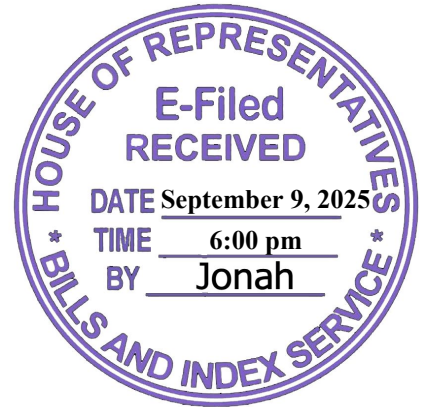


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila
TWENTIETH CONGRESS
First Regular Session
House Bill No. 4489



Introduced by Representative

BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

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

EXPLANATORY NOTE

The Constitution mandates the full public disclosure of all its transactions involving public interest. It underscores that public office is a public trust, and the constitutional principle that forms the foundation of good governance, demanding that public funds be safeguarded with utmost integrity, efficiency, and transparency.

Despite decades of reforms in fiscal management, the Philippine budget process continues to face deep-seated challenges. The Filipinos still encounter opacity in the flow of funds, delayed or incomplete disclosures, misuse of appropriations, and leakages brought about by corruption.

This bill seeks the establishment of a blockchain-based budget system to revolutionize the management of public funds. Advances in emerging technologies now provide an unprecedented opportunity to confront these challenges. With its defining features, blockchain technology offers secure records of all transactions in real time and ensures that every peso allocated, released, and spent can be independently verified, traced, and protected against

manipulation. By integrating the blockchain system into budget management, the State aligns its resolve to eliminate corruption, mismanagement more visible, and accountability more immediate.

This measure is not simply a technological upgrade of our fiscal systems, it is a structural reform aimed at institutionalizing integrity in governance. By having this system, we place the power of oversight not only in the hands of institutions but also directly in the hands of the Filipino people. This representation believes now, more than ever, that we must put importance to rebuilding trust in government, protect public resources, and to ensure that every Filipino can witness where their taxes truly go.

In light of this, the immediate passage of this bill is eagerly sought.

A handwritten signature in black ink, reading "Brian Poe". The signature is fluid and cursive, with a long horizontal stroke at the end.

HON. BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

Representative

FPJ Panday Bayanihan Party-List

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Be it enacted by the Senate and 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 a 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 into DPAs. Smart contracts may automate fund releases upon the fulfillment of verifiable milestones such as 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 anchor 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 disasters 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 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, offices, 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 (₱500,000,000.00) is hereby appropriated from available funds in the National Treasurer 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 General Appropriations Act.

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,


HON. BRIAN DANIEL POE LLAMANZARES, PhD, MNSA
Representative
FPJ Panday Bayanihan Party-List