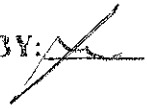




FIFTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

'11 FEB -7 A11 :01

SENATE

RECEIVED BY: 

S.B. No. **2676**

Introduced by Senator EDGARDO J. ANGARA

**EXPLANATORY NOTE**

More than three (3) years since the enactment of the Human Security Act (HSA) of 2007, a Bloomberg article which appeared in its website on 11 January 2011, headlined that the ***“Philippines is Southeast Asia Terror Hotspot”***. Citing an FTI-International Risk, the article went on further to state that the *“Philippines has overtaken Indonesia and Thailand as the country facing the greatest threat from terrorism”*.

Palace officials have already dismissed the latter as “a matter of perception”. However, the recent bus bombing along Metro Manila’s main transport artery resulting in death to innocent civilians has drastically transformed this “perception” into a frightening reality as it paints a grim picture of the Philippines. The situation must be immediately addressed.

One sure way of addressing this concern is to enact a law criminalizing the financing of terrorism as an offense separate and distinct from that of terrorism as required by the 1999 International Convention for the Suppression of the Financing of Terrorism.

Much has been written and said about the need to comply with the international standards set by the United Nations and international bodies such as the Financial Action Task Force (FATF). But more than complying with these standards, legislation on terrorist financing suppression is necessary because the Philippines, whether we like it or not, has had its own share of terrorism-related experiences and is now, rightly or wrongly, perceived to be a “terror hotspot”.


It is a known fact that terrorism is mainly dependent on funding. Part of the reasons terrorist elements commit common crimes is to obtain funding to finance their activities. Authorities must be able to prevent terrorists from having access to funds; penalize them and their financiers. Terrorist financing should be criminalized even without an actual terrorist act taking place. Otherwise, it would be too late.

The proposed bill is designed to provide duly constituted authorities with ample powers allowing them to inquire into bank accounts sans a court order and freeze terrorist funds *without delay* while providing safeguards to the rights of innocent third parties. Realizing the transnational nature of terrorism and its financing, the proposed bill will allow local authorities to take pre-emptive and

remedial action, request foreign assistance, including extradition of suspects, whenever the intended victims of a terrorist attack are Filipinos, its government or institutions.

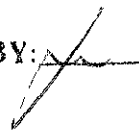
We cannot afford another bombing incident. Let us cut, if not eliminate, the funding sources to prevent terrorism from happening. Enacting a stand-alone anti-terrorist financing law will show how serious the Philippines is in weeding out this evil.

In view of the foregoing, the urgent passage of the proposed measure is requested.

  
EDGARDO J. ANGARA

11 FEB -7 AM :01

SENATE

RECEIVED BY: 

Senate Bill No. 2676

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Introduced by: Senator EDGARDO J. ANGARA

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

*Be it enacted in 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*  
2 *Financing Suppression Act of 2011*”.

3

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

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

11

12           a) *Forfeiture* refers to an act where, after due process, a court orders the  
13 transfer in favor of the government ownership of property or funds  
14 representing, involving, or relating to acts of terrorism or terrorist financing  
15 as hereinafter defined

16

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

5  
6           c) *Property or funds* refers to assets of every kind, whether real or personal,  
7 tangible or intangible, movable or immovable, however acquired or regardless of its  
8 source, including legal documents or instruments in any form, including electronic or  
9 digital, evidencing title to, or interest in, such assets, including but not limited to cash,  
10 bank accounts and related web of accounts, bank credits, travelers cheques, bank  
11 cheques, money orders, shares, securities, bonds, drafts, letters of credit and other  
12 monetary instruments.

13           For purposes of this Act, the term “related web of accounts” refers to those accounts,  
14 the funds and sources of which originated from and/or are materially linked to the property or  
15 funds subject of the bank inquiry or examination or freeze order as hereinafter provided.

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

24  
25           e) *Acts of Terrorism* shall refer to the following:

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

3 i) Article 122 (RPC) on piracy in general and mutiny in the high seas or in  
4 the Philippine waters;

5 ii) Article 134 (RPC) on rebellion or insurrection;

6 iii) Article 134-a (RPC) on *Coup de'état*, including acts committed by  
7 private persons;

8 iv) Article 248 (RPC) on murder;

9 v) Article 267 (RPC) on kidnapping and serious illegal detention;

10 vi) Article 324 (RPC) on crimes involving destruction;

11 vii) Presidential Decree No. 1613, the Law on Arson;

12 viii) Republic Act No. 6969, otherwise known as the "*Toxic*  
13 *Substances and Hazardous and Nuclear Waste Control Act of 1990*";

14 ix) Republic Act No. 5207, otherwise known as the "*Atomic Energy*  
15 *Regulatory and Liability Act of 1968*";

16 x) Republic Act No. 6235 entitled, "*An Act Prohibiting Certain Acts*  
17 *Inimical to Civil Aviation and for other purposes*";

18 xi) Presidential Decree No. 532, entitled, "*Anti-Piracy and Anti-Highway*  
19 *Robbery Law of 1974*";

20 xii) Presidential Decree No. 1866, as amended by RA 8294 and  
21 further amended by RA 9516 (Sections 3 & 4), entitled "*Codifying the*  
22 *Laws on Illegal and Unlawful Possession, Manufacture, Dealing in,*  
23 *Acquisition or Disposition of Firearms, Ammunition or Explosives or*

1                    *Instruments Used in the Manufacture of Firearms, Ammunition or*  
2                    *Explosives, and Imposing Stiffer Penalties for Certain Violations*  
3                    *Thereof and for Relevant Purposes”;*

4 thereby sowing and creating a condition of widespread and extraordinary fear and  
5 panic among the populace, in order to coerce the government to give in to an unlawful  
6 demand.

7  
8            *f) Terrorist entity or organization* refers to any entity owned or controlled by  
9 any terrorist or group of terrorists that: (i) commits, or attempts to commit, acts of  
10 terrorism by any means, directly or indirectly, unlawfully and willfully; (ii)  
11 participates as an accomplice in acts of terrorism; (iii) organizes or directs others to  
12 commit acts of terrorism; or (iv) contributes to the commission of acts of terrorism by  
13 a group of persons acting with common purpose of furthering the acts of terrorism  
14 where the contribution is made intentionally and with the aim of furthering the acts of  
15 terrorism or with the knowledge of the intention of the group to commit acts of  
16 terrorism.

17  
18            *g) “Covered institution”* refers to or shall have the same meaning as defined  
19 under the AMLA, as amended.

20  
21            *h) Anti-Terrorism Council (ATC)* – refers to the agency created by virtue of  
22 Republic Act No. 9372, otherwise known as the Human Security Act of 2007.

1 i) Anti-Money Laundering Council (AMLC) – refers to the agency created by  
2 virtue of Republic Act No. 9160, as amended, otherwise known as the “Anti-Money  
3 Laundering Act of 2001, as amended”.

4  
5 SEC 4. **Terrorist Financing.** – Any person who, directly or indirectly, willfully  
6 and unlawfully, provides, collects or uses property or funds or makes available  
7 property, funds, financial service or other related services, by any means, with the  
8 intention that these should be used or in the knowledge that these will be used, in full  
9 or in part: (a) to carry out acts of terrorism; (b) by a terrorist entity or organization; or  
10 (c) by an individual terrorist; shall be guilty of the crime of terrorist financing and  
11 shall suffer the penalty of *reclusion temporal* in its maximum period to *reclusion*  
12 *perpetua* and a fine of not less than Five Hundred Thousand Pesos (₱ 500,000.00) nor  
13 more than One Million Pesos (₱ 1,000,000.00).

14  
15 For purposes of this Act, knowledge may be established by direct evidence or  
16 inferred from the attendant circumstances.

17  
18  
19 SEC. 5. **Conspiracy to Commit Terrorist Financing.** Persons who conspire to  
20 commit the crime of terrorist financing shall suffer the penalty of *reclusion temporal*  
21 in its maximum period to *reclusion perpetua* and a fine of not less than Five  
22 Hundred Thousand Pesos (₱ 500,000.00) nor more than One Million Pesos (₱  
23 1,000,000.00).

24  
25 There is conspiracy when two or more persons come to an agreement to commit  
26 terrorist financing as herein defined and decide to commit the same.

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

7  
8           **SEC. 7. *Accessory.*** Persons who having knowledge of the commission of the  
9 crime of terrorist financing but without having participated therein as a principal take  
10 part, subsequent to its commission, by profiting themselves or assisting the principal  
11 or principals to profit by the effects of the crime, or by concealing or destroying the  
12 effects of the crime in order to prevent its discovery, or by harboring, concealing or  
13 assisting in the escape of the principal of the crime shall be guilty as an accessory to  
14 the crime of terrorist financing and shall suffer the penalty two degrees lower than  
15 that prescribed for principals in the crime of terrorist financing.

16  
17           **SEC. 8. *Prohibition Against Use or Possession of Property or Funds for***  
18 ***Terrorism Purposes.*** - Every person who (a) uses property or funds, directly or  
19 indirectly, in whole or in part, for the purpose of facilitating or carrying acts of  
20 terrorism; or (b) possesses property or funds intending that it be used or knowing or  
21 having reasonable ground to believe that it will be used, directly or indirectly, in whole  
22 or in part, for the purpose of facilitating or carrying out acts of terrorism shall be  
23 guilty as a principal in the crime of terrorist financing.

24           **SEC. 9. *Prohibition Against Dealing with Property or Funds of Terrorists.*** -  
25 It shall be unlawful for any person to (a) deal directly or indirectly, with any property



1 or funds that he knows or has reasonable ground to believe is owned or controlled by  
2 or on behalf of any terrorist, terrorist entity or organization, including funds derived or  
3 generated from property or funds owned or controlled, directly or indirectly, by any  
4 terrorist, terrorist entity or organization; (b) enter into or facilitate, directly or  
5 indirectly, any financial transaction related to a dealing in property or funds owned or  
6 controlled by or on behalf of any terrorist, terrorist entity or organization; or (c)  
7 provide any financial service or any other related services with respect to any property  
8 or funds owned or controlled by, or on behalf or for the benefit of, or on the direction  
9 or order of, any terrorist, terrorist entity or organization.

10

11 Any person who violates this section shall be guilty as a principal in the crime  
12 of terrorist financing.

13

14 **SEC. 10. *Offense by a Juridical Person or Corporate Body.*** If the offender is a  
15 corporation, association, partnership or any juridical person, the penalty shall be  
16 imposed upon the responsible officers, as the case may be, who participated in, or  
17 allowed by their gross negligence, the commission of the crime. If the offender is a  
18 juridical person, the court may suspend or revoke its license. If the offender is an alien,  
19 he shall, in addition to the penalties herein prescribed, be deported without further  
20 proceedings after serving the penalties herein prescribed. If the offender is a public  
21 official or employee, he shall, in addition to the penalties prescribed herein, suffer  
22 perpetual or temporary absolute disqualification as the case may be.

23 **SEC. 11. *Jurisdiction over Terrorist Financing and Related Cases.*** – The  
24 Regional Trial Court shall have original jurisdiction over all cases of terrorist  
25 financing and other violations of this Act.

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SEC. 12 *Authority to Freeze.* – The Court of Appeals, upon ex parte application by the AMLC and after determination that probable cause exists that any property or funds are in any way related to terrorist financing as defined in Section 4 hererof, may issue a freeze order which shall be effective immediately.

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

Notwithstanding the provisions of the preceding *paragraphs*, the AMLC may issue a freeze order, which shall be effective immediately, to implement the binding conventions, directives or resolutions of the United Nations, its Security Council and other relevant UN offices and committees against terrorism and terrorist financing. The freeze order shall be effective until the basis for the issuance thereof shall have been lifted. During the effectivity of the freeze, an aggrieved party may, within thirty (30) days from issuance, file with the Court of Appeals a petition to determine the basis of the freeze order.

**SEC. 13. Predicate offense to money laundering.** Terrorism financing and other violations under this Act shall be a predicate offense to money laundering as defined in the Anti-Money Laundering Act of 2001, as amended.

1           **SEC. 14. Civil forfeiture**—The procedure for the civil forfeiture of property or  
2 funds found to be in any way related to terrorist financing or other violations of this  
3 Act shall be made in accordance with the AMLA, as amended, its Revised  
4 Implementing Rules and Regulations and the Rules of Procedure promulgated by the  
5 Supreme Court.

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

25

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

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5           **SEC. 16. Extradition.** The Philippines shall negotiate the inclusion of terrorist  
6 financing as herein defined among extraditable offenses in all future treaties which it  
7 may enter into after the effectivity of this Act.

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9           **SEC. 17. Applicability of the Revised Penal Code.** – The provisions of Book I  
10 of the Revised Penal Code shall be applicable to this Act.

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12           **SEC. 18. Separability Clause.** – If, for any reason, any provision of this Act is  
13 declared invalid or unconstitutional, the remaining provisions not affected thereby  
14 shall continue to be in force and effect.

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

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

23  
24 Approved,