

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **4380**



Introduced by **REP. JAVIER MIGUEL L. BENITEZ**

EXPLANATORY NOTE

The Philippine government has made significant strides in budget transparency through the General Appropriations Act and Commission on Audit (“COA”) audits; yet, persistent challenges remain. Citizens and oversight institutions often face delays, fragmented reporting, and limited access to verifiable data on the allocation and utilization of public funds. Mismanagement, errors, and occasional irregularities continue to undermine public trust.

This bill, the *Philippine National Budget Blockchain Act*, seeks to address these challenges by establishing a blockchain-based system that records all budget transactions as Digital Public Assets (DPAs), providing immutable, real-time, and publicly accessible data on government spending.

Under the measure, the Department of Information and Communications Technology (DICT), in coordination with the Department of Budget and Management (DBM) and the COA, will develop and maintain the system. Features such as immutability, decentralization, traceability, and smart contract automation ensure that fund releases and financial reporting are reliable, efficient, and auditable by both government institutions and the public. All government agencies will be mandated to integrate existing financial systems into the blockchain, promoting interoperability and consistent data standards across agencies.

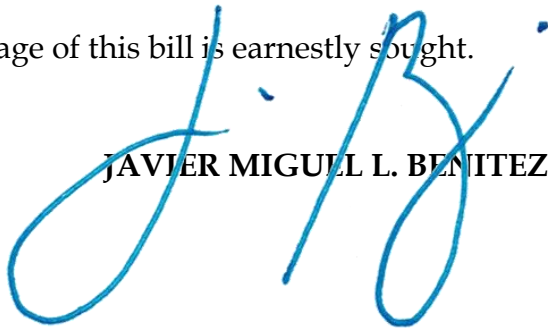
This Act is grounded in the State’s constitutional mandate to ensure transparency, accountability, and prudent use of public funds.¹ It also seeks to

¹ Section 27, Article II, 1987 Constitution.
Section 29, Article VI, 1987 Constitution.

advance the Philippines' commitment to digital governance and open data initiatives, promoting citizen access to information and efficient, technology-driven government processes. By institutionalizing blockchain technology in budget management, the bill empowers citizens and oversight bodies to independently verify the allocation and utilization of resources, fostering fiscal responsibility and public trust in government operations.

This bill serves as a counterpart to a Senate bill filed by Senator Paolo Benigno "Bam" A. Aquino IV in the 20th Congress, and aligns with other related measures filed in both chambers of Congress that pursue similar goals of fiscal transparency and public participation.

In view of the foregoing, the passage of this bill is earnestly sought.



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House Bill No. **4380**

Introduced by **REP. JAVIER MIGUEL L. BENITEZ**

**AN ACT MANDATING THE ESTABLISHMENT AND IMPLEMENTATION
OF A NATIONAL BUDGET BLOCKCHAIN SYSTEM TO ENHANCE
TRANSPARENCY, ACCOUNTABILITY, AND PUBLIC
PARTICIPATION IN THE PHILIPPINE BUDGET PROCESS**

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

Section 1. Short Title. – This Act shall be known as the “*Philippine National Budget Blockchain Act.*”

SEC. 2. Declaration of Policy. – It is hereby declared the policy of the State to promote transparency, accountability, and good governance in the management and disbursement of public funds. To this end, the State recognizes the potential of emerging technologies, such as blockchain, to enhance public trust by providing an immutable and transparent record of all government financial transactions. The use of blockchain ensures that all allocations, disbursements, procurements, and expenditures are permanently recorded, tamper-evident, and accessible to the public and oversight institutions in real time.

SEC. 3. Definition of Terms. – As used in this Act:

(a) *Blockchain* refers to a distributed and cryptographically secured digital ledger that records transactions in a verifiable, immutable, and transparent manner;

(b) *Blockchain-based Budget System* refers to a government-managed blockchain ledger that records, in real-time and immutable form, all transactions across the budget cycle;

(c) *Digital Public Asset ("DPA")* refers to any budget-related record placed on blockchain, representing public funds as immutable and verifiable assets of the people;

(d) *National Budget* refers to the General Appropriations Act ("GAA"), which is the law that authorizes the government to spend a specific amount of money for various programs and projects;

(e) *Smart Contract* refers to self-executing code deployed on blockchain to enforce predefined conditions, including budget releases and compliance requirements; and

(f) *Validator Nodes* refer to independent verifying entities, including government agencies, academic institutions, and accredited organizations, that maintain and secure the blockchain's decentralization.

SEC. 4. *Establishment of the Blockchain-based Budget System.* – The Department of Information and Communications Technology ("DICT"), in coordination with the Department of Budget and Management ("DBM") and Commission of Audit ("COA"), shall establish a blockchain-based budget system where all records of the national budget are recorded as DPAs.

All records of the national budget, from budget preparation and legislation to execution and audit, shall be recorded in DPAs. Smart contracts may automate fund releases upon the fulfillment of verifiable milestones such as the approval process and other documentation.

A public-facing portal shall provide real-time access to DPAs, to enable citizens, COA, and oversight bodies to independently verify the flow of funds down to agencies, projects, and beneficiaries.

All government financial systems, including budgeting systems, disbursement tools, accounting applications, and reporting software, shall be required to comply with blockchain interoperability standards. All data generated by such systems must be anchored to the blockchain as DPAs, ensuring immutability, traceability, and public auditability.

SEC. 5. *Features of the Blockchain-Based Budget System.* - The blockchain-based budget system shall, at a minimum, embody the following features to ensure transparency, accountability, and reliability:

(a) Immutability - All transactions and entries recorded in the system shall be permanent and shall not be subject to alteration, deletion, or manipulation, thereby preserving the integrity of official budgetary data.

(b) Decentralization - Validation functions shall be distributed across multiple independent institutions, agencies, or designated entities to prevent concentration of control and to strengthen institutional accountability.

(c) Traceability - The system shall provide a verifiable chain of records that allows public funds to be tracked from their appropriation in the General Appropriations Act down to their utilization in specific projects, programs, or beneficiaries.

(d) Security and Resilience - The system shall employ robust cryptographic safeguards, redundancy mechanisms, and disaster recovery protocols to ensure continuous operation and to protect all data, processes, and accounts against tampering, breaches, or system failures.

(e) Interoperability - The system shall be designed to be compatible with, and adaptable to, existing and future government information systems and emerging technologies, thereby ensuring scalability, efficiency, and seamless integration across platforms.

SEC. 6. *Mandates of Implementing Agencies.* -

(a) DICT shall serve as the lead implementing agency and is hereby authorized to engage and contract qualified private sector partners, technology providers, and academic institutions for the design, development, deployment, and maintenance of said system, subject to government procurement laws and regulations.

(b) DBM shall ensure the integration of the national budget process into the blockchain-based budget system including provision of timely and accurate data in coordination with DICT and other concerned agencies.

(c) COA shall integrate blockchain technology into its audit systems and processes and ensure that audit standards are aligned with blockchain-based recordkeeping.

(d) All government agencies, bureaus, office, commissions, and government-owned or controlled corporations shall integrate their financial management systems into the blockchain-based budget system and ensure timely submission of budget, procurement, and expenditure reports.

SEC. 7. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the DICT, in coordination with DBM and COA, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 8. *Appropriations.* – The amount of Five Hundred Million Pesos (P500,000,000.00) is hereby appropriated from available funds in the National Treasury for the initial implementation of this Act. This shall cover the research, development, infrastructure setup, system integration, and capacity building required to transition to the blockchain-based budget system. Thereafter, such sums as may be necessary for its continued implementation and maintenance shall be included in the annual GAA.

SEC. 9. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the remainder thereof not otherwise affected shall remain in full force and effect.

SEC. 10. *Repealing Clause.* – All laws, decrees, orders, rules, and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 11. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,