

1WENTIETH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
*First Regular Session*

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Senate

Office of the Secretary

25 SEP -2 AIO :18

SENATE

S. B. No. **1330**

RECEIVED BY: 

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Introduced by **SENATOR BAM AQUINO**

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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**

EXPLANATORY NOTE

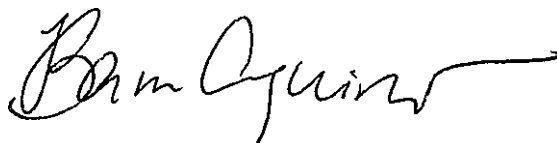
The national budget is one of the most important instruments of governance. It is not only a financial plan but also a reflection of national priorities, values, and commitments. However, for decades, budget documents have remained closed, highly technical and difficult to understand, even for those with the interest and initiative to scrutinize them.

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.**

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



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**BUDGET PROCESS**

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

11           Sec. 3. *Definition of Terms.* - As used in this Act:

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

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

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

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

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

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

16          Sec. 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  
20 national budget are recorded as DPAs.

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

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

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

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

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

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

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

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

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

26 *Sec. 6. Mandates of Implementing Agencies.* -

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

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

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

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

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

19 *Sec. 8. Appropriations.* - The amount of Five Hundred Million Pesos  
20 (PS00,000,000.00) is hereby appropriated from available funds in the National  
21 Treasury for the initial implementation of this Act. This shall cover the research,  
22 development, infrastructure setup, system integration, and capacity building required  
23 to transition to the blockchain-based budget system. Thereafter, such sums as may  
24 be necessary for its continued implementation and maintenance shall be included in  
25 the annual General Appropriations Act.

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

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

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

*Approved,*