

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Thirteenth Congress
First Regular Session

House Bill No. 2636



Introduced by Representative Imee R. Marcos

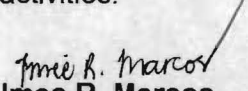
EXPLANATORY NOTE

Casinos and other similar venues of gambling are rapidly increasing in popularity in the Philippines, even in the height of the country's economic depression. Just recently, there are news reports of Stanley Ho's comeback in the Philippines and the alleged warm welcome by the Philippine Government. Casino establishments in several parts of the country, like the one in Ilocandia, Ilocos Norte, boast of its features and facilities which are competitive with Asia's premiere casino establishments. The Philippine Charity Sweepstakes Office (PCSO) also prides itself of its acquisition of a software which will initiate online casino in the Philippines.

However, there are reports that the casino industry is a growing target of money laundering. The rise of legalized gambling and the high cash volume associated with gaming have increased the casino industry's vulnerability to money laundering. Large casinos will often provide credit for gambling through telegraphic and other wire transfers, and electronic pledges. The gambling industry presents a convenient locale to pledges and allows the entry of large sums of money into national circulation without drawing undue attention to the person pledging or exchanging such funds, and hence allow criminals to convert proceeds undetected. Once funds are spent or even pledged at the casino, the currency loses its illegal taint and is identified as gambling proceeds, giving the criminals the opportunity to use their ill-gotten gains with the appearance of legitimacy. An illustration of exchange of money in casinos is when an individual goes to casinos and pretends to gamble, then thereafter exchanges the chips into casino checks. Another opportunity to launder money into the Philippines would be when money is wired from the criminal's offshore bank account to a casino in the Philippines. The casino pays the money in chips, the chips are then cashed in, and the money is repatriated via a bank check, money-order or wire transfer to the criminal's domestic bank account where it can be explained as a result of good luck in gambling.

This bill simply seeks to include casinos and other gaming institutions among the covered institutions. This way, the measures and requirements which apply to banks, non-banks, quasi-banks, insurance companies, securities and trust companies, *inter alia*, will be made to apply to casinos and other similar gambling establishments as well.

This author recommends the immediate approval of this bill to further strengthen our fight against money laundering, and other related criminal activities.


Imee R. Marcos
Representative
2nd District, Ilocos Norte

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AN ACT
AMENDING SECTION THREE, PARAGRAPH (a), SUBPARAGRAPH 3 OF REPUBLIC ACT
NUMBERED NINETY ONE HUNDRED AND SIXTY (R.A. NO. 9160) OTHERWISE KNOWN
AS THE "ANTI-MONEY LAUNDERING ACT OF 2001", AS AMENDED

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

SECTION 1. Covered Institutions. - Section 3 (a)(3) of Republic Act No. 9160 is hereby amended to read as follows:

(a) "Covered institution" refers to:

(1) banks, non-banks, quasi-banks, trust entities, and all other institutions and their subsidiaries and affiliates supervised or regulated by the Bangko Sentral ng Pilipinas (BSP);

(2) insurance companies and all other institutions supervised or regulated by the Insurance Commission; and

(3) (i) securities dealers, brokers, salesmen, investment houses and other similar entities managing securities or rendering services as investment agent, advisor, or consultant, (ii) mutual funds, close-end investment companies, common trust funds, pre-need companies and other similar entities, (iii) foreign exchange corporations, money changers, money payment, remittance, and transfer companies and other similar entities, **and [delete]** (iv) other entities administering or otherwise dealing in currency, commodities or financial derivatives based thereon, valuable objects, cash substitutes and other similar monetary instruments or property supervised or regulated by Securities and Exchange Commission, **AND (v) CASINOS AND OTHER GAMING VENUES;**

SECTION 2. Repealing Clause. - All laws, presidential decrees or issuances, executive orders, rule or regulations contrary to, or inconsistent with the provisions of this Act are hereby repealed, modified, or amended accordingly.

SECTION 3. Effectivity. This Act shall take effect fifteen (15) days following its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,