

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **4935**



Introduced by **Representative AGATHA PAULA “AGAY” A. CRUZ**

EXPLANATORY NOTE

For decades, the national budget has resembled a road network with blind curves, missing signposts, and unmarked detours. Citizens can glimpse the road at a few intersections, but not the full route of their taxes or where the dead ends lie. This bill proposes to chart a clear map of the people’s money to connect every allocation, release, and expenditure into a single, visible route of accountability.

The 1987 Constitution declares that public office is a public trust. But every year, the budget’s winding lanes force Filipinos to work with second-hand reports, delayed audit reports, and stale data, often months or years after the money has been spent. Given the sheer magnitude of the national budget, even small inefficiencies translate into staggering losses, undermining accountability and eroding public confidence. Meanwhile, public appetite for transparency is rising: Filipinos are no longer satisfied with word-of-mouth assurances; they demand and they deserve verifiable facts.

Blockchain technology offers a practical way to lay down lane markings and install traffic lights. Like a digital map set in unbreakable code, permanently record every step of the budget cycle in real time and without tampering. With its built-in proof-of-work mechanism, data cannot be altered without detection. It’s like giving every peso its own GPS tracker so its route can be followed from the starting line to its destination.

Emerging research and international cases show that blockchain is not just a theoretical novelty, but a proven tool for transparency and trust. A 2025 study on public sector budgeting found a strong positive correlation between blockchain adoption and enhanced public financial integrity.¹ According to a United Nations publication, blockchain is one of the emerging technologies that “promises to redefine trust, transparency and inclusion across the world.”²

¹ Mbonigaba Celestin, *The Future of Public Sector Budgeting: How Digital Transformation and Blockchain Are Improving Transparency and Reducing Corruption*, BRAINAE JOURNAL OF BUSINESS, SCIENCES AND TECHNOLOGY (VOL. 9, No. 1), 2025

² Cathy Mulligan, *Blockchain and Sustainable Growth*, UNITED NATIONS CHRONICLE, 2018, available at <https://www.un.org/en/un-chronicle/blockchain-and-sustainable-growth>

Domestically, this momentum is already building. The Department of Budget and Management, through its partnership with BayaniChain, has already begun anchoring key budget documents on the blockchain to enable public verification of allotments and cash allocations in real time.³

The proposed Philippine National Budget Blockchain Act builds on these developments by mandating the establishment of a National Budget Blockchain System. This will be a unified, government-managed, and publicly accessible ledger of the national budget, which makes allocations, disbursements, procurement, and expenditures publicly and immutably traceable. It weaves into the legislation these five key pillars: immutability, decentralization, traceability, security and resilience, and interoperability.

Beyond its technical features, the bill also creates the institutional “roadside infrastructure” that makes transparency work in practice. It creates public-facing portals to allow citizens, civil society organizations, and oversight bodies to monitor the real-time flow of funds. It deploys smart contracts, validator nodes and interoperability standards so that blockchain data are not just visible but also enforceable, audit-ready and resilient against manipulation. These features are paired with safeguards: strict compliance with the Data Privacy Act, preservation of the constitutional independence of the Commission on Audit, robust cybersecurity protocols, open standards, and a phased rollout.

This measure is more than just a technology bill. It is a landmark governance reform and a decisive step toward democratic accountability. In a blockchain-backed system, every citizen can follow the money, and every agency can be held to account. People’s money must be the people’s knowledge.

To sum, this bill fills the potholes in public finance, lays down bright lane markings for every peso, builds a bridge between taxes and trust, and gives Filipinos a GPS for their government’s spending.

In view of the foregoing, the immediate passage of this bill is earnestly sought so that every Filipino can follow where their taxes travel—from appropriation to utilization.



AGATHA PAULA “AGAY” AGUILAR CRUZ
Representative, Fifth Legislative District of Bulacan

³ Syrah Vivien Inocencio, Inside the blockchain tech making the Philippines’ national budget tamper-proof, TATLER ASIA, 19 Sep 2025, available at <https://www.tatlerasia.com/power-purpose/innovation/paul-soliman-blockchain-bayanichain>

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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:

1 **Section 1. Short Title.** – This Act shall be known as the “Philippine National
2 Budget Blockchain Act.”
3

4 **Section 2. Declaration of Policy.** – It is hereby declared the policy of the State to
5 promote transparency, accountability, and good governance in the management and
6 disbursement of public funds. To this end, the State recognizes the potential of emerging
7 technologies, such as blockchain, to enhance public trust by providing an immutable and
8 transparent record of all government financial transactions. The use of blockchain ensures
9 that all allocations, disbursements, procurements, and expenditures are permanently
10 recorded, tamper-evident, and accessible to the public and oversight institutions in real
11 time. Nothing in this Act shall be construed to diminish or encroach upon the
12 constitutional independence of the Commission on Audit (COA).
13

14 **Section 3. Definition of Terms.** – As used in this Act:
15

16 (a) *Blockchain* refers to a distributed and cryptographically secured digital ledger
17 that records transactions in a verifiable, immutable, and transparent manner;
18

19 (b) *Blockchain-based Budget System* refers to a government-managed blockchain
20 ledger that records, in real-time and immutable form, all transactions across
21 the budget cycle;
22

23 (c) *Digital Public Asset (DPA)* refers to any budget-related record placed on

1 blockchain, representing public funds as immutable and verifiable assets of the
2 people;

3
4 (d) *National Budget* refers to the General Appropriations Act (GAA), which is the
5 law that authorizes the government to spend a specific amount of money for
6 various programs and projects;

7
8 (e) *Smart Contract* refers to self-executing code deployed on blockchain to enforce
9 predefined conditions, including budget releases and compliance
10 requirements; and

11
12 (f) *Validator Nodes* refer to independent verifying entities, including government
13 agencies, academic institutions, and accredited organizations, that maintain
14 and secure the blockchain's decentralization.

15
16 **Section 4. Establishment of the Blockchain-based Budget System.** – The
17 Department of Information and Communications Technology (DICT), in coordination
18 with the Department of Budget and Management (DBM) and Commission of Audit
19 (COA), shall establish a blockchain-based budget system where all records of the national
20 budget are recorded as digital public assets (DPAs).

21
22 All records of the national budget, from budget preparation and legislation to
23 execution and audit, shall be recorded into DPAs. Smart contracts may automate fund
24 releases upon the fulfillment of verifiable milestones such as approval process and other
25 documentation. The DBM, in coordination with the COA and DICT, shall promulgate
26 guidelines to ensure that smart contracts used under this Act comply with existing civil,
27 administrative, and auditing laws, including error-handling, dispute-resolution
28 mechanisms, and accountability provisions.

29
30 A public-facing portal shall provide real-time access to DPAs, to enable citizens,
31 COA, and oversight bodies to independently verify the flow of funds down to agencies,
32 projects, and beneficiaries. The public-facing portal shall comply with accessibility
33 standards under Philippine Web Accessibility Policy as prescribed by the DICT and may
34 provide multilingual support to ensure inclusivity.

35
36 All government financial systems including budgeting systems, disbursement
37 tools, accounting applications, and reporting software shall be required to comply with
38 blockchain interoperability standards. All data generated by such systems must anchor to
39 the blockchain as DPAs, ensuring immutability, traceability, and public auditability.
40 Technology solutions procured or developed under this Act shall, where practicable,
41 employ open standards or open-source components to ensure interoperability, prevent
42 vendor lock-in, and promote long-term sustainability of the system.

43
44 **Section 5. Features of the Blockchain-Based Budget System.** – The blockchain-

1 based budget system shall, at a minimum, embody the following features to ensure
2 transparency, accountability, and reliability:

- 3
- 4 (a) *Immutability* - All transactions and entries recorded in the system shall be
5 permanent and shall not be subject to alteration, deletion, or manipulation,
6 thereby preserving the integrity of official budgetary data;
- 7 (b) *Decentralization* - Validation functions shall be distributed across multiple
8 independent institutions, agencies, or designated entities to prevent
9 concentration of control and to strengthen institutional accountability;
- 10 (c) *Traceability* - The system shall provide a verifiable chain of records that allows
11 public funds to be tracked from their appropriation in the General
12 Appropriations Act down to their utilization in specific projects, programs, or
13 beneficiaries;
- 14 (d) *Security and Resilience* - The system shall employ robust cryptographic
15 safeguards, redundancy mechanisms, and disaster recovery protocols to
16 ensure continuous operation and to protect all data, processes, and accounts
17 against tampering, breaches, or system failures; and
- 18 (e) *Interoperability* - The system shall be designed to be compatible with, and
19 adaptable to, existing and future government information systems and
20 emerging technologies, thereby ensuring scalability, efficiency, and seamless
21 integration across platforms.
- 22

23 **Section 6. Pilot and Phased Implementation.** – Within one (1) year from the
24 effectivity of this Act, the DICT, in coordination with the DBM and COA, shall implement
25 a pilot program covering high-impact and high-disbursement agencies, namely the
26 Department of Public Works and Highways (DPWH), Department of Health, and
27 Department of Social Welfare and Development (DSWD), Department of Education
28 (DepEd), DBM, and COA.

29
30 Within three (3) years from effectivity, and upon submission of an evaluation
31 report to Congress, the system shall be expanded to cover all national government
32 agencies, bureaus, office, commissions, and government-owned or -controlled
33 corporations.

34
35 Within five (5) years, and in coordination with the Department of the Interior and
36 Local Government (DILG), the system shall be further expanded to cover local
37 government units (LGUs), ensuring that no level of government is left behind in the
38 adoption of blockchain-based transparency. The DICT, DBM, and DILG shall jointly
39 develop and implement a program of technical and financial assistance to support LGUs
40 in integrating their financial management systems with the blockchain-based budget
41 system, including training of personnel and provision of necessary infrastructure.

42
43 **Section 7. Data Privacy and Cybersecurity Standards.** – The DICT shall ensure
44 that the blockchain-based budget system complies with Republic Act (R.A.) No. 10173,

1 otherwise known as the “Data Privacy Act of 2012,” and its implementing rules and
2 regulations. Privacy-by-design principles, anonymization of personal information, and
3 security safeguards shall be integrated into the system. The DICT shall also align the
4 system with the National Cybersecurity Plan and related policies, in coordination with
5 the National Privacy Commission. The DICT shall likewise ensure that the blockchain-
6 based budget system undergoes regular cybersecurity testing and third-party security
7 audits, and shall publish a public summary of its findings annually to enhance public trust
8 and resilience against manipulation.

9
10 **Section 8. *Mandates of Implementing Agencies.* –**
11

- 12 (a) DICT shall serve as the lead implementing agency and is hereby authorized to
13 engage and contract qualified private sector partners, technology providers,
14 and academic institutions for the design, development, deployment, and
15 maintenance of said system, subject to government procurement laws and
16 regulations.
17
18 (b) DBM shall ensure the integration of the national budget process into the
19 blockchain-based budget system including provision of timely and accurate
20 data in coordination with DICT and other concerned agencies.
21
22 (c) COA, consistent with its constitutional mandate, is encouraged and authorized
23 to integrate blockchain technology into its audit systems and processes and
24 ensure that audit standards are aligned with blockchain-based recordkeeping.
25
26 (d) All government agencies, bureaus, office, commissions, and government-
27 owned or -controlled corporations shall integrate their financial management
28 systems into the blockchain-based budget system and ensure timely
29 submission of budget, procurement, and expenditure reports.
30
31 (e) The DICT, in coordination with DBM and COA, shall establish accreditation
32 guidelines, operational protocols, and liability standards for validator nodes to
33 ensure transparency, accountability, and independence, including penalties or
34 administrative liability for validators who compromise the system.
35

36 **Section 9. *Implementing Rules and Regulations.* –** Within one hundred and twenty
37 (120) days from the effectivity of this Act, the DICT, in coordination with DBM and COA,
38 shall promulgate the necessary rules and regulations for the effective implementation of
39 this Act.
40

41 **Section 10. *Annual Report to Congress.* –** The DICT and DBM shall jointly submit
42 an annual report to Congress on the implementation of this Act, including system
43 performance metrics, validator participation, cybersecurity incidents, cost savings, citizen
44 feedback, and recommendations for improvement. This report shall also be published on

1 the public-facing portal.
2

3 **Section 11. Appropriations.** – The amount of Five Hundred Million Pesos
4 (P500,000,000.00) is hereby appropriated from available funds in the National Treasury
5 for the initial implementation of this Act. This shall cover the research, development,
6 infrastructure setup, system integration, and capacity building required to transition to
7 the blockchain-based budget system. Thereafter, such sums as may be necessary for its
8 continued implementation and maintenance shall be included in the annual General
9 Appropriations Act.
10

11 **Section 12. Separability Clause.** – If any part or provision of this Act is held
12 unconstitutional or invalid, the remainder thereof not otherwise affected shall remain in
13 full force and effect.
14

15 **Section 13. Repealing Clause.** – All laws, decrees, executive orders, rules, and
16 regulations, or parts thereof inconsistent with the provisions of this Act are hereby
17 repealed or modified accordingly.
18

19 **Section 14. Effectivity.** – This Act shall take effect fifteen (15) days following the
20 completion of its publication in the *Official Gazette* or in a newspaper of general circulation.
21

22 *Approved,*