



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

**TWENTIETH CONGRESS
FIRST REGULAR SESSION**

HOUSE BILL NO. 5041



**Introduced by Representative
ZIAUR-RAHMAN "ZIA" ALONTO ADIONG**

EXPLANATORY NOTE

The national budget is the lifeblood of governance. It represents not only government expenditures but also the collective priorities and commitments of the Filipino people. Yet, questions of accountability and transparency continue to haunt the budget process. Changes made during preparation, authorization, release, or implementation often lack a clear, verifiable trail, leaving the public with little recourse to scrutinize how their money is being managed.

This proposed measure seeks to institutionalize a Blockchain-Based National Budget System to address this long-standing gap. By design, blockchain technology guarantees that every alteration to budget records, whether in allocation, reallocation, procurement, or disbursement, will be permanent, verifiable, and attributable to the responsible entity. No modification can be made without leaving a transparent and auditable mark.

With this system, accountability is embedded into the very architecture of fiscal governance. Every peso in the General Appropriations Act can be tracked from its appropriation down to its final utilization. Agencies will no longer be able to conceal or alter transactions without detection, while citizens, civil society, and oversight bodies will have the tools to verify in real time whether funds are being used as intended.

By making the budget cycle tamper-proof, fully traceable, and publicly accessible, this measure strengthens public trust, deters misuse of funds, and ensures that all actors in government are accountable for the changes they introduce. In doing so, it reaffirms the principle that the national budget is not merely a financial plan of the government, but a sacred trust of the people.

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

REP. ZIAUR-RAHMAN ALONTO ADIONG
1st District, Lanao del Sur



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**AN ACT
INSTITUTING A BLOCKCHAIN-BASED NATIONAL BUDGET SYSTEM TO
PROMOTE OPENNESS, ACCOUNTABILITY, AND CITIZEN
PARTICIPATION IN PUBLIC FINANCE MANAGEMENTAL STANDARDS
AND ACCREDITATION SYSTEM**

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 "*Blockchain the Budget Act of 2025*"

Section 2. Declaration of Policy. – The State affirms its commitment to full transparency and accountability in fiscal management. Recognizing the role of modern technologies in restoring public trust, the government shall institutionalize blockchain-based mechanisms to ensure that budget formulation, authorization, release, and utilization are tamper-proof, traceable, and accessible to the public at all times.

Section 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.

Section 4. Creation of the Blockchain-Based National Budget System. – The Department of Information and Communications Technology (DICT), in cooperation with the Department of Budget and Management (DBM), the Department of Economy, Planning, and Development (DEPDEV), and the Commission on Audit (COA), shall design and operationalize a blockchain platform that will store and record all budgetary transactions as Digital Public Assets (DPAs).

The system shall incorporate the following:

- A. Permanence of records. Every transaction logged into the system cannot be edited or removed;
- B. Shared validation across multiple actors;
- C. Complete visibility of fund flow from GAA to end-user;
- D. Cybersecurity, redundancy, and disaster-recovery safeguards;
- E. Integration capability with other platforms and future technologies.

The system shall cover the entire budget cycle, from preparation and legislative authorization, to allotment, cash release, procurement, disbursement, and audit. Smart contracts may be employed to automate fund releases upon verification of required documents or milestones.

An open portal shall be provided to allow public viewing of all DPAs, enabling independent validation by citizens, oversight bodies, and relevant stakeholders.

All existing financial management information systems of government entities shall align with blockchain interoperability standards to ensure data integrity and real-time synchronization.

Section 5. Governing Board. – To ensure effective oversight and institutional checks and balances, there is hereby created a *Blockchain Budget Governing Board* (BBGB) attached to the Department, composed of the following:

a) Secretary of the Department of Budget and Management (DBM) – Chairperson;

b) Secretary of the Department of Information and Communications Technology (DICT) – Member;

c) Secretary of the Department of Economy, Planning, and Development (DEPDEV) – Member.

d) Chairperson of the Commission on Audit (CoA) - Member.

SECTION 6. RESPONSIBILITIES OF THE BOARD AND MEMBERS-AGENCIES.

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The Board shall have the following responsibilities:

1. Establish strategic policies and guidelines for the blockchain-based budget system;
2. Oversee the integration of all government agencies into the system;
3. Ensure the proper implementation of interoperability and security standards;
4. Provide mechanisms for citizen participation and feedback in monitoring budget transactions;
5. Submit an annual report to Congress on the performance, impact, and challenges of the blockchain-based budget system.

More specifically the Member-Agencies duties are as follows:

- a) **DICT** shall serve as lead implementer, authorized to contract competent private partners, technology experts, or academic institutions to support development and maintenance of the system, consistent with procurement laws.
- b) **DBM** shall provide accurate and timely data for budget operations and integrate budget processes into the blockchain platform.
- c) **COA** shall adopt blockchain in its auditing procedures and align auditing standards with blockchain-based records.

Section 7. Rules and Regulations. – Within ninety (90) days from the effectivity of this Act, the DICT, DBM, and COA shall jointly issue the implementing rules and regulations.

Section 8. Funding. – The amount of **Five Hundred Million Pesos (P500,000,000.00)** is appropriated from available funds in the National Treasury to support the initial implementation of this Act. This shall cover research, development, system design, infrastructure, training, and integration of the Budget Blockchain System. Subsequent annual funding shall be provided under the General Appropriations Act under the budget for the Department of Information and Communications Technology (DICT).

Section 9. Separability Clause. – If any provision of this Act is declared unconstitutional, the remainder shall not be affected and shall remain in force.

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

Section 11. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a widely circulated newspaper.

Approved,