

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4853



Introduced by: Kababaihan Kabalikatan para sa Kapakanan at Kaunlaran ng Bayan (4K) Party-list
Representative Iris Marie D. Montes

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

According to the Department of Budget and Management (DBM), government budgeting is the critical exercise of allocating revenues and borrowed funds to attain the economic and social goals of the country. Budgeting entails the management of government expenditures in such a way that will create the most economic impact from the production and delivery of goods and services while supporting a healthy fiscal position.

Government budgeting is important because it enables the government to plan and manage its financial resources to support the implementation of various programs and projects that best promote the development of the country.

Through the budget, the government can prioritize and put into action its plans, programs and policies within the constraints of its financial capability as dictated by economic conditions.¹

The Sustainable Development Goal (SDG) 16 seeks to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. SDG indicator 16.6.1 touches on primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar). Its goal and target is to develop effective, accountable and transparent institutions at all levels

SDG 16.6.1 recognizes that achievement of development objectives requires government budgets to be comprehensive, transparent, and realistic. While the indicator appropriately focuses on only one aspect of sound public financial management, the indicator draws attention to the importance of public financial management institutions in general for achieving the SDGs.

¹ <https://www.dbm.gov.ph/wp-content/uploads/2012/03/PGB-B2.pdf> Accessed on 21 September 2025

Budget Transparency (BT), according to the Organisation for Economic Co-operation and Development (OECD), is the full disclosure of all relevant fiscal information in a timely and systematic manner. BT is a precondition for public participation in budget processes. The combination of BT and public participation in budget processes has the potential to combat corruption, foster public accountability of government agencies and contribute to judicious use of public funds.²

Thus, this bill seeks to modernize budget transparency and accountability through the use of blockchain technology. The goal is not only to make sure that the budget is publicly available, but also to ensure that it is accessible, easy to understand, and open for citizen engagement.

With this measure, collaboration can be strengthened across the Executive and Legislative branches, along with civil society organizations and other stakeholders who play a vital role in sustaining and deepening democracy. When citizens are part of the process, public trust in government is restored.

Blockchain technology provides a powerful tool for this transformation. Its design guarantees accountability. Through blockchain, all budget transactions become transparent, immutable, and auditable. This ensures that every peso can be tracked by the public. No more "fly-by-night" contractors. No more hidden projects unknown to local governments. Prices of materials, such as cement or classroom construction supplies, can be easily compared across contracts. By harnessing the latest technology, blockchain ensures that every peso is accounted for, and every citizen is empowered to know where it goes.

This measure serves as a counterpart version of Senate Bill No. 1330 by Sen. Bam Aquino but with additional provisions related to the Gender and Development budget.

In view thereof, approval of this bill is earnestly sought.


IRIS MARIE D. MONTES
Kababaihan Kabalikatan para sa Kapakanan
at Kaunlaran ng Bayan (4K) Party-list

² Budget Transparency, Anu Pekkonen and Carmen Malena (https://civicus.org/documents/toolkits/PGX_G_Budget%20Transparency.pdf) Accessed on 21 September 2025

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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) *Gender and Development (GAD) Tracker* refers to a blockchain-based module that monitors GAD appropriations, implementation, and outcomes across agencies of government, government-owned or-controlled corporations, and local government units;

(e) *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;

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

(g) *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 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) The 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) The 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) The 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. *Sectoral Equity and GAD Compliance.* - The blockchain-based budget system shall include a GAD Tracker, which have the capability to flag agencies with underutilized GAD budgets, highlight programs, projects, and activities with gender-responsive outcomes, and enable cross-agency comparison of GAD mandate implementation.

The system shall provide for sectoral filters that allow users to view budget flows for health, education, agriculture, livelihood, social services, and climate change, among other sectors, especially those that benefit marginalized and underserved women.

SEC. 8. *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. 9. *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 General Appropriations Act.

SEC. 10. *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. 11. *Repealing Clause.* - All laws, decrees, orders, rules, and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 12. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,