



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



SEVENTEENTH CONGRESS

First Regular Session

HOUSE BILL No. **4786**

Introduced by REPRESENTATIVE Aurelio "Dong" D. Gonzales, Jr.

EXPLANATORY NOTE

Money laundering is often said to be a process by which large amount of illegally obtained money is given the appearance of having originated from a legitimate source. In simple terms, it is the conversion of black money into white money. The illegal or dirty money is put through a cycle of transactions or washed, so that it comes out the other end as legal, or clean money.

Indeed, global attention has been focused on the entire concept of money laundering and has recognized it as a source of the funding not only of terrorist activities but criminal organizations, as well. The rapid advances in technology, the globalization process, and the revolution of telecommunications have certainly made crime increasingly international in scope, and the financial aspects of crime have become multi-faceted and intricate. Definitely, this has overwhelming social consequences and poses a danger to the security of any country be it developed or developing. The illegally obtained money fueled to terrorists groups, illegal arms dealers, drug dealers and criminal syndicates should continuously be curtailed.

The amendments to the existing Republic Act No. 9160¹, otherwise known as the "Anti-money Laundering Act of 2001 (AMLA)", proposed in this measure will definitely be more effective in combating money laundering and is all-inclusive and comprehensive to make it compliant with the Financial Action Task Force (FAFT) Forty recommendations.

¹ As amended by Republic Act No. 9194, 10167 and 10365

Among the major amendments to be introduced are as follows: (1) To include casinos, real estate brokers, art dealers, and motor vehicle dealers as covered persons; (2) To change of nomenclature for the covered person "jewelry dealers" in precious metals and stones to "dealers" in precious metals and stones, and including jewelry dealers as a separate covered persons; (3) To provide for a definition of covered transactions as 'cash' transactions amounting to PhP500,000 only; (4) To designate the Bangko Sentral ng Pilipinas as the Supervising Authority of foreign exchange dealers, money changers, and remittance and money transfer businesses, for purposes of the AMLA; (5) To include new unlawful activities under Section 3(i) of the AMLA, such as violations of firearms and ammunitions regulation act, cybercrime, violations of strategic trade management act (*regarding weapons of mass destruction*), and tax evasion; (6) To grant the AMLC the power to issue ex parte freeze order with respect to some unlawful activities; (7) To authorize the AMLC to check compliance with the AMLA by covered persons not under any Supervising Authority; (8) To grant the AMLC the power to issue *subpoena* and administer oath in aid of its investigation and compliance checking functions; (9) To update the requirement on customer identification to include all aspects of customer due diligence; and (10) To authorize the covered persons to temporarily withhold transaction and/or withhold subsequent transactions not exceeding two (2) banking days from occurrence of the transaction, in the course of verifying whether a transaction is suspicious or not; and terminate the transaction or account in case they find reasonable belief that there is possible violation of the AMLA.

These are but some of the amendments proposed in this measure that will help to effectively combat money laundering. Certainly, the significance of the enactment of anti-money laundering laws has been globally recognized as it impacts on the economic stability of the country. The amendments introduced herein are but imperative and well-grounded for an inclusive growth of the country.

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


Aurelio "Dong" D. Gonzales, Jr.
Representative
3rd District, Pampanga



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HOUSE BILL No. _____

Introduced by REPRESENTATIVE Aurelio "Dong" D. Gonzales, Jr.

AN ACT AMENDING REPUBLIC ACT NUMBER 9160, OTHERWISE KNOWN AS "THE ANTI-MONEY LAUNDERING ACT OF 2001", AS AMENDED BY REPUBLIC ACT NUMBERS 9194, 10167 and 10365, AND FOR OTHER PURPOSES

SECTION 1. *Section 3(a) of Republic Act No. 9160, as amended, is hereby amended as follows:*

- (a) 'Covered Persons', natural or juridical, refer to:
- (1) banks, non-banks, quasi-banks, trust entities, foreign exchange dealers, pawnshops, money changers, remittance and transfer companies and other similar entities and all other persons and their subsidiaries and affiliates supervised or regulated by the Bangko Sentral ng Pilipinas (BSP).
 - (2) insurance companies, pre-need companies and all other persons supervised or regulated by the Insurance Commission (IC);
 - (3) (i) securities dealers, brokers, salesmen, investment houses and other similar persons managing securities or rendering services as investment agent, advisor, or consultant, (ii) mutual funds, close-end investment companies, common trust funds and other similar persons, and (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 Securities and Exchange Commission and Exchange Commission (SEC);

- (4) **MONEY SERVICE BUSINESS OR MONEY TRANSFER COMPANIES;**
- (5) **TRUST AND** Company service providers – **WHEN THEY PREPARE FOR OR CARRY OUT TRANSACTIONS FOR A CLIENT CONCERNING THE FOLLOWING ACTIVITIES:** (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 legal persons or arrangement; (iv) acting as (or arranging for another person to act as) a nominee shareholder for another person; **AND (V) ACTING AS (OR ARRANGING FOR ANOTHER PERSON TO ACT AS) A TRUSTEE OF AN EXPRESS TRUST OR PERFORMING THE EQUIVALENT FUNCTION FOR ANOTHER FORM OF LEGAL ARRANGEMENT;**
- (6) Persons, who provide any of the following services:
 - (i) managing of client money, securities or other assets;
 - (ii) management of bank, savings or securities accounts;
 - (iii) organization of contributions for the creation, operation or management of companies; and
 - (iv) creation, operation or management of juridical persons or arrangements, and buying and selling business entities.

Notwithstanding the foregoing, the term “covered persons” shall exclude lawyers [and accountants acting as independent legal professionals] acting in relation to information concerning their clients or where disclosure of information would compromise the attorney-client relationship; provided, that **THEY** are authorized to practice in the Philippines.
- (7) **DEALERS OF PRECIOUS STONES, JEWELS AND/OR PRECIOUS METALS;**
- (8) **DEALERS OF HIGH- VALUE ITEMS OR GOODS;**
- (9) **REAL ESTATE DEVELOPERS, BROKERS AND SALES AGENT; AND**
- (10) **CASINOS, INCLUDING INTERNET AND SHIP-BASED CASINOS, AND CHIPWASHING OR JUNKET OPERATORS, WITH RESPECT TO THEIR FINANCIAL TRANSACTIONS RELATED TO THEIR GAMING OPERATIONS.**

SECTION 2. *Section 3(b) of the same Act shall have a new paragraph, as follows:*

(B) “Covered Transaction” **REFERS TO:**

- (1) **TRANSACTION IN CASH EXCEEDING FIVE HUNDRED THOUSAND PESOS (PHP500,000.00); AND**

- ~~(2) A TRANSACTION IN CASH OR OTHER EQUIVALENT MONETARY INSTRUMENT EXCEEDING FIVE HUNDRED THOUSAND PESOS (PHP500,000.00) WITH COVERED PERSONS UNDER SECTION 3(A) (1), (2), (3), (5) AND (10);~~

SECTION 3. *Section 3(b-1) of the same Act IS HEREBY AMENDED, as follows:*

- (B-1) "Suspicious Transactions" are transactions regardless of the amounts involved, where:

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6. THE COVERED PERSON SUSPECTS OR HAS REASONABLE GROUND TO SUSPECT THAT THE MONETARY INSTRUMENT OR PROPERTY IS THE PROCEEDS OF OR IS IN ANY WAY related to a PREDICATE OFFENSE under this act that is about to be, is being or has been committed; or
7. THERE ARE CIRCUMSTANCES DETERMINED TO BE SUSPICIOUS BY THE ANTI-MONEY LAUNDERING COUNCIL (AMLC).

SECTION 4. *Section 3(i) of the same Act is hereby amended as follows:*

- (i) ["Unlawful Activity"] 'PREDICATE OFFENSE' refers to any act or omission or series or combination thereof involving or having direct relation to the following

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- (6) **Illegal gambling** under Presidential Decree No. 1602, **AS AMENDED.**

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- (19) Violations of Sections 4 to 6 of Republic Act No. 9208, otherwise known as the Anti-Trafficking in Persons Act of 2003, **AS AMENDED;**

- (26) **Violations of REPUBLIC ACT NO. 10591, OTHERWISE KNOWN AS THE COMPREHENSIVE FIREARMS AND AMMUNITION REGULATION ACT;** [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]

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- (33) **VIOLATIONS OF REPUBLIC ACT NO. 10175, OTHERWISE KNOWN AS THE CYBERCRIME PREVENTION ACT OF 2012;**
- (34) **VIOLATIONS OF REPUBLIC ACT NO. 10697, OTHERWISE KNOWN AS THE STRATEGIC TRADE MANAGEMENT ACT;**
- (35) **VIOLATIONS OF CHAPTER II, TITLE X OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED; AND**

- (36) **FALSIFICATION OF DOCUMENTS UNDER ARTICLES 171 AND 172 OF THE REVISED PENAL CODE, AS AMENDED;**
- (37) **VIOLATIONS OF REPUBLIC ACT NO. 8484, OTHERWISE KNOWN AS ACCESS DEVICES REGULATION ACT OF 1998;**
- (38) **VIOLATIONS OF REPUBLIC ACT NO. 10173, OTHERWISE KNOWN AS THE DATA PRIVACY ACT OF 2012;**
- (39) **VIOLATIONS OF REPUBLIC ACT NO. 8791, OTHERWISE KNOWN AS THE GENERAL BANKING LAW;**
- (40) **VIOLATIONS OF REPUBLIC ACT NO. 7653, OTHERWISE KNOWN AS THE NEW CENTRAL BANK ACT, AS AMENDED;**
- (41) **VIOLATIONS OF THE INSURANCE CODE OF THE PHILIPPINES, AS AMENDED.**
- (42) **Fraudulent practices and other violations under Republic Act No. 8799, otherwise known as the Securities Regulation Code of 2000; and**
- (43) **Felonies and offenses of a similar nature that are punishable under the penal laws of other countries.**
- (44) **ACTS OR OMISSIONS THAT ARE INSTRUMENTAL IN THE COMMISSION OF PREDICATE OFFENSES AND RESULTING IN MONEY LAUNDERING OF THE ILLEGAL PROCEEDS THEREOF.**

SECTION 4. *Section 3 of the same Act shall have new paragraphs (l), (m) (n), (o), (p), (q) and (r).*

(l) **“DEALER/S” REFERS TO ANY PERSON ENGAGED IN THE BUSINESS OF BUYING, SELLING OR EXCHANGING ITEMS OR GOODS, FOR PROFIT OR GAIN, DIRECTLY OR INDIRECTLY, INCLUDING BY CONSIGNMENT.**

(m) **“HIGH-VALUE ITEMS OR GOODS” REFERS TO THE FOLLOWING GOODS OR ITEMS THE VALUE OF WHICH EXCEEDS ONE MILLION PESOS (P1,000,000.00):**

- i. **MOTOR VEHICLES, INCLUDING AIR, WATER AND LAND VEHICLES;**
- ii. **ART AND ANTIQUES**
- iii. **OTHER LUXURY ITEMS, SUCH AS JEWELRY, WATCHES, BAGS**

(n) **“CASINO” REFERS TO A BUSINESS AUTHORIZED BY THE APPROPRIATE GOVERNMENT AGENCY TO ENGAGE IN GAMING OPERATIONS.**

(i) **“INTERNET-BASED CASINO” SHALL REFER TO CASINOS IN WHICH PERSONS PARTICIPATE BY THE USE OF REMOTE COMMUNICATION FACILITIES SUCH AS, BUT NOT LIMITED TO, INTERNET, TELEPHONE, TELEVISION, RADIO OR ANY OTHER**

KIND OF ELECTRONIC OR OTHER TECHNOLOGY FOR FACILITATING COMMUNICATION.

(ii) "SHIP-BASED CASINO" SHALL REFER TO CASINOS, THE OPERATION OF WHICH IS UNDERTAKEN ON BOARD A VESSEL, SHIP, BOAT OR ANY OTHER WATER-BASED CRAFT WHOLLY OR PARTLY INTENDED FOR GAMBLING.

(o) "CHIPWASHING OR JUNKET OPERATOR" REFERS TO ANY PERSON WHO BRINGS A PERSON, A GROUP OF PERSONS, OR JUNKET PLAYER/S IN THE CASINO PREMISES TO PARTICIPATE IN THE GAMING OPERATIONS.

(p) "GAMING OPERATIONS" REFERS TO THE ACTIVITIES OF THE CASINO, OR CHIPWASHING OR JUNKET OPERATORS OFFERING GAMES OF CHANCE AND ANY VARIATIONS THEREOF APPROVED BY THE SUPERVISING AUTHORITY.

(q) "CASINO PREMISES" REFERS TO THE PLACE OR SPACE WHERE GAMING OPERATIONS TAKES PLACE AS AUTHORIZED BY THE SUPERVISING AUTHORITY.

(r) "JUNKET PLAYER" REFERS TO FOREIGN-PASSPORT HOLDING PLAYERS WHO WERE SPECIFICALLY BROUGHT INTO THE PHILIPPINES BY CASINO OPERATORS OR ITS THIRD-PARTY CHIPWASHING OR JUNKET OPERATOR TO PLAY IN THE CASINO PREMISES.

SECTION 5. *Section 7 of the same Act is hereby amended as follows:*

SEC.7. Creation of Anti-Money Laundering Council (AMLC). – x x x The AMLC shall act unanimously in the discharge of its functions as defined hereunder:

X X X

(2) to issue orders addressed to the appropriate Supervising Authority or the covered person to determine the true identity of the owner of any monetary instrument or property subject of a covered transaction or suspicious transaction report or request for assistance from a foreign State, or believed by the Council to be, in whole or in part, wherever located, representing, involving, or related to, directly or indirectly, in any manner or by any means, [the proceeds of an unlawful activity] a **PREDICATE OFFENSE, OR MONEY LAUNDERING, NOTWITHSTANDING THE PROVISIONS OF REPUBLIC ACT NO. 1405, AS AMENDED, REPUBLIC ACT NO. 6426, AS AMENDED; REPUBLIC ACT NO. 8791; REPUBLIC ACT NO. 10173 AND OTHER LAWS;**

X X X

(5) to investigate, **THROUGH THE AMLC SECRETARIAT, suspicious transactions and covered transactions deemed suspicious, POSSIBLE money laundering activities, and other violations of this Act MOTU PROPIO, OR UPON COMPLAINT OR REQUEST OF APPROPRIATE DEPARTMENT, OFFICE OR AGENCY, OR BRANCH OF GOVERNMENT, OR FOREIGN STATE OR AUTHORITY;**

X X X

(6) to **FILE, DIRECTLY OR THROUGH THE OFFICE OF THE SOLICITOR GENERAL**, before the Court of Appeals **AN ex parte** [for the freezing of] **PETITION FOR ISSUANCE OF FREEZE ORDER, OR, IN CASES SPECIFIED UNDER SECTION 10 HEREOF, TO ISSUE EX PARTE FREEZE ORDER, AGAINST** any monetary instrument or property, alleged to be laundered, proceeds from, or instruments used in, or intended for use in, **OR IN ANY WAY RELATED** to **ANY PREDICATE OFFENSE** [any unlawful activity] as defined in Section 3(i) hereof;

(7) to implement such measures as may be necessary and justified under this Act to counteract **OR PREVENT** money laundering, **AND ENSURE COMPLIANCE AND EFFECTIVE IMPLEMENTATION OF THIS ACT.**

X X X

(10) to enlist the assistance of any branch, department, bureau, office, agency or instrumentality of the government including government-owned and controlled corporations, in undertaking any and all anti-money laundering operations, **AND ENSURING COMPLIANCE AND EFFECTIVE IMPLEMENTATION OF THIS ACT**, which may include the use of its personnel, facilities and resources [for the more resolute prevention, detection and investigation of money laundering offenses and prosecution of offenders];

SECTION 6. Section 7 of the same Act shall have new paragraphs (13), (14), and (15) as follows:

(13) **TO SUBPOENA ANY PERSON AND COMPEL HIS ATTENDANCE TO PRODUCE INFORMATION, BOOKS, PAPERS, DOCUMENTS, OBJECTS, DATA, AND OTHER RELEVANT INFORMATION OR TO GIVE STATEMENT, UNDER OATH, FOR PURPOSES OF VERIFICATION, INVESTIGATION, OR CHECKING COMPLIANCE WITH THE PROVISIONS OF THIS ACT. ANY INVESTIGATING OFFICER OF THE AMLC SECRETARIAT MAY ADMINISTER OATH OR AFFIRMATION TO ANY PERSON APPEARING BEFORE IT.**

(14) **TO REQUIRE THE SUBMISSION OF CROSS-BORDER DECLARATION ON PHYSICAL TRANSPORT OF CURRENCIES AND BEARER NEGOTIABLE INSTRUMENTS.**

(15) **TO SET OR AMEND THRESHOLDS PROVIDED FOR UNDER THIS LAW BASED ON INTERNATIONAL ANTI-MONEY LAUNDERING/COMBATting FINANCING OF TERRORISM STANDARDS AND THE RESULTS OF REGULAR NATIONAL RISK ASSESSMENT ON MONEY LAUNDERING AND TERRORISM FINANCING.**

(16) **TO CHECK COMPLIANCE WITH THIS ACT BY COVERED PERSONS NOT UNDER ANY SUPERVISING AUTHORITY.**

SECTION 7. *Section 9 of the same Act is hereby amended as follows:*

(a) CUSTOMER [Identification] DUE DILIGENCE.

(1) Covered persons shall establish and record the true identity of **THEIR** customers based on official documents, **OR RELIABLE AND INDEPENDENT SOURCES, DOCUMENTS, DATA OR INFORMATION.** They shall maintain a system of verifying the true identity of their clients and, in case of corporate clients, require a system of verifying their legal existence and organizational structure, as well as the authority and identification of all persons purporting to act on their behalf. **THEY SHALL ALSO ASSESS AND, IF APPROPRIATE, OBTAIN INFORMATION ON THE PURPOSE AND NATURE OF THE TRANSACTION. COVERED PERSONS SHALL, LIKEWISE, CONDUCT ONGOING MONITORING ON THEIR CUSTOMERS, DEPENDING ON THE RISK ASSESSMENT.**

(2) The provisions of existing laws to the contrary notwithstanding, anonymous accounts, accounts under fictitious names, and all other similar accounts shall be absolutely prohibited.

(3) Peso and foreign currency non-checking numbered accounts shall be allowed. The BSP may conduct annual testing solely limited to the determination of the existence and true identity of the owners of such accounts.

(b) RECORD KEEPING. - All records of all transactions of covered persons shall be maintained and safely stored for [Five (5)] **TEN (10)** years from the dates of transactions. With respect to closed accounts, the records on customer identification, account files and business correspondence, shall be preserved and safely stored for at least [Five (5)] **TEN (10)** years from the dates when they were closed.

(c) REPORTING OF COVERED AND SUSPICIOUS TRANSACTIONS. - Covered persons shall report to the AMLC all covered transactions and suspicious transactions within five (5) working days from occurrence thereof, unless the AMLC prescribes a different period not exceeding fifteen (15) working days.

Lawyers [and accountants acting as independent legal professionals] are not required to report covered and suspicious transactions if the relevant information was obtained in circumstances where they are subject to [professional secrecy or] legal professional privilege.

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

(c-1) When reporting covered or suspicious transactions to the AMLC, covered persons 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, **EXCEPT WHEN DISCLOSURE OF INFORMATION IS IN ACCORDANCE WITH THE SUPERVISORY AUTHORITIES' EXERCISE OF SUPERVISORY POWERS.** In case of violation thereof, the concerned officer and employee of the covered person 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 or any other law.

When reporting covered or suspicious transactions to the AMLC, covered persons 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 has been reported or is about to be reported, the contents of the report, or any other information in relation thereto, **EXCEPT WHEN DISCLOSURE OF INFORMATION IS IN ACCORDANCE WITH THE SUPERVISORY AUTHORITIES' EXERCISE OF SUPERVISORY POWERS.** 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 person and media shall be held criminally liable.

(c-2) IN THE COURSE OF VERIFYING WHETHER A TRANSACTION IS SUSPICIOUS OR NOT, A COVERED PERSON MAY TEMPORARILY WITHHOLD SAID TRANSACTION AND/OR SUBSEQUENT TRANSACTIONS FOR A PERIOD NO LONGER THAN FIVE (5) WORKING DAYS FROM OCCURRENCE OF THE TRANSACTION. THE COVERED PERSON SHALL IMMEDIATELY REPORT TO THE AMLC THAT IT HAD TEMPORARILY WITHHELD A TRANSACTION AND/OR SUBSEQUENT TRANSACTIONS AND THAT IT IS CONDUCTING VERIFICATION THEREOF. UPON REASONABLE BELIEF THAT THERE IS POSSIBLE VIOLATION OF THIS ACT, THE COVERED PERSON MAY TERMINATE THE TRANSACTION OR ACCOUNT CONNECTED THERETO. THE AUTHORITY TO TEMPORARILY WITHHOLD A TRANSACTION SHALL BE MADE PART OF THE COVERED PERSON'S INTERNAL POLICY AND IT SHALL INCLUDE GUIDELINES AND EFFECTIVE CONTROLS TO PREVENT ABUSE.

COVERED PERSONS, THEIR OFFICERS, DIRECTORS AND EMPLOYEES SHALL NOT BE SUBJECT TO ANY ACTION, CLAIM OR DEMAND IN THE EXERCISE OF THEIR AUTHORITY UNDER THIS PROVISION, PROVIDED THAT, IT WAS EXERCISED IN THE REGULAR PERFORMANCE OF THEIR DUTIES, IN GOOD FAITH AND IN

ACCORDANCE WITH THEIR POLICY, THIS ACT AND ITS IMPLEMENTING RULES AND REGULATIONS.

SECTION 8. *Section 10 of the same Act is hereby amended as follows:*

Upon a verified *ex parte* petition [by the AMLC] and after determination that probable cause exists that any monetary instrument or property is in any way related to [an unlawful activity] A **PREDICATE OFFENSE** as defined in Section 3(i) hereof **OR MONEY LAUNDERING**, the Court of Appeals may, **WITHIN TWENTY-FOUR (24) HOURS FROM THE FILING OF THE PETITION**, issue a freeze order which shall be effective immediately, and which shall not exceed six (6) months depending upon the circumstances of the case, ***PROVIDED*, THAT IN CASES INVOLVING UNLAWFUL ACTIVITIES UNDER SECTION 3(i) (1), (2), (3), (4), (9), (12), (13), (14), (15), (17), (19), (28), (31), (32), (33), (34) AND (42) HEREOF, AND FELONIES OR OFFENSES OF SIMILAR NATURE PUNISHABLE UNDER THE PENAL LAWS OF OTHER COUNTRIES, THE AMLC MAY ISSUE EX PARTE FREEZE ORDER WHICH SHALL BE EFFECTIVE IMMEDIATELY, AND WHICH SHALL NOT EXCEED THIRTY (30) DAYS.**

BEFORE THE EXPIRATION OF THE 30-DAY PERIOD, THE AMLC MAY FILE BEFORE THE COURT OF APPEALS A PETITION TO EXTEND THE FREEZE ORDER. THE EXTENSION SHALL NOT EXCEED FIVE (5) MONTHS DEPENDING UPON THE CIRCUMSTANCES OF THE CASE. THE COURT SHALL ACT ON THE PETITION FOR EXTENSION WITHIN TWENTY-FOUR (24) HOURS FROM FILING OF THE PETITION. *PROVIDED*, THAT THE 30-DAY FREEZE ORDER SHALL REMAIN EFFECTIVE PENDING RESOLUTION OF THE PETITION FOR EXTENSION.

FOR PURPOSES OF THIS SECTION, COVERED PERSONS, UPON RECEIPT OF THE FREEZE ORDER, SHALL LIKEWISE FREEZE RELATED ACCOUNTS.

THE MEMBERS OF THE AMLC AND ITS SECRETARIAT SHALL BE IMMUNE FROM ANY CIVIL, CRIMINAL, OR ADMINISTRATIVE LIABILITY IN THE EXERCISE OF THE FOREGOING FUNCTIONS, PROVIDED THAT, IT WAS EXERCISED IN THE REGULAR PERFORMANCE OF THEIR DUTIES IN GOOD FAITH AND IN ACCORDANCE WITH THIS ACT AND ITS IMPLEMENTING RULES AND REGULATIONS.

A PERSON WHOSE ACCOUNT HAS BEEN FROZEN BY THE AMLC OR COURT OF APPEALS MAY FILE A PETITION OR MOTION, AS THE CASE MAY BE, TO LIFT THE FREEZE ORDER BEFORE THE COURT OF APPEALS WITHIN FIFTEEN (15) DAYS FROM NOTICE. *PROVIDED*, THAT THE PETITION OR MOTION TO LIFT SHALL BE RESOLVED

BEFORE THE EXPIRATION OF THE FREEZE ORDER ISSUED BY THE AMLC OR THE COURT OF APPEALS.

IF THE 30-DAY FREEZE WAS NOT EXTENDED BY THE COURT OF APPEALS, OR [*Provided, That*] if there is no case filed against a person whose account has been frozen within the period determined by the Court of Appeals, the freeze order shall be deemed *ipso facto* lifted. *Provided, that* **BEFORE LIFTING THE EFFECTS OF THE FREEZE ORDER, THE COVERED PERSON SHALL VERIFY WITH THE AMLC IF THERE IS ANY PENDING CASE.**

[*Provided, further, That* this new rule shall not apply to pending cases in the courts. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a nonworking day, the computation of the twenty-four (24)-hour period shall exclude the nonworking days.

A person whose account has been frozen may file a motion to lift the freeze order and the court must resolve this motion before the expiration of the freeze order.]

No court shall issue a temporary restraining order or a writ of injunction against any freeze order, except the Supreme Court.”

SECTION 9. *Section 11 of the same Act is hereby amended as follows:*

SEC. 11. *Authority to Inquire into Bank Deposits.* – Notwithstanding the provisions of Republic Act No. 1405, as amended; Republic Act No. 6426, as amended; Republic Act No. 8791; **REPUBLIC ACT NO. 10173**; and other laws, the AMLC may inquire into or examine any particular deposit or investment, including related accounts, with any banking institution or non-bank financial institution upon order of [any competent court] **THE COURT OF APPEALS** based on an *ex parte* application in cases of violations of this Act, when [it has been established that there is probable cause that] **THERE IS REASONABLE GROUND TO SUSPECT** that the deposits or investments, including related accounts involved, are related to [an unlawful activity] **A PREDICATE OFFENSE** 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), **(3), (4), (9), (12), (13), (14), (15), (17), (19), (28), (31), (32), (33), (34) and (42)** hereof, and felonies or offenses of a nature similar [to those mentioned in Section 3(i)(1), (2) and (12),] **THERE TO** 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 financial institution or non-bank financial institution within twenty-four (24) hours from filing of the application.

To ensure compliance with this Act **AND ITS IMPLEMENTING RULES AND REGULATIONS**, the Bangko Sentral ng Pilipinas

may, [in the course of a periodic or special examination, check the compliance of a **covered person** with the requirements of the AMLA and its implementing rules and regulations.] **IN ACCORDANCE WITH ITS SUPERVISORY POWERS UNDER SECTION 4 OF REPUBLIC ACT NO. 8791, LIKEWISE INQUIRE INTO OR EXAMINE ANY DEPOSIT, INVESTMENT, TRUST OR OTHER ACCOUNTS, AND ACCESS COVERED AND SUSPICIOUS TRANSACTION DATABASES WITH ANY BANKING INSTITUTION OR NON-BANK FINANCIAL INSTITUTION.**

[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] **FOR THE RELATED** accounts shall be the same with that of [the related] **PRINCIPAL** account.

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 10. *Section 12 of the same shall have a new paragraph (d) as follows:*

SEC. 12. Forfeiture Provisions. – x xx

(d) RETENTION OF FORFEITED ASSETS. – THE AMLC SHALL RETAIN TWENTY PERCENT (20%) OF THE TOTAL ASSETS FORFEITED LESS THE COST OF LITIGATION, TAXES, LOCAL AND NATIONAL, AND OTHER RELATED EXPENSES, PROVIDED THAT, IN NO CASE SHALL THE RETAINED AMOUNT EXCEED TWICE THE HIGHER BUDGETARY APPROPRIATION FOR THE AMLC IN THE LAST TWO (2) YEARS. THE REMAINING PORTION SHALL BE TURNED OVER TO THE NATIONAL TREASURY. THE RETAINED AMOUNT SHALL BE UTILIZED BY THE AMLC FOR ANTI-MONEY LAUNDERING OPERATIONS AND CAPACITY BUILDING.

SECTION 11.*Section 14(c) of the same Act shall be segregated into as paragraphs 14(c), (d), and (e) as follows:*

c) **Malicious Reporting.** Any person who, with malice, or in bad faith, reports or files a completely unwarranted or false information relative to money laundering transaction against any person shall be subject to a penalty of six (6) months to four (4) years imprisonment and 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), at the discretion of the court: *Provided*, That the offender is not entitled to avail the benefits of the Probation Law.

(d) CRIMINAL LIABILITY OF JURIDICAL ENTITIES. - If the offender is a corporation, association, partnership or juridical person, the penalty shall be imposed upon the responsible officers, as the case may be, who participated in, or allowed by their gross negligence, the commission of the crime. If the offender is a juridical

person, the court may suspend or revoke its license. If the offender is an alien, he shall, in addition to the penalties herein prescribed, be deported without further proceedings after serving the penalties herein prescribed. If the offender is a public official or employee, he shall, in addition to the penalties prescribed herein, suffer perpetual or temporary absolute disqualification from office, as the case may be.

(e) **REFUSAL TO TESTIFY.** Any public official or employee who is called upon to testify and refuses to do the same or purposely fails to testify shall suffer the same penalties prescribed herein.

SECTION 12. *Items (d) to (e) of Section 14 of the same Act are hereby renumbered, accordingly.*

SECTION 13. *Items (f) to (g) of Section 14 of the same Act shall be new Section 15 as follows:*

SEC. 15. ADMINISTRATIVE SANCTIONS. -

[Imposition of Administrative Sanctions. The imposition of the administrative sanctions shall be without prejudice to the filing of criminal charges against the persons responsible for the violation.

After due notice and hearing, the AMLC shall, at its discretion, impose sanctions, including monetary penalties, warning or reprimand, upon any covered person, its directors, officers, employees or any other person for the violation 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 AMLC to be appropriate, which shall not be more than Five hundred thousand Philippine pesos (P500,000.00) per violation.]

(a) **IMPOSITION OF ADMINISTRATIVE SANCTIONS. – WITHOUT PREJUDICE TO THE CRIMINAL SANCTIONS UPON ANY COVERED PERSON, ITS DIRECTORS, OFFICERS, EMPLOYEES OR ANY OTHER PERSON FOR THE VIOLATION OF THIS ACT, THE AMLC MAY, AT ITS DISCRETION, IMPOSE UPON ANY COVERED PERSON, THEIR DIRECTORS AND/OR OFFICERS, FOR ANY VIOLATION OF THIS ACT, IMPLEMENTING RULES AND REGULATIONS, OR ANY ORDER, INSTRUCTION OR REGULATION ISSUED BY THE AMLC AND ITS SECRETARIAT, THE FOLLOWING ADMINISTRATIVE SANCTIONS, WHENEVER APPLICABLE:**

1. **REPRIMAND OR WARNING;**
2. **FINES IN AMOUNTS AS MAY BE DETERMINED BY THE AMLC TO BE APPROPRIATE, BUT IN NO CASE TO EXCEED ONE MILLION PHILIPPINE PESOS (PHP1,000,000.00) FOR EACH VIOLATION, TAKING INTO CONSIDERATION THE ATTENDANT CIRCUMSTANCES, SUCH AS THE NATURE AND GRAVITY OF THE VIOLATION OR IRREGULARITY AND THE SIZE OF THE COVERED PERSON. IN ADDITION, THE AMLC MAY RECOMMEND TO THE APPROPRIATE SUPERVISING AUTHORITY THE REVOCATION OR SUSPENSION OF LICENSE OR AUTHORITY TO OPERATE OF COVERED PERSON, AND THE SUSPENSION AND TERMINATION OF RESPONSIBLE DIRECTORS, OFFICERS AND EMPLOYEES OF COVERED PERSONS.**

RESIGNATION OR TERMINATION FROM OFFICE SHALL NOT EXEMPT SUCH DIRECTOR OR OFFICER FROM ADMINISTRATIVE OR CRIMINAL SANCTIONS.

The AMLC AND THE RESPECTIVE SUPERVISING AUTHORITIES may promulgate rules on fines and penalties taking into consideration the attendant circumstances, such as the nature and gravity of the violation or irregularity.

(b) NON-DISCRIMINATION AGAINST CERTAIN TYPES OF CUSTOMERS. - The provisions of this law shall not be construed or implemented in a manner that will discriminate against certain customer types, such as politically-exposed persons, as well as their relatives, or against a certain religion, race or ethnic origin, or such other attributes or profiles when used as the only basis to deny these persons access to the services provided by the covered persons. Whenever a bank, or quasi-bank, financial institution or whenever any person or entity commits said discriminatory act, the person or persons responsible for such violation shall be subject to the sanctions as may be deemed appropriate by their respective [regulators] **SUPERVISING AUTHORITIES.**

SECTION 14. *Section 20¹ of Republic Act No. 9160, as amended by Republic Act No. 10365, is hereby repealed.*

SECTION 15. *The new provision on section 20 of the same act shall be as follows:*

SEC. 20. CROSS-BORDER DECLARATION. - ALL PERSONS WHO BRING INTO OR TAKE OUT OF THE PHILIPPINES, ANY CURRENCY AND BEARER NEGOTIABLE INSTRUMENTS, IN EXCESS OF TEN THOUSAND UNITED STATES DOLLARS (US\$10,000.00) OR ITS EQUIVALENT SHALL DECLARE THE SAME IN WRITING.

THE AMLC MAY CAUSE THE RESTRAINT OF THE CURRENCY OR BEARER NEGOTIABLE INSTRUMENTS NOT DECLARED, OR FALSELY OR ERRONEOUSLY DECLARED, OR IF THERE IS REASONABLE GROUND TO SUSPECT THAT THE CURRENCY OR BEARER NEGOTIABLE INSTRUMENT IS RELATED TO MONEY LAUNDERING OR TERRORISM FINANCING. THE RESTRAINT SHALL NOT EXCEED THIRTY (30) DAYS. THIS IS WITHOUT PREJUDICE TO THE INSTITUTION OF ADMINISTRATIVE, CIVIL OR CRIMINAL PROCEEDINGS, AFTER INVESTIGATION BY THE AMLC.

FOR PURPOSES OF THIS SECTION, THE AMLC MAY ENLIST THE ASSISTANCE OF AND/OR DEPUTIZE THE BUREAU OF CUSTOMS, PHILIPPINE PORTS AUTHORITY AND OTHER RELEVANT GOVERNMENT AGENCIES.

SECTION 16. *Separability Clause.* - If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of other provisions thereof.

SECTION 17. *Repealing Clause.* - All laws, decrees, orders, and issuances or portions thereof, which are inconsistent with the provisions of this Act, are hereby repealed, amended or modified accordingly; Provided, that all provisions of Republic Act No. 9160, as amended, which are not inconsistent with this Act are hereby adopted.

¹ SEC. 20. *Non-intervention in the Bureau of Internal Revenue (BIR) Operations.* - Nothing contained in this Act nor in related antecedent laws or existing agreements shall be construed to allow the AMLC to participate in any manner in the operations of the BIR.

SECTION 18. *Effectivity.* -This Act shall take effect fifteen (15) days following its publication in, at least, two (2) newspapers of general circulation.

Approved,