

HOUSE OF REPRESENTATIVES  
Quezon City, Metro Manila

FIFTEENTH CONGRESS  
THIRD REGULAR SESSION

HOUSE BILL NO. 6611



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Introduced by CIBAC Party List Representatives  
Sherwin N. Tugna and Cinchona Cruz-Gonzales

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**AN ACT FURTHER STRENGTHENING THE ANTI-MONEY LAUNDERING LAW,  
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9160, OTHERWISE KNOWN  
AS THE "ANTI-MONEY LAUNDERING ACT OF 2001", AS AMENDED BY  
REPUBLIC ACT NOS. 9194 AND 10167**

EXPLANATORY NOTE

The Financial Action Task Force ("FATF"), an inter-governmental body, sets standards and promotes effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. In early 2012, FATF threatened to include the Philippines in its blacklist of uncooperative countries. Inclusion in the blacklist will result to stricter inspections of financial transactions in our country. However, due to the passage of Republic Act Nos. 10167 and 10168, FATF has upgraded the Philippines to its "gray list" of countries. As much the upgrade is beneficial to our country, it is not enough. Philippines must be included in the list of countries that comply with FATF Standards.

This bill seeks to amend provisions of R.A. No. 9160 with respect to the following matters: 1) broadening the scope of the covered institutions or individuals to include pawnshops, foreign exchange corporations, money payment, remittance and transfer companies, casinos, including internet casinos, real estate agents or brokers, dealers in precious metals and in precious stones, and trust and company service providers; 2) inclusion of other serious crimes such as but not limited to bribery, malversation of public funds, human trafficking, and tax evasion in compliance with FATF recommendation to apply the crime of money laundering to all serious offenses, with a view to include the widest range of predicate offenses; and 3) strengthening of confiscation and provisional measures which include the return of the previous power of the Anti-Money Laundering Council to issue freeze orders upon determination of the existence of probable cause to ensure that the proceeds will not be withdrawn, transferred, or moved during the investigation and/or pending the case for the commission of money-laundering offense or of the unlawful activities as defined in this bill. It is worthy to note that giving AMLC the power to issue freeze order will ensure that the accounts with the covered institutions or individuals will not be withdrawn or transferred because AMLC has the first-hand information and evidence that the amounts in such accounts are proceeds of unlawful activities as defined

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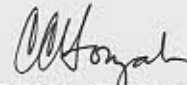
herein. The prevailing provision of the law that the Court of Appeals will issue freeze orders upon *ex parte* application should be changed since more transfer of information from one office to another will open the possibilities of leakage that will alarm the violators of the anti-money laundering law. If leakage occurs, when AMLC applies with the courts for examination of the accounts, the accounts have already been withdrawn or transferred. Such occurrence would render the investigation less effective since the accounts cannot be examined anymore. It would be more effective if AMLC is given the power to issue freeze orders since they are given information by covered institutions or individuals. It can determine whether a probable cause exists for the issuance of the freeze orders.

Furthermore, this bill also provides for the preservation of secrecy relating to the accounts, money, property, documents that are being examined in accordance with the anti-money laundering law subject to the exceptions allowed under the law. Also, this bill provides the disposition and retention of forfeited assets which have been proven to be proceeds from unlawful activities as defined under the law as well as the imposition of administrative sanctions against covered institutions or individuals which fail to comply with AMLC orders and resolutions executed in the performance of its functions and in furtherance of the purposes of the law.

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



**Rep. SHERWIN N. TUGNA**  
**CIBAC Party-List**



**Rep. CINCHONA CRUZ-GONZALES**  
**CIBAC Party-List**

**Republic of the Philippines**  
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AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9160, OTHERWISE  
KNOWN AS THE "ANTI-MONEY LAUNDERING ACT OF 2001", AS AMENDED BY  
REPUBLIC ACT NOS. 9194 AND 10167**

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

SECTION 1. Section 3 of R.A. No. 9160, as amended, is hereby amended to read as follows:

“(a) ‘Covered institution OR INDIVIDUAL’ refers to:

“(1) banks, non-banks, quasi-banks, trust entities, PAWNSHOPS, FOREIGN EXCHANGE CORPORATIONS, MONEY CHANGERS, MONEY PAYMENT, REMITTANCE AND TRANSFER COMPANIES AND OTHER SIMILAR 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 (IC); [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

[(iv)] (iii) 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 THE Securities and Exchange Commission (SEC);



“(4) CASINOS, INCLUDING INTERNET CASINOS;

“(5) REAL ESTATE AGENTS;

“(6) DEALERS IN PRECIOUS METALS;

“(7) DEALERS IN PRECIOUS STONES;

“(8) TRUST AND COMPANY SERVICE PROVIDERS WHICH, AS A BUSINESS, PROVIDE ANY OF THE FOLLOWING SERVICES TO THIRD PARTIES: (I) ACTING AS A FORMATION AGENT OF JURIDICAL PERSONS; (II) ACTING AS (OR ARRANGING FOR ANOTHER PERSON TO ACT AS) A DIRECTOR OR CORPORATE SECRETARY OF A COMPANY, A PARTNER OF A PARTNERSHIP, OR A SIMILAR POSITION IN RELATION TO OTHER JURIDICAL PERSONS; (III) PROVIDING A REGISTERED OFFICE, BUSINESS ADDRESS OR ACCOMMODATION, CORRESPONDENCE OR ADMINISTRATIVE ADDRESS FOR A COMPANY, A PARTNERSHIP OR ANY OTHER JURIDICAL PERSON OR ARRANGEMENT; (IV) ACTING AS (OR ARRANGING FOR ANOTHER PERSON TO ACT AS) A TRUSTEE OF AN EXPRESS TRUST; AND (V) ACTING AS (OR ARRANGING FOR ANOTHER PERSON TO ACT AS) A NOMINEE SHAREHOLDER FOR ANOTHER PERSON; AND

“(9) PERSONS WHO PROVIDE ANY OF THE FOLLOWING SERVICES: (I) BUYING AND SELLING OF REAL ESTATE; (II) MANAGING OF CLIENT MONEY, SECURITIES OR OTHER ASSETS; (III) MANAGEMENT OF BANK, SAVINGS OR SECURITIES ACCOUNTS; (IV) ORGANIZATION OF CONTRIBUTIONS FOR THE CREATION, OPERATION OR MANAGEMENT OF COMPANIES; AND (V) CREATION, OPERATION OR MANAGEMENT OF JURIDICAL PERSONS OR ARRANGEMENTS, AND BUYING AND SELLING BUSINESS ENTITIES.”

SECTION 2. Section 3(i) of R.A. No. 9160, as amended, is hereby amended to read as follows:

“(i) ‘Unlawful activity’ refers to any act or omission or series or combination thereof involving or having direct relation to the following:

“(1) Kidnapping for ransom under Article 267 of Act No. 3815, otherwise known as the Revised Penal Code, as amended;

“(2) Sections 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, and 16 of Republic Act No. 9165, otherwise known as the Comprehensive Dangerous Drugs Act of 2002;

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“(3) Section 3 paragraphs B, C, E, G, H and I, AS WELL AS SECTION 7, of Republic Act No. 3019, as amended, otherwise known as the Anti-Graft and Corrupt Practices Act;

“(4) Plunder under Republic Act No. 7080, as amended;

“(5) Robbery and extortion under Articles 294, 295, 296, 299, 300, 301 and 302 of the Revised Penal Code, as amended;

“(6) Jueteng and Masiao punished as illegal gambling under Presidential Decree No. 1602;

“(7) Piracy on the high seas under the Revised Penal Code, as amended and Presidential Decree No. 532;

“(8) Qualified theft under Article 310 of the Revised Penal Code, as amended;

“(9) Swindling under Article 315 of the Revised Penal Code, as amended;

“(10) Smuggling under Republic Act Nos. 455 and 1937;

“(11) Violations under Republic Act No. 8792, otherwise known as the Electronic Commerce Act of 2000;

“(12) Hijacking and other violations under Republic Act No. 6235; destructive arson and murder, as defined under the Revised Penal Code, as amended[, including those perpetrated by terrorists against non-combatant persons and similar targets];

“(13) TERRORISM AND CONSPIRACY TO COMMIT TERRORISM AS DEFINED AND PENALIZED UNDER REPUBLIC ACT NO. 9372;

“(14) FINANCING OF TERRORISM AS DEFINED AND PENALIZED UNDER REPUBLIC ACT 10168;

“(15) BRIBERY UNDER ARTICLES 210, 211, 211-A OF THE REVISED PENAL CODE, AS AMENDED, AND CORRUPTION OF PUBLIC OFFICERS UNDER ARTICLE 212 OF THE REVISED PENAL CODE, AS AMENDED;

“(16) FRAUDS AND ILLEGAL EXACTIONS AND TRANSACTIONS UNDER ARTICLES 213, 214, 215 AND 216 OF THE REVISED PENAL CODE, AS AMENDED;

“(17) MALVERSATION OF PUBLIC FUNDS AND PROPERTY UNDER ARTICLES 217 AND 222 OF THE REVISED PENAL CODE, AS AMENDED;

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“(18) FORGERIES AND COUNTERFEITING UNDER ARTICLES 163, 166, 167, 168, 169 AND 176 OF THE REVISED PENAL CODE, AS AMENDED;

“(19) VIOLATIONS OF SECTIONS 4 TO 6 OF REPUBLIC ACT NO. 9208, OTHERWISE KNOWN AS THE ANTI-TRAFFICKING IN PERSONS ACT OF 2003;

“(20) VIOLATIONS OF SECTIONS 68 TO 79 OF CHAPTER IV OF PRESIDENTIAL DECREE NO. 705, OTHERWISE KNOWN AS THE REVISED FORESTRY CODE OF THE PHILIPPINES, AS AMENDED;

“(21) VIOLATIONS OF SECTIONS 101 TO 107, AND 110 OF REPUBLIC ACT NO. 7942, OTHERWISE KNOWN AS THE PHILIPPINE MINING ACT OF 1995;

“(22) VIOLATION OF REPUBLIC ACT NO. 6539, OTHERWISE KNOWN AS THE ANTI-CARNAPPING ACT OF 2002, AS AMENDED;

“(23) VIOLATIONS OF SECTIONS 1, 3 AND 5 OF PRESIDENTIAL DECREE NO. 1866, AS AMENDED, OTHERWISE KNOWN AS THE DECREE CODIFYING THE LAWS ON ILLEGAL/UNLAWFUL POSSESSION, MANUFACTURE, DEALING IN, ACQUISITION OR DISPOSITION, OF FIREARMS, AMMUNITION OR EXPLOSIVES;

“(24) VIOLATION OF PRESIDENTIAL DECREE NO. 1612, OTHERWISE KNOWN AS THE ANTI-FENCING LAW;

“[13](25) Fraudulent practices and other violations under Republic Act No. 8799, otherwise known as the Securities Regulation Code of 2000;

(26) TAX EVASION AS PENALIZED UNDER NATIONAL INTERNAL REVENUE CODE, AS AMENDED; AND

“[14](27) Felonies or offenses of a similar nature that are punishable under the penal laws of other countries.”

Section 3. Section 4 of R.A. 9160, as amended, is hereby amended to read as follows:

“SEC. 4. Money Laundering Offense. – Money laundering is a crime whereby the proceeds of an unlawful activity as herein defined are transacted, CONVERTED, TRANSFERRED, DISPOSED OF, MOVED, ACQUIRED, POSSESSED, USED, CONCEALED OR DISGUISED, thereby making them appear to have originated from legitimate sources. [It is committed by the following:]

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“[(a) Any person knowing that any monetary instrument or property represents, involves, or relates to, the proceeds of any unlawful activity, transacts or attempts to transact said monetary instrument or property.

“(b) Any person knowing that any monetary instrument or property involves the proceeds of any unlawful activity, performs or fails to perform any act as a result of which he facilitates the offense of money laundering referred to in paragraph (a) above.

“(c) Any person knowing that any monetary instrument or property is required under this Act to be disclosed and filed with the Anti-Money Laundering Council (AMLC), fails to do so”.]

“IT IS COMMITTED BY ANY PERSON WHO, KNOWING THAT ANY MONETARY INSTRUMENT OR PROPERTY REPRESENTS, INVOLVES, OR RELATES TO THE PROCEEDS OF ANY UNLAWFUL ACTIVITY:

“(A) TRANSACTS OR ATTEMPTS TO TRANSACT SAID MONETARY INSTRUMENT OR PROPERTY;

“(B) CONVERTS, TRANSFERS, DISPOSES OF, MOVES, ACQUIRES, POSSESSES OR USES, OR ATTEMPTS TO CONVERT, TRANSFER, DISPOSE OF, MOVE, ACQUIRE, POSSESS OR USE SAID MONETARY INSTRUMENT OR PROPERTY;

“(C) CONCEALS OR DISGUISES OR ATTEMPTS TO CONCEAL OR DISGUISE THE TRUE NATURE, SOURCE, LOCATION, DISPOSITION, MOVEMENT OR OWNERSHIP OF OR RIGHTS WITH RESPECT TO SAID MONETARY INSTRUMENT OR PROPERTY; AND

“(D) PERFORMS OR FAILS TO PERFORM ANY ACT AS A RESULT OF WHICH HE FACILITATES THE OFFENSE OF MONEY LAUNDERING REFERRED TO IN PARAGRAPHS (A), (B) OR (C) ABOVE.

“MONEY LAUNDERING IS ALSO COMMITTED BY ANY PERSON WHO, KNOWING THAT ANY MONETARY INSTRUMENT OR PROPERTY IS REQUIRED UNDER THIS ACT TO BE DISCLOSED AND FILED WITH THE ANTI-MONEY LAUNDERING COUNCIL (AMLC), FAILS TO DO SO.”

Section 4. Sections 7(6) of R.A. 9160, as amended, is hereby amended to read as follows:

"(6) [to apply before the Court of Appeals, *ex parte*, for the freezing of any monetary instrument or property alleged to be the proceeds of any unlawful activity as defined in Section 3(i) hereof] to freeze any monetary instrument or property alleged to be proceeds of any unlawful activity upon determination of the existence of probable cause;

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Section 5. Section 9(c) of R.A. 9160, as amended, is hereby amended to read as follows:

"(c) Reporting of Covered and Suspicious Transactions. -- Covered institutions shall report to the AMLC all covered transactions and suspicious transactions within ten (10) working days from occurrences thereof

"Should a transaction be determined to be both a covered transaction and a suspicious transaction, the covered institution shall be required to report the same as a suspicious transaction."

["When reporting covered or suspicious transactions to the AMLC, covered institutions and their officers and employees shall not be deemed to have violated Republic Act No. 1405, as amended, Republic Act No. 6426, as amended, Republic Act No. 8791 and other similar laws, but are prohibited from communicating, directly or indirectly, in any manner or by any means, to any person, the fact that a covered or suspicious transaction report was made, the contents thereof, or any other information in relation thereto. In case of violation thereof, the concerned officer and employee of the covered institution shall be criminally liable. However, no administrative, criminal or civil proceedings, shall lie against any person for having made a covered or suspicious transaction report in the regular performance of his duties in good faith, whether or not such reporting results in any criminal prosecution under this Act of any other law.

"When reporting covered or suspicious transactions to the AMLC, covered instituting and their officers and employees are prohibited from communicating directly or indirectly, in any manner or by any means, to any person or entity, the media, the fact that a covered or suspicious transaction report was made, the contents thereof, or any other information in relation thereto. Neither may such reporting be published or aired in any manner or form by the mass media, electronic mail, or other similar devices. In case of violation thereof, the concerned officer and employee of the covered institution and media shall be held criminally liable.]

Section 6. Paragraph d shall be added to Section 9 of R.A. 9160, as amended, as follows:

"(D) PRESERVATION OF SECRECY-WHEN REPORTING COVERED OR SUSPICIOUS TRANSACTIONS TO THE AMLC, COVERED INSTITUTIONS OR INDIVIDUALS AND THEIR OFFICERS AND EMPLOYEES SHALL NOT BE DEEMED TO HAVE VIOLATED REPUBLIC ACT NO. 1405, AS AMENDED, REPUBLIC ACT NO. 6426, AS AMENDED, REPUBLIC ACT NO. 8791 AND OTHER SIMILAR LAWS. HOWEVER, EXCEPT IN THE PERFORMANCE OF THEIR DUTIES OR FUNCTIONS UNDER THIS LAW OR FOR THE PURPOSE OF CARRYING INTO EFFECT A PROVISION OF THIS LAW OR DOING ANYTHING REQUIRED OR AUTHORIZED UNDER THIS LAW, COVERED INSTITUTIONS OR INDIVIDUALS AND THEIR OFFICERS AND EMPLOYEES SHALL:



(1) PRESERVE AND AID IN PRESERVING SECRECY WITH REGARD TO ANY MATTER COMING TO THEIR KNOWLEDGE—

(A) IN THE PERFORMANCE OF ANY DUTY OR FUNCTION UNDER THIS LAW, OR IN CARRYING INTO EFFECT ANY PROVISION OF THIS LAW; OR

(B) IN THE COURSE OF ASSISTING ANY OTHER PERSON IN THE PERFORMANCE OF ANY FUNCTION UNDER THIS LAW, OR IN CARRYING INTO EFFECT ANY PROVISION OF THIS LAW;

(2) NOT COMMUNICATE ANY MATTER REFERRED TO IN PARAGRAPH (A) TO ANY OTHER PERSON OTHER THAN THE PERSON TO WHOM THE MATTER RELATES; AND

(3) NOT SUFFER OR PERMIT ANY OTHER PERSON TO HAVE ACCESS TO ANY RECORD OR DOCUMENT THAT COMES INTO THE THEIR POSSESSION—

(A) IN THE PERFORMANCE OF ANY FUNCTION UNDER THIS LAW, OR IN CARRYING INTO EFFECT ANY PROVISION OF THIS LAW; OR

(B) IN THE COURSE OF ASSISTING ANY OTHER PERSON IN THE PERFORMANCE OF ANY FUNCTION UNDER THIS LAW, OR IN CARRYING INTO EFFECT ANY PROVISION OF THIS LAW.

(2) DESPITE PARAGRAPH D(1), COVERED INSTITUTIONS OR INDIVIDUALS AND THEIR OFFICERS AND EMPLOYEES MAY—

(A) DISCLOSE INFORMATION THAT HAS ALREADY BEEN MADE AVAILABLE TO THE PUBLIC;

(B) DISCLOSE INFORMATION UPON ORDER OF ANY COMPETENT COURT BASED ON AN *EX PARTE* APPLICATION IN CASES OF VIOLATIONS OF THIS ACT, WHEN IT HAS BEEN ESTABLISHED THAT THERE IS PROBABLE CAUSE THAT THE DEPOSITS OR INVESTMENTS, INCLUDING RELATED ACCOUNTS INVOLVED, ARE RELATED TO AN UNLAWFUL ACTIVITY AS DEFINED IN SECTION 3(I) HEREOF OR A MONEY LAUNDERING OFFENSE UNDER SECTION 4 HEREOF; EXCEPT THAT NO COURT ORDER SHALL BE REQUIRED IN CASES INVOLVING ACTIVITIES DEFINED IN SECTION 3(I)(1), (2), AND (12) HEREOF, AND FELONIES OR OFFENSES OF A NATURE SIMILAR TO THOSE MENTIONED IN SECTION 3(I)(1), (2), AND (12), WHICH ARE PUNISHABLE UNDER THE PENAL LAWS OF OTHER COUNTRIES, AND

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TERRORISM AND CONSPIRACY TO COMMIT TERRORISM AS DEFINED  
AND PENALIZED UNDER REPUBLIC ACT NO. 9372.”

Section 7. Section 10 of R.A. 9160, as amended, is hereby amended to read as follows:

“SEC. 10. Authority to Freeze. – UPON DETERMINATION THAT PROBABLE CAUSE EXISTS THAT A SPECIFIC DEPOSIT OR SIMILAR ACCOUNT, MONEY, PROPERTY, OR DOCUMENT WHICH IS IN ANY WAY RELATED TO AN UNLAWFUL ACTIVITY IN POSSESSION OF THE COVERED INSTITUTION OR INDIVIDUAL AS DEFINED HEREIN, THE AMLC SHALL ISSUE A FREEZE ORDER TO THE COVERED INSTITUTION OR INDIVIDUAL, WHICH SHALL BE EFFECTIVE IMMEDIATELY, FOR A PERIOD NOT EXCEEDING TWENTY (20) DAYS. NOTICE TO THE DEPOSITOR, OR OWNER OF THE PROPERTY, OR THE INDIVIDUAL IN WHOSE NAME THE DOCUMENT IS NAMED AFTER, ISSUED TO, THAT HIS ACCOUNT, MONEY, PROPERTY, OR DOCUMENT HAS BEEN FROZEN SHALL BE SENT TO HIM/HER THE NEXT DAY AFTER THE ISSUANCE OF THE FREEZE ORDER. AMLC SHALL, HOWEVER, ENSURE THAT THE FREEZE ORDER SHALL BE RECEIVED BY THE COVERED INSTITUTIONS OR INDIVIDUALS ON THE DAY IT WAS SENT. THE DEPOSITOR, OR OWNER OF THE PROPERTY, OR THE INDIVIDUAL IN WHOSE NAME THE DOCUMENT IS NAMED AFTER, ISSUED TO, SHALL HAVE SEVENTY-TWO (72) HOURS UPON RECEIPT OF THE NOTICE TO EXPLAIN WHY THE FREEZE ORDER SHOULD BE LIFTED. THE AMLC SHALL ENSURE THAT THE DEPOSITOR, OR OWNER OF THE PROPERTY, OR THE INDIVIDUAL IN WHOSE NAME THE DOCUMENT IS NAMED AFTER, ISSUED TO, WILL RECEIVE THE NOTICE TO EXPLAIN AND WILL BE GIVEN SEVENTY-TWO (72) HOURS TO EXPLAIN AFTER RECEIPT OF NOTICE BEFORE THE EXPIRATION OF THE TWENTY (20)-DAY FREEZE ORDER. THE AMLC SHALL DISPOSE OF THE EXPLANATION OF THE DEPOSITOR, OR OWNER OF THE PROPERTY, OR THE INDIVIDUAL IN WHOSE NAME THE DOCUMENT IS NAMED AFTER, ISSUED TO, WITHIN SEVENTY-TWO (72) HOURS FROM RECEIPT THEREOF. THE TWENTY (20)-DAY FREEZE ORDER OF THE AMLC MAY BE EXTENDED UPON ORDER OF THE COURT OF APPEALS, PROVIDED THAT THE TWENTY (20)-DAY PERIOD SHALL BE TOLLED PENDING THE COURT OF APPEALS’ DECISION TO EXTEND THE PERIOD.

NO COURT SHALL ISSUE A TEMPORARY RESTRAINING ORDER OR WRIT OF INJUNCTION AGAINST ANY FREEZE ORDER ISSUED BY THE AMLC EXCEPT THE SUPREME COURT.

THE AMLC SHALL ENSURE THAT IF IT HAS ISSUED AN ORDER TO FREEZE UPON DETERMINATION OF PROBABLE CAUSE, AND THAT UPON CONSIDERATION OF THE EXPLANATION OF DEPOSITOR, OR



OWNER OF THE PROPERTY, OR THE INDIVIDUAL IN WHOSE NAME THE DOCUMENT IS NAMED AFTER OR ISSUED TO, WHOSE ACCOUNT/S, PROPERTY/IES OR DOCUMENT/S IS/ARE FROZEN, THAT THE ISSUANCE OF THE FREEZE ORDER IS PROPER OR THAT THE DEPOSITOR, OR OWNER OF THE PROPERTY, OR THE INDIVIDUAL IN WHOSE NAME THE DOCUMENT IS NAMED AFTER OR ISSUED TO, FAILS TO EXPLAIN THE NEED FOR THE LIFTING OF THE FREEZE ORDER, IT SHALL APPLY WITH THE COURT OF APPEALS A VERIFIED PETITION FOR THE EXTENSION OF THE FREEZE ORDER BEFORE THE EXPIRATION OF THE TWENTY (20)-DAY PERIOD. THE COURT OF APPEALS SHALL ACT ON THE PETITION TO EXTEND THE FREEZE ORDER WITHIN TWENTY-FOUR (24) HOURS FROM FILING OF THE PETITION. IF THE APPLICATION IS FILED A DAY BEFORE A NON-WORKING DAY, THE COMPUTATION OF THE TWENTY-FOUR (24)-HOUR PERIOD SHALL EXCLUDE THE NON-WORKING DAYS. THE COURT OF APPEALS SHALL ENSURE THAT IT WILL DECIDE ON THE EXTENSION BEFORE THE EXPIRATION OF THE TWENTY (20)-DAY PERIOD. THE COURT OF APPEALS MAY EXTEND THE FREEZE ORDER ONLY ONCE IF IT DEEMS NECESSARY AND NOT EXCEEDING FIFTEEN (15) DAYS.

A DEPOSITOR, OR OWNER OF THE PROPERTY, OR THE INDIVIDUAL IN WHOSE NAME THE DOCUMENT IS NAMED AFTER OR ISSUED TO, WHOSE ACCOUNT/S, PROPERTY/IES OR DOCUMENT/S IS/ARE FROZEN MAY PARTICIPATE IN THE PROCEEDINGS BEFORE THE COURT OF APPEALS IF HE/SHE WAS ABLE TO EXPLAIN BEFORE THE AMLC. HOWEVER, A PERSON WHO FAILS TO EXPLAIN BEFORE THE AMLC UPON RECEIPT OF THE NOTICE TO EXPLAIN FORFEITS HIS/HER RIGHT TO PARTICIPATE IN THE PROCEEDINGS BEFORE THE COURT OF APPEALS.

THE FREEZE ORDER SHALL STATE SPECIFIC ACCOUNT, MONEY, PROPERTY, DOCUMENT, IN THE POSSESSION OF THE COVERED INSTITUTIONS AND/OR INDIVIDUALS AS DEFINED HEREIN AND THE BASIS WHY IT IS CONSIDERED RELATED TO ANY UNLAWFUL ACTIVITY DEFINED IN SECTION 3(I) HEREOF. AMLC SHALL FURNISH THE OFFICE OF THE OMBUDSMAN OF THE FREEZE ORDER IT ISSUED TO THE COVERED INSTITUTIONS AND/OR INDIVIDUAL WITHIN THREE (3) DAYS FROM ISSUANCE IF THE UNLAWFUL ACTIVITY IS COVERED UNDER SECTION 3(I)(3),(15), (16), AND (17) AS AMENDED BY THIS ACT. THE OFFICE OF THE OMBUDSMAN SHALL KEEP THE COPY OF THE FREEZE ORDER CONFIDENTIAL.

IF AMLC IS FOUND TO HAVE ISSUED THE FREEZE ORDER WHIMSICALLY AND FOR THE PURPOSE OF HARRASSMENT OR ANY OTHER UNLAWFUL ACT AGAINST THE DEPOSITOR, OR OWNER OF

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THE PROPERTY, OR THE INDIVIDUAL IN WHOSE NAME THE DOCUMENT IS NAMED AFTER OR ISSUED TO, WHOSE ACCOUNT/S, PROPERTY/IES OR DOCUMENT/S IS/ARE FROZEN, THE PENALTY OF IMPRISONMENT FROM SIX MONTHS AND ONE DAY TO SIX YEARS AND A FINE OF NOT LESS THAN ONE HUNDRED THOUSAND PESOS NOR MORE THAN THREE HUNDRED THOUSAND PESOS SHALL BE IMPOSED UPON THE PERSONS INVOLVED IN THE ISSUANCE OF THE FREEZE ORDER AND THE DETERMINATION OF THE EXISTENCE OF PROBABLE CAUSE WHO ARE FOUND TO HAVE ACTED WHIMSICALLY AND FOR THE PURPOSE OF HARRASSMENT OR ANY OTHER UNLAWFUL ACT AGAINST THE DEPOSITOR, OR OWNER OF THE PROPERTY, OR THE INDIVIDUAL IN WHOSE NAME THE DOCUMENT IS NAMED AFTER OR ISSUED TO, WHOSE ACCOUNT/S, PROPERTY/IES OR DOCUMENT/S IS/ARE FROZEN.

Section 8. Section 11 of R.A. 9160, as amended, is hereby amended to read as follows

“SEC. 11. *Authority to Inquire into Bank Deposits, MONEY, PROPERTY, OR DOCUMENT.* – Notwithstanding the provisions of Republic Act No. 1405, as amended; Republic Act No. 6426, as amended; Republic Act No. 8791; and other laws, the AMLC may inquire into or examine any particular deposit or investment, including related accounts, MONEY, PROPERTY, OR DOCUMENT, WITH ANY COVERED INSTITUTION OR INDIVIDUAL AS DEFINED HEREIN, upon order of any competent court based on an *ex parte* application in cases of violations of this Act, when it has been established that there is probable cause that the deposits or investments, including related accounts involved, MONEY, PROPERTY, OR DOCUMENT, WITH ANY COVERED INSTITUTION OR INDIVIDUAL AS DEFINED HEREIN, are related to an unlawful activity as defined in Section 3(i) hereof or a money laundering offense under Section 4 hereof; except that no court order shall be required in cases involving activities defined in Section 3(i)(1), (2), and (12) hereof, and felonies or offenses of a nature similar to those mentioned in Section 3(i)(1), (2), and (12), which are Punishable under the penal laws of other countries, and terrorism and conspiracy to commit terrorism as defined and penalized under Republic Act No. 9372.”

“The Court of Appeals shall act on the application to inquire into or examine any deposit or investment with any banking institution or non-bank financial institution within twenty-four (24) hours from filing of the application.”

“To ensure compliance with this Act, the Bangko Sentral ng Pilipinas may, in the course of a periodic or special examination, check the compliance of a Covered institution with the requirements of the AMLA and its implementing rules and regulations.”

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“For purposes of this section, ‘related accounts’ shall refer to accounts, the funds and sources of which originated from and/or are materially linked to the monetary instrument(s) or property(ies) subject of the freeze order(s).”

“A court order *ex parte* must first be obtained before the AMLC can inquire into these related Accounts: *Provided*, That the procedure for the *ex parte* application of the *ex parte* court order for the principal account shall be the same with that of the related accounts.”

“The authority to inquire into or examine the main account and the related accounts shall comply with the requirements of Article III, Sections 2 and 3 of the 1987 Constitution, which are hereby incorporated by reference.”

Section 9. Section 12 of R.A. 9160, as amended, is hereby amended to read as follows:

“SEC. 12. Forfeiture Provisions. –

“(a) Civil Forfeiture. – [When there is a covered transaction report made, and the court has, in a petition filed for the purpose ordered seizure of any monetary instrument or property, in whole or in part, directly or indirectly, related to said report, the Revised Rules of Court on civil forfeiture shall apply] UPON SWORN STATEMENT OF AN AUTHORIZED OFFICIAL OR REPRESENTATIVE OF THE AMLC THAT ANY MONETARY INSTRUMENT OR PROPERTY IS FOUND TO BE RELATED IN ANY WAY TO AN UNLAWFUL ACTIVITY AS DEFINED UNDER SECTION 3(I) HEREOF OR A MONEY LAUNDERING OFFENSE UNDER SECTION 4 HEREOF, THE AMLC SHALL FILE WITH THE COURT OF APPEALS, THROUGH THE OFFICE OF THE SOLICITOR GENERAL, A PETITION FOR FORFEITURE AND THE RULES OF COURT ON CIVIL FORFEITURE SHALL APPLY.”

“(b) Claim on Forfeited Assets. – Where the [court] COURT OF APPEALS has issued an order of forfeiture of the monetary instrument or property in a criminal prosecution for any money laundering offense defined under Section 4 of this Act, the offender or any other person claiming an interest therein may apply, by verified petition, for a declaration that the same legitimately belongs to him and for segregation or exclusion of the monetary instrument or property corresponding thereto. The verified petition shall be filed with the [court] COURT OF APPEALS which rendered the judgment of conviction and order of forfeiture, within fifteen (15) days from the date of the order of forfeiture, in default of which the said order shall become final and executory. This provision shall apply in both civil and criminal forfeiture.

“(c) Payment in Lieu of Forfeiture. – Where the [court]COURT OF APPEALS has issued an order of forfeiture of the monetary instrument or property subject of a money laundering offense defined under Section 4, and said order cannot be enforced because any particular monetary instrument or property cannot, with due diligence, be located, or it has been substantially altered, destroyed, diminished in value or otherwise rendered worthless by any act or



omission, directly or indirectly, attributable to the offender, or it has been concealed, removed, converted or otherwise transferred to prevent the same from being found or to avoid forfeiture thereof, or it is located outside the Philippines or has been placed or brought outside the jurisdiction of the [court] COURT OF APPEALS, or it has been commingled with other monetary instruments or property belonging to either the offender himself or a third person or entity, thereby rendering the same difficult to identify or be segregated for purposes of forfeiture, the [court] COURT OF APPEALS may, instead of enforcing the order of forfeiture of the monetary instrument or property or part thereof or interest therein, accordingly order the convicted offender to pay an amount equal to the value of said monetary instrument or property. This provision shall apply in both civil and criminal forfeiture.

“(D) DISPOSITION OF FORFEITED ASSETS AND RETENTION.

– AFTER DEDUCTING THE COST OF LITIGATION, NINETY PERCENT (90%) OF THE NET PROCEEDS OF THE FORFEITED ASSETS OR PROCEEDS THEREFROM SHALL BE TURNED OVER TO THE NATIONAL TREASURY AND THE REMAINING TEN PERCENT (10%) BUT IN NO CASE MORE THAN TWO MILLION PESOS (Php2,000,000.00) SHALL BE RETAINED BY THE AMLC TO AUGMENT THE APPROPRIATION FOR ITS OPERATIONS AND MAINTENANCE IN THE GENERAL APPROPRIATIONS ACT. FOR THIS PURPOSE, THE AMLC MAY PROMULGATE RULES ON THE SALE OF FORFEITED ASSETS.”

Section 10. Section 14 of R.A. 9160, as amended, is hereby amended to read as follows:

“SEC. 14. Penal Provisions. – (a) Penalties for the Crime of Money Laundering. The penalty of imprisonment ranging from seven (7) to fourteen (14) years and a fine of not less than Three Million Philippine Pesos (Php3,000,000.00) but not more than twice the value of the monetary instrument or property involved in the offense, shall be imposed upon a person convicted under Section 4(a), (B), AND (C) of this Act.

“The penalty of imprisonment from four (4) to seven (7) years and a fine of not less than One Million Five Hundred Thousand Philippine Pesos (Php1,500,000.00) but not more than Three Million Philippine Pesos (Php3,000,000.00), shall be imposed upon a person convicted under Section 4[(b)](D) of this Act.

“The penalty of imprisonment from six (6) months to four (4) years or a fine of not less than One Hundred Thousand Philippine Pesos (Php100,000.00) but not more than Five Hundred Thousand Philippine Pesos (Php500,000.00), or both, shall be imposed on a person convicted under THE LAST PARAGRAPH OF Section 4[(c)] of this Act.

“(b) x x x

“(c) x x x

“(d) x x x

“(E) IMPOSITION OF ADMINISTRATIVE SANCTIONS.



AFTER DUE NOTICE AND HEARING, THE AMLC SHALL, AT ITS DISCRETION, IMPOSE MONETARY PENALTIES, WARNING OR REPRIMAND, UPON ANY COVERED INSTITUTION OR INDIVIDUAL, ITS DIRECTORS, OFFICERS, EMPLOYEES OR ANY OTHER PERSON FOR VIOLATIONS OF THIS ACT, ITS IMPLEMENTING RULES AND REGULATIONS, OR FOR FAILURE OR REFUSAL TO COMPLY WITH AMLC ORDERS, RESOLUTIONS AND OTHER ISSUANCES. SUCH MONETARY PENALTIES SHALL BE IN AMOUNTS AS MAY BE DETERMINED BY THE COUNCIL TO BE APPROPRIATE, WHICH SHALL BE NOT MORE THAN ONE HUNDRED THOUSAND PESOS (PHP100,000.00) PER VIOLATION, WHICH AMOUNT SHALL BE REMITTED TO THE NATIONAL TREASURY. THE AMLC MAY PROMULGATE RULES ON FINES AND PENALTIES TAKING INTO CONSIDERATION THE ATTENDANT CIRCUMSTANCES, SUCH AS THE NATURE AND GRAVITY OF THE VIOLATION OR IRREGULARITY, THE SIZE, FUNCTIONS AND RESOURCES OF THE COVERED INSTITUTION OR INDIVIDUAL. THE IMPOSITION OF THE ADMINISTRATIVE SANCTIONS SHALL BE WITHOUT PREJUDICE TO THE FILING OF CRIMINAL CHARGES AGAINST THE PERSONS RESPONSIBLE FOR THE VIOLATION.”

Section 11. Sections 3(b-1), 3(b-1)(5), 3(g), 3(h), 7(1), 7(2), 9(a), 9(b), 9(c) and 18 of R.A. 9160, which referred to covered institution/s should now refer to “covered institution/s or INDIVIDUALS”, in order to reflect the broader scope of the term.

Section 12. Separability Clause. - If any provision of this Act is declared invalid, the other provisions not affected thereby shall remain valid.

Section 13. Repealing Clause. - All laws, proclamations, executive orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed, modified or amended accordingly: *Provided*, That no person shall be deemed to be vested with any property or other right by virtue of the enactment or operation of this Act.

Section 14. Effectivity Clause. - 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 whichever comes earlier.

Approved,

A handwritten signature in black ink, consisting of a series of loops and strokes, located at the bottom right of the page.