



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

'16 NOV 16 P3:40

SENATE  
S.B. No. 1242

RECEIVED BY:

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

**AN ACT TO FURTHER STRENGTHEN THE ANTI-MONEY LAUNDERING ACT, AMENDING FOR THE PURPOSE SECTIONS 3, 3(a), 3(b), 3(g), 3(i), 7, 7(2), 7(5), 7(6), 7(7), 9(a), 9(c), 10, 11, 14(f), 14(g), and 16; AND REPEALING SECTION 20 OF REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE "ANTI-MONEY LAUNDERING ACT OF 2001," AS AMENDED**

**EXPLANATORY NOTE**

The Philippines has long sought to fight against money laundering with the enactment of RA 10168 and RA 10365. However, we continue to face challenges related to the regulation of financial transactions, particularly in casinos.

In February of this year, the Philippines found itself at the center of an international money laundering case involving three large casinos, amongst other financial and non-financial institutions, that exposed the loopholes in our laws and left our government scrambling to place the missing pieces back together.

As per the recommendation of the Financial Action Task Force (FATF), this bill seeks to strengthen the AMLC mandate to include casinos, real estate brokers, art dealers and motor vehicle dealers as covered persons under the Act. This bill also seeks to designate the Bangko Sentral ng Pilipinas (BSP) as the supervising authority for foreign exchange dealers, money changers, and remittance businesses, giving them the authority to monitor such institutions, as well as giving the AMLC authority to supervise any institution that does not have a designated authority.


Oftentimes, the delay between the breach and the investigation could give the persons involved enough time to flee, making it more difficult to recover the evidence and the money. Thus, this measure hastens the process of investigating potential breaches to the AMLA by reducing the evidence requirements needed for AMLC to initiate an investigation.

To further discourage illegal activity related to money laundering in the Philippines, this bill also seeks to raise the penalties for those found to be non-compliant with the AMLA to One Million Pesos per violation or 20% of the value of the instrument laundered or that was intended to be laundered, whichever is higher.

The Philippine government ought to take the necessary steps to protect the integrity of the amusement and gaming industry, which brings much tourism and revenue to the nation. Casinos provide employment for thousands of Filipinos and tax revenues coursed through PAGCOR are a major source of government spending that can support national development projects.

By strengthening the AMLC through this bill, we can ensure that our nation will continue to be regarded as a trustworthy and safe destination for amusement, gaming as well as for other monetary transactions. We can safeguard the bounty that the amusement industry can provide whilst ensuring the legality and integrity of its revenue.

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

A handwritten signature in black ink, reading "Bam Aquino". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

**Senator Paolo Benigno "Bam" A. Aquino IV**



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

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

5 "(a) 'Covered persons', natural or juridical, refer to:

6 (1) banks, non-banks, quasi-banks, trust entities, foreign exchange dealers,  
7 pawnshops, money changers, remittance and transfer companies and other  
8 similar entities and all other persons and their subsidiaries and affiliates  
9 supervised or regulated by the *Bangko Sentral ng Pilipinas (BSP)*;

10 (2) insurance companies, pre-need companies and all other persons supervised or  
11 regulated by the Insurance Commission (IC);

12 (3) (i) securities dealers, brokers, salesmen, investment houses and other similar  
13 persons managing securities or rendering services as investment agent,  
14 advisor or consultant, (ii) Mutual funds, close-end investment companies,  
15 common trust funds and other similar persons, and (iii) other entities  
16 administering, or otherwise dealing in currency, commodities or financial  
17 derivatives based thereon, valuable objects, cash substitutes and other  
18 similar monetary instruments or property supervised or regulated by  
19 Securities and Exchange Commission (SEC);

20 (4) [jewelry] dealers in precious metals [, who as a business, trade in precious  
21 metals, for transactions in excess of One million pesos (P 1,000,000.00)];

22 (5) [jewelry] dealers in precious stones [, who as a business, trade in precious  
23 stones, for transactions in excess of One million pesos (1,000,000.00)];

- 1           **(6) JEWELRY DEALERS;**
- 2           **(7) ART DEALERS;**
- 3           **(8) MOTOR VEHICLE DEALERS;**
- 4           **(9) [(6)] TRUST AND company service providers [which, as a business, provide any**  
5           **of the following services to third parties]- WHEN THEY PREPARE FOR OR**  
6           **CARRY OUT TRANSACTIONS FOR A CLIENT CONCERNING THE FOLLOWING**  
7           **ACTIVITIES:** (i) acting as a formation agent of juridical persons; (ii) acting as (or  
8           arranging for another person to act as) a director or corporate secretary of a  
9           company, a partner of a partnership, or a similar position in relation to other  
10           juridical persons; (iii) providing a registered office, business address or  
11           accommodation correspondence or administrative address for a company, a  
12           partnership or any other legal persons or arrangement; (iv) acting as (or  
13           arranging for another person to act as) a nominee shareholder for another  
14           person; and (v) acting as (or arranging for another person to act as) a trustee of  
15           an express trust or performing the equivalent function for another form of  
16           legal arrangement;
- 17           **(10) [(7)] LAWYERS, NOTARIES, OTHER INDEPENDENT LEGAL PROFESSIONALS AND**  
18           **ACCOUNTANTS – WHEN THEY PREPARE FOR OR CARRY OUT FOR THEIR**  
19           **CLIENT CONCERNING THE FOLLOWING ACTIVITIES [persons who provide any**  
20           **of the following services]:**
- 21           **(I) BUYING AND SELLING OF REAL ESTATE;**  
22           **[(i)] (II) managing of client money, securities or other assets;**  
23           **[(ii)] (III) management of bank, savings or securities accounts;**  
24           **[(iii)] (IV) organization of contributions for the creation, operation or**  
25           **management of companies; and**  
26           **[(iv)] (V) creation, operation or management of juridical persons**  
27           **arrangements, and buying and selling business entities.**
- 28           **(11) CASINO OPERATORS, WITH RESPECT TO THEIR GAMING OPERATIONS; AND**
- 29           **(12) REAL ESTATE BROKERS.”**

30   **SECTION 2.** Section 3(b) of the same Act is hereby amended as follows:

31           “(b) "Covered transaction" [is a transaction in cash or other equivalent monetary  
32           instrument involving a total amount in excess of Five Hundred Thousand Pesos  
33           (P500,000.00) within one (1) banking day] **REFERS TO:**

- 34           **(1) A TRANSACTION IN CASH OR OTHER EQUIVALENT MONETARY INSTRUMENT**  
35           **EXCEEDING FIVE HUNDRED THOUSAND PESOS (P500,000.00);**

- 1 (2) FOR COVERED PERSONS UNDER PARAGRAPHS (4), (5) AND (6) OF SECTION 3  
2 (A) HEREOF, ANY SINGLE TRANSACTION EXCEEDING ONE MILLION PESOS  
3 (P1,000,000.00);  
4 (3) FOR COVERED PERSONS UNDER PARAGRAPH 11 OF SECTION 3(A) HEREOF,  
5 ANY SINGLE OR AGGREGATE OF TRANSACTIONS EXCEEDING ONE HUNDRED  
6 FIFTY THOUSAND PESOS (P150,000.00) IN ONE GAMING DAY;  
7 (4) FOR COVERED PERSONS UNDER PARAGRAPH 12 OF SECTION 3 (A) HEREOF,  
8 ANY SINGLE TRANSACTION EXCEEDING THREE MILLION PESOS  
9 (P3,000.000.00).

10 (b-1) "Suspicious Transactions" are transactions with covered institutions, regardless  
11 of the amounts involved, where any of the following circumstances exist:

12 x x x

- (6) the transaction is in any way related to an unlawful activity or offense under this Act that is about to be, is being or has been committed; [or]  
(7) any transaction that is similar or analogous to any of the foregoing[.]; OR  
13 (8) ANY OTHER ANALOGOUS CIRCUMSTANCES THAT MAY BE DETERMINED TO BE  
14 SUSPICIOUS BY THE ANTI-MONEY LAUNDERING COUNCIL (AMLC)."

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

16 "(g) "Supervising Authority" refers to the appropriate [supervisory or regulatory]  
17 agency, department or office REGISTERING, MONITORING, supervising AND/or  
18 regulating the covered [institutions] PERSONS enumerated in Section 3(a).

19 **FOR PURPOSES OF THIS ACT, THE BSP IS DESIGNATED AS THE SUPERVISING**  
20 **AUTHORITY OF FOREIGN EXCHANGE DEALERS, MONEY CHANGERS, AND**  
21 **REMITTANCE AND TRANSFER BUSINESSES UNDER SECTION 3 (A) (1)."**

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

23 "(i) "Unlawful activity" refers to any act or omission or series or combination thereof  
24 involving or having direct relation to the following:

25 x x x

26 (19) Violations of SectionS 4 to 6 of Republic Act No. 9208, otherwise known as the  
27 Trafficking in Persons Act of 2003, **AS AMENDED BY REPUBLIC ACT NO. 10364;**

28 (20) Violations of Sections [78] 68 and [79] 69 of Chapter VI of Presidential Decree  
29 No. 705, as amended, otherwise known as the Revised Forestry Code of the  
30 Philippines, as amended.

31 x x x

1 (26) [Violations of Sections 1, 3, and 5 of Presidential Decree No. 1866, as  
2 amended, otherwise known as the decree codifying the Laws on Illegal/Unlawful  
3 Possessions, Manufacturing, Dealing in Acquisition of Disposition of Firearms,  
4 Ammunition or Explosives;] **VIOLATIONS OF SECTIONS 28, 32, 33, AND 34 OF**  
5 **REPUBLIC ACT NO. 10591, OTHERWISE KNOWN AS THE COMPREHENSIVE**  
6 **FIREARMS AND AMMUNITION REGULATION ACT.**

7 x x x

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

10  
11 **(34) VIOLATIONS OF SECTIONS 19 AND 20 OF REPUBLIC ACT NO. 10175,**  
12 **OTHERWISE KNOWN AS THE CYBERCRIME PREVENTION ACT OF 2012;**

13 **(35) VIOLATIONS OF CHAPTER II, TITLE X OF THE NATIONAL INTERNAL REVENUE**  
14 **CODE, AS AMENDED; AND**

15 **[(34)] (36) Felonies or offenses of a similar nature that are punishable under the**  
16 **penal laws of other countries."**

17 **SECTION 5.** Section 3 of the same Act shall have new paragraphs as follows:

18 **"(L) "JEWELRY" REFERS TO FINISHED GOODS DERIVING FIFTY PERCENT (50%) OR**  
19 **MORE OF THEIR VALUE FROM JEWELS, PRECIOUS METALS OR PRECIOUS STONES**  
20 **CONSTITUTING, FORMING PART OF, OR ATTACHED TO SAID FINISHED GOODS.**

21 **(M) "DEALER" REFERS TO ANY PERSON WHO BUYS AND/OR SELLS PRECIOUS**  
22 **METALS, PRECIOUS STONES, AND/OR JEWELRY IN THE COURSE OF ITS BUSINESS**  
23 **ACTIVITIES. THE PURCHASES OR SALE OF PREVIOUS METALS, PRECIOUS STONES,**  
24 **AND/OR JEWELRY AS REFERRED HEREIN EXCLUDE THOSE CARRIED OUT FOR,**  
25 **CONNECTED WITH, OR FOR THE PURPOSE OF EXTRACTING PRECIOUS METALS OR**  
26 **PRECIOUS STONES FROM A MINE, OR CUTTING OR POLISHING PRECIOUS STONES.**

27 **(N) "CASINO" SHALL REFER TO GAMBLING CASINOS WHERE THE BUILDING, ROOM**  
28 **OR SPACE IS USED FOR SOCIAL AMUSEMENTS; SPECIFICALLY, ONE USED FOR**  
29 **GAMBLING THROUGH GAMES OF CHANCE, GAMES OF CARDS AND GAMES OF**  
30 **NUMBERS AND ARE BEING REGULATED AND SUPERVISED BY THE PHILIPPINE**  
31 **AMUSEMENT AND GAMING CORPORATION (PAGCOR), THE CAGAYAN ECONOMIC**  
32 **ZONE AUTHORITY (CEZA) OR ANY OTHER APPROPRIATE SUPERVISING AUTHORITY.**  
33 **FOR PURPOSES OF THIS ACT, IT ALSO INCLUDES INTERNET AND SHIP-BASED**  
34 **CASINOS.**

35 **(1) "INTERNET-BASED CASINO" SHALL REFER TO GAMBLING CASINOS IN WHICH**  
36 **PERSONS PARTICIPATE BY THE USE OF REMOTE COMMUNICATION FACILITIES**  
37 **SUCH AS, BUT NOT LIMITED TO, INTERNET, TELEPHONE, TELEVISION, RADIO OR**

1 ANY OTHER KIND OF ELECTRONIC OR OTHER TECHNOLOGY FOR FACILITATING  
2 COMMUNICATION.

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

6 (O) "ART" REFERS TO ALL ORIGINAL WORKS OF ART LIKE PAINTINGS, SCULPTURE,  
7 DRAWINGS AND ART WORK PRODUCED IN MULTIPLES SUCH AS GRAPHIC AND  
8 PHOTOGRAPHIC WORKS AND SCULPTURE CASTS, BUT SHALL NOT INCLUDE WORKS  
9 INTENDED TO BE MASS-PRODUCED FOR COMMERCIAL USE;

10 (P) "ART DEALER" REFERS TO ANY PERSON OR ENTITY WHO SELLS OR OTHERWISE  
11 DEALS IN WORKS OF FINE ART FOR PROFIT OR GAIN, SUCH AS GALLERIES, ART  
12 BROKERS AND AGENTS;

13 (Q) "MOTOR VEHICLE" REFERS TO ANY SELF-PROPELLED ROAD VEHICLE DESIGNED  
14 TO CARRY PASSENGERS INCLUDING, BUT NOT LIMITED TO, SEDANS, COUPES,  
15 STATION WAGONS, CONVERTIBLES, PICK-UPS, VANS, SPORTS UTILITY VEHICLES  
16 (SUVS) AND ASIAN UTILITY VEHICLES (AUVS) AND MOTORCYCLES;

17 (R) "MOTOR VEHICLE DEALER" REFERS TO ANY PERSON, ASSOCIATION,  
18 PARTNERSHIP, CORPORATION OR ENGAGED IN THE BUSINESS OF BUYING AND  
19 SELLING OR EXCHANGING MOTOR VEHICLE OR OTHERWISE ENGAGING IN  
20 BUSINESS AS A DEALER DIRECTLY OR INDIRECTLY, INCLUDING BY CONSIGNMENT;  
21 AND

22 (S) "RELATED ACCOUNT" REFERS TO AN ACCOUNT, THE FUNDS AND SOURCES OF  
23 WHICH ORIGINATED FROM AND/OR MATERIALLY LINKED TO THE MONETARY  
24 INSTRUMENT OR PROPERTY SUBJECT OF THE INVESTIGATION OR FREEZE ORDER."

25 **SECTION 6.** Section 7 of the same Act is hereby amended as follows:

26 "SEC. 7. *Creation of the Anti-Money Laundering Council (AMLC).* – The Anti-Money  
27 Laundering Council is hereby created and shall be composed of the Governor of the  
28 Bangko Sentral ng Pilipinas as Chairman, the Commissioner of the Insurance Commission  
29 and the Chairman of the Securities and Exchange Commission as members. The AMLC  
30 shall act unanimously in the discharge of its functions as defined hereunder:

31 x x x

32 (2) to issue orders addressed to the appropriate supervising authority or the covered  
33 [institution] PERSON to determine the true identity of the owner of any monetary  
34 instrument or property subject of a covered transaction or suspicious transaction  
35 report or request for assistance from a foreign state, or believed by the council [on  
36 the basis of substantial evidence,] to be, in whole or in part, wherever located,  
37 representing, involving, or related to, directly or indirectly, in any manner or by any

1 means, [the proceeds of] an unlawful activity[.] **NOTWITHSTANDING THE**  
2 **PROVISIONS OF REPUBLIC ACT NO. 1405, AS AMENDED, REPUBLIC ACT NO. 6426, AS**  
3 **AMENDED; REPUBLIC ACT NO. 8791; REPUBLIC ACT NO. 10173 AND OTHER LAWS;”**

4 x x x

5 (5) to investigate, **THROUGH THE AMLC SECRETARIAT**, suspicious transactions and  
6 covered transactions deemed suspicious [after an investigation by the AMLC],  
7 **POSSIBLE** money laundering activities, and other violations of this Act **MOTU PROPRIO**  
8 **OR UPON COMPLAINT OR REQUEST OF AN APPROPRIATE DEPARTMENT, OFFICE OR**  
9 **AGENCY, OR BRANCH OF GOVERNMENT, OR FOREIGN STATE OR AUTHORITY;”**

10 (6) to [apply] **CAUSE THE FILING OF AN EX-PARTE PETITION FOR THE ISSUANCE OF**  
11 **FREEZE ORDER** before the Court of Appeals, [ex parte, for the freezing of] **OR, IN**  
12 **CASES SPECIFIED UNDER SECTION HEREOF, TO ISSUE EX-PARTE FREEZE ORDER,**  
13 **AGAINST** any monetary instrument or property alleged to be laundered, proceeds  
14 from [or], instrumentalities used in, [or] intended for use in **OR IN ANY WAY RELATED**  
15 **TO** any unlawful activity as defined in Section 3(i) hereof.”

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

19 x x x

20 (13) **TO SUBPOENA WITNESSES AND COMPEL THEIR ATTENDANCE, THE**  
21 **PRODUCTION OF BOOKS, PAPERS AND DOCUMENTS, FOR PURPOSES OF**  
22 **VERIFICATION, INVESTIGATION, OR CHECKING COMPLIANCE WITH THE PROVISIONS**  
23 **OF THIS ACT. ANY MEMBER OF THE AMLC SECRETARIAT INVESTIGATING THE CASE**  
24 **MAY ADMINISTER OATHS OR AFFIRMATIONS TO WITNESS APPEARING BEFORE IT;**  
25 **AND**

26 (14) **TO CHECK COMPLIANCE WITH THIS ACT BY COVERED PERSONS NOT UNDER ANY**  
27 **SUPERVISING AUTHORITY.”**

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

29 “(a) Customer [Identification] **DUE DILIGENCE.-** Covered [institutions] **PERSONS** shall  
30 establish and record the true identity of its customers based on official documents.  
31 They shall maintain a system of verifying the true identity of their clients and, in case  
32 of corporate clients, require a system of verifying their legal existence and  
33 organizational structure, as well as the authority and identification of all persons  
34 purporting to act on their behalf. **THEY SHALL ALSO ASSESS AND, IF APPROPRIATE,**  
35 **OBTAIN INFORMATION, ON THE PURPOSE AND NATURE OF THE TRANSACTION.**  
36 **COVERED PERSONS SHALL, LIKEWISE, CONDUCT ON-GOING MONITORING ON THEIR**  
37 **CUSTOMERS, DEPENDING ON THEIR TYPE, THE PRODUCT, OR TRANSACTION.**



1 The provisions of existing laws to the contrary notwithstanding, anonymous accounts,  
2 accounts under fictitious names, and all other similar accounts shall be absolutely  
3 prohibited. Peso and foreign currency non-checking numbered accounts shall be  
4 allowed. The BSP may conduct annual testing solely limited to the determination of  
5 the existence and true identity of the owners of such accounts.”

6 **SECTION 8.** Section 9 (c) of the same Act is hereby amended as follows:

7 "(c) Reporting of Covered and Suspicious Transactions. - Covered persons shall report  
8 to the AMLC all covered transactions and suspicious transactions within five (5)  
9 working days from occurrence thereof, unless the AMLC prescribes a different period  
10 not exceeding fifteen (15) working days.

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

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

18 When reporting covered or suspicious transactions to the AMLC, covered persons and  
19 their officers and employees shall not be deemed to have violated Republic Act No.  
20 1405, as amended, Republic Act No. 6426, as amended, Republic Act No. 8791 and  
21 other similar laws, but are prohibited from communicating, directly or indirectly, in  
22 any manner or by any means, to any person, the fact that a covered or suspicious  
23 transaction report was made, the contents thereof, or any other information in  
24 relation thereto, **EXCEPT WHEN DISCLOSURE OF INFORMATION IS IN ACCORDANCE**  
25 **WITH BSP'S EXERCISE OF SUPERVISORY POWERS AS PROVIDED IN SECTION 11**  
26 **HEREOF.** In case of violation thereof, the concerned officer and employee of the  
27 covered person shall be criminally liable. However, no administrative, criminal or civil  
28 proceedings, shall lie against any person for having made a covered or suspicious  
29 transaction report in the regular performance of his duties in good faith, whether or  
30 not such reporting results in any criminal prosecution under this Act or any other law.

31 When reporting covered or suspicious transactions to the AMLC, covered persons and  
32 their officers and employees are prohibited from communicating directly or indirectly,  
33 in any manner or by any means, to any person or entity, the media, the fact that a  
34 covered or suspicious transaction has been reported or is about to be reported, the  
35 contents of the report, or any other information in relation thereto, **EXCEPT WHEN**  
36 **DISCLOSURE OF INFORMATION IS ACCORDANCE WITH BSP'S EXERCISE OF**  
37 **SUPERVISORY POWERS AS PROVIDED IN SECTION 11** **HEREOF.** Neither may such  
38 reporting be published or aired in any manner or form by the mass media, electronic  
39 mail, or other similar devices. In case of violation thereof, the concerned officer and  
40 employee of the covered person and media shall be held criminally liable.

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

13 COVERED PERSONS, THEIR OFFICERS, DIRECTORS AND EMPLOYEES SHALL NOT BE  
14 SUBJECT TO ANY ACTION, CLAIM OR DEMAND IN CONNECTION WITH THE EXERCISE  
15 OF THEIR AUTHORITY IN GOOD FAITH UNDER THIS PROVISION."

16 **SECTION 9.** Section 10 of the same Act is hereby amended as follows:

17 "Section 10. Freezing of Monetary Instrument or Property. - Upon a verified *ex parte*  
18 petition by the AMLC and after determination that probable cause exists that any  
19 monetary instrument or property is in any way related to an unlawful activity as defined  
20 in Section 3(i) hereof **OR MONEY LAUNDERING**, the Court of Appeals may issue a freeze  
21 order which shall be effective immediately, and which shall not exceed six (6) months  
22 depending upon the circumstances of the case: *Provided*, That **IN CASES INVOLVING**  
23 **UNLAWFUL ACTIVITIES UNDER SECTION 3(i), (1), (2), (3), (4), (9), (12), (13), (14), (15),**  
24 **(17), (19), (28), (31), (32) AND (33) HEREOF, AND FELONIES OR OFFENSES OF SIMILAR**  
25 **NATURE PUNISHABLE UNDER THE PENAL LAWS OF OTHER COUNTRIES THE AMLC MAY**  
26 **ISSUE EX PARTE FREEZE ORDER WHICH SHALL BE EFFECTIVE IMMEDIATELY, AND WHICH**  
27 **SHALL NOT EXCEED THIRTY (30) DAYS.**

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

34 **THE MEMBERS OF THE AMLC AND ITS SECRETARIAT SHALL BE IMMUNE FROM ANY**  
35 **CIVIL, CRIMINAL, OR ADMINISTRATIVE LIABILITY IN THE EXERCISE OF THE FOREGOING**  
36 **FUNCTIONS.**

37 **A PERSON WHOSE ACCOUNT HAS BEEN FROZEN BY THE AMLC OR COURT OF APPEALS**  
38 **MAY FILE A PETITION OR MOTION, AS THE CASE MAY BE, TO LIFT THE FREEZE ORDER**  
39 **BEFORE THE COURT OF APPEALS.**

1 **IF THE 30-DAY FREEZE ORDER WAS NOT EXTENDED BY THE COURT OF APPEALS, OR** if  
2 there is no case filed against a person whose account has been frozen within the period  
3 determined by the Court **OF APPEALS**, the freeze order shall be deemed *ipso facto* lifted.  
4 *Provided*, that this new rule shall not apply to pending cases in the courts. [In any case,  
5 the court should act on the petition to freeze within twenty-four (24) hours from filing of  
6 the petition. If the application is filed a day before a nonworking day, the computation of  
7 the twenty-four (24) hour period shall exclude the non-working days. A person whose  
8 account has been frozen may file a motion to lift the freeze order and the court must  
9 resolve this motion before the expiration of the freeze order.]

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

12 **SECTION 10.** Section 11 of the same Act is hereby amended as follows:

13 "SEC. 11. Authority to Inquire into Bank Deposits. - Notwithstanding the provisions of  
14 Republic Act No. 1405, as amended; Republic Act No. 8791; **REPUBLIC ACT NO. 10173**;  
15 and other laws, the AMLC may inquire into or examine any particular deposit or  
16 investment, including related accounts, with any banking institution or non-bank  
17 financial institution upon order of [any competent court] **THE COURT OF APPEALS** based  
18 on an *ex-parte* application in cases of violations of this Act, when it has been established  
19 that there is [probable cause] **REASONABLE GROUND TO SUSPECT** that the deposits or  
20 investments, including related accounts involved are related to unlawful activity as  
21 defined in Section 3(i) hereof or a money laundering offense under Section 4 hereof,  
22 except that no court order shall be required in cases involving activities defined in  
23 Section 3(i), (1), (2), [and] **(3), (4), (9), (12), (13), (14), (15), (17), (19), (28), (31), (32) AND**  
24 **(33)** hereof, and felonies or offenses of a nature similar to those mentioned in Section  
25 3(i), (1), (2), [and] **(3), (4), (9), (12), (13), (14), (15), (17), (19), (28), (31), (32) AND (33)**  
26 **HEREOF**, which are punishable under the penal laws of other countries [,and terrorism  
27 and conspiracy to commit terrorism as defined and penalized under Republic Act No.  
28 9372]."

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

32 To [ensure] **CHECK** compliance with this Act **AND ITS IMPLEMENTING RULES AND**  
33 **REGULATIONS**, the *Bangko Central ng Pilipinas* may, [in the course of a periodic or  
34 special examination, check the compliance of a covered institution with the requirements  
35 of the AMLA and its implementing rules and regulations.] **IN ACCORDANCE WITH ITS**  
36 **SUPERVISORY POWERS UNDER SECTION 4 OF REPUBLIC ACT NO. 8791, LIKEWISE**  
37 **INQUIRE INTO OR EXAMINE ANY DEPOSIT, INVESTMENT, TRUST OR OTHER ACCOUNTS,**  
38 **AND ACCESS COVERED AND SUSPICIOUS TRANSACTION DATABASES WITH ANY**  
39 **BANKING INSTITUTIONS OR NON-BANK FINANCIAL INSTITUTION.**

1 ["For purposes if this section, 'related accounts' shall refer to accounts, the funds and  
2 sources of which originated from and/or materially linked to the monetary instrument(s)  
3 or property(ies) subject of the freeze order(s)."]

4 A court order *ex-parte* must first be obtained before the AMLC can inquire into these  
5 related accounts: Provided, That the procedure for the *ex-parte* application [of the *ex*  
6 *parte* court order] for the [principal] **RELATED** accountS shall be the same with that of  
7 the [related] **PRINCIPAL** account[s].

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

11 **SECTION 11.** Section 14 (f-g) of the same Act is hereby amended as follows:

12 "(f) Imposition of Administrative Sanctions. - The imposition of administrative  
13 sanctions shall be without prejudice to the filing of criminal charges against the  
14 persons responsible for the violation of this Act.

15 After due notice and hearing, the AMLC, shall, at its discretion, impose sanctions,  
16 including, **BUT NOT LIMITED TO**, monetary penalties, warning or reprimand, upon any  
17 covered person, its directors, officers, employees or any other person for the violation  
18 of this Act, [its implementing rules and regulations] or for failure or refusal to comply  
19 with AMLC orders, resolutions and other issuances. Such monetary penalties shall be  
20 in amounts as may be determined by the AMLC to be appropriate, which shall not be  
21 more than [Five Hundred Thousand Philippine Pesos] **ONE MILLION PHILIPPINE PESOS**  
22 **(P1,000,000.00)** per violation **OR TWENTY PERCENT (20%) OF THE VALUE OF THE**  
23 **MONETARY INSTRUMENT OR PROPERTY LAUNDERED OR SOUGHT TO BE**  
24 **LAUNDERED, WHICHEVER IS HIGHER. A VIOLATION IS COMMITTED WHETHER ON A**  
25 **ONE-TIME, PER ACCOUNT, PER TRANSACTION, OR PER CUSTOMER BASIS.**

26 **WITHOUT PREJUDICE TO THE AMLC'S ADMINISTRATIVE SANCTIONS, SUPERVISING**  
27 **AUTHORITIES MAY, AT ITS DISCRETION, AND AFTER DUE NOTICE AND HEARING,**  
28 **ALSO IMPOSE MONETARY PENALTIES EQUIVALENT TO TWICE THE MAXIMUM**  
29 **PENALTY IMPOSABLE ACCORDING TO THEIR RESPECTIVE CHARTERS.**

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

33 **(g) NON-DISCRIMINATION AGAINST CERTAIN TYPES OF CUSTOMERS.** - The provisions  
34 of this law shall not be construed or implemented in a manner that will discriminate  
35 against certain customer types, such as politically-exposed persons, as well as their  
36 relatives, or against a certain religion, race or ethnic origin, or such other attributes or  
37 profiles when used as the only basis to deny these persons access to the services  
38 provided by the covered persons. Whenever a bank, or quasi-bank, financial  
39 institution or whenever any person or entity commits said discriminatory act, the

1 person or persons responsible for such violation shall be subject to the sanctions as  
2 may be deemed appropriate by their respective [regulators] **SUPERVISING**  
3 **AUTHORITIES.**"

4 **SECTION 12.** Section 16 of the same Act is hereby amended, as follows:

5 "Section 16. Prohibitions [Against Political Harassment]. -

6 **(A) PROHIBITIONS AGAINST POLITICAL AND ECONOMIC HARRASSMENT.** - This Act  
7 shall not be used for political persecution or harassment, or as an instrument to  
8 hamper competition and commerce.

9 No case for money laundering may be filed against and no assets shall be frozen,  
10 attached or forfeited to the prejudice of a candidate for an electoral office during an  
11 election period.

12 **(B) PROHIBITED TRANSACTIONS FOR CASINOS. – CASINO OPERATORS SHALL BE**  
13 **PROHIBITED FROM ENGAGING IN THE FOLLOWING TRANSACTIONS OR ACTIVITIES:**

14 **(1) ANY OF THE FOLLOWING TRANSACTIONS INVOLVING THE CONVERSION OF**  
15 **MONEY FROM ONE FORM TO ANOTHER WITHOUT BEING USED FOR GAMING:**

16 **A. THE RECEIPT OF CASH FOR TRANSMITTAL OF ALL OR PART THEREOF**  
17 **THROUGH WIRE OR TELEGRAPHIC TRANSFER FOR OR ON BEHALF OF A**  
18 **CUSTOMER;**

19 **B. PAYMENTS IN CASH OF FUNDS RECEIVED THROUGH WIRE OR TELEGRAPHIC**  
20 **TRANSFER;**

21 **C. THE CASHING OF CHECKS OR OTHER NEGOTIABLE INSTRUMENTS;**

22 **D. OTHER SIMILAR TRANSACTIONS; AND**

23 **(2) RECEIVING MONEY, THE PURPOSE OF OWNERSHIP OF WHICH CANNOT BE**  
24 **ASCERTAINED WITHIN A PERIOD OF SEVEN (7) DAYS, UNLESS THE AMLC**  
25 **PRESCRIBES A DIFFERENT PERIOD, FROM THE DATE OF THE RECEIPT."**

26 **SECTION 13. *Separability Clause.*** – If any provision of this Act is declared unconstitutional,  
27 the same shall not affect the validity and effectivity of other provisions thereof.

28 **SECTION 14. *Repealing Clause.*** - Section 20 of Republic Act No. 9160, as amended by  
29 Republic Act No. 10365, is hereby repealed. All laws, decrees, orders, and issuances or  
30 portions thereof, which are inconsistent with the provisions of this Act, are hereby repealed,  
31 amended or modified accordingly; Provided, that all provisions of Republic Act No. 9160, as  
32 amended, which are not inconsistent with this Act are hereby adopted.

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

35 *Approved,*