



October 21, 2025

His Excellency Jose Manuel del Gallego Romualdez
Ambassador of the Republic of the Philippines
Embassy of the Philippines
1600 Massachusetts Avenue NW
Washington, D.C. 20036

Dear Ambassador Romualdez:

We write to express our collective concerns regarding recent legislative and executive proposals in the Philippines that would impose broad data localization and data-residency mandates without undergoing the required public consultations and risk impact analysis. Various recent measures of concern include a draft Executive Order containing "Policy Guidelines on Data Residency and Data Classification for Government Agencies," with which the Department of Information and Communications Technology (DICT) has been associated; a draft "Act Defining and Institutionalizing Philippine Data Sovereignty and Residency Policy"; and a draft "Workplan for Data Sovereignty and Data Localization for Data Governance," with which the Private Sector Advisory Committee has been associated.

Our organizations collectively represent thousands of US and Philippine companies and workers across all sectors of our economies. We are deeply concerned about the highly disruptive nature of these proposals, particularly in terms of their impact on both cross-border data flows and investment. If enacted, such measures, could have serious implications for the US–Philippines economic and strategic partnership.

The United States and the Philippines share deep and growing cooperation in defense, cybersecurity, and the digital economy. Cross-border data flows and growing investment underpin this collaboration—supporting trade in services exceeding \$5 billion annually and enabling joint efforts to strengthen cybersecurity and digital infrastructure resilience.

Institutions, including the World Bank, OECD, and WTO, have pointed out that data localization mandates can inadvertently weaken—rather than strengthen—data security and national resilience. By requiring data and infrastructure to remain within national borders, such mandates limit access to advanced, secure, and redundant global cloud architectures, impede real-time cybersecurity coordination, and risk centralizing sensitive information in more vulnerable domestic systems.

These measures could deter investment, reduce productivity, and undermine export competitiveness. Studies estimate that restrictive data policies can reduce GDP by up to 1.7 percent—equating to billions of dollars in lost growth for the Philippines—and threaten the innovation capacity of MSMEs and AI-driven industries that depend on global data connectivity.

The proposed policy appears to diverge from the Philippines' internationally recognized progressive digital stance. It may undermine the country's influential role in advocating for cross-border data flows in the ongoing negotiations for the ASEAN Digital Economy Framework Agreement. Additionally, the proposal could potentially be at odds with certain provisions of the Regional Comprehensive Economic Partnership Agreement, which the Philippines has committed to uphold.

Given our nations' shared goals of security, innovation, and prosperity, we respectfully urge continued dialogue to promote risk-based data protection and interoperability aligned with international best practices, rather than mandatory localization. Such an approach would reinforce, rather than restrict, the open and trusted digital partnership that is central to US-Philippines cooperation.

We stand ready to work with you and your government to address cybersecurity, privacy and other concerns and avoid highly disruptive and counterproductive data localization mandates.

Sincerely yours,

ACT | The App Association
Business Software Alliance
Coalition of Services Industries (CSI)
Computer and Communications Industry Association (CCIA)
Global Data Alliance
Information Technology Industry Council (ITI)
US-ASEAN Business Council
U.S. Chamber of Commerce
United States Council for International Business (USCIB)