

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS

Second Regular Session

COMMITTEE REPORT NO. 1272
03 AUG 2011

Submitted by the Committee on Justice on _____

Re: House Bill No. 5015

Recommending its approval in substitution of House Bill Nos. 753 and 2158

Sponsors: Representatives Niel C. Tupas, Jr., Rodolfo W. Antonino and Karlo
Alexi B. Nograles

Mr. Speaker:

The Committee on Justice to which were referred House Bill No. 753,
introduced by Representative Rodolfo W. Antonino, entitled:

**"AN ACT
DEFINING TERRORIST FINANCING AS A CRIME AND
PROVIDING PENALTIES THEREFOR"**

and House Bill No. 2158, introduced by Representative Karlo Alexei B. Nograles
entitled:

**"AN ACT
CRIMINALIZING THE FINANCING OF TERRORISM AND FOR
OTHER PURPOSES"**

have considered the same and recommend that the attached House Bill No.
5015, entitled:

**"AN ACT
DEFINING THE CRIME OF FINANCING OF TERRORISM,
PROVIDING PENALTIES THEREFOR AND FOR OTHER
PURPOSES"**

be approved in substitution of House Bill Nos. 753 and 2158 with Representatives Rodolfo W. Antonino, Karlo Alexei B. Nograles, Niel C. Tupas, Jr., Rodolfo C. Fariñas, Orlando B. Fua, Jeffrey P. Ferrer and George P. Arnaiz as authors thereof.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Niel C. Tupas, Jr.', with a stylized flourish at the end.

NIEL C. TUPAS, JR.
Chairman
Committee on Justice

The Honorable Speaker
House of Representatives
Quezon City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Metro Manila
Quezon City

SECOND REGULAR SESSION

House Bill No. **5015**

Introduced by Representatives Rodolfo W. Antonino, Karlo Alexei B. Nograles, Niel C. Tupas, Jr., Rodolfo C. Fariñas, Orlando B. Fua, Jeffrey P. Ferrer, and George P. Arnaiz

AN ACT
DEFINING THE CRIME OF FINANCING OF TERRORISM, PROVIDING
PENALTIES THEREFOR AND FOR OTHER PURPOSES

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

1 SECTION 1. *Short Title* – This Act shall be known as the “*The*
2 *Terrorism Financing Prevention and Suppression Act of 2011*”.

3
4 SEC. 2. *Declaration of Policy* – It is the policy of the State to protect
5 life, liberty, and property from acts of terrorism and to condemn terrorism
6 and those who support and finance it and to recognize it as inimical and
7 dangerous to national security and the welfare of the people, and to make the
8 financing of terrorism a crime against the Filipino people, against humanity,
9 and against the law of nations.

10 The State, likewise, recognizes and adheres to international
11 commitments to combat the financing of terrorism, specifically to the
12 International Convention for the Suppression of the Financing of Terrorism,
13 as well as other binding terrorism-related resolutions of the United Nations

1 Security Council pursuant to Chapter 7 of the Charter of the United Nations
2 (UN).

3 Toward this end, the State shall reinforce its fight against terrorism by
4 criminalizing the financing of terrorism and related offenses, and by
5 preventing and suppressing the commission of said offenses through
6 freezing and forfeiture of properties or funds while protecting human rights.

7
8 SEC. 3. *Definition of Terms.* - As used in this Act

9
10 a) *Anti-Money Laundering Council (AMLC)* - refers to the Council
11 created by virtue of Republic Act No. 9160, as amended, otherwise known as
12 the "Anti-Money Laundering Act of 2001, as amended";

13 b) *Anti-Terrorism Council (ATC)* - refers to the Council created by
14 virtue of Republic Act No. 9372, otherwise known as the Human Security Act
15 of 2007;

16 c) *Covered institutions* refer to or shall have the same meaning as
17 defined under the Anti-Money Laundering Act (AMLA), as amended;

18 d) *Dealing, with regard to property or funds*, refers to receipt,
19 acquisition, transacting, representing, concealing, disposing or converting,
20 transferring or moving, use as security of or providing financial services;

21 e) *Designated persons* refers to

22 1) any person or entity included in the Consolidated List
23 maintained by the 1267 Committee established by United Nations
24 Security Council Resolution No. 1267;

1 2) any organization, association, or group of persons proscribed
2 pursuant to Section 17 of the Human Security Act of 2007; or

3 3) any person, organization, association, or group of persons
4 whose funds or property, based on probable cause are subject to
5 seizure and sequestration under Section 39 of the Human Security Act
6 of 2007.

7 f) *Forfeiture* refers to a court order transferring in favor of the
8 government, after due process, ownership of property or funds representing,
9 involving, or relating to financing of terrorism as defined in Section 4 or an
10 offense under Sections 5, 6, 7, 8, or 9 of this Act.

11 g) *Freeze* refers to the blocking or restraining of specific property or
12 funds from being transacted, converted, concealed, moved or disposed
13 without affecting the ownership thereof.

14 h) *Property or funds* refer to financial assets, property of every kind,
15 whether tangible or intangible, movable or immovable, however acquired,
16 and legal documents or instruments in any form, including electronic or
17 digital, evidencing title to, or interest in, such funds or other assets, including,
18 but not limited to, bank credits, travellers cheques, bank cheques, money
19 orders, shares, securities, bonds, drafts, or letters of credit, and any interest,
20 dividends or other income on or value accruing from or generated by such
21 funds or other assets.

22 i) *Terrorist* refers to any natural person who: (1) commits, or
23 attempts, or conspires to commit terrorist acts by any means, directly or
24 indirectly, unlawfully and willfully; (2) participates, as a principal or as an

1 accomplice, in terrorist acts; (3) organizes or directs others to commit terrorist
2 acts; or (4) contributes to the commission of terrorist acts by a group of
3 persons acting with a common purpose where the contribution is made
4 intentionally and with the aim of furthering the terrorist act or with the
5 knowledge of the intention of the group to commit a terrorist act.

6 j) *Terrorist acts refer to the following:*

7 1. Any act in violation of Section 3 or 4 of the Human Security
8 Act of 2007;

9 2. Any other act intended to cause death or serious bodily
10 injury to a civilian, or to any other person not taking an active part in
11 the hostilities in a situation of armed conflict, when the purpose of such
12 act, by its nature or context, is to intimidate a population, or to compel
13 a government or an international organization to do or to abstain from
14 doing any act.

15 3. Any act which constitutes an offense under this Act, or under
16 the law of a foreign State, that is within the scope of any of the
17 following treaties of which the Republic of the Philippines is a State
18 party:

19 a) Convention for the Suppression of Unlawful Seizure of
20 Aircraft, done at The Hague on 16 December 1970;

21
22 b) Convention for the Suppression of Unlawful Acts against
23 the Safety of Civil Aviation, done at Montreal on 23 September
24 1971;

25
26 c) Convention on the Prevention and Punishment of Crimes
27 against Internationally Protected Persons, including Diplomatic

1 Agents, adopted by the General Assembly of the United Nations
2 on 14 December 1973;

3
4 d) International Convention against the Taking of Hostages,
5 adopted by the General Assembly of the United Nations on 17
6 December 1979;

7
8 e) Convention on the Physical Protection of Nuclear Material,
9 adopted at Vienna on 3 March 1980;

10
11 f) Protocol for the Suppression of Unlawful Acts of Violence
12 at Airports Serving International Civil Aviation, supplementary to
13 the Convention for the Suppression of Unlawful Acts against the
14 Safety of Civil Aviation, done at Montreal on 24 February 1988;

15
16 g) Convention for the Suppression of Unlawful Acts against
17 the Safety of Maritime Navigation, done at Rome on 10 March
18 1988;

19
20 h) Protocol for the Suppression of Unlawful Acts against the
21 Safety of Fixed Platforms located on the Continental Shelf, done at
22 Rome on 10 March 1988; or

23
24 i) International Convention for the Suppression of Terrorist
25 Bombings, adopted by the General Assembly of the United
26 Nations on 15 December 1997.

27
28 k) *Terrorist organization, association or a group of persons* refers to any

29 entity owned or controlled by any terrorist or group of terrorists that: (1)
30 commits, or attempts to commit, terrorist acts by any means, directly or
31 indirectly, unlawfully and willfully; (2) participates as an accomplice in
32 terrorist acts; (3) organizes or directs others to commit terrorist acts; or (4)
33 contributes to the commission of terrorist acts by a group of persons acting
34 with common purpose of furthering the terrorist act where the contribution is
35 made intentionally and with the aim of furthering the terrorist act or with the
36 knowledge of the intention of the group to commit a terrorist act.

37

1 SEC. 4. *Financing of Terrorism.* - Any person who, directly or
2 indirectly, willfully and without lawful excuse, possesses, provides, collects or
3 uses property or funds or makes available property, funds or financial service
4 or other related services, by any means, with the unlawful and willful
5 intention that they should be used or with the knowledge that they are to be
6 used, in full or in part: (a) to carry out or facilitate the commission of any
7 terrorist act; (b) by a terrorist organization, association or group; or (c) by an
8 individual terrorist, shall be guilty of the crime of financing of terrorism and
9 shall suffer the penalty of *reclusion temporal* in its maximum period to *reclusion*
10 *perpetua* and a fine of not less than Five Hundred Thousand Pesos (₱
11 500,000.00) nor more than One Million Pesos (₱ 1,000,000.00).

12 Any person who organizes or directs others to commit financing of
13 terrorism under the immediately preceding paragraph shall likewise be
14 guilty of an offense and shall suffer the same penalty as herein prescribed.

15 For purposes of this Act, knowledge or intent may be established by
16 direct evidence or inferred from the attendant circumstances.

17 For an act to constitute a crime under this Act it shall not be necessary
18 that the funds were actually used to carry out a crime referred to in Section 3
19 (j).

20 The fact that property or funds were provided or collected with respect
21 to subsection (c) above shall be *prima facie* evidence that the person providing
22 or collecting the property or funds has knowledge or reason to believe that
23 the property or funds would be used to carry out or facilitate the commission
24 of any terrorist act or acts by a terrorist organization, association or group.

1 SEC. 5. *Attempt or Conspiracy to Commit the Crimes of Financing*
2 *of Terrorism and Dealing with Property or Funds of Designated Persons* . -

3 Any attempt to commit any crime under Section 4 or Section 8 under this
4 Act shall be penalized by a penalty two degrees lower than that prescribed
5 for the commission of the same as provided under this Act.

6 Any conspiracy to commit any crime under Section 4 or 8 of this Act
7 shall be penalized by the same penalty prescribed for the commission of
8 such crime under the said sections.

9 There is conspiracy to commit the offenses punishable under Sections
10 4 and 8 of this Act when two or more persons come to an agreement
11 concerning the commission of such offenses and decided to commit it.

12
13 SEC. 6. *Accomplice*. - Any person who, not being a principal under
14 Article 17 of the Revised Penal Code or a conspirator as defined in Section 5
15 hereof, cooperates in the execution of either the crime of financing of
16 terrorism or conspiracy to commit the crime of financing of terrorism by
17 previous or simultaneous acts shall suffer the penalty one degree lower than
18 that prescribed for the conspirator.

19
20 SEC. 7. *Accessory*. - Any person who, having knowledge of the
21 commission of the crime of financing of terrorism but without having
22 participated therein as a principal, takes part subsequent to its commission,
23 by profiting from it or by assisting the principal or principals to profit by the
24 effects of the crime, or by concealing or destroying the effects of the crime in
25 order to prevent its discovery, or by harboring, concealing or assisting in the

1 escape of a principal of the crime shall be guilty as an accessory to the crime
2 of financing of terrorism and shall be imposed a penalty two degrees lower
3 than that prescribed for principals in the crime of financing terrorism.

4
5 SEC. 8. *Prohibition Against Dealing with Property or Funds of*
6 *Designated Persons.* - Any person who, not being an accomplice under
7 Section 6 or accessory under Section 7 in relation to any property or fund,
8 deals directly or indirectly, in any way and by any means, with any
9 property or fund that he knows or has reasonable ground to believe is
10 owned or controlled by a designated person, organization, association or
11 group of persons, including funds derived or generated from property or
12 funds owned or controlled, directly or indirectly, by a designated person,
13 organization, association or group of persons shall suffer the penalty of
14 reclusion temporal in its maximum period to *reclusion perpetua* and a fine of
15 not less than Five Hundred Thousand Pesos (₱ 500,000.00) nor more than
16 One Million Pesos (₱ 1,000,000.00).

17 *Provided,* That any person who takes all reasonable steps to ascertain
18 that the property being dealt with was not owned or controlled by or on
19 behalf of any terrorist or terrorist entity or organization shall not be liable
20 under this Section.

21 SEC. 9. *Offense by a Juridical Person, Corporate Body or Alien.* - If the
22 offender is a corporation, association, partnership or any juridical person, the
23 penalty shall be imposed upon the responsible officers, as the case maybe,
24 who participated in, or allowed by their gross negligence, the commission of
25 the crime or who shall have knowingly permitted or failed to prevent its

1 commission. If the offender is a juridical person, the court may suspend or
2 revoke its license. If the offender is an alien, the alien shall, in addition to the
3 penalties herein prescribed, be deported without further proceedings after
4 serving the penalties herein prescribed.

5
6 SEC. 10. *Authority to Investigate Financing of Terrorism.*- The AMLC,
7 either upon its own initiative or at the request of the ATC, is hereby
8 authorized to investigate: (a) any property or funds that are in any way
9 related to financing of terrorism or acts of terrorism; (b) property or funds of
10 any person or persons in relation to whom there is probable cause to believe
11 that such person or persons are committing or attempting or conspiring to
12 commit, or participating in or facilitating the financing of terrorism or acts of
13 terrorism as defined herein.

14 The AMLC may also enlist the assistance of any branch, department,
15 bureau, office, agency or instrumentality of the government, including
16 government-owned and -controlled corporations in undertaking measures to
17 counter the financing of terrorism, which may include the use of its personnel,
18 facilities and resources.

19 For purposes of this Section and notwithstanding the provisions of
20 Republic Act No. 1405, otherwise known as the "Law on Secrecy of Bank
21 Deposits", as amended, Republic Act No. 6426, otherwise known the "Foreign
22 Currency Deposit Act of the Philippines", as amended; Republic Act No.
23 8791, otherwise known as "The General Banking Law of 2000" and other laws,
24 the AMLC is hereby authorized to inquire into or examine deposits and

1 investments with any banking institution or non-bank financial institution
2 and their subsidiaries and affiliates without a court order.

3
4 SEC. 11. *Authority to Freeze.* - The AMLC, either upon its own
5 initiative or at the request of the ATC, is hereby authorized to issue an *ex*
6 *parte* order to freeze without delay: (a) property or funds that are in any way
7 related to financing of terrorism or acts of terrorism; or (b) property or funds
8 of any person, group of persons, terrorist organization, or association, in
9 relation to whom there is probable cause to believe that they are committing
10 or attempting or conspiring to commit, or participating in or facilitating the
11 commission of financing of terrorism or acts of terrorism as defined herein.

12 The freeze order shall be effective for a period not exceeding twenty
13 (20) days. Upon a petition filed by the AMLC before the expiration of the
14 period, the effectivity of the freeze order may be extended up to a period not
15 exceeding six (6) months upon order of the Court of Appeals, provided that
16 the twenty-day period shall be tolled upon filing of a petition to extend the
17 effectivity of the freeze order.

18 Notwithstanding the preceding paragraphs, the AMLC, consistent
19 with the Philippines' international obligations, shall be authorized to issue a
20 freeze order with respect to property or funds of a designated organization,
21 association, group or any individual to comply with binding terrorism-related
22 Resolutions of the UN Security Council pursuant to Article 41 of the Charter
23 of the UN. Said freeze order shall be effective until the basis for the issuance
24 thereof shall have been lifted. During the effectivity of the freeze order, an
25 aggrieved party may, within twenty (20) days from issuance, file with the

1 Court of Appeals a petition to determine the basis of the freeze order
2 according to the principle of effective judicial protection.

3 The person whose property or funds have been frozen under the first
4 paragraph of this Section may withdraw such sums as the court determines to
5 be reasonably needed for monthly family needs and sustenance including the
6 services of counsel and the family medical needs of such person.

7 The person whose property or funds have been frozen under third
8 paragraph of this Section may withdraw such sums as the AMLC determines
9 to be reasonably needed for monthly family needs including the services of
10 counsel and the family medical needs of such person.

11 However, if the property or funds subject of the freeze order are found
12 to be in any way related to financing of terrorism or acts of terrorism
13 committed within the jurisdiction of the Philippines, said property or funds
14 shall be the subject of civil forfeiture proceedings as hereinafter provided.

15

16 SEC. 12. *Appropriation and Use of Funds of Public Attorneys Office*
17 (PAO). - Any appropriation and use of funds of PAO to provide free legal
18 assistance or services to persons charged of the offenses defined and
19 penalized herein shall not be construed as a violation of this Act, thereby
20 exempting the PAO from any liability.

21

22 SEC. 13. *Publication of Designation.* - The Department of Foreign
23 Affairs with respect to designation under Section 3 (e) (1 of this Act, and the
24 ATC with respect to designation under Section 3 (e) (2) and (3) and Section 11
25 of this Act, shall establish, publish, review and amend a list of the designated

1 persons to which this Act or the Human Security Act applies. The concerned
2 agencies shall ensure that an electronic version of the document is made
3 available to the public on their respective website.

4 Each respective agency or authority shall ensure that information on
5 procedures established in rules and regulations issued pursuant to this Act for
6 delisting, unfreezing and exemptions for basic and extraordinary expenses
7 shall likewise be made available in their respective website.

8
9 SEC. 14. *Duty of the Covered Institutions and/or Relevant*
10 *Government Agencies upon receipt of the Freeze Order* .- Upon receipt of the
11 notice of a freeze order, the covered institutions and/or relevant government
12 agencies shall immediately preserve the subject property or funds in
13 accordance with the order of the AMLC and shall forthwith serve a copy of
14 the notice of the freeze order upon the owner or holder of the property or
15 funds. Any responsible officer or other person who fails to comply with a
16 freeze order shall suffer the penalty of imprisonment from six months to four
17 years and a fine of not less than One Hundred Thousand Pesos
18 (Php100,000.00) nor more than Five Hundred Thousand Pesos
19 (Php500,000.00), at the discretion of the court, without prejudice to the
20 administrative sanctions that the AMLC may impose on the erring covered
21 institution.

22
23 SEC. 15. *Predicate offense to money laundering*. - Financing of
24 terrorism under Section 4 and offenses punishable under Sections 5, 6, and 7
25 of this Act shall be predicate offenses to money laundering as defined in

1 Republic Act No. 9160, otherwise knowns as the Anti-Money Laundering Act
2 of 2001, as amended, and subject to its suspicious transaction reporting
3 requirement.

4
5 SEC. 16. *Civil forfeiture.*- The procedure for the civil forfeiture of
6 property or funds found to be in any way related to financing of terrorism
7 under Section 4 and other offenses punishable under Sections 5, 6, and 7 of
8 this Act shall be made in accordance with the AMLA, as amended, its Revised
9 Implementing Rules and Regulations and the Rules of Procedure
10 promulgated by the Supreme Court.

11
12 SEC. 17. *Extra-Territorial Application of this Act.* - Subject to the
13 provision of an existing treaty, including the International Convention for the
14 Suppression of the Financing of Terrorism of which the Philippines is a State
15 Party, and to any contrary provision of any law of preferential application, the
16 criminal provisions of this Act shall apply: (a) to individual persons who
17 commit any of the crimes defined and punished in this Act within the
18 terrestrial domain, interior waters, maritime zone, and airspace of the
19 Philippines; (b) to individual persons who, although physically outside the
20 territorial limits of the Philippines, commit, conspire or plot to commit any of
21 the crimes defined and punished in this Act inside the territorial limits of the
22 Philippines; (c) to individual persons who, although physically outside the
23 territorial limits of the Philippines, commit any of the said crimes on board
24 Philippine ship or Philippine airship; (d) to individual persons who commit
25 any of said crimes within any embassy, consulate, or diplomatic premises

1 belonging to or occupied by the Philippine government in an official capacity;
2 (e) to individual persons who, although physically outside the territorial
3 limits of the Philippines, commit said crimes against Philippine citizens or
4 persons of Philippine descent, where their citizenship or ethnicity was a factor
5 in the commission of the crime; and (f) to individual persons who, although
6 physically outside the territorial limits of the Philippines, commit said crimes
7 directly against the Philippine government.

8 The provisions of this Act shall likewise apply to a Filipino national
9 who, although outside the territorial jurisdiction of the Philippines, commit,
10 conspire or plot to commit any of the crimes defined and punished in this Act.

11 In case of an alien whose extradition is requested pursuant to the
12 International Convention for the Suppression of the Financing of Terrorism,
13 and that alien is not extradited to the requesting state, the Republic of the
14 Philippines, without exception whatsoever and whether or not the offense
15 was committed in the Philippines, shall submit the case without undue delay
16 to the Department of Justice for the purpose of prosecution in the same
17 manner as if the act constituting the offense had been committed in the
18 Philippines, in which case, the courts of the Philippines shall have jurisdiction
19 over the offense.

20
21 SEC. 18. *Extradition.* - The Philippines may, at its option, subject to the
22 principle of *aut dedere aut judicare*, consider the International Convention for
23 the Suppression of the Financing of Terrorism as a legal basis for requesting
24 or granting extradition in respect of the offenses set forth under this Act.

1 SEC. 19. *Applicability of the Revised Penal Code.* – The provisions of
2 Book I of the Revised Penal Code shall apply suppletorily to this Act.

3 SEC. 20. *Implementing Rules and Regulations.* – Within thirty (30)
4 days from the effectivity of this Act, the AMLC, in coordination with relevant
5 government agencies, shall promulgate rules and regulations to implement
6 effectively the provisions of this Act.

7 The rules and regulations to be promulgated may include, but not
8 limited to, designation, delisting, notification of matters of interest of persons
9 affected by the Act, exceptions for basic and extraordinary expenses, matters
10 of evidence, definition of probable cause, inter-agency coordination,
11 publication of relevant information, administrative offenses and penalties,
12 procedures and forms, and other mechanisms for implementation of the Act.

13 SEC. 21. *Separability Clause.* – If, for any reason, any provision of this
14 Act is declared invalid or unconstitutional, the remaining provisions not
15 affected thereby shall continue to be in force and effect.

16 SEC. 22. *Repealing Clause.* – All laws, decrees, executive orders,
17 proclamations, rules and regulations, and other issuances, or parts thereof,
18 which are inconsistent with the provisions of this Act are hereby repealed or
19 modified accordingly.

20 SEC. 23. *Effectivity Clause.* – This Act shall take effect fifteen (15)
21 days after its complete publication in the Official Gazette or in at least two (2)
22 newspapers of general circulation.

23 Approved,
24

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
First Regular Session

0753

Introduced by Representative Rodolfo W. Antonino

EXPLANATORY NOTE

A successful terrorist group, like any other criminal organization, must be one that is able to build and maintain an effective financial infrastructure. It must locate, develop and keep sources of funding, means of laundering those funds, and finding ways to ensure that those funds can be used to obtain material and other logistics needed to commit terrorist acts.

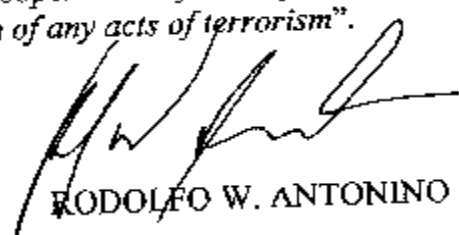
Experts on global terrorism generally agree that terrorist financing comes from either of the following sources: from states or organizations with highly developed financial structure; from individuals or groups with substantive financial means; or from income derived from crime or other unlawful activities such as kidnapping for ransom, drug trafficking, smuggling, illegal gambling, etc. The 11 March 2004 Madrid train bombings is an example of a terrorist act financed by illegal activities, specifically, narcotics trafficking. However, experts failed to include the income derived from lawful or legitimate sources, or a combination of both lawful and unlawful sources. No anti-terrorism financing law would be effective if the remedies of freezing and confiscation would only cover illegitimate funds or those of illicit origins.

In 2001, the Philippines signed and subsequently ratified the 1999 UN Convention on the Suppression of the Financing of Terrorism or Terrorist Financing Convention, obligating itself to criminalize the financing of terrorism and impose measures designed to prevent terrorists' access to funds, however acquire, which may later on be forfeited. Following the adoption of this Convention, the UN Security Council issued Resolution Nos. 1267 (1999) and 1373 (2001) and successor Resolutions.

This bill intends to complement and reinforce existing laws on anti-money laundering and anti-terrorism. It defines terrorist financing as a crime separate and distinct from the crime of terrorism and provides penalties to deter terrorist financiers from providing logistics and support to terrorists. It is also intends, as a measure on the part of the Philippines, to comply with the Terrorist Financing Convention, UNSC Resolution Nos. 1267, 1373 and its successor resolutions, as well as the Financial Action Task Force's Special Recommendations on terrorist financing.

Without discouraging or prohibiting financial institutions from doing business with legitimate customers, this bill intends to deny terrorists and their supporters access to legitimate international financial systems. It strengthens the country's support to fight terrorism as it continues to threaten global peace and security, and reaffirms UNSC Resolution 1373 which "recognizes the need for States to complement international cooperation by taking additional measures to prevent and suppress the financing and preparation of any acts of terrorism".

The passage of this bill is earnestly sought.



RODOLFO W. ANTONINO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Fifteenth Congress
First Regular Session

House Bill No. 0753

Introduced by: Representative Rodolfo W. Antonino

**AN ACT DEFINING TERRORIST FINANCING AS A CRIME AND PROVIDING
PENALTIES THEREFOR**

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

1 SECTION 1. *Short Title* – This Act shall be known as the “*Terrorist Financing*
2 *Suppression Act of 2010*”.

3 SEC. 2. *Declaration of Policy* – It is the policy of the State to protect life, liberty,
4 and property from acts of terrorism, and to condemn terrorists and those who support and
5 finance terrorists as inimical and dangerous to the national security of the country and to
6 the welfare of the people. Toward this end, the State shall reinforce its fight against
7 terrorism by defining terrorist financing as a crime and providing penalties for the
8 commissions thereof.

9 SEC. 3. *Definition of Terms*. – As used in this Act:

10 a) *Anti-Money Laundering Council (AMLC)* refers to the agency created by
11 virtue of Republic Act No. 9160, as amended, otherwise known as the “Anti-Money
12 Laundering Act of 2001, as amended”;

13 b) *Anti-Terrorism Council (ATC)* refers to the agency created by virtue of
14 Republic Act No. 9372, otherwise known as the Human Security Act of 2007;

15 c) *Covered institution* refers to or shall have the same meaning as defined
16 under the Anti-Money Laundering Act (AMLA), as amended;

1 d) *Forfeiture* refers to an act where a court order transfers, after due process,
2 in favor of the government ownership of property or funds representing, involving or
3 relating to a terrorist act or terrorist financing;

4 e) *Freeze* refers to the act of blocking or restraining specific property or funds
5 from being transacted, converted, concealed, moved or disposed. The owner of said
6 frozen property or funds shall retain ownership thereof although the government
7 possesses, administers or manages the property or funds;

8 f) *Property or funds* refers to assets of every kind, whether real or personal,
9 tangible or intangible, movable or immovable, however acquired or regardless of its
10 source, including legal documents or instruments in any form, including electronic or
11 digital, evidencing title to, or interest in, such assets, including but not limited to cash,
12 bank credits, travelers cheques, bank cheques, money orders, shares, securities, bonds,
13 drafts, letters of credit and other monetary instruments;

14 g) *Terrorist* refers to any natural person who: (i) commits, or attempts, or
15 conspires to commit terrorist acts by any means, directly or indirectly, unlawfully and
16 willfully; (ii) participates, as a principal or as an accomplice, in terrorist acts; (iii)
17 organizes or directs others to commit terrorist acts; or (iv) contributes to the commission
18 of terrorist acts by a group of persons acting with common purpose where the contribution
19 is made intentionally and with the aim of furthering the terrorist act or with the knowledge
20 of the intention of the group to commit a terrorist act;

21 h) *Terrorist act* refers to the following:

22 1: Any act or combination of acts punishable under any of the following provisions
23 of the Revised Penal Code (RPC) and other special laws;

- i) Article 122 (RPC) on piracy in general and mutiny in the high seas or in the Philippine waters;
- ii) Article 134 (RPC) on rebellion or insurrection;
- iii) Article 134-a (RPC) on *Coup de'état*, including acts committed by private persons;
- iv) Article 248 (RPC) on murder;
- v) Article 267 (RPC) on kidnapping and serious illegal detention;
- vi) Article 324 (RPC) on crimes involving destruction;
- vii) Presidential Decree No. 1613, the Law on Arson;
- viii) Republic Act No. 6969, otherwise known as the "*Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990*";
- ix) Republic Act No. 5207, otherwise known as the "*Atomic Energy Regulatory and Liability Act of 1968*";
- x) Republic Act No. 6235 entitled, "*An Act Prohibiting Certain Acts Inimical to Civil Aviation and for other purposes*";
- xi) Presidential Decree No. 532, entitled, "*Anti-Piracy and Anti-Highway Robbery Law of 1974*";
- xii) Presidential Decree No. 1866, as amended by RA 8294 and further amended by RA 9516 (Sections 3 & 4), entitled "*Codifying the Laws on Illegal and Unlawful Possession, Manufacture, Dealing in, Acquisition or Disposition of Firearms, Ammunition or Explosives or Instruments Used in the Manufacture of Firearms, Ammunition or Explosives, and Imposing*

1 imposed the penalty of *reclusion temporal* in its maximum period to *reclusion perpetua*
2 and a fine of not less than Five Hundred Thousand Pesos (PhP 500,000.00) nor more than
3 One Million Pesos (PhP 1,000,000.00).

4 **Provided, however,** That with respect to c), it shall be an affirmative defense that
5 the person providing the property or funds had no knowledge or reason to believe that the
6 property or funds will be used for activities related to terrorist acts.

7 For purposes of this Act, knowledge may be established by direct evidence or
8 inferred from the attendant circumstances.

9 **SEC. 5. Conspiracy to Commit Terrorist Financing.** – Persons who conspire to
10 commit the crime of terrorist financing shall suffer the penalty of *reclusion temporal* in its
11 maximum period to *reclusion perpetua* and a fine of not less than Five Hundred Thousand
12 Pesos (PhP 500,000.00) nor more than One Million Pesos (PhP1,000,000.00).

13 There is conspiracy when two or more persons come to an agreement concerning
14 the commission of the crime of terrorist financing as herein defined and decide to commit
15 the same.

16 **SEC. 6. Accomplice.** – Any person who, not being a principal under Article 17 of
17 the Revised Penal Code or a conspirator as defined in Section 4 hereof, cooperates in the
18 execution of either the crime of terrorist or conspiracy to commit terrorism by previous or
19 simultaneous act, shall suffer the penalty one degree lower than that prescribed for the
20 conspirator.

21 **SEC.7. Accessory.** – Persons who, having knowledge of the commission of the
22 crime of terrorist financing but without having participated therein as a principal take part,
23 subsequent to its commission, by profiting themselves or assisting the principal or
24 principals to profit by the effects of the crime, or by concealing or destroying the effects of

1 the crime in order to prevent its discovery, or by harboring, concealing or assisting in the
2 escape of the principal of the crime shall be guilty as an accessory to the crime of terrorist
3 financing and shall be imposed a penalty two degrees lower than that prescribed for
4 principals in the crime of terrorist financing.

5 **SEC. 8. *Prohibition Against Use or Possession of Property or Funds for***
6 ***Terrorist Purposes.*** – Every person who (a) uses property or funds, directly or indirectly,
7 in whole or in part, for the purpose of facilitating or carrying out any terrorist act; or (b)
8 possesses property or funds intending that it be used or knowing or having reasonable
9 grounds to believe that it will be used, directly or indirectly, in whole or in part, for the
10 purpose of facilitating or carrying out a terrorist act shall be guilty as a principal of the
11 crime of terrorist financing.

12 **SEC. 9. *Prohibition Against Dealing with Property of Terrorists.*** – It shall be
13 unlawful for any person to (a) deal directly or indirectly, with any property or funds that
14 he knows or has reasonable ground to believe is owned or controlled by or on behalf of
15 any terrorist, terrorist entity or organization, including funds derived or generated from
16 property or funds owned or controlled, directly or indirectly, by any terrorist, terrorist
17 entity or organization; (b) enter into or facilitate, directly or indirectly, any financial
18 transaction related to a dealing in property or funds owned or controlled by or on behalf of
19 any terrorist, terrorist entity or organization; or (c) provide any financial service or any
20 other related services with respect to any property or funds owned or controlled by, or on
21 behalf or for the benefit of, or on the direction or order of, any terrorist, terrorist entity or
22 organization.

23 Violation of this Section shall be penalized as a principal of the crime of terrorist
24 financing; *Provided*, That any person who acts reasonably in taking measures to comply

1 with this Section shall not be liable in any criminal proceeding if the person took all
2 reasonable steps to satisfy himself that the relevant property was not owned or controlled
3 by or on behalf of any terrorist or terrorist entity or organization.

4 **SEC. 10. *Offense by a Juridical Person or Corporate Body.*** -- Where the crime of
5 terrorist financing has been committed by a company, firm, society or other body of
6 juridical person, any person who, at the time of the commission of the offense, was a
7 director, manager, secretary or other similar officer or a partner of the company, firm,
8 society or other body of juridical person or was purporting to act in any such capacity,
9 shall be guilty of the crime of terrorist financing and shall be penalized accordingly unless
10 he proves that the acts constituting the offense was committed without his consent or
11 connivance and that he had exercised the due diligence required to prevent the commission
12 of the offense having regard to the nature of his functions.

13 In addition to any administrative fine or sanction that may be imposed, the court
14 may revoke or suspend the license of the juridical person found to have violated the
15 provisions of this Act.

16 **SEC. 11. *Jurisdiction of Terrorist Financing and Related Cases.*** -- The Regional
17 Trial Court shall have original jurisdiction over all cases of terrorist financing.

18 **Sec. 12. *Authority to Investigate Terrorist Financing and Related Cases.*** -- The
19 AMLC, either at its own initiative or at the request of the ATC, is hereby authorized to
20 investigate: i) any property or funds that are in any way related to terrorist financing or
21 terrorist act; ii) property or funds of any person or persons in relation to whom there is
22 probable cause to believe that they are committing or attempting or conspiring to commit,
23 or participating in or facilitating the commission of a terrorist act or terrorist financing as
24 defined herein.

1 It may also enlist the assistance of any branch, department, bureau, office, agency
2 or instrumentality of the government, including government-owned and controlled
3 corporations in undertaking countermeasures to terrorist financing, which may include the
4 use of its personnel, facilities and resources for the more resolute prevention, detection and
5 investigation of terrorist financing offenses and prosecution of offenders.

6 For purposes of this Section and notwithstanding the provisions of Republic Act
7 No. 1405, as amended, Republic Act No. 6426, as amended; Republic Act No. 8791, and
8 other laws, the AMLC is hereby authorized to inquire into or examine deposits and
9 investments with any banking institution or non-bank financial institution and their
10 subsidiaries and affiliates without a court order.

11 **SEC. 13. *Authority to Freeze.*** - The AMLC, either at its own initiative or at the
12 request of the ATC, is hereby authorized to issue an order to freeze without delay: i) the
13 property or funds that are in any way related to terrorist financing or a terrorist act; or ii)
14 the property or funds of any person or persons in relation to whom there is probable cause
15 to believe that they are committing or attempting or conspiring to commit, or participating
16 in or facilitating the commission of terrorist financing or a terrorist act as defined herein.

17 The freeze order shall be effective for a period not exceeding thirty (30) days.
18 Upon a petition filed by the AMLC before the expiration of the period, the effectivity of
19 the freeze order may be extended up to a period not exceeding six (6) months upon order
20 of the Court of Appeals, provided that the thirty-day (30-day) period shall be tolled upon
21 filing of a petition to extend the effectivity of the freeze order.

22 Notwithstanding the provisions of the preceding Section, the AMLC, consistent
23 with its international obligations, is authorized to issue a freeze order to comply with the
24 binding convention, directive or resolution of the United Nations, the United Nations

1 Security Council and other international organizations of which the Philippines is a
2 member. Said freeze order shall be effective until the basis for the issuance thereof shall
3 have been lifted. During the effectivity of the freeze, an aggrieved party may, within
4 twenty (20) days from issuance, file with the Court of Appeals a petition to determine the
5 basis of the freeze order.

6 However, if the property or funds subject of the freeze order are found to be in any
7 way related to terrorist financing or terrorist act committed within the jurisdiction of the
8 Philippines, said property or funds shall be the subject of civil forfeiture proceedings as
9 hereinafter provided.

10 SEC. 14. *Duty of the Covered Institutions and Government Agency upon receipt*
11 *of the Freeze Order.* – Upon receipt of notice of freeze order, the covered institution or
12 government agency shall immediately preserve the subject property or funds in accordance
13 with the Resolution of the AMLC and shall forthwith furnish a copy of the notice of the
14 freeze order upon the owner or holder of the subject property, or funds. Any person who
15 fails to comply with a freeze order shall be penalized with imprisonment ranging from six
16 (6) months to four (4) years and a fine of not less than One Hundred Thousand Pesos (PhP
17 100,000.00) nor more than Five Hundred Thousand Pesos (PhP 500,000.00) at the
18 discretion of the court, without prejudice to the administrative sanctions that the AMLC
19 may impose on the erring covered institution.

20 SEC. 15. *Predicate Offense to Money Laundering.* – Terrorism financing and other
21 violations under this Act shall be a predicate offense to money laundering as defined in the
22 Anti-Money Laundering Act of 2001 (AMLA), as amended.

1 SEC. 16. *Civil Forfeiture.* – The procedure for the civil forfeiture of property or
2 funds found to be in any way related to terrorist financing and other violations of this Act
3 shall be made in accordance with the AMLA, as amended, its Revised Implementing
4 Rules and Regulations and the Rules of Procedure promulgated by the Supreme Court.

5 SEC. 17. *Extra-Territorial Application of this Act.* – Subject to the provision of an
6 existing treaty, including the 1999 International Convention for the Suppression of the
7 Financing of Terrorism, of which the Philippines is a State Party, and to any contrary
8 provision of any law of preferential application, the provisions of this Act shall apply: a)
9 to individual persons who commit any of the crimes defined and punished in this Act
10 within the terrestrial domain, interior waters, maritime zone, and airspace of the
11 Philippines; b) to individual persons who, although physically outside the territorial limits
12 of the Philippines, commit, conspire or plot to commit any of the crimes defined and
13 punished in this Act inside the territorial limits of the Philippines; c) to individual persons
14 who, although physically outside the territorial limits of the Philippines, commit any of the
15 said crimes on board Philippine ship or Philippine airship; d) to individual persons who
16 commit any of said crimes within any embassy, consulate, or diplomatic premises
17 belonging to or occupied by the Philippine government in an official capacity; e) to
18 individual persons who, although physically outside the territorial limits of the Philippines,
19 commit said crimes against Philippine citizens or persons of Philippine descent, where
20 their citizenship or ethnicity was a factor in the commission of the crime; and f) to
21 individual persons who, although physically outside the territorial limits of the Philippines,
22 commit said crimes directly against the Philippine government.

1 The provisions of this Act shall likewise apply to a Filipino national who, although
2 outside the territorial jurisdiction of the Philippines, commit, conspire or plot to commit
3 any of the crimes defined and punished in this Act.

4 SEC. 18. *Extradition.* – The Philippines shall negotiate the inclusion of terrorist
5 financing as herein defined among extraditable offenses in all future treaties.

6 SEC. 19. *Applicability of the Revised Penal Code.* – The provisions of Book I of
7 the Revised Penal Code shall be applicable to this Act.

8 SEC. 20. *Separability Clause.* – If, for any reason, any provision of this Act is
9 declared invalid or unconstitutional, the remaining provisions not affected thereby shall
10 continue to be in force and effect.

11 SEC. 21. *Repealing Clause.* – All laws, decrees, executive orders, proclamations,
12 rules and regulations, and other issuances, or parts thereof, which are inconsistent with the
13 provisions of this Act are hereby repealed or modified accordingly.

14 SEC. 22. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
15 publication in the Official Gazette or in at least two (2) newspapers of general circulation,
16 whichever is earlier.

17 Approved,

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. **2158**

Introduced by: **Representative Karlo A. B. Nograles**

EXPLANATORY NOTE

The brazen and brutal terrorist attacks in the United States on September 11, 2001 have forever change the face of terrorism as it exposed the other half thereof which is terrorism financing. Following the tragic events we now dreadfully remember as 9/11, the Financial Action Task Force, the financial watchdog created by the Group of Seven (G-7) Nations, developed the international standards to combat and suppress terrorism financing.

In October 2001, the FATF issued the Eight Special Recommendations to deal with the issue of terrorism financing. Three years later, the FATF published a Ninth Special Recommendation further strengthening the agreed international standards against terrorism financing thereby completing the FATF 40-plus 9 Special Recommendations.

On 16 November 2001, following the enactment of the AMLA, the Philippines signed the 1999 United Nations Convention for the Suppression of the Financing of Terrorism. The UN Convention was ratified by the Senate on 14 October 2003 and requires all States to criminalize the financing of terrorism separately from the act of terrorism. In other words, terrorism financing should be criminalized as a stand-alone offense.

The need to separately criminalized terrorist financing is one of the specific requirements set by FATF, particularly under Special Recommendation NO. 11 which provides that:

Each country should criminalize the financing of terrorism, terrorist acts and terrorist organizations. Countries should ensure that such offenses are designated as money predicate offences.

In the 2008 Detailed Assessment of the Philippine jointly conducted by the World Bank and the Asia/Pacific Group on Money Laundering, the Philippines was not only rated non-compliant with Special Recommendation No. 11 but was also adjudged non-compliant with Special Recommendation No. 1 for its failure to fully related Resolutions issued by the United Nations Security Council.

The Philippines has been rated non-compliant by our peers in the Asia/Pacific Group as well as by the FATF-member nations for its to fully implement the UN Conventions and other international instruments against terrorism financing it signed and ratified. It has failed to criminalize terrorism financing it signed and ratified. It has failed to criminalize terrorism financing as a stand-alone offense separate and distinct from the crime of terrorism.

The Philippines has been a victim of terrorism. There is no argument that terrorism cannot be perpetrated without the actors. The actors cannot mobilize without equipment and tools. Equipment and tools can only be acquired with funds however and wherever acquired. Training for new terrorist recruits also requires funding. Hence, terrorism can be effectively prevented by targeting and bringing to justice its financiers.

Consequently, the Philippines just equip its authorities with the necessary tools that directly impact on the funding sources of terrorist individuals and organizations empowering them to freeze without delay and if needed, to interdict and promptly forfeit funds intended to finance the commission of act of terrorism.

This bill is intended not only to comply and honor our international commitments under the various international instruments against terrorism financing but also and more importantly to ensure the safety and security of our country and its people from the horrors of terrorism.

The early passage of this bill is strongly recommended.



KARLO A.B. NOGRALES

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. **2158**

Introduced by: **Representative Karlo A. B. Nograles**

**AN ACT CRIMINALIZING THE FINANCING OF TERRORISM AND
FOR OTHER PURPOSES**

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

Section 1. Short Title. – This Act shall be known as the “Suppression of the Financing of Terrorism Act of 2010”.

Section 2. Declaration of Policy. – It is the declared policy of the State to protect life, liberty and property from all acts of terrorism and the financing thereof. Consistent with its foreign policy, the State shall extend cooperation in the transnational investigation and prosecutions of persons involved in terrorism financing activities wherever committed.

Section 3. Definitions. – For purposes of this Act, the following terms are hereby defined as follows:

- (a.) “**Terrorism**” shall refer to the crime penalized under Section 3 of Republic Act No. 9372, otherwise known as the “Human Security Act of 2007”,
- (b.) “**Funds**” shall mean assets of every kind, whether real or personal, tangible or intangible, movable or immovable, however acquired or regardless of its sources and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such assets, including

but not limited to, cash, bank credit, travellers cheques, money orders, shares, securities, bonds, drafts, letter of credit and other monetary instruments.

Section 4. *Terrorism financing; how committed.* The crime of terrorism financing is committed by:

- a.) Any person who, by any means, directly or indirectly, unlawfully and wilfully, provides, contributes or collect funds with the intention that such funds are to be used or with the knowledge that they are to be used, in full or in part to carry out terrorism;
- b.) Any person who organizes or direct others to commit the offense under Section 4 (a);
- c.) Any person who participates as an *accomplice or accessory* in the offense set forth in Section 4 (a) aforementioned;

For purposes of Section 4, it shall not be necessary that the crime of terrorism be actually committed or that the funds were actually used to carry out terrorism.

Section 5. *Conspiracy to commit terrorism financing.* – It shall be unlawful for any person to conspire to commit terrorism financing. There is conspiracy when two or more persons come to an agreement to commit the crime of terrorism financing as defined under Section 4 hereof and decide to commit it.

Section 6. *Predicate offense to money laundering.* – Terrorism financing shall be a predicate offense to money laundering as defined and penalized under Republic Act no. 9160, as amended.

Section 7. *Extradition.* - The Philippines shall negotiate for the inclusion of terrorism financing as among the extraditable offenses in all future treaties.

Section 8. Penal Provisions. a.) Terrorism financing under Section 4 (a) and (b) and conspiracy to commit terrorism financing under Section 5 shall be penalized with forty (40) years imprisonment without the benefit of parole.

b.) An *accomplice or accessory* to the crime of terrorism financing under Section 4 (c) shall be penalized with imprisonment ranging from seventeen (17) years, four (4) months and one (1) day to twenty (20) years.

Section 9. Effectivity. – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved.

FACT SHEET

House Bill Nos. 753 and 2158

(Approved by the Committee on June 8, 2011)

“AN ACT DEFINING THE CRIME OF FINANCING OF TERRORISM, PROVIDING PENALTIES THEREFOR AND FOR OTHER PURPOSES”

*Introduced by: REPS. RODOLFO W. ANTONINO, KARLO B. NOGRALES,
NIEL C. TUPAS, JR., RODOLFO C. FARIÑAS, ORLANDO B. FUA, JEFFREY
P. FERRER AND GEORGE P. ARNAIZ*

*Committee Referral: COMMITTEE ON JUSTICE
Committee Chairperson: REP. NEIL C. TUPAS, JR.*

OBJECTIVES:

- To ensure the safety and security of our country and people from the horrors of terrorism;
- To prevent terrorism by denying terrorists and their supporters access to legitimate international financial systems and by targeting and bringing to justice its financiers;
- To strengthen the country's support to fight terrorism as it continues to threaten global peace and security;
- To comply and honor our international commitments under the various international instruments against terrorism financing to which the Philippines is a party.

KEY PROVISIONS:

- Defines and criminalizes Terrorism Financing;
- Punishes conspiracy to commit terrorism financing;
- Includes terrorism financing as a predicate offense to money laundering as defined in the Anti-Money Laundering Act of 2001 (AMLA), as amended;
- Provides for the inclusion of terrorism financing as among the extraditable offenses in all future treaties;

RELATED LAWS:

- Republic Act No. 9160 (Anti-Money Laundering Act of 2001, as amended;)
- Republic Act No. 9372 (Human Security Act)
- 1999 UN Convention on the Suppression of the Financing of Terrorism or Terrorist Financing Convention;
- UN Security Council Resolution Nos. 1267 (1999) and 1373 (2001)

Received by : _____
Date : _____
Time : _____

CLUSTER



Republic of the Philippines

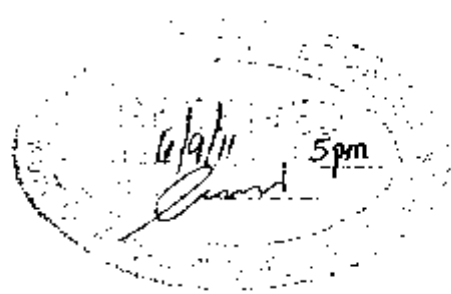
HOUSE OF REPRESENTATIVES

Quezon City, Metro Manila

15th Congress

1st Regular Session

COMMITTEE ON JUSTICE



FOR : THE HONORABLE SPEAKER

THRU : THE DEPUTY SECRETARY GENERAL FOR COMMITTEE AFFAIRS

RE : SPOT REPORT OF THE MEETING OF THE COMMITTEE ON JUSTICE HELD ON 8 JUNE 2011, WEDNESDAY, 9:30 A.M. AT CONFERENCE ROOM 6, MITRA BUILDING, HOUSE OF REPRESENTATIVES

9 June 2011

DELIBERATION ON MEASURES:

1. House Bill No. 2410 (Creation of an Additional Division of the Court of Appeals in Baguio City).

a. Major issues/positions and views aired:

- Rep. Bernardo Vergara delivered his sponsorship speech on HB 2410. He stated that in recent years, Congress has passed several laws creating new Regional Trial Courts (RTC) without considering its effects on the existing divisions of the Court of Appeals (CA). Rep. Vergara also emphasized that out of the twenty-three (23) divisions of the CA, seventeen (17) are located in Metro Manila, three (3) in Cebu and three (3) in Cagayan de Oro. He added that with 72 RTCs in Northern Luzon, cases from these courts elevated to the CA divisions in Metro Manila considerably add to the increasing load of the CA. He concluded that there is a need to create a division of the CA for the Cordillera Administrative Region (CAR) and the First Judicial Region, to be located in Baguio City.

Associate Justice Remedios Salazar-Fernando of the Court of Appeals expressed her concern with HB 2410. She stated that the creation of an additional CA division to be located in Baguio City would require additional budget for the CA for personnel, maintenance and other operating expenses. She noted that the cases filed in the First Judicial Region and CAR only numbered 773, and that the CA has a self-imposed quota on the disposition of pending cases, which is 12-16 cases per month (excluding minute resolutions). She added that due to the collegial nature of the CA, the creation of a single CA division in Baguio City would also entail problems for the would-be Justices and court personnel, such as being precluded from filing leaves of absence in order to avoid delay in the resolution of cases. Finally, Assoc. Justice Fernando recommended that instead of creating a CA division in Baguio City, the Supreme Court (SC) could simply issue a resolution designating an existing CA division in Metro Manila to specifically handle appeals and special civil actions from the First Judicial Region and CAR.

- Rep. Vergara stated that he was amenable to the above recommendation of Assoc. Justice Fernando.

b. Agreements reached/Decisions made:

- Senior Vice-Chairman Rodolfo Fariñas, who presided over the Committee meeting, stated that the Committee would consider HB 2410 for further deliberation, with the assurance that the House of Representatives would make the proper representation to the SC for the possible issuance of an SC resolution as described above.

Substitute Bill on Terrorist Financing Suppression Act, in lieu of House Bill Nos. 753 and 2158 authored by Reps. Rodolfo Antonino and Karlo Nograles.

Major Issues/Positions and Views Aired:

Rep. Karlo Nograles underscored the importance and urgency of the passage of the bill in order for the Philippines to meet its international commitments in suppressing terrorist financing. Rep. Catalina Leonen-Pizarro, representing Rep. Rodolfo Antonino, likewise conveyed the need to expedite the passage of the bill, which would effectively strengthen and plug the loopholes in existing laws such as Republic Act No. 9160 (Anti-Money Laundering Act of 2001), Republic Act No. 9280 (Anti-Trafficking in Persons Act of 2003), and Republic Act No. 9370 (Human Security Act of 2007). Resource persons from concerned agencies and other stakeholders such as the Department of Justice (DOJ), Anti-Money Laundering Council (AMLC), Philippine National Police (PNP) and the Anti-Terrorism Council (ATC) expressed their full support for the bill.

Agreements Reached/Decisions Made:

Upon the duly seconded motion of Rep. Orlando Fua, the Chairman approved the substitute bill on Terrorist Financing and Suppression Act, subject to the refinements/amendments introduced by the members present.

Substitute Bill on Recognizance Act, in lieu of House Bill Nos. 180, 2414 and 3145, authored by Reps. Joseph Bert Violago, Rodolfo Fariñas, Teddy Casiño, Neri Colmenares, Luzviminda Ilagan, Rafael Mariano, Raymond Palatino, Emmi De Jesus, and Antonio Tinio.

Major Issues/Positions and Views Aired:

Rep. Casiño reiterated his view that the requirement for a Sangguniang Bayan/Panlungsod resolution might be too burdensome for the applicant, thus defeating the purpose of the bill which is to grant indigent persons, who are unable to post bail, an alternative in gaining temporary freedom when the evidence against them is not strong.

Atty. Teresita Domingo from the DOJ expressed her support for HB 2414 authored by Rep. Casiño. She suggested that instead of requiring a Sangguniang Bayan/Panlungsod resolution, the courts could just notify the concerned Sanggunian of the application for recognizance by an indigent person, with a strict timeframe to act on the said application and submit a recommendation to the court.

Reps. Fariñas and Arnaiz, however, stressed the need for a proactive participation of the Sanggunian in the recognizance process, in order to establish the accountability of elective public officials for the person to be released on recognizance.

Agreements Reached/Decisions Made:

On the duly seconded motion of Rep. Fua, the Chairman approved the substitute bill on the Recognizance Act, subject to the amendments made by Reps. Casiño and Arnaiz.

Prepared by:

ATTY. NARCISA H. GUEVARRA
Committee Secretary

Noted by:

ATTY. DAVID ROBERT U. AMORIN
Service Director
Cluster 5 (Legal/Political 1)

cc: The Deputy Speaker
The Honorable Chairman, Committee on Rules
The Secretary General
The Executive Director, Committee Affairs Department
The Deputy Executive Director, Committee Affairs Department
The Service Director, Committee Affairs Support Service