



Republic of the Philippines
Bangsamoro Autonomous Region in Muslim Mindanao
BANGSAMORO TRANSITION AUTHORITY PARLIAMENT
Bangsamoro Government Center, Cotabato City



FOURTH REGULAR SESSION

BANGSAMORO AUTONOMY ACT NO. 84

Begun and held in Cotabato City on Thursday, the 15th day of September 2022.

AN ACT PRESCRIBING A BUDGET SYSTEM FOR THE BANGSAMORO GOVERNMENT

Be it enacted by the Bangsamoro Transition Authority in Parliament assembled:

TITLE I

PRELIMINARY PROVISIONS

SECTION 1. Title. – This Act shall be known as the “*Bangsamoro Budget System Act of 2025.*”

SEC. 2. Declaration of Policy. – The Bangsamoro Government hereby declares that the principles of accountability, integrity, and moral governance shall be realized and upheld in the use of public funds and resources by ensuring transparency, fiscal responsibility, results orientation, efficiency, and effectiveness, consistent with the goal of meaningful fiscal autonomy toward the attainment of economic self-sufficiency and genuine development in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). These principles shall be upheld through the establishment of an integrated system of planning, programming, budgeting, management, internal control, accounting, reporting, and review of public finances, taking into account the Bangsamoro Government’s fiscal autonomy and its asymmetrical relationship with the National Government and its constituent Local Government Units (LGUs).

In view hereof, the Bangsamoro Government shall pursue the following specific objectives:

- a) To enforce the authority of the Parliament to authorize all appropriations and to hold the Bangsamoro Government accountable for the use of public funds and resources in accordance with fiscal responsibility principles;
- b) To ensure that all ministries, offices, agencies, and instrumentalities funded by and forming part of the Bangsamoro Government bear responsibility for proposing, executing, and delivering the committed results in the Bangsamoro Appropriations Act in a timely, predictable, and economical manner;

- c) To promote the people's participation in the management of public resources by facilitating their access to information on the financial affairs of the Bangsamoro Government;
- d) To strengthen the integration of planning, programming, budgeting, accounting, disbursement, reporting, performance monitoring, and coordination in fiscal oversight;
- e) To ensure ample safeguards in managing public finances through internal control and risk management; and
- f) To ensure that all budget policies, strategies, and practices of the Bangsamoro Government are consistent with national laws and standards on public financial management, without prejudice to its fiscal autonomy as guaranteed under the "*Organic Law for Bangsamoro Autonomous Region in Muslim Mindanao (OLBARMM)*."

SEC. 3. *Scope and Coverage.* – This Act shall govern the preparation, authorization, execution, and accountability of the budget of the Bangsamoro Government. It shall apply to all Bangsamoro ministries, offices, and agencies (M/O/As), Bangsamoro Government-Owned and -Controlled Corporations (BGOCCs), insofar as their revenues and expenditures affect the Bangsamoro Government and fall within the full disclosure policy under the OLBARMM. Constituent LGUs shall be covered only with respect to their share of taxes collected within the BARMM.

It shall also cover constituent LGUs only to the extent of the impact of their revenues and expenditures on the Bangsamoro Government and their inclusion in the coverage of the full disclosure policy under the OLBARMM.

SEC. 4. *Definition of Terms.* – The following terms, when used in this Act, shall be understood as follows:

- a) "*Activity*" – refers to a work process that contributes to the implementation of a program, sub-program, or project.
- b) "*Allotment*" – refers to the authorization issued by the Ministry of Finance, and Budget and Management (MFBM) to M/O/As, representing their share of appropriations, which serves as the limit and basis for M/O/As to commit or incur obligations in accordance with purpose, documentation requirements, and within the period specified in the relevant obligational authority or allotment order.
- c) "*Allotment Class*" – refers to the classification of expenditures under an item of appropriation, categorized into Personnel Services, Maintenance and Other Operating Expenses (MOOE), Financial Expenses, and Capital Outlays.
- d) "*Appropriation*" – refers to an authorization made by law or other legislative enactment to spend public funds for a specific public purpose, covering a specified period, up to a specified amount, and under specified conditions. This includes general, automatic, unprogrammed, and supplemental appropriations.

- e) *“Bangsamoro Autonomous Region”* used interchangeably herein with the *“Bangsamoro Autonomous Region in Muslim Mindanao”* – refers to the autonomous region established under the OLBARMM.
- f) *“Bangsamoro Cabinet”* – refers to the Chief Minister and the ministers and heads of M/O/As who are determined to be members thereof.
- g) *“Bangsamoro Government”* – refers to the corporate governmental entity vested with all the powers granted to it by the Constitution, the OLBARMM, and other statutes, as well as those necessary or incidental to the governance of the Bangsamoro Autonomous Region. It includes the Parliament, the Bangsamoro Government of the Day, and the various instrumentalities through which political authority is exercised.
- h) *“Bangsamoro Government-Owned or -Controlled Corporations”* – refer to agencies vested with corporate powers, whether organized as stock or non-stock corporations, and assigned functions relating to public needs, whether governmental or proprietary in nature. They are owned by the Bangsamoro Government either wholly or, in the case of stock corporations, to the extent of at least a majority of their outstanding capital stock. These may include corporations with original charters in the Bangsamoro Autonomous Region, those that operate exclusively or substantially within the Region directly or through their subsidiaries, or those in which the Bangsamoro Government holds a substantial interest, as provided under Sections 31 and 32, Article XII of the OLBARMM.
- i) *“Bangsamoro Ministry”* – refers to a cabinet portfolio in the Bangsamoro Government exercising executive authority, created by the OLBARMM, the Bangsamoro Administrative Code, or by a law enacted by the Bangsamoro Parliament.
- j) *“Bangsamoro Instrumentality”* – refers to any agency of the Bangsamoro Government, not integrated within the ministry framework, vested with special functions or jurisdiction by law, endowed with some or all corporate powers, administering special funds, and enjoying operational autonomy, usually through a charter. This term includes BGOCCs and regulatory agencies of the Bangsamoro Government.
- k) *“Bangsamoro Office”* – refers to any major functional unit of the Bangsamoro Government or its ministries within the framework of governmental organization.
- l) *“Budget Endorsing Authorities”* – refers to the Ministers or Heads of Bangsamoro Offices authorized by the MFBM to review and endorse the budget proposals of M/O/As to facilitate the preparation of the Proposed Bangsamoro Budget.
- m) *“Budget and Financial Accountability Reports”* – refers to harmonized reports on the M/O/As’ actual financial and physical accomplishments/performance for a given period, as prescribed by the oversight agencies, i.e., Department of Budget and Management (DBM) and Commission on Audit (COA), to effectively report, monitor, and/or evaluate agency performance versus plans and targets, which shall serve as the basis for sound policy decisions.

- n) *“Budget of Expenditures and Sources of Financing”* – refers to the document that presents the annual program of estimated expenditures and sources of financing of the Bangsamoro Government, submitted by the Chief Minister to the Parliament in support of the Proposed Bangsamoro Budget.
- o) *“Capital Outlays”* – refer to the expenditure category or expense class for the purchase of goods and services, the benefits of which extend beyond the fiscal year and which add to the assets of the Bangsamoro Government, including investments in the capital stock of BGOCCs.
- p) *“Civil Service Commission for the Bangsamoro Autonomous Region in Muslim Mindanao”* – refers to the Civil Service Commission (CSC) Regional Office, as provided under Section 39, Article VII of the OLBARMM, and CSC Memorandum Circular No. 03, Series of 2020.
- q) *“Current Operating Expenditure”* – refers to the amount budgeted for the purchase of goods and services for the conduct of normal operations of the Bangsamoro Government within a fiscal year in the exercise of its administrative, regulatory, or service functions. This includes goods and services that will be used or consumed during the fiscal year.
- r) *“Constituent Local Government Units”* – refers to the constituent units of the Bangsamoro Autonomous Region, including its component provinces, cities, municipalities, barangays, and geographical areas within its territorial jurisdiction.
- s) *“Disbursement”* – refers to the settlement, liquidation, or payment of an obligation in the current or prior years, whether through cash or non-cash transactions, and covered by a Disbursement Authority.
- t) *“Disbursement Authority”* – refers to the document issued to M/O/As authorizing the liquidation of obligations incurred. This includes the Notice of Cash Allocation, Non-Cash Availment Authority, and Notice of Transfer of Allocation.
- u) *“Financial Expenses”* – refers to the expenditure category or expense class for the payment of management, supervision, or trusteeship fees; interest; guarantee fees; bank charges; commitment fees; and other financial costs incurred in owning or borrowing an asset or property.
- v) *“Fiscal Policy”* – refers to the part of Bangsamoro Government policy concerned with raising resources through taxation and borrowing, and deciding on the level and pattern of expenditures.
- w) *“Fiscal Year”* – refers to the period beginning on the first (1st) day of January and ending on the thirty-first (31st) day of December of each calendar year.
- x) *“Foreign-Assisted Projects”* – refer to projects of the Bangsamoro Government wholly or partly financed through foreign loans and/or foreign grants.
- y) *“General Appropriations Act of the Bangsamoro”* – refers to the legislative authorization enacted by the Parliament that serves as the basis for incurring contractual commitments and

making actual disbursements of public funds for specific public purposes within a specified period.

- z) *“General Fund”* – refers to the fund available for any public purpose as may be determined by the Parliament, composed of all receipts or revenues that do not accrue to other specific funds.
- aa) *“Government of the Day”* – refers to the Cabinet headed by the Chief Minister and composed of other Ministers appointed by the Chief Minister, the majority of whom shall also be Members of the Parliament, and which exercises executive authority in the Bangsamoro Government.
- ab) *“Grants”* – refer to all non-repayable transfers received from other levels of government or private individuals or institutions, foreign or domestic, including reparations and gifts given for particular projects or programs or general budget support.
- ac) *“Head of Ministry or Office or Bangsamoro Government-Owned or -Controlled Corporation”* – refers to the Minister in the case of Ministries, the Head of Office in the case of Offices, and the Board of Directors or Trustees in the case of BGOCCs.
- ad) *“Item of Appropriation”* – refers to the amount appropriated for an activity or project in the GAAB.
- ae) *“Maintenance and Other Operating Expenses”* – refer to the expenditure category or expense class that supports the operations of M/O/As, such as expenses for supplies and materials, transportation and travel, utilities, repairs, and related items.
- af) *“Moral Governance”* – refers to the set of rules, practices, and processes completely devoid of all evils of graft and corruption and explicitly driven by the moral principles of utmost dedication, devotion, honesty, justice, and integrity.
- ag) *“Multi-Year Contracting Authority”* – refers to the authority issued by the MFBM to M/O/As covering the full contract cost for the procurement of multi-year contracts.
- ah) *“Multi-Year Contract”* – refers to a project undertaken by M/O/As and BGOCCs for a period exceeding one fiscal year twelve (12) months.
- ai) *“National Government”* – refers to the entire machinery of the central government of the Republic of the Philippines.
- aj) *“Obligation”* – refers to a commitment by an M/O/A arising from an act of a duly authorized official that binds the Bangsamoro Government to the immediate or eventual payment of a sum of money.

- ak) *“Obligational Authority”* – refers to the document that authorizes M/O/As to incur obligations not exceeding a given amount during a specified period for the purpose indicated. This includes the General Appropriations Act of the Bangsamoro as an Allotment Order (GAABAO) and Special Allotment Release Order (SARO).
- al) *“Officials and Employees of the Bangsamoro Government”* – refer to elective and appointive officials and employees, whether in a permanent or temporary capacity, in the career or non-career service, including military and uniformed personnel, regardless of rank, form, or amount of compensation.
- am) *“OLBARMM”* – refers to Republic Act No. 11054, otherwise known as the *“Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao.”*
- an) *“Parliament”* – refers to the body in which the powers of government are vested and which exercises legislative authority to enact laws on matters within the powers and competencies of the Bangsamoro Government.
- ao) *“Personnel Services”* – refer to the expenditure category or expense class for the payment of salaries, wages, and other compensation (e.g., step increments, salary increases, personnel economic relief allowance, honoraria, and commutable allowances) of permanent, temporary, contractual, and casual employees of the Bangsamoro Government.
- ap) *“Program”* – refers to a group of activities and projects that contribute to a common particular outcome covered by the purpose for which an M/O/A was established.
- aq) *“Project”* – refers to a special undertaking carried out within a definite timeframe and intended to produce a predetermined measure of goods and services.
- ar) *“Public Funds”* – refer to the monies of the Bangsamoro Government received, collected, or receivable from taxes, fees, charges, penalties, income, dividends, interest earnings, domestic loan proceeds, external loans and grants, proceeds from the sale of assets, and other receivables that the Bangsamoro Government has a legal right to retain and use. They shall not include any money received in error.
- as) *“Single Treasury Account”* – refers to the single account or set of linked accounts established and maintained by the Bangsamoro Government with an authorized agent bank for a unified structure of bank accounts to enable consolidation and optimum utilization of the cash resources of the Bangsamoro Government.
- at) *“Special Budget Request”* – refers to a budgetary requirement for the release of funds not covered by the GAABAO.

In this Act, the singular may be read as the plural, and the plural as the singular, as the context requires.

TITLE II

FISCAL RESPONSIBILITY

SEC. 5. *Fiscal Responsibility Principles.* – The Bangsamoro Government shall pursue its policy objectives in accordance with the following fiscal responsibility principles:

- a) Adopt and implement sound economic and fiscal policies and strategies directed toward the attainment of political, economic, and social objectives;
- b) Manage resources in a fiscally sustainable manner;
- c) Establish and maintain a sustainable level of public debt and ensure an appropriate balance between revenues and expenditures consistent with macroeconomic targets; and
- d) Manage fiscal risks in a prudent manner.

SEC. 6. *Creation of the Bangsamoro Budget Coordinating Committee (BBCC).* – There is hereby created a BBCC, which shall be composed of the following:

- a) The Senior Minister of the Office of the Chief Minister, as Chairperson;
- b) Minister of Finance, and Budget and Management, as Co–Chairperson;
- c) The Director General of the Bangsamoro Planning and Development Authority (BPDA), as Member;
- d) The Head of the Budget Office of the MFBM, as Member;
- e) The Head of the Treasury Office of the MFBM, as Member;
- f) The Majority Floor Leader of the Bangsamoro Parliament;
- g) The Minority Floor Leader of the Bangsamoro Parliament; and
- h) A representative of a Civil Society Organization in the Bangsamoro Economic and Development Council, as Member.

SEC. 7. *Functions of the Bangsamoro Budget Coordinating Committee.* – The BBCC shall have the following functions:

- a) To ensure the alignment and consistency of the Bangsamoro Development Plan (BDP), Annual Investment Programs, and the Annual Proposed Budget of the M/O/As prior to their submission to the Bangsamoro Parliament;

- b) To review and approve the macroeconomic targets, revenue projections, aggregate budget levels, and expenditure priorities, and recommend to the Chief Minister the consolidated public sector financial position and the fiscal program of the Bangsamoro Government;
- c) To recommend, for approval of the Chief Minister, the level of the annual expenditure program and the ceiling of regional spending for the Bangsamoro Government based on the approved sustainable development goals, taking into consideration the established macroeconomic assumptions, projected revenue collections, implemented borrowing measures, and overall economic policies;
- d) To recommend to the Chief Minister revenue and borrowing measures to be implemented based on the revenue projections and fiscal needs of the Bangsamoro Autonomous Region;
- e) To conduct periodic reviews and general examinations of costs, accomplishments, and performance standards applied in undertaking development projects;
- f) To prepare, subject to the approval of the Chief Minister, the Bangsamoro Statement of Fiscal Policy and the Medium-Term Fiscal Strategy consistent with the approved Bangsamoro Statement of Fiscal Policy, to be updated regularly;
- g) To provide mechanisms for proper coordination between the Parliament and the MFBM to ensure that all laws to be passed by the Parliament are sufficiently funded; and
- h) To perform such other functions as may be necessary to provide policy direction in the preparation of the Proposed Bangsamoro Budget.

SEC. 8. *Statement of Fiscal Policy.* – The Bangsamoro Statement of Fiscal Policy, which shall contain measurable medium-term macroeconomic and fiscal objectives and forecasts consistent with the Fiscal Responsibility Principles, shall be submitted by the Chief Minister to the Bangsamoro Parliament within ninety (90) days from the commencement of his or her term of office.

SEC. 9. *Medium-Term Fiscal Strategy.* – The Bangsamoro Medium-Term Fiscal Strategy and its annual updates shall be consistent with the approved measurable fiscal objectives established in the Bangsamoro Statement of Fiscal Policy. The MFBM, in coordination with the BBCC, shall prescribe the specifications for the contents of the Medium-Term Fiscal Strategy and its annual updates.

The Chief Minister shall submit the Medium-Term Fiscal Strategy for the following fiscal year to the Bangsamoro Parliament, for its adoption, not later than the fifteenth (15th) day of March of the current year, and shall cause its publication in the official gazette of the Bangsamoro Government not later than seven (7) days after its submission to the Bangsamoro Parliament: *Provided*, That the first Medium-Term Fiscal Strategy required under this Act shall be submitted after the conclusion of the first elections of the Members of Parliament and the organization of the new Government of the Day.

SEC. 10. *Fiscal Report.* – The Annual Fiscal Report to be prepared by the BBCC shall include information on macroeconomic and fiscal outturns for the period covered, compared against the forecasts and objectives stated in the Medium-Term Fiscal Strategy.

The Chief Minister shall submit to the Parliament the Annual Fiscal Report for the preceding year not later than thirty (30) days from the fourth (4th) Monday of July. Said report shall also be published on the official website of the Bangsamoro Government not later than seven (7) days after it is submitted to Parliament: *Provided*, That the first Annual Fiscal Report required under this Act shall be submitted after the conclusion of the first elections of the Members of the Parliament and the constitution of the new Government of the Day.

SEC. 11. *Deviations from Fiscal Objectives.* – The Bangsamoro Government may deviate from the medium-term fiscal objectives in the approved Bangsamoro Statement of Fiscal Policy temporarily, where such deviation is due to a major natural disaster, unanticipated severe economic shock, or other significant unforeseeable events that cannot be accommodated through accessing the Contingent Fund, as may be applicable, prudent fiscal policy adjustments, or the use of other flexibilities authorized in this Act. The reasons for any such deviations and the measures to address such deviations shall be disclosed in the Annual Fiscal Report.

SEC. 12. *Shared Fiscal Discipline.* –

- a) Parliament. – All proposed expenditure bills shall, upon their filing, be accompanied by a Financial and Budgetary Information Sheet containing estimates of the financial and budgetary implications for the initial year of implementation and the succeeding five (5) years.

The MFBM shall provide guidelines prescribing the form and content of the Financial and Budgetary Information Sheet, the appropriate offices from which such information shall be obtained, and the consequences of non-compliance with said submission requirement.

- b) Spending Agencies. – The Heads of Bangsamoro M/O/As, BGOCCs, and Constituent LGUs, as the case may be, shall be responsible for the following:
1. Promptly inform the MFBM of significant changes, issues, and risks that may affect the finances of the Bangsamoro Government;
 2. Participate in the processes to develop the Medium-Term Fiscal Strategy, the Budget Priorities Framework, and the Proposed Bangsamoro Budget, whenever requested;
 3. Manage their respective M/O/As, including BGOCCs and other resources placed under their supervision, in an efficient, effective, and economical manner to deliver the outputs and achieve the outcomes set in their respective budgets;
 4. Monitor the physical and financial implementation of their programs, activities, and projects (P/A/Ps);
 5. Implement appropriate measures to ensure that contractual commitments or obligations do not exceed the amounts appropriated in their respective budgets;

6. Ensure that their respective M/O/As settle all contractual obligations or approve payments thereon within the period prescribed by law;
7. Institute effective and efficient management systems, procedures, and practices for assets, liabilities, and personnel, including internal controls, risk management, and performance review;
8. Ensure that their respective M/O/As take due consideration of the recommendations provided in internal and external audit evaluation reports, to the extent authorized in their respective budgets;
9. Provide accounting and reporting of public finances as required under this Act;
10. Provide credible and realistic cash forecasts for timely and accurate cash programming;
11. Ensure proper accounting and reporting of public finances through the integrated budget monitoring and information system or other online information system as required under this Act; and
12. Fulfill any other responsibilities or duties as may be prescribed or deemed necessary under this Act or by pertinent authorities.

SEC. 13. *Capacity Development Requirements on Public Financial Management.* – All M/O/As shall formulate capacity development requirements on Public Financial Management (PFM) and conduct relevant training programs. The MFBM shall oversee the formulation of said capacity development requirements to ensure alignment with the objectives of this Act. The MFBM, in coordination with the CSC for the BARMM and the Development Academy of the Bangsamoro, shall formulate competency-based human resource policies for positions in PFM and oversee the capacity development requirements on PFM.

TITLE III

BUDGET PREPARATION, AUTHORIZATION, AND EXECUTION

SEC. 14. *Budget Philosophies.* – There is hereby established a set of philosophies to be observed by the Bangsamoro Government throughout the budget cycle:

- a) **Programmatic.** – Plans and budgets shall be allocated based on carefully planned P/A/Ps that are strategic, responsive, and implementation-ready.
- b) **Transparent.** – There shall be full disclosure of all financial and fiscal-related information on how public resources are allocated and utilized, promptly and systematically.
- c) **Performance-based.** – The allocation of funds shall relate to the achievement of planned results and shall be evaluated against pre-determined performance indicators and standards.

- d) Phased Manner. – Program design and budget allocations shall be sequenced based on the maturity and readiness of P/A/Ps, with each phase having a clear timeframe, objectives, deliverables, and performance indicators to ensure effective and efficient implementation. Timeframes shall reflect the complexity and scope of each phase, ensuring adequate periods for completion while promoting timely progress.

CHAPTER I

BUDGET PREPARATION

SEC. 15. *Governing Principles in Budget Preparation.* – There is hereby established a set of governing principles to be observed in the preparation and presentation to the Parliament of the Proposed Bangsamoro Budget:

- a) The overall expenditure program of the Bangsamoro Government for a given fiscal year shall be included, identifying those requiring approval by Parliament and those authorized under existing laws or acts;
- b) Both financial and non-financial performance indicators and standards of M/O/As shall be presented in the Proposed Bangsamoro Budget to ensure a performance-informed budget;
- c) Items of appropriations shall be reflected by M/O/A or by other method of disaggregation as the MFBM may prescribe and shall be presented, for information purposes, by geographical area; and
- d) In addition to the requirement under Paragraph (a), Section 12 of this Act, no new appropriations for any expenditure, the amount of which is not covered by the estimated income from existing sources of revenue or available current surplus, including transfers from the National Government, shall be proposed unless supported by a corresponding proposal for new revenue-raising measures sufficient to cover the same.

SEC. 16. *Planning-Investment-Programming-Budgeting Continuum.* – Bangsamoro budget priorities shall be based on the regional development strategies specified in the approved BDP, taking into account the levels of capability and performance of the implementing M/O/As. The regional development strategies, which serve as the basis for identifying strategic and prioritized programs and projects in the medium-term Bangsamoro Development Investment Program (BDIP), shall, in turn, be considered in the formulation of the annual budgets that conform to the annual budget ceilings approved by the Chief Minister.

All budget proposals for P/A/Ps shall explicitly state their linkage to the approved BDP and BDIP.

The implementation of P/A/Ps funded under the annual budget of the Bangsamoro Government shall be monitored and evaluated to ensure that public funds are utilized in a programmatic, transparent, performance-based, and phased manner. Monitoring and evaluation shall cover, among others the planned and actual performance of M/O/As, including explanations for deviations or low absorptive capacity. The

results of project evaluations shall inform the review of subsequent plans and budget proposals of M/O/As, as further provided under Section 21 of this Act.

The BPDA shall set the standards for monitoring and evaluating P/A/Ps to be funded by the Bangsamoro annual budget or financed by grants and concessional loans.

SEC. 17. Budget Priorities Framework. – The BBCC shall present to the Chief Minister and the Cabinet, in April of each year, a Budget Priorities Framework that shall guide the formulation of the budget for the following year. The Budget Priorities Framework shall be submitted to the Parliament as part of the budget documents.

The Budget Priorities Framework shall state the Medium-Term Fiscal Strategy and the targets underlying the budget; the priority areas for government spending reflected in the BDP and BDIP; the estimated amount and planned allocation of the fiscal space; and other requirements to be specified by the MFBM: *Provided*, That the highest budgetary priority shall be given to education, health, and social services: *Provided further*, That at least five percent (5%) of the total budget appropriation of each M/O/A and BGOCC shall be set aside for gender-responsive programs following a gender and development plan.

SEC. 18. Annual Budget Preparation Process. – The MFBM, through the Bangsamoro Budget Office, shall prescribe the budget preparation process and calendar in the annual Budget Call, which shall be presented during the annual budget forum.

SEC. 19. Budget Proposal. – Heads of M/O/As, the Speaker of the Parliament, and the Presiding Justice of the *Shari'ah* High Court shall submit their budget proposals to the MFBM in accordance with the processes, forms, and calendar prescribed by the MFBM.

The budget proposals of M/O/As shall include the following information:

- a) Organizational outcomes, performance indicators, programs, and projects indicating the general character and relative importance of the work to be accomplished or the services to be rendered, and the main cost elements;
- b) Linkage of work and financial proposals to the approved BDP and BDIP;
- c) Estimated current operating expenditures and capital outlays, with comparative data for the preceding and current fiscal years;
- d) A brief description of the major thrusts and priority programs and projects for the fiscal year, the expected results for each budgetary program and project, the nature of work to be performed, the estimated cost per unit of work measurement, and the various objects of expenditure for each project;
- e) Organization charts and staffing patterns indicating the list of existing and proposed positions with corresponding salaries, together with proposals for position classification and salary adjustments, duly supported by adequate justification; and

- f) Other information, as may be required by the MFBM.

SEC. 20. *Budget Endorsing Authorities.* – The heads of M/O/As that the MFBM has authorized, or may authorize, to assist in the review and endorsement of budget proposals of M/O/As and BGOCCs shall, in addition to their respective existing mandates and functions, perform the following:

- a) Review budget proposals of other M/O/As and provide technical assistance to ensure compliance with the standards set under relevant laws, acts, rules, and regulations administered by the Budget Endorsing Authorities;
- b) Endorse the budget proposals of M/O/As upon verification that such proposals conform to relevant technical standards; and
- c) Perform such other functions as may be prescribed by the MFBM to facilitate the preparation of the Proposed Bangsamoro Budget.

SEC. 21. *Budget Evaluation.* – The proposed P/A/Ps of M/O/As shall be reviewed based on their respective merits, using the following criteria:

- a) Relationship with the approved priority agenda of the Chief Minister;
- b) Past performance vis-à-vis target spending, which may include an analysis of previous and current-year allotments that were not obligated due to the fault or negligence of the concerned M/O/A;
- c) Implementation readiness, which may include an analysis of a development plan, master plan, or roadmap, and the capability of the concerned M/O/A as demonstrated by its performance in previous years;
- d) Program convergence, which includes an analysis of the proposal's contribution to the P/A/Ps of other M/O/As, to facilitate and incentivize coordination on priority programs and to focus the fiscal space on advancing development goals;
- e) All sources of funds and authorized uses available to the M/O/As, which will be disclosed in the Proposed Bangsamoro Budget and reports; and
- f) Such other criteria as may be determined by the MFBM.

SEC. 22. *Operating Budgets and Budgetary Support for Bangsamoro Government-Owned or Controlled Corporations.* – The operating budgets of BGOCCs shall be subject to review and approval as part of the budget preparation process consistent with the policy of the Bangsamoro Government to actively exercise its ownership rights in BGOCCs and promote growth by ensuring that their operations are aligned with regional development policies and programs.

The budgetary needs of BGOCCs, such as the capital or equity contribution from the Bangsamoro Government or operating subsidies to support specific activities undertaken by the BGOCCs, shall undergo an evaluation process as provided under Section 63 of this Act to ensure that: (a) the assets and resources of the Bangsamoro Government are used efficiently to achieve the objectives and purposes for which they were originally designed and implemented; and (b) the exposure of the Bangsamoro Government to expenditures and express liabilities on account of the operations of the BGOCCs is warranted and incurred through prudent means to generate the level of social, physical, and economic returns *vis-à-vis* the resource inputs.

In no case shall the Bangsamoro Government be liable for any implied guarantee asserted by any person or entity for any borrowing by any BGOCC. Any money paid by the Bangsamoro Government under the authority of law, together with the expenses associated therewith, shall constitute a debt due to the Bangsamoro Government from the BGOCC for whose benefit the payment was made.

SEC. 23. *The Proposed Bangsamoro Budget.* – The Chief Minister shall submit the Proposed Bangsamoro Budget to the Parliament, as far as practicable, not later than the thirtieth (30th) of September of each year. The MFBM shall publish the Proposed Bangsamoro Budget on the official website of the Bangsamoro Government on the same day it is presented to Parliament.

SEC. 24. *Form and Content of the Proposed Bangsamoro Budget.* – The MFBM shall determine the form and content of the Proposed Bangsamoro Budget, which shall include, but shall not be limited to, the following:

- a) Chief Minister's Budget Message. – Provides a preview of the Proposed Bangsamoro Budget, explaining the principles, objectives, and policy framework adopted as well as the spending priorities for the fiscal year;
- b) Bangsamoro Expenditure Program. – Outlines the strategic objectives, details of the annual expenditure program, and other performance information;
- c) Budget of Expenditures and Sources of Financing (BESF). – Contains, among others, the macroeconomic parameters, dimensions of the annual expenditure program, revenues, financing, and outstanding debt; as well as an overview of the financial positions of BGOCCs, LGUs – as may be applicable – and public-private partnership (PPP) projects within the Bangsamoro Autonomous Region;
- d) Budget Priorities Framework. – Referred to in Section 17 of this Act; and
- e) Annual Investment Strategy. – Referred to in Section 56 of this Act.

SEC. 25. *Approval of the Proposed Bangsamoro Budget by the Chief Minister.* – The Proposed Bangsamoro Budget submitted by the Chief Minister shall serve as the basis of the General Appropriations Bill of the Bangsamoro (GABB). No legislative proposal involving the appropriation of funds shall be transmitted to the Parliament without the approval of the Chief Minister.

CHAPTER II BUDGET AUTHORIZATION

SEC. 26. *Schedule of Budget Consideration.* – The Parliament shall prioritize the consideration and enactment of the GABB and the corresponding revenue bill, if any.

The GABB shall be filed and calendared for first reading within five (5) calendar days from budget submission. As far as practicable, within five (5) calendar days after the first reading, the Parliament shall start discussion on said bill on the second reading.

The Parliament shall refer the GABB to the committee, which shall submit the committee report no later than sixty (60) calendar days from referral. Debate and amendments during the plenary session shall be terminated within thirty (30) calendar days from submission of the committee report. The third and final reading shall be conducted three (3) days after the conclusion of the second reading. However, if the GABB and/or the corresponding revenue bill, if any, is designated as a certified bill or emergency bill, the three (3)-day requirement is waived, allowing voting to be executed on the same day the GABB achieves approval in its final stage.

SEC. 27. *Content of the General Appropriations Act of the Bangsamoro.* – The General Appropriations Act of the Bangsamoro (GAAB) shall outline the budgetary programs and projects for each M/O/A. Each P/A/P shall have its corresponding appropriation, including statutory provisions pertinent to specific M/O/As or of general applicability. To ensure consistency and clarity in the presentation and tracking of appropriations, the GAAB shall follow specific account codes and a structured program classification.

- a) **Account Codes.** – All items of appropriations in the GAAB shall follow a uniform accounts coding system that shall apply to all the assets, liabilities, equities, income, and expenses of the Bangsamoro Government. The system shall be used in the release of the appropriations in the GAAB for a unified accounting, auditing, and reporting of all financial transactions of the Bangsamoro Government.
- b) **Program Classification.** – The GAAB shall adopt the structure based on a Program Expenditure Classification that groups line items under the objectives or outcomes to which they contribute. Performance information shall be provided for each program to facilitate the evaluation of its cost-effectiveness and provide better information for analysis and feedback for planning and prioritization of expenditures.

SEC. 28. *Special Purpose Funds.* – To promote the transparent and detailed disclosure of all proposed government spending, the Special Purpose Funds (SPFs) in the GAAB shall include: (a) the Contingent Fund; (b) the Special Development Fund, if any; (c) the Statutory Shares of Constituent LGUs; (d) the Local Government Support Fund; and (e) such other SPFs as may be approved by the Parliament in highly exceptional circumstances and in the public interest.

SEC. 29. *Contingent Fund.* – The Contingent Fund shall cover the funding requirements of new or urgent projects and activities of M/O/As that need to be implemented or paid during the fiscal year, including but not limited to (a) requirements of newly-created M/O/As; (b) special projects align with

national development priorities; (c) deficiencies in the appropriations for disaster-related purposes; (d) legal obligations of the Bangsamoro Government arising from final and executory decisions by a competent authority, including arbitration awards, mediation settlements, or compromise agreements; and (e) urgent and unforeseen requirements of the Bangsamoro Government.

Releases from the Contingent Fund shall be subject to the approval of the Chief Minister, upon the recommendation of the MFBM after a technical assessment and review of documentary requirements, such as, but not limited to, indicative program plans, construction plans and program of works, indicative procurement plan, cost-benefit analyses, and lists of beneficiaries. For this purpose, the MFBM may issue additional guidelines on releases from the Contingent Fund.

Releases from the Contingent Fund shall be reflected in the annual fiscal reports, including information on the date of release, the amount covered, the corresponding purpose, and the recipient M/O/A. *Provided*, That in no case shall the Contingent Fund exceed ten percent (10%) of the total GAAB.

SEC. 30. *Automatic Appropriations.* – The Parliament may provide one-time legislative authorizations to fund special purposes for the expenditures of the Bangsamoro Government, the amount of which may or may not be fixed by law. Such authorizations shall be deemed automatically appropriated, in addition to those provided in the GAAB, and shall include the following:

- a) Government counterpart requirements arising from foreign grants, including but not limited to national internal revenue taxes, import duties, and regional taxes, fees, or charges payable or assumed by M/O/As, which the Parliament may authorize to accrue to a Tax Expenditure Fund;
- b) Debt service for interest payments on authorized foreign and domestic loans: *Provided*, That appropriations for debt servicing shall not exceed twenty percent (20%) of the regular sources of revenue of the Bangsamoro Government, excluding those derived from grants, endowments, donations, loans, foreign assistance, and official development assistance, and shall not exceed twenty percent (20%) of the block grant as provided under Paragraph (c), Section 24, Article XII of the OLBARMM;
- c) Terminal leave benefits of employees of the Bangsamoro Government; and
- d) Special accounts authorized by the Parliament.

SEC. 31. *Prohibition Against the Increase of Appropriations.* – The Parliament shall, in no case, increase the total budget appropriations proposed by the Chief Minister. Should there be a reduction of the proposed appropriation, the corresponding reduction shall be transferred to the Contingent Fund or to a line item.

SEC. 32. *Supplemental Appropriations.* – The Chief Minister may transmit, after the passage of the GAAB, such proposed supplemental or deficiency appropriations as are considered necessary in the judgment of the Chief Minister, together with a certification that funds are available for the purpose or with supporting corresponding sources of revenue.

SEC. 33. *Re-enacted Budget.* – If, by the end of any fiscal year, the Parliament shall have failed to enact the GABB for the ensuing fiscal year, the GAAB for the preceding fiscal year shall be deemed re-enacted and shall remain in force and effect until the Parliament passes the GABB for the concerned fiscal year.

The Re-enacted Budget shall be enforced as follows:

- a) The aggregate level of the Re-enacted Budget shall be limited to the total amount appropriated in the preceding year's GAAB, but shall in no case exceed the level of the sources of financing under the BESF of the Proposed Bangsamoro Budget;
- b) All completed P/A/Ps, and any previously approved program support for BGOCCs and equity contribution of the Bangsamoro Government, shall be excluded from the Re-enacted Budget;
- c) The appropriations for the following shall be limited to the amount authorized under the Re-enacted Budget, but in no case exceed the amount proposed by the Chief Minister in the Proposed Bangsamoro Budget:
 - 1. Ongoing P/A/Ps;
 - 2. Personnel benefits, including retirement gratuities, pensions, terminal leave pay, and related expenses;
 - 3. The Contingent Fund, Statutory Shares of Constituent LGUs, and other SPFs;
 - 4. Budgetary support to BGOCCs, limited to the amount of subsidy previously approved for their operational requirements and ongoing P/A/Ps; and
 - 5. Newly approved Foreign-Assisted Projects (FAPs).

In no case shall the Re-enacted Budget be released, disbursed, or utilized for capital outlays or for completed P/A/Ps funded under the GAAB of the preceding fiscal year.

The items or amounts of appropriations not covered under the Re-enacted Budget, as provided above, shall not be released, disbursed, or utilized for the purposes previously authorized, nor shall they be declared as savings to augment existing items of appropriations in the Re-enacted Budget.

The MFBM shall issue guidelines on the aggregate level of appropriations authorized under the Re-enacted Budget, consistent with the above rules, including the level of obligations by M/O/As and BGOCCs, the supporting requirements to determine actual needs, and other pertinent rules for the implementation of the Re-enacted Budget.

Upon enactment of the new GAAB, all releases under a Re-enacted Budget consistent with this Section shall be deemed to have been implemented under, and charged against, for account recording purposes, the GAAB for the current fiscal year.

The enacted new GAAB shall be valid from its effectivity until the end of the relevant fiscal year.

CHAPTER III BUDGET EXECUTION

SEC. 34. *Governing Principles in Budget Execution.* – There is hereby established a set of governing principles to be observed by the Bangsamoro Government in budget execution:

- a) No funds shall be disbursed, and no expenditures or obligations chargeable against any authorized allotment shall be incurred or authorized in any M/O/A, except in pursuance of an appropriation law.
- b) All sums of money appropriated for P/A/Ps shall be available solely for the specific purposes for which they are appropriated and in accordance with the approved Budget Execution Documents (BEDs).

SEC. 35. *Cash Budgeting System.* – Within a period of three (3) years from the effectivity of this Act, the Bangsamoro Government shall implement an operational cash budgeting system to ensure the availability of cash resources for priority programs and projects.

The MFBM shall determine the procedure, format, accounts, and other details necessary for the execution, monitoring, and control aspects of the cash budgeting system, including but not limited to, the periods for (a) the validity of appropriations authorized in the GAAB, including the budgetary support to GOCCs, projects implemented by Constituent LGUs, and SPFs; (b) the period for the delivery, inspection, and acceptance of procured goods and services; and (c) the period for settlement of payments for goods and services delivered, inspected, and accepted.

The following rules shall apply in the execution of the GAAB, unless otherwise prescribed by budgeting laws and regulations of the National Government:

- a) All appropriations in the GAAB shall be available for obligation only until the end of each fiscal year. Obligations incurred by the Bangsamoro Government within each fiscal year shall be implemented during the same fiscal year, except for highly technical and complex projects. Goods and services corresponding to said obligations shall be delivered, rendered, inspected, and accepted by the end of each fiscal year. Payments for obligations shall be made until the end of the Extended Payment Period (EPP). Payments during the EPP shall be chargeable against the GAAB for the preceding fiscal year.
- b) Appropriations for the Statutory Shares of Constituent LGUs shall be available for obligation and disbursement until fully expended.
- c) All funds transferred between Organizational Units within a M/O/A, between M/O/As, or by M/O/As to LGUs shall not be considered disbursed by the source M/O/A until the transferred amounts have been actually utilized to pay for completed construction, goods delivered and services rendered, inspected and accepted within the validity period. It is understood that

transfer of funds shall strictly be in accordance with pertinent budgeting, accounting, auditing, and procurement laws, rules, and regulations.

- d) Other unreleased appropriations at the end of the fiscal year shall lapse at the end of the fiscal year in which they were appropriated. After such lapse or reversion, these shall no longer be available for release or expenditure except by reappropriation.
- e) Unobligated allotments and unexpended or undisbursed funds at the end of the EPP shall revert to the Bangsamoro Treasury under a Special Fund for reappropriation, following the same conditions under Section 19, Article XII of the OLBARMM.

A. RELEASE AND USE OF FUNDS

SEC. 36. *General Appropriations Act of the Bangsamoro as the Allotment Order (GAABAO).* –

Upon its effectivity, the GAAB shall be considered the allotment order authorizing M/O/As and BGOCCs to obligate Personnel Services and MOOE in accordance with its provisions and subject to pertinent budgeting, accounting, auditing, and procurement laws or rules and regulations, except in the following instances:

- a) Appropriations with conditions or requirements prior to their release, such as, but not limited to, BEDs, feasibility study, pre-feasibility studies, and preliminary and detailed engineering;
- b) Lump-sum appropriations in the budget of M/O/As and SPFs that lack the necessary details for release; and
- c) Appropriations requiring a special budget under the general and special provisions of the GAAB.

The MFBM shall identify the items of appropriations in the GAAB that are not covered by the GAABAO.

SEC. 37. *Allotment of Appropriations.* – For items not covered by the GAABAO specified in the preceding Sections, authorized appropriations shall be allotted through the issuance of the SARO in accordance with the following procedures:

- a) Appropriations authorized for any M/O/A may be made available for expenditure when the head for each M/O/A submits to the MFBM a Special Budget Request and BEDs, showing the estimated amounts needed for each P/A/Ps, or purpose for which the funds are to be expended during the applicable allotment period.
- b) In the administration of the allotment system prescribed in this Act, each calendar year shall be divided into four (4) quarterly allotment periods, beginning respectively on the first (1st) day of January, April, July, and October. In cases where a quarterly allotment period is impractical or otherwise undesirable, the Minister of Finance, and Budget and Management may prescribe a different period suited to the circumstances.

- c) Requests for allotment of the M/O/As shall be approved by the Minister of Finance, and Budget and Management upon ensuring that the expenditures are: (i) covered by appropriations both as to amount and purpose; and (ii) consistent with the probable needs of the M/O/A for the remainder of the fiscal year or period for which the appropriation was made. The SARO shall thereafter be issued to authorize the concerned M/O/A to incur the obligation.

SEC. 38. Budget Execution Documents. – M/O/As are required to submit annual BEDs at the onset of each budget execution phase prior to the release of funds. These include the following:

- a) Financial Plan, which contains the estimated obligation program of the M/O/A for the fiscal year, broken down by quarter;
- b) Physical Plan, which shows the physical targets for the budget year, broken down by quarter;
- c) Monthly Disbursement Program, which indicates the projected monthly disbursement requirements for the budget year, by types of disbursement authority;
- d) Annual Procurement Plan, which serves as the basis for projecting and scheduling procurement activities and for the overall management of the procurement process; and
- e) Other documents as may be required by the MFBM.

SEC. 39. Obligational Authority or Allotment. – The following are the documents that authorize M/O/As to incur obligations or enter into contracts, not exceeding a given amount during a specified period for the purpose indicated:

- a) General Appropriations Act of the Bangsamoro as the Allotment Order – serves as the obligational authority for the comprehensive release of budgetary items appropriated in the GAAB, categorized as “*For Comprehensive Release.*”
- b) Special Allotment Release Order – covers budgetary items under “*For Later Release*” (negative list) in the entity submitted BEDs, subject to compliance with the required documents/clearances. Releases of allotments for SPFs are also covered by SAROs.

SEC. 40. Disbursement Authority. –The following documents authorize the M/O/A to liquidate obligations incurred:

- a) Notice of Cash Allocation. – Authority issued by the MFBM to central, regional, and provincial offices and operating units to cover the cash requirements of the M/O/As;
- b) Non-Cash Availment Authority. – Authority issued by the MFBM to M/O/As to cover the liquidation of actual obligations incurred against available allotments for availment of proceeds from loans/grants through supplier’s credit or constructive cash; and
- c) Notice of Transfer of Allocation. – Authority issued by M/O/As to their field offices to cover the latter’s cash requirements.

SEC. 41. *Appropriations for the Parliament and the Shari'ah High Court.* – The appropriations authorized for the Parliament and the *Shari'ah* High Court shall be automatically and regularly released in accordance with their respective BEDs.

SEC. 42. *Allocations to Constituent Local Government Units.* – The legally-mandated shares of Constituent LGUs in the following revenue sources, whether appropriated in the annual GAAB or under automatic appropriations, shall be released to them in accordance with the provisions on the use, allocation, and release of SPFs, as provided in pertinent laws, rules, and regulations:

- a) Share in national taxes, fees, and charges collected in the Bangsamoro Autonomous Region, other than tariff and customs duties;
- b) Share in revenues generated from the exploration, development, and utilization of all natural resources in the Bangsamoro Autonomous Region; and
- c) Share of the taxes imposed by the Bangsamoro Government on ordinary stones, sand, gravel, earth, and other quarry resources extracted within the Bangsamoro Autonomous Region.

The Bangsamoro Treasury Office shall administer the release of cash requirements covering all types of transfers to Constituent LGUs.

SEC. 43. *Government Funding Commitment.* – A Certificate of Availability of Funds (CAF), detailing the allotment to which the expenditure or obligation may be properly charged, shall be secured from the Chief Accountant or the highest accounting officer of a M/O/A.

For multi-year projects, the CAF shall be issued annually based on the budget for the fiscal year. In case of multi-year projects with no funding requirement in a given year, the CAF shall consist of a certification by the Chief Accountant or the highest accounting officer of the M/O/A that no funds are needed for the year, as indicated in the approved Multi-Year Contracting Authority (MYCA) or Letter of Commitment as provided in the succeeding Section.

The CAF shall be stamped on or appended to the contract and shall form an integral part thereof.

SEC. 44. *Multi-Year Contracts.* – A MYCA issued by the MFBM shall be required before M/O/As may enter into multi-year contracts, whether for locally-funded projects (LFPs) or FAPs implemented by M/O/As.

In the case of BGOCCs, they shall secure prior authority from their respective governing boards before entering into multi-year contracts.

For a multi-year PPP project to be implemented within the Bangsamoro Autonomous Region with an authorized government undertaking, such project shall be covered by a Letter of Commitment issued in accordance with guidelines issued by the MFBM.

Implementing M/O/As shall ensure that the annual funding requirements for their multi-year contracts are included in their respective budget proposals for the covered years, consistent with the funding

schedule in the MYCA or equivalent authority and Letter of Commitment. The MFBM shall ensure that the funding requirements for the multi-year contracts are included in the Bangsamoro Expenditure Program to be submitted to Parliament, which shall give due consideration to the said proposals.

Notwithstanding the issuance of MYCA, the obligations to be incurred in any given fiscal year shall in no case exceed the cash appropriations available for such purpose during the said fiscal year.

SEC. 45. *Early Procurement Activities.* – To ensure full budget utilization, timely contract implementation, and efficient delivery of services, M/O/As and BGOCCs are authorized to undertake procurement activities, from pre-procurement conference until the recommendation to the Head of the Procuring Entity for the award of the contract, based on their proposed budget in the Bangsamoro Expenditure Program or BGOCC Operating Budget, in accordance with GPPB guidelines.

In exceptional circumstances where early procurement is delayed, M/O/As and BGOCCs shall undertake only the procurement of goods, infrastructure, and consulting services to the extent that may be delivered or rendered, inspected, and accepted during the fiscal year, consistent with the Cash Budgeting System.

For FAPs, M/O/As, and BGOCCs may undertake early procurement activities based on the amounts proposed in the Bangsamoro Expenditure Program. However, the relevant contract shall be awarded only upon grant approval.

For multi-year contracts, the issuance of a MYCA by the MFBM shall be required before the commencement of any procurement activity. The procurement of multi-year contracts shall be subject to the provisions of Republic Act No. 12009, otherwise known as the “*New Government Procurement Act*”, its implementing rules and regulations, and the guidelines issued by the GPPB.

Notwithstanding the mandatory procurement timelines, M/O/As and BGOCCs may proceed with the issuance of the Notice of Award of Contract only upon approval of the GAAB for items covered by the GAABAO, or upon the issuance of the SARO for items not covered by the GAABAO, based on the amounts authorized therein.

In the case of a re-enacted budget, the period for awarding of contracts shall be suspended from the beginning of the fiscal year and shall begin to run only upon the effectivity of the newly enacted GAAB.

B. VIREMENT RULES

SEC. 46. *Meaning of Savings.* – Savings may be declared when there are balances of any programmed appropriations in the GAAB that have not been released or obligated as a result of:

- a) The final completion, discontinuance, or abandonment of P/A/P. For this purpose, discontinuance or abandonment shall refer to the termination of a P/A/P due to force majeure or unforeseen cause beyond the control of the M/O/A or when the project’s stated objectives have already been met, and not due to implementation delay or procurement failure;

- b) Non-commencement of, or the inability of a M/O/A to obligate an allotment for justifiable causes not attributable to the fault or negligence of the M/O/A, and which will render it impossible to implement said P/A/P within the year;
- c) Improved systems and efficiencies in the implementation of P/A/Ps and delivery of services, consistent with their performance targets;
- d) A lower contract cost than that provided in the approved budget for the contract; and
- e) Unused Personnel Services costs arising from: (i) unfilled, vacant, or abolished positions; (ii) non-entitlement to allowances and benefits; (iii) leaves of absence without pay; and (iv) death of pensioners, decrease in the number of retirees, or other related causes.

Notwithstanding the foregoing, the final discontinuance or abandonment of a P/A/P, whether released or unreleased, whose allotment remains unobligated, may be declared by the Chief Minister as savings in case of a declaration of a state of national or regional calamity, as may be necessary to augment deficient P/A/Ps of M/O/As or SPFs needed to immediately address the existing calamity. The Chief Minister shall, within fifteen (15) days from such a declaration, submit a comprehensive report to the Parliament detailing the funds realigned and the specific calamity-related P/A/Ps augmented.

In case where final discontinuance or abandonment under Paragraph (a) of this Section is used as a basis in the declaration of savings, such discontinued or abandoned P/A/P shall not be proposed for funding in the next two (2) fiscal years. This prohibition shall not apply in cases where savings are declared from the final discontinuance or abandonment of a P/A/P in view of a declaration of a state of national or regional calamity under the preceding paragraph.

SEC. 47. *Authority to Declare and Use Savings.* – The following are authorized to declare and use savings in their respective appropriations to augment actual deficiencies incurred during the current fiscal year in any item of their respective appropriations:

- a) The Chief Minister, with respect to the appropriations of the M/O/As;
- b) The Speaker of the Parliament, with respect to the appropriations of the Parliament; and
- c) The Presiding Justice of the *Shari'ah* High Court, with respect to the appropriations of the *Shari'ah* High Court.

The MFBM shall determine the procedures and the supporting documents required for the declaration and use of savings authorized under this Act and applicable national laws, rules, and regulations.

SEC. 48. *Rules on Augmentation.* – Augmentation refers to the act of the officers authorized to use savings in their respective appropriations to cover a deficiency in any existing item of appropriation within their respective offices. A deficiency in an item of appropriations may result from unforeseen modifications or adjustments in the P/A/Ps, or from a reassessment in the use, prioritization, or distribution of resources.

The particulars of the expenditures to be funded from savings shall fall within the scope of, or covered by, an existing and previously funded P/A/P. The existence of a P/A/P, regardless of the availability of the allotment class, is sufficient for augmentation. In no case shall a non-existent P/A/P be funded through augmentation from savings or by using an appropriation authorized in the GAAB.

SEC. 49. *Rules on Modification of Allotments.* – As a general rule, M/O/As shall spend only what is programmed in their respective appropriations under this Act. In exceptional circumstances, M/O/As may modify the allotment issued within an activity or project, subject to the approval of the following authorities and the timely submission of reports:

- a) The Minister or Head of Office, for the following: (i) changes in the details of an activity or project without changing its nature and within the same operating unit; and (ii) changes in the object of expenditure (e.g. salaries and wages, travelling expenses, or investment outlays) within an allotment class (Personnel Services, MOOE, or Capital Outlays); and
- b) The MFBM, for the following modifications: (i) transfers from one allotment class to another; (ii) transfers from one operating unit to another; (iii) modifications within an SPF; and (iv) payment of Magna Carta benefits authorized under existing law.

All modifications shall not entail any increase in the total amount appropriated for an activity or project.

The MFBM shall issue further guidelines as may be necessary to clarify the rules on modifications in allotments.

SEC. 50. *Suspension of Expenditure of Appropriations.* – Except as otherwise provided in the GAAB, the Chief Minister may, whenever in his or her judgment the public interest so requires, and after due notice to the Minister or Head of Office concerned, suspend or otherwise stop further expenditure of funds allotted for any M/O/A or any other expenditure authorized in the GAAB or other appropriations law, except for Personnel Services appropriations for permanent officials and employees.

If the Minister of Finance, and Budget and Management determines at any time that the probable receipts from local taxes, fees, charges, or other sources of any fund will be less than anticipated, and that as a consequence, the amount available for the remainder of the appropriations term or any allotment period will be less than the amount estimated or allotted therefor, he or she shall have the authority, with the approval of the Chief Minister and after notice to the M/O/A concerned, to modify, amend, or reduce the amount or amounts previously allotted to conform to the targeted budgetary goals.

SEC. 51. *Adjustment of Appropriations for Reorganization.* – When a specific function or activity is transferred or assigned from one M/O/A to another under authority of law, the balances of appropriations that are available and necessary to finance or discharge such function or activity may, with the approval of the Chief Minister, be transferred to and made available for use by the M/O/A to which said function or activity was transferred or assigned, to be spent for the purpose for which the funds were originally allocated. The transferred balances shall be credited to any applicable existing appropriation account/s or to new appropriation account/s that are hereby authorized to be established for the purpose, and shall be

merged with any funds already in the applicable existing or newly established appropriations account/s, and thereafter accounted for as one fund.

The Minister of Finance, and Budget and Management is hereby authorized to make necessary adjustments in the appropriations to carry out the provisions of this Section. The Minister or Head of Office concerned, with the approval of the Minister of Finance, and Budget and Management, is hereby authorized to make necessary salary adjustments resulting from the final selection of personnel to fill the positions in the staffing patterns of reorganized M/O/As, as well as from new appointments, promotions, or salary increases, subject to the provisions of Bangsamoro Autonomy Act No. 17, otherwise known as the “*Bangsamoro Civil Service Code*.”

TITLE IV

FINANCIAL MANAGEMENT AND CONTROLS

SEC. 52. *Accrual of Income to the General Fund; Exception.* – All fees, charges, assessments, and other receipts or revenue collected by M/O/As in the exercise of their functions shall be deposited with the Bangsamoro Treasury Office and shall accrue to the General Fund. Such receipts shall be recorded as income of a Special Fund, Fiduciary or Trust Fund, Revolving Fund, or a fund other than the General Fund only when authorized by national law or by an Act of Parliament.

SEC. 53. *Single Treasury Account.* – The Bangsamoro Government shall adopt a Single Treasury Account (STA), generally following the structure of the Treasury Single Account (TSA) of the National Government, to ensure greater clarity of fund inflows and outflows, improved cash and debt management, and timely information on cash resources. The Bangsamoro Government shall maintain a depository account with an Authorized Government Bank (AGB). In managing the STA, the Bangsamoro Treasury Office shall authorize the opening and closing of bank accounts of M/O/As, subject to the prior approval of the Minister of Finance, and Budget and Management.

SEC. 54. *Treasury Cash Management.* – The Minister of Finance, and Budget and Management, through the Bangsamoro Treasury Office, shall issue orders for the conduct of cash management, including the requirement for M/O/As to provide projection on the timing of future transactions, taking into consideration that the GAAB constitutes the authority of M/O/As to contract and disburse funds as part of the GAABAO categorized as “*For Comprehensive Release*”, except for those items categorized as “*For Later Release*”, as provided under Section 39 of this Act.

SEC. 55. *Investments.* – The Bangsamoro Treasury Office may invest idle funds held in the STA for such periods as it may deem prudent, taking into account cash management requirements and subject to terms and conditions as may be determined by the Chief Minister upon recommendation of the BBCC, and subject to the concurrence of the Parliament through the Committee on Finance, Budget and Management (CFBM).

For purposes of this section, “*idle funds*” shall refer to funds in excess of normal operating requirements, meaning the level of funds which the Bangsamoro Government can freely invest after considering provisions for coverage of:

- a) Regular and recurring operating expenses such as PS and MOOE; and
- b) Commitments for capital expenditures within the current fiscal year.

Funds that have reverted to the Bangsamoro Treasury Office due to unobligated allotments or unexpended funds under Paragraph (e), Section 35 of this Act shall be strictly excluded from investible idle funds and shall be reserved solely for reappropriation by the Parliament.

- a) **Preference for Shari’ah-Compliant Investments.** – Consistent with the policy under Section 32 of the OLBARMM to foster the development of an Islamic banking and finance system and to promote inclusive economic growth within the Bangsamoro Autonomous Region, the Bangsamoro Treasury Office shall prioritize investments in *Shari’ah*-compliant financial instruments and is authorized to engage Islamic finance experts and fund managers to identify viable investment opportunities and undertake the investment of Bangsamoro funds: *Provided*, That such investments are at par with, or comparable to, conventional options in terms of security, liquidity, and yield: *Provided, further*, That the gain or profit derived from such investments shall accrue to the General Fund, unless otherwise provided by law or by an Act of Parliament.

The Minister of Finance, and Budget and Management shall establish the criteria for evaluating and selecting *Shari’ah*-compliant investments, taking into account their adherence to Islamic finance principles and the maximization of returns on the investment of Bangsamoro funds.

- b) ***Alternative Investment of Bangsamoro Funds.*** – In situations where suitable *Shari’ah*-compliant options are not available or do not meet the requisite financial performance standards in terms of security, liquidity, and yield, the Bangsamoro Treasury Office may consider conventional financial investments: *Provided*, That Islamic financial principles shall be preferred whenever feasible. For this purpose, the Bangsamoro Treasury Office is authorized to invest funds in any of the following and may appoint a fund manager as an agent of the Bangsamoro Government to undertake the investment of such funds:
 - 1. Bank deposits with highly reputable banks, following selection criteria to be issued by the Minister of Finance, and Budget and Management, and money market instruments with well-recognized and established financial institutions;
 - 2. Sovereign-issued securities with an investment-grade rating; and
 - 3. Other fixed-income securities with an AAA credit rating issued by at least two (2) reputable international credit rating agencies acceptable to the Minister of Finance, and Budget and Management.

Income derived from investments shall accrue to the General Fund, unless otherwise provided by law or by an Act of Parliament.

SEC. 56. *Annual Investment Strategy.* – The MFBM shall prepare and submit to the Parliament, as part of the budget documents, an Annual Investment Strategy for the forthcoming fiscal year.

The Annual Investment Strategy shall:

- a) Outline the proposed strategy for the investment of public funds, ensuring adherence to the principles of safety, liquidity, and yield;
- b) Specify the types and classes of permissible investments, including the prioritization of *Shari'ah*-compliant instruments, and any prohibited investments;
- c) Detail the risk assessment and management framework; and
- d) Establish clear benchmarks and performance metrics for evaluating investment returns.

SEC. 57. *Revolving Fund.* – Receipts derived from business-type activities of M/O/As may, by an Act of Parliament, be constituted into a Revolving Fund, which shall be separately recorded and deposited in an authorized government depository bank. Subject to such conditions as the Parliament may prescribe, the Revolving Fund may be used to cover the operating expenses of the business-type activities of the concerned M/O/A.

The Revolving Fund shall be considered self-perpetuating and self-liquidating, and all obligations or expenditures incurred by said business-type activities shall be charged against the Revolving Fund. The concerned M/O/As shall submit to the MFBM a report of income realized from, and expenditures incurred and charged against, the Revolving Fund. In case of failure to submit the required reports, no withdrawal in the subsequent quarter shall be allowed, except upon certification by the MFBM that the report has been duly submitted.

SEC. 58. *Controls on Procurement Expenses.* – The Bangsamoro Government shall adopt appropriate procurement controls throughout the budget cycle to promote greater transparency, accountability, efficiency, and equal opportunity in the government procurement system, in consonance with the provisions of Republic Act No. 12009.

SEC. 59. *Controls on Personnel Services Expenses.* – The Bangsamoro Government shall adopt controls throughout the budget cycle for all Personnel Services expenses of officials and employees of the Bangsamoro Government, in consonance with the provisions of the Bangsamoro Autonomy Act No. 17, and the relevant guidelines of the CSC for the BARMM:

- a) **Hazard Pay.** – Upon recommendation of the Minister or Head of Office and subject to the approval of the Minister of Finance, and Budget and Management, hazard pay may be granted to officials or employees of the Bangsamoro Government assigned to dangerous or strife-torn areas, disease-infested places, or distressed or isolated stations and camps that expose them to great danger of contagion or peril to life, including those who are not covered by Republic

Act No. 7305, otherwise known as the “*Magna Carta of Public Health Workers*”. To ensure that hazard pay is based on genuine and current needs, the recommending Minister or Head of Office shall justify every request through a detailed report to the Minister of Finance, and Budget and Management, which shall include a hazard assessment, comparison with standard duties, duration of assignment, previous approvals and updates, and budgetary implications. The report shall be updated and resubmitted at regular intervals, as determined by the Minister of Finance, and Budget and Management, to ensure that hazard pay remains justified and relevant.

- b) Compensation of Persons Receiving Pension. – An official or employee of the Bangsamoro Government receiving life pension, annuity, or gratuity as a result of prior government service who is reappointed to any position in the Bangsamoro Government, the appropriation for which is provided from funds of the concerned Bangsamoro M/O/A, shall have the option to receive either the compensation for the position or the pension, gratuity, or annuity, but in no case shall such person receive both.
- c) Contracting of Activities. – Bangsamoro M/O/As may enter into contracts with individuals or organizations, whether public or private, subject to applicable laws and regulations: *Provided*, That such contracts shall cover specific services that cannot be provided by regular officials or employees of the concerned M/O/A, shall be for a definite period, have a clear expected output, and shall comply with the provisions of Republic Act No. 12009: *Provided, further*, That implementing, monitoring, and other regular or recurring activities of a Bangsamoro M/O/A shall not be contracted out.
- d) Representation and Transportation Allowance (RATA). – RATA may be granted to officials down to division chiefs at monthly standard rates to defray representation and transportation expenses incurred in the actual performance of their duties and responsibilities. RATA may be:
 - 1. Commutable, if the grant is specifically authorized by law and if funds for its payment are provided for in the agency budget, presupposing actual rendition of services; or
 - 2. Reimbursable, in which case it shall be supported by receipts or by a certification that the expenses were incurred in accordance with the purpose of the allowance.

The authorized monthly rates for the RATA shall be prescribed under the annual GAAB. The CSC for the BARMM, in consultation with the MFBM, shall issue guidelines on the grant of RATA, taking into account the number of days of actual work performance, assignment of a government motor vehicle, the effect of various personnel actions, and other relevant factors.

- e) Personnel Economic Relief Allowance (PERA). – PERA may be granted to officials and employees to help them cope with the rising cost of living. The authorized rate for PERA and its specific conditions shall be provided under the annual GAAB. The CSC for the BARMM, in consultation with the MFBM, shall issue guidelines on the grant of PERA, including entitlement, exclusions, and budgetary constraints.

- f) **Traveling Expenses.** – Officials and employees who have been authorized to travel on official business shall be entitled to transportation expenses and traveling allowances at the same rates and under the same terms and conditions applicable to officials and employees of the National Government.
- g) **Honoraria.** – Unless otherwise provided by law, M/O/As may use their respective appropriations to pay honoraria as compensation for services rendered by experts, specialists, and researchers who are acknowledged authorities in their fields of specialization, at rates authorized by law.
- h) **Prohibition of Voluntary Service.** – Unless specifically approved by the Chief Minister, no person shall be employed or appointed in the Bangsamoro Government under the guise of voluntary service, with compensation below the authorized hiring rate for the position but with privilege such as transportation or representation expenses in any form, or the receipt of per diems, honoraria, quarters, subsistence, or other allowances, whether in cash or in kind.

TITLE V

ACCOUNTABILITY, REPORTING, AND FISCAL OVERSIGHT

SEC. 60. *Accounting and Recording Rules.* – The rules and regulations issued by the COA shall continue to be observed by M/O/As and BGOCCs in all of their financial transactions, accounting, and reporting. Expenditures and revenues shall be recorded in accordance with the UACS and in compliance with the rules and regulations prescribed by the COA.

SEC. 61. *Submission of Budget and Financial Accountability Reports (BFARs).* – Each M/O/A shall report to the MFBM the current status of its appropriations, cumulative allotments, obligations incurred or liquidated, total disbursements, unliquidated obligations, unexpended balances, and the results of expended appropriations. M/O/As shall submit the BFARs in the format and within the timelines specified by the MFBM to effectively report, monitor, and evaluate performance against plans and targets.

SEC. 62. *Improvement of Management Systems.* – To facilitate financial and non-financial performance, the MFBM shall, in consultation with the Bangsamoro Information and Communications Technology Office, design and implement a management information system that generates performance and financial information, adequately monitors and controls budget implementation, and ensures interoperability with other relevant systems, applications, or platforms of the Bangsamoro Government and of the National Government.

M/O/As shall improve their operating systems, procedures, and practices to ensure that the targets approved in the budget authorization are attained at minimum cost.

SEC. 63. *Performance Evaluation.* – The Chief Minister shall, through the Minister of Finance, and Budget and Management, continuously evaluate the financial and non-financial indicators of M/O/As' performance to ensure that the budget is performance-informed and that the budget processes are programmatic, transparent, performance-based, and implemented in a phased manner.

The MFBM and the BPDA shall jointly develop guidelines to harmonize performance monitoring and coordination in fiscal oversight, in order to strengthen the planning-programming-budgeting continuum.

SEC. 64. *Review of Budgetary Programs.* – The Minister of Finance, and Budget and Management shall conduct a continuing review of the budgetary program and project structure of each M/O/A, the results of which shall serve as the basis for modifying or amending such structure for incorporation in the next Proposed Bangsamoro Budget. For this purpose, the MFBM shall, in addition to its existing mandates and functions under existing laws or Acts of Parliament, perform the following:

- a) Formulate measures to strengthen effective controls for implementation by M/O/As to ensure the integrity, accuracy, completeness, and reliability of financial management systems, including maintaining control records that show, by funds, accounts, and other suitable classifications as may be necessary, the amounts appropriated, estimated revenues or receipts, amounts allotted and available for expenditure, unliquidated obligations, actual balances on hand, and unencumbered balances of the allotments for each M/O/A;
- b) Monitor the implementation of P/A/Ps and the utilization of budgets of M/O/As in accordance with applicable laws, rules, and regulations;
- c) Oversee the financial reporting of M/O/As, including:
 1. Monitoring of periodic and annual management and financial accounts for accuracy, timeliness, completeness, and compliance with this Act, standards, and rules and regulations; and
 2. Consolidating financial reports for submission to the Chief Minister, the Parliament, and the COA;
- d) Monitor the performance of the annual cash appropriations of M/O/As, including in-year and end-of-year appropriation reports, comparing actual obligations and disbursements against appropriations;
- e) Formulate and oversee the operationalization of the budget monitoring and information system in the Bangsamoro Autonomous Region to ensure the efficient submission of BFARs, including:
 1. Determining accounting and other financial or non-financial information needed to monitor budget performance and assess the effectiveness of M/O/As' operations; and
 2. Prescribing the forms, schedules of submission, and other components of reporting systems, including the maintenance of subsidiary and other records necessary for the accomplishment and submission of such information requirements;

- f) In coordination with the Governance Commission for GOCCS (GCG), or any similar entity that may be created by Parliament to exercise regulatory oversight over BGOCCs, exercise fiscal oversight over BGOCCs, including:
 - 1. Fiscal planning and programming, such as the management of contingent liabilities and the evaluation and approval of borrowing programs, investment and financing plans, and capital outlays; and
 - 2. The evaluation and approval of the annual budgetary support to BGOCCs and their annual corporate operating budgets;
- g) Monitor and review, in coordination with the Regional Office of the Bureau of Local Government Finance and the Ministry of the Interior and Local Government (MILG), the financial performance of Constituent LGUs, to the extent of the impact on the revenues and expenditures of the Bangsamoro Government and their inclusion under the full disclosure policy of the OLBARMM;
- h) Coordinate with counterpart officials in the National Government to ensure compliance with the foregoing functions; and
- i) Perform such other functions as may be necessary to implement the provisions of this Act.

SEC. 65. *Annual Report on Accomplishments to the Parliament.* – In addition to the annual COA reports and the quarterly BFARs submitted to the MFBM, M/O/As and BGOCCs shall submit to the Parliament an annual report of their accomplishments, covering both work and financial results, in accordance with the content and format to be prescribed by the Parliament. These reports shall be used to monitor the efficiency and effectiveness with which budgeted funds are utilized and, more generally, to verify the attainment of goals established in the budget process.

The Parliament shall, in addition to its powers under the OLBARMM and existing Acts, perform the following functions through its existing committees, support offices, or such other body as may be created to strengthen its fiscal oversight role:

- a) Monitor and review performance against the requirements of the GAAB and hold M/O/As and BGOCCs accountable for their financial and non-financial performance;
- b) Review reports on planned and actual performance, including the Bangsamoro Statement of Fiscal Policy, the Medium-Term Fiscal Strategy, fiscal reports, annual plans of M/O/As, and annual performance reports; and
- c) Consider the financial statements of the Bangsamoro Government and the audited reports of M/O/As and BGOCCs submitted by the COA.

SEC. 66. *Availment, Disbursement, and Accounting of Funds or Subsidies from the National Government.* – Budgetary allotments from the National Government shall be availed of, disbursed, and accounted for in accordance with the guidelines issued by the DBM, the general and special provisions of the General Appropriations Act, and other relevant laws.

SEC. 67. *Exclusive External Auditor.* – The financial accounts of M/O/As and BGOCCs shall continue to be audited by the COA, which shall serve as the exclusive external auditor of the Bangsamoro Government.

TITLE VI

TRANSPARENCY AND PARTICIPATION

SEC. 68. *People’s Access to Public Financial Information.* – To enhance transparency and enforce accountability, all M/O/As, including BGOCCs, shall maintain a transparency seal on their respective official websites, as required under this Act and the general provisions of the annual GAAB. The transparency seal shall contain relevant budget information, such as approved budgets and targets, program and project categories, beneficiaries and status of implementation, evaluations and/or assessments, accomplishment reports, annual procurement plans, contracts awarded, and other related information.

The Minister, Head of Office, or BGOCC shall be responsible for ensuring compliance with this Section. The Bangsamoro Budget Office shall monitor such compliance and periodically report to the Parliament and the public on the observance of the transparency seal requirements by M/O/As and BGOCCs.

SEC. 69. *The Bangsamoro People’s Budget.* – The MFBM shall, every fiscal year, publish citizen-friendly summaries of the GAAB containing in-depth explanations and descriptions of the GAAB, including both qualitative and quantitative data, to help the people better understand and appreciate fiscal and budget information.

SEC. 70. *People’s Participation in the Budget Process.* – The Bangsamoro Government shall establish and implement appropriate participatory budget mechanisms to facilitate open, inclusive, and meaningful citizen engagement throughout the budget process.

To ensure the implementation of this Section, all M/O/As, as part of their budget preparation, shall conduct focused consultations with relevant accredited civil society organizations and other key stakeholders to solicit public input on budget priorities.

The MFBM, in coordination with the BPDA, shall issue the necessary guidelines governing these participatory mechanisms.

M/O/As shall include a summary of the consultations held, the inputs received, and how these were considered, as a mandatory attachment to their budget proposals submitted to the MFBM.

TITLE VII

ENFORCEMENT

SEC. 71. *Liability for Illegal Certification of Availability of Funds.* – No obligation shall be certified as accounts payable unless it is founded on a valid claim supported by sufficient evidence and duly authorized. Any certification for a non-existent or fictitious obligation or creditor shall be void. The offense committed by the certifying official shall constitute a grave offense under the Bangsamoro Civil Service Code, without prejudice to criminal prosecution under applicable laws. Any payment made under such certification shall be illegal, and every official authorizing or making such payment, or participating therein, or receiving such payment, shall be jointly and severally liable to the Bangsamoro Government for the full amount so paid or received.

SEC. 72. *Liability for Illegal Expenditures.* – Every expenditure or obligation authorized or incurred in violation of this Act, the general and special provisions of the GAAB, or any other appropriations law shall be null and void. Every payment made in violation of such provisions, rules, or regulations shall be deemed illegal, and every official or employee authorizing or making such payment, participating in the violation, or receiving such payment shall be jointly and severally liable to the Bangsamoro Government for the full amount so paid or received.

Any official or employee of the Bangsamoro Government who knowingly incurs any obligation or authorizes any expenditure in violation of this Act, the annual GAAB, or other appropriations law, or who participates in such violation, shall be guilty of a grave offense under the Bangsamoro Civil Service Code, without prejudice to criminal prosecution under applicable laws.

SEC. 73. *Prohibition Against the Incurrence of Overdraft.* – Ministers and Heads of Offices shall not incur, nor authorize the incurrence of, expenditures or obligations in excess of allotments released by the MFBM for their respective M/O/As. The act of incurring an overdraft shall constitute a less grave offense under the Bangsamoro Civil Service Code, and the party responsible therefor shall be held personally liable.

SEC. 74. *Fraudulent Accountability Reports.* – Any official or employee of the Bangsamoro Government, whether holding office or employment in a casual, temporary, holdover, permanent, or regular capacity, who causes the inclusion of fraudulent information in any accountability report shall be subject to administrative and criminal sanctions under existing laws, as warranted by the attendant facts and circumstances.

SEC. 75. *Failure to Submit Reports or Comply with Transparency Requirements.* – Failure by the Minister, Heads of Office, chief accountants, budget officers, cashiers, disbursing officers, administrative and personnel officers, and other responsible officers of M/O/As to submit trial balances, work and financial plans, reports of operation and income, current plantilla of personnel, and such other reports as may be required by the MFBM, or to comply with the transparency seal requirements under this Act, shall automatically cause the suspension of payment of their salaries until full compliance with the requirements of the MFBM. Until the reports mandated under this Act and the transparency seal requirements have been complied with, no appropriation authorized in the GAAB shall be made available

to pay the salary of any official or employee who violates this Section, without prejudice to any disciplinary action that may be instituted against such erring official or employee. Furthermore, no request for the release of allotments for items of appropriations covered in the negative list or for realignment, nor recommendations on the use of savings, shall be approved.

Failure to report income or funds collected at the end of a reporting period shall render all disbursements against such income or funds in subsequent reporting periods void. Every official or employee authorizing or making such payment, or participating in the violation, together with any person receiving such payment, shall be jointly and severally liable to the Bangsamoro Government for the full amount so paid or received.

The Parliament, through the CFBM acting on its behalf, *motu proprio* or upon the request of the COA or the Minister of Finance, and Budget and Management, may compel the head of the non-compliant M/O/A, under pain of contempt, to produce the required report/s and to explain the reasons for the failure to submit and disclose said report/s.

SEC. 76. *Misuse of Government Funds and Property.* – Any official or employee of the Bangsamoro Government who applies any government fund or property under his or her administration or control to any purpose other than that for which the fund or property has been appropriated by law shall be liable to the penalties prescribed under applicable penal statutes and civil service laws.

TITLE VIII FINAL PROVISIONS

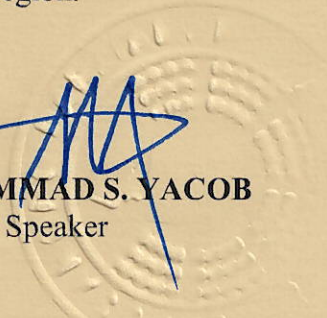
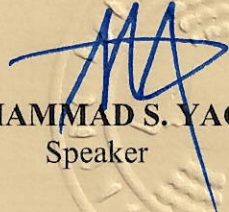
SEC. 77. *Implementing Guidelines and Transitory Plan.* – This Act is self-executory and shall take effect without the need for detailed implementing guidelines. However, to provide clarity and ensure consistent application, the MFBM, in consultation with the appropriate M/O/As, GOCCs, and Constituent LGUs, shall issue guidelines to further elucidate the pertinent provisions of this Act, from time to time or as the need arises. The MFBM may likewise amend such guidelines, after consultations, as necessary to reflect evolving requirements and circumstances.

Recognizing that certain vital provisions of this Act—such as the adoption of a Fiscal Policy Statement, Medium-Term Fiscal Strategy, an Annual Fiscal Report, and the Cash Budgeting System—may necessitate a systematic and structured transition, the MFBM shall prepare and submit to the Parliament a Transitory Plan within three (3) months from the effectivity of this Act, and in no case later than the first elections of the Members of the Parliament. The Transitory Plan shall specify conditions or events that are prerequisites to the implementation of the aforementioned provisions and may include interim measures to ensure a smooth transition.

SEC. 78. *Repealing Clause.* – All regional laws, executive orders, and rules and regulations that are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

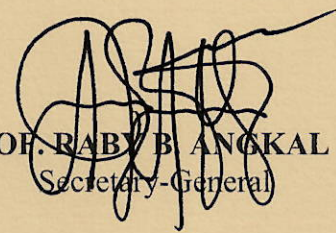
SEC. 79. *Separability Clause.* – If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SEC. 80. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Bangsamoro Gazette or in a newspaper of general circulation in the region.



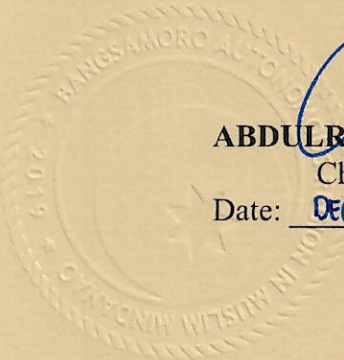
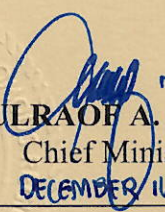
MOHAMMAD S. YACOB
Speaker

This Act was passed by the Bangsamoro Transition Authority Parliament on *Jumada Al-Akhirah* 18, 1447/December 09, 2025.



PROF. BABY B. ANGKAL
Secretary-General

Approved:



ABDULRAOF A. MACACUA
Chief Minister
Date: DECEMBER 16, 2025

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