

TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE
S. No. 1463

Introduced by Senator Raffy T. Tulfo

**AN ACT
MANDATING THE ESTABLISHMENT OF A NATIONAL BUDGET BLOCKCHAIN
SYSTEM TO ENSURE TRANSPARENCY AND ACCOUNTABILITY IN
GOVERNMENT SPENDING**

EXPLANATORY NOTE

In a time when corruption, inefficiency, and lack of transparency continue to weaken public trust, there is an urgent need to modernize how the government manages and tracks public funds. For too long, ordinary citizens have shouldered the burden of a system that moves slowly, operates too opaquely, and remains vulnerable to misuse and abuse.

This bill seeks to institutionalize the use of blockchain technology in the national budget system to ensure transparency, accountability, and integrity in government spending.

Blockchain is a secure and decentralized digital ledger that records transactions in real time and cannot be altered without leaving a digital footprint. Once a transaction is entered, it becomes permanent and verifiable. Around the world, blockchain has already been utilized to protect data, prevent fraud, and strengthen institutional trust. Applied to the management of public funds, blockchain can make every peso traceable, every transaction auditable, and every record tamper-proof. It will enable agencies to share financial data seamlessly, reduce duplication, and eliminate opportunities for

manipulation. Citizens, in turn, will have easier access to verified information and greater confidence that their taxes are being used properly.

More than a modernization effort, this is an anti-corruption measure. Through blockchain, we can close the gaps where public funds are lost and strengthen internal accountability. The bill also supports the digital transformation of government operations in line with the country's shift toward e-governance. By adopting secure and interoperable blockchain systems, the Philippine government can build a budget system that is more efficient, trustworthy, and open to public scrutiny.

A government that truly serves its people must be transparent by design. Blockchain technology makes that possible — not by promise, but by proof.

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

 **RAFFY T. TULFO**

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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 Budget
2 Blockchain Act"
- 3 Sec 2. *Declaration of Policy.* - It is hereby declared the policy of the State to uphold
4 transparency, accountability, and integrity in the use of public funds. The government
5 shall ensure that every peso collected from the people is spent properly, monitored
6 efficiently, and made visible for public scrutiny.
- 7 To achieve this, the State shall adopt blockchain technology as an institutional tool
8 to modernize the national budget system and prevent corruption and unlawful
9 manipulation of government resources. Blockchain shall serve as a digital safeguard that
10 records all budget transactions in a tamper-proof, traceable, and verifiable manner.
- 11 Through this technology, the public shall have access to reliable information on
12 how funds are allocated and spent, while oversight agencies are empowered to audit
13 transactions in real time. The government recognizes that technology must not only make
14 processes faster but must also make them cleaner and more accountable.

1 By implementing a blockchain-based budget system, the State affirms its duty to
2 build a government that is transparent by design, ensuring that public service is delivered
3 with honesty and respect for every taxpayer's contribution.

4 *Sec. 3. Definition of Terms. – As used in this Act:*

- 5 a) *Blockchain* refers to a decentralized and cryptographically secured digital
6 system that permanently records transactions in sequence, making each
7 entry verifiable, transparent, and resistant to alteration or tampering.
- 8 b) *National Budget Blockchain System* refers to a government-managed
9 blockchain platform that records and monitors, in real time, all transactions
10 related to the preparation, release, and utilization of the national budget.
- 11 c) *Digital Public Record (DPR)* refers to any budget-related entry or document
12 uploaded onto the blockchain, representing the lawful use, movement, or
13 allocation of public funds as a verifiable digital record.
- 14 d) *National Budget* refers to the General Appropriations Act (GAA) or any law
15 authorizing the government to allocate and spend public funds for programs,
16 projects, and operations of the State.
- 17 e) *Smart Contract* refers to a computer program or automated code deployed
18 within the blockchain that executes pre-agreed conditions, such as fund
19 releases or compliance verifications, once all specified requirements are met.
- 20 f) *Validator Nodes* refers to authorized and independent entities, which may
21 include government agencies, academic institutions, or accredited private
22 organizations, tasked with verifying and maintaining the accuracy,
23 transparency, and security of the blockchain system.

1 g) *Interoperability* refers to the capability of the blockchain system to connect,
2 exchange, and process data across different government information
3 systems, ensuring seamless integration and consistent transparency in
4 financial reporting.

5 Sec. 4. *Establishment of the National Budget Blockchain system* - To strengthen
6 transparency and accountability in government spending, there shall be established a
7 National Budget Blockchain System (NBBS) to record and monitor all stages of the
8 national budget process, from appropriation and fund release to actual disbursement and
9 audit.

10 The Department of Information and Communications Technology shall serve as
11 the lead implementing agency, in conjunction with the Department of Budget and
12 Management and the Commission on Audit. Together, these agencies shall develop and
13 manage the blockchain infrastructure to ensure that all budget related data are accurate
14 and publicly verifiable.

15 All records of the national budget, including project allocations, disbursements,
16 and procurement transactions, shall be registered in the blockchain as Digital Public
17 Records (DPRs). Each entry shall contain verifiable information that cannot be altered or
18 deleted without leaving a digital trace. Fund releases may be regulated by smart contracts
19 when specific quantifiable milestones, such the approval process and other paperwork,
20 are met.

21 The NBBS shall allow real- time access for authorized oversight institutions and
22 the public through a secure online portal, ensuring that every peso of the public's money
23 can be tracked from the national level down to specific agencies, projects, and
24 beneficiaries. Furthermore, all existing government financial systems shall be gradually
25 integrated into the NBBS to ensure interoperability across agencies.

26 Sec. 5. *Features of the Blockchain based budget system* – The National budget
27 Blockchain system shall be established with the following essential features:

- 1 a) Permanence. – All transactions, allocations, and disbursements recorded in
2 the system shall be permanent and tamper proof. No entry may be deleted
3 or changed without leaving a verifiable record of such modification.
- 4 b) Full Audit Trail. – The NBS shall provide a clear and continuous trail of how
5 public funds move; from budget allocations stated in the General
6 Appropriations Act, to release by the Department of Budget and
7 Management, down to project implementation, and completion.
- 8 c) Public Access and citizen oversight. – A public facing online dashboard shall
9 be created where citizens, civil society groups, and media can view real time
10 information on budget use, project progress, and fund disbursement. This
11 feature shall be designed in clear, non-technical language to ensure
12 accessibility to the general public.
- 13 d) Automated Alerts and Reporting. – The system shall automatically generate
14 reports and send alerts to oversight bodies such as the Commission on Audit
15 (COA) and the DBM in cases of inconsistencies, delays, or unexplained
16 transactions.
- 17 e) Decentralized Verification. – Verification and validation of blockchain entries
18 shall be carried out by multiple independent validator nodes, composed of
19 government agencies, academic institutions, and accredited private or civil
20 organizations to prevent centralized control or manipulation.
- 21 f) Security and Privacy Safeguards. – The system shall employ advanced
22 encryption, backup protocols, and disaster recovery mechanisms to ensure
23 data protection. Sensitive information, such as personal identifiers, shall be
24 anonymized in accordance with the Data Privacy Act.
- 25 g) Performance Transparency. – Each government agency shall have a
26 performance dashboard showing budget utilization rates, project
27 completion status, and audit compliance records. These shall be visible to
28 both internal and public users.

29 Sec. 6. Duties and Responsibilities of Implementing Agencies.

- 1 a) DICT shall serve as the lead implementing agency. It shall be responsible
2 for the design, development, and maintenance of the National Budget
3 Blockchain System, ensuring its cybersecurity, interoperability, and long-
4 term operation in coordination with the Department of Budget and
5 Management and the Commission on Audit.
- 6 b) DBM, shall integrate the entire national budget process into the NBBS. It
7 shall ensure that all budget data, fund releases, and project disbursements
8 are accurately recorded on the blockchain and made accessible to oversight
9 agencies and the public in a timely manner.
- 10 c) COA shall utilize the NBBS as an official audit tool to verify the flow and
11 utilization of public funds in real time. It shall develop audit standards
12 compatible with blockchain recordkeeping and promptly flag any
13 inconsistencies or irregularities found in the system.
- 14 d) All government agencies, bureaus, and government-owned or controlled
15 corporations shall comply with the requirements of this Act by linking their
16 respective financial systems to the NBBS and ensuring the accuracy and
17 timeliness of all submitted data.

18 *Sec. 7. Implementing Rules and Regulations.* - The DICT, working with DBM and
19 COA, will issue the rules and regulations required for this Act's successful implementation
20 within ninety (90) days of its enactment.

21 *Sec. 8 Appropriations.* - For the first implementation of this Act, P500,000,000.00
22 (five hundred million pesos) is hereby appropriated from the National Treasury's available
23 funds. To make the switch to the blockchain-based budget system, this will cover the
24 necessary research, development, infrastructure setup, system integration, and capacity
25 building. The annual General Appropriations Act will then include any funds that may be
26 required for its ongoing implementation and upkeep.

27 *Sec. 9. Separability Clause.* - If any provision of this Act is declared unconstitutional,
28 the remainder thereof not otherwise affected shall remain in full force 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 publication
4 in the Official Gazette or in a newspaper of general circulation.

Approved,