approving an electronic data message or electronic document.”

### Is an electronic signature valid in the Philippines?

Yes. Electronic and physical signatures have the same legal value in the Philippines. Any disputes as to the validity of signatures (electronic or physical) will come down to a question of proof. Under the Rules on Electronic Evidence, an authenticated

electronic signature is admissible in evidence as the functional equivalent of a handwritten signature (Section 1, Rule 6 of the Rules on Electronic Evidence). Electronic signatures may be authenticated by:

- evidence that a method or process was utilized to establish a digital signature and verify the same;
- other means provided by law; or
- other means satisfactory to the judge as establishing the genuineness of the electronic signature (Section 2, Rule 6 of the Rules on Electronic Evidence).

Authenticated electronic signatures:

- are presumed to be signed by the person who is listed as signing the document (i.e. it's signed by the same person whose name is written in the electronic signature);
- are assumed to be signed by an individual who intended to authenticate or approve the

electronic document (i.e. the document shows that the individual gave their consent to the information in the record); and,

- use methods or processes that verify the electronic signature operated properly (i.e. no fault or error).

Note that documents requiring notarization cannot currently be signed electronically as the Philippine Supreme Court has not yet set rules on electronic notarization.



### HR Best Practices

Electronic signatures are generally permitted in the Philippines. When

using electronic signatures for employment records, ensure that appropriate safeguards are in place and procedures include measures to authenticate the identity of the individual who signs the record.

Last updated December 2020.

DISCLAIMER: The information contained in this document is for general information purposes only and is not intended to be a source for legal, tax, or any other professional advice and should not be relied upon as such. This information is not intended to create, and the receipt of it by the reader does not constitute, an attorney-client relationship. All legal or tax questions or concerns should be directed to your legal counsel or tax consultant. Laws and regulations may change and UKG Inc. ("UKG") cannot guarantee that all the information in this document is accurate, current or complete. UKG MAKES NO REPRESENTATION OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE DOCUMENT OR THE INFORMATION OR CONTENT CONTAINED HEREIN AND SPECIFICALLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, SUITABILITY, OR COMPLETENESS OF THIS INFORMATION. TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, NEITHER UKG, NOR ITS AGENTS, OFFICERS, EMPLOYEES, SUBSIDIARIES, OR AFFILIATES, ARE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES (INCLUDING PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, LOSS OF USE OR PROFITS, OR BUSINESS INTERRUPTION), EVEN IF THE UKG HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ON ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, STRICT LIABILITY, OR TORT, ARISING IN ANY WAY OUT OF THE USE OF OR INABILITY TO USE THIS INFORMATION. This document and the content are proprietary and confidential information of UKG. No part of this document or its content may be reproduced in any form, or by any means, or distributed to any third party without the prior written consent of UKG © 2020 UKG Inc. All rights reserved.