



Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila  
**TWENTIETH CONGRESS**  
First Regular Session  
HOUSE BILL NO. **7296**

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Introduced by Representative EDGAR R. ERICE

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**EXPLANATORY NOTE**

The Constitution declares that public office is a public trust and mandates that public funds shall be used solely for public purposes with the highest degree of accountability, transparency, and integrity. Despite existing laws and oversight mechanisms, persistent challenges such as budget manipulation, overpricing, ghost projects, delayed disclosures, and fragmented information systems continue to undermine public confidence in the national budget process.

The rapid advancement of digital technologies presents a historic opportunity to fundamentally strengthen fiscal governance. Blockchain technology offers immutable, tamper-resistant, and verifiable records of transactions, while artificial intelligence (AI) enables real-time analytics, anomaly detection, and predictive insights that can proactively identify irregularities before public funds are lost. When institutionalized within government systems, these technologies can significantly deter corruption, enhance efficiency, and empower both oversight institutions and citizens.

This measure, otherwise known as the “Blockchain and Artificial Intelligence for National Budget Transparency and Accountability Act” (BANTAY Act), seeks to institutionalize the use of blockchain technology and artificial intelligence in the national and local budget processes. It establishes a National Budget Blockchain and Artificial Intelligence System and creates the BANTAY Portal as the official, secure, and integrated digital platform for recording, monitoring, and publicly disclosing budgetary and expenditure data.

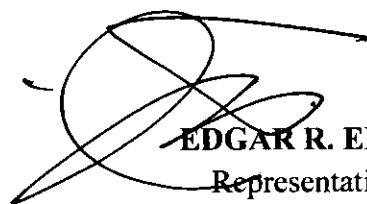
The proposed measure ensures that all budget-related transactions—from planning and appropriation to fund release, procurement, and disbursement—are digitally recorded, cryptographically certified, and traceable. By mandating near real-time disclosure and AI-assisted monitoring, the Act enables early detection of anomalies such as overpricing, duplication, ghost projects, and irregular fund utilization, thereby strengthening the preventive and corrective capacities of the State.

Furthermore, the measure promotes meaningful public participation by granting citizens access to structured, machine-readable budget data and by institutionalizing citizen reporting mechanisms with incentives and legal protections. This transforms citizens from passive observers into active partners in safeguarding public funds, while ensuring that rewards for validated reports are sourced from liable parties and not from public coffers.

The Act likewise reinforces accountability by clearly defining prohibited acts and imposing stringent administrative, civil, and criminal penalties for non-disclosure, data tampering, collusion, and other violations, without prejudice to liability under existing anti-graft and corruption laws.

Ultimately, the BANTAY Act aims to modernize the Philippine budget system, restore public trust, and align fiscal governance with global best practices in transparency, digital governance, and anti-corruption. By leveraging secure and intelligent technologies, the measure ensures that every peso of public money is traceable, verifiable, and used solely for the benefit of the Filipino people.

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



**EDGAR R. ERICE**  
Representative  
2<sup>nd</sup> District, Caloocan City



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AN ACT

INSTITUTIONALIZING THE USE OF BLOCKCHAIN TECHNOLOGY AND ARTIFICIAL INTELLIGENCE IN THE NATIONAL BUDGET PROCESS TO ENSURE TRANSPARENCY, STRENGTHEN FISCAL INTEGRITY, ENABLE EARLY DETECTION OF ANOMALIES, PROVIDE PUBLIC ACCESS TO BUDGET DATA, AND IMPOSING PENALTIES FOR VIOLATIONS THEREOF

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

1

2 **Section 1. Short Title.** This Act shall be known as the “**Blockchain and Artificial intelligence**  
3 **for National budget Transparency and AccountabilitY Act**”, otherwise referred to as the  
4 “**BANTAY Act**”.

5

6 **Section 2. Declaration of Policy.** It is hereby declared the policy of the State to ensure  
7 transparency, accountability, integrity, and public participation in the management and  
8 oversight of public funds, consistent with the Constitution and the principles of democratic  
9 governance. The State recognizes that public office is a public trust and that public funds shall  
10 be managed with the highest standards of responsibility, efficiency, and integrity.

11

1 Pursuant thereto, the State shall adopt and institutionalize the use of appropriate and secure  
2 modern technologies, including blockchain technology and artificial intelligence (AI), to  
3 safeguard public funds, prevent and deter corruption, ensure the accuracy, integrity, and  
4 reliability of budgetary and financial data, and enable timely and effective monitoring of the  
5 national budget process.

6 The State shall further promote public access to fiscal information and strengthen public  
7 confidence in government by establishing secure, tamper-resistant, and verifiable digital  
8 systems that provide transparent and immutable records of government financial transactions.

9

10 **Section 3. Definition of Terms.** For purposes of this Act:

11 **a. Blockchain Technology** refers to distributed, tamper-resistant digital ledger systems  
12 that preserve immutable records of transactions.

13 **b. Artificial Intelligence (AI)** refers to automated systems capable of detecting  
14 anomalies, patterns, overpricing, duplication, or irregularities in budget data.

15 **c. National Budget Blockchain and AI System (NBBAS)** refers to the unified digital  
16 platform established under this Act.

17 **d. Public Budget Data** refers to all documents, records, datasets, and approvals related  
18 to national and local government budgeting.

19 **e. BANTAY Portal** refers to the official government digital platform established under  
20 this Act, utilizing blockchain technology and artificial intelligence, for the receipt,  
21 recording, storage, management, analysis, and public disclosure of national budgetary  
22 and expenditure data and related fiscal information.

23 **f. Digital Certification** refers to cryptographic verification ensuring authenticity,  
24 integrity, and non-alteration of data.

25

26 **Section 4. Coverage.** This Act shall apply to:

27 **a.** All National Government Agencies (NGAs), government corporations, departments,  
28 bureaus, offices, commissions, and instrumentalities;

29 **b.** All Local Government Units (LGUs), including provinces, cities, municipalities, and  
30 barangays; and

31 **c.** All officials, employees, or private persons involved in the preparation, approval,  
32 release, procurement, execution, publication, and auditing of budget data.

33

34 **Section 5. Establishment of the National Budget Blockchain and AI System.** The  
35 Department of Information and Communications Technology (DICT), in coordination with the

1 Department of Budget and Management (DBM), Department of the Interior and Local  
2 Government (DILG), National Privacy Commission (NPC) and Commission on audit (COA)  
3 shall established a National Budget Blockchain and Artificial Intelligence System (NBB-AIS),  
4 which shall:

- 5 a. Digitally record all budget-related transactions using blockchain technology;
- 6 b. Utilize AI for early detection of anomalies, overpricing, duplication, delays, and  
7 irregular disbursements;
- 8 c. Serve as the official repository of all public budget data.

9  
10 **Section 6. Features of the National Budget Blockchain and Artificial Intelligence System.**  
11 The Blockchain and Artificial Intelligence Based Budget System shall at a minimum, embody  
12 the following features to ensure transparency, accountability and reliability:

- 13  
14 **a. Immutability** – All transactions and entries recorded in the system shall be  
15 permanent and shall not be subject to alteration, deletion, or manipulation, thereby  
16 preserving the integrity of official budgetary data.
- 17 **b. Decentralization** - Validation functions shall be distributed across multiple  
18 independent institutions, agencies or designated entities to prevent concentration of  
19 control and to strengthen institutional accountability.
- 20 **c. Traceability** - The system shall provide a verifiable chain of records that allows  
21 public funds to be tracked from their appropriation in the General Appropriations Act  
22 down to their utilization in specific projects, programs, or beneficiaries.
- 23 **d. Security and Resilience** - The system shall employ robust cryptographic safeguards,  
24 redundancy mechanisms and disaster recovery protocols to ensure continuous operation  
25 and to protect all data, processes and accounts against tampering, breaches or system  
26 failures.
- 27 **e. Interoperability** - The system shall be designed to be compatible with and adaptable  
28 to, existing and future government information systems and emerging technologies,  
29 thereby ensuring scalability, efficiency and seamless integration across platforms.
- 30 **f. Intelligent Analytics and Decision Support** – The system shall utilize artificial  
31 intelligence and machine-learning algorithms to analyze budgetary data, expenditure  
32 patterns, and performance indicators in real time, enabling predictive analytics, early  
33 detection of anomalies, inefficiencies, or potential misuse of public funds, and  
34 evidence-based decision-making to support fiscal planning, monitoring, and evaluation.

35  
36 **Section 7. Creation of the BANTAY Portal.** There is hereby established the Blockchain and  
37 Artificial Intelligence for National Transparency and Accountability (BANTAY) Portal, which  
38 shall serve as the official digital platform of the Government for the receipt, recording, storage,  
39 management, and public disclosure of public budgetary and expenditure records and related  
40 fiscal information.

1

2 The BANTAY Portal shall be designed, maintained, and operated as a secure, integrated, and  
3 interoperable system and shall possess the following features:

4 a. Accessibility to all Filipino citizens of legal age, subject to authentication through  
5 the Philippine Identification System or any other government-recognized digital  
6 identification mechanism, and in accordance with applicable data privacy and  
7 cybersecurity laws;

8 b. Tamper-resistant, traceable, auditable, and verifiable digital records of budgetary and  
9 financial transactions through the use of blockchain technologies;

10 c. Artificial intelligence-enabled tools capable of real-time monitoring, anomaly  
11 detection, risk scoring, and the generation of automated alerts to support oversight,  
12 audit, and compliance functions;

13 d. Functionalities allowing users to view, download, analyze, and scrutinize public  
14 budget and expenditure data, subject to reasonable limitations prescribed by law to  
15 protect personal data, national security, and other legitimate State interests.

16

17 **Section 8. Mandatory Disclosure of Government Transactions.** All covered agencies,  
18 offices, and LGUs shall, within seven (7) days from the issuance, approval, or execution of any  
19 budget-related document or transaction, securely upload the following to the BANTAY Portal:

20 a. Budget planning, proposals, and National/Local Expenditure Programs;

21 b. Approved budgets, General Appropriations Acts, and supplemental budgets;

22 c. Notices of Cash Allocation (NCAs), Sub-Allotment Release Orders (SAROs), and  
23 fund releases;

24 d. Procurement plans, contracts, bills of materials, and project cost breakdowns;

25 e. Disbursement vouchers, audit reports, and fund utilization statements;

26 f. Any other document related to government revenue collection, budgeting,  
27 procurement, and spending as determined by the implementing rules.

28

29 **Section 9. Digital Certification.** All uploaded records shall be cryptographically certified,  
30 indexed on blockchain, and made available in structured, machine-readable formats to facilitate  
31 public access and automated audits. Any attempt to alter, remove, or falsify published records  
32 shall be treated as an offense under this Act.

1 **Section 10. Accountability of Budget Officials.** Any public official or employee who:

2 a. Prepared, recommended, approved, or implemented a budget found to be grossly  
3 overpriced, irregular, or anomalous; or

4 b. Knowingly allowed such irregularities, shall be held liable for graft, administrative,  
5 civil, and criminal penalties under this Act and existing laws.

6

7 **Section 11. Prohibited Acts.** The following acts are prohibited:

8 a. Failure or refusal to disclose required budget documents within the prescribed period;

9 b. Knowingly approving or facilitating overpriced or anomalous budgets;

10 c. Tampering, altering, deleting, or attempting to tamper with budget data already  
11 published in the system;

12 d. Collusion between public officials and private entities.

13

14 **Section 12. Penalties.**

15 a. **Failure to Publish:** Non-disclosure within the prescribed period shall incur  
16 administrative penalties, fine of not less than ₱500,000 and/or suspension of not less  
17 than six (6) months.

18 b. **Overpricing, Falsification, or Anomalous Records:** Any public official or private  
19 person who knowingly causes or enables such acts shall be liable under this Act and  
20 prosecuted under Republic Act No. 3019 (Anti-Graft and Corrupt Practices Act) and  
21 other applicable laws.

22 c. **Tampering:** Unauthorized alteration or destruction of published records shall be  
23 penalized with imprisonment of six (6) years to twenty (20) years and fine of not less  
24 than ₱1,000,000.

25 d. **Private entities** involved shall be subject to blacklisting, contract termination, and  
26 criminal prosecution.

27

28 **Section 13. Artificial Intelligence Monitoring and Audit Alerts.** The AI system shall:

29 a. Automatically flag suspicious transactions, unusual pricing, duplicate projects, ghost  
30 projects, deviation from approved budgets, fund concentration, and abnormal patterns;

31 b. Generate audit alerts to the Commission on Audit (COA) and appropriate oversight  
32 bodies.

33

1 **Section 14. Incentives and Recognition.**

2 a. Budgets, projects, or procurement activities that demonstrably achieve the most  
3 advantageous cost to the Government, exhibit operational efficiency, and comply with  
4 applicable laws, rules, and standards shall be conferred a “Budget Seal of Best  
5 Practices.”

6 b. The conferment of such recognition may be taken into account in performance  
7 evaluations, budgetary prioritization, and the granting of institutional awards or  
8 commendations, subject to existing laws, rules, and regulations.

9

10 **Section 15. Citizen Reporting, Incentives, and Protection.**

11 **a. Citizen Reporting.** Any Filipino citizen of legal age who, in good faith, flags,  
12 reports, or submits verifiable information through the BANTAY Portal regarding  
13 anomalous, irregular, overpriced, fraudulent, or unlawful public budget data or  
14 expenditure shall be recognized as a Citizen Budget Sentinel.

15 **b. Eligibility for Reward.** A Citizen Budget Sentinel shall be entitled to a monetary  
16 reward equivalent to one percent (1%) of the total budget amount or contract value  
17 scrutinized, provided that:

18 1. The report directly leads to a final determination, audit finding, administrative  
19 ruling, or court judgment confirming the anomaly or violation; and

20 2. Public funds are recovered, restituted, or saved as a result of such report.

21 c. Source of Reward. The reward shall be paid exclusively by the public  
22 official(s) or private entity(ies) found liable, and shall not be charged against  
23 public funds.

24 **d. Limitations.** The reward shall:

25 1. Not to exceed Five Million Pesos (₱5,000,000.00) per validated report;

26 2. Not applicable to reports filed by public officials or employees acting within  
27 the scope of their official duties;

28 3. Be granted only once per specific budget item or transaction.

29 **e. Protection of Reporting Citizens.** The identity of the reporting citizen shall be  
30 confidential, subject to existing laws. Any act of retaliation, harassment, or intimidation  
31 against a Citizen Budget Sentinel shall constitute an additional offense punishable  
32 under this Act and other applicable laws.

33

34 **f. False or Malicious Reporting.** Any person who knowingly submits false, malicious,  
35 or fabricated reports shall be subject to administrative, civil, and criminal liability.

36

37 **Section 16. Implementing Agencies.** The Department of Budget and Management (DBM), in  
38 coordination with the Department of Information and Communications Technology (DICT),

1 Commission on Audit (COA), Department of the Interior and Local Government (DILG), and  
2 the National Privacy Commission (NPC) shall jointly implement this Act.  
3

4 **Section 17. Implementing Rules and Regulations (IRR).** The IRR shall be promulgated  
5 within ninety (90) days from the effectivity of this Act.  
6

7 **Section 18. Separability Clause.** If any provision of this Act is declared invalid or  
8 unconstitutional, the remaining provisions shall remain in full force and effect.  
9

10 **Section 19. Repealing Clause.** All laws, executive orders, issuances, or parts thereof  
11 inconsistent with the provisions of this Act are hereby repealed or modified accordingly.  
12

13 **Section 20. Effectivity Clause.** This Act shall take effect fifteen (15) days after its publication  
14 in the Official Gazette or in a newspaper of general circulation.  
15

16

17

17 Approved,