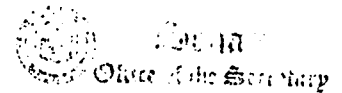


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



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SENATE

S. No. 1945

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Prepared by the Committee on Banks, Financial Institutions and Currencies joint with
the Committee on Justice and Human Rights with Senators Poe and Marcos
as authors

AN ACT
TO FURTHER STRENGTHEN THE ANTI-MONEY LAUNDERING LAW,
AMENDING FOR THE PURPOSE SECTIONS 3, 7, 10, 12 AND 20 OF REPUBLIC
ACT NO. 9160, OTHERWISE KNOWN AS THE ANTI-MONEY LAUNDERING
ACT OF 2001, AS AMENDED, AND FOR OTHER PURPOSES

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

1 Section 1. Section 3 (a) of Republic Act No. 9160, as amended, is hereby further
2 amended, to read as follows:

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

4 (1) xxx

5 xxx

6 (8) casinos, including internet and ship-based casinos, with respect to
7 their casino cash transactions related to their gaming operations, **AND**
8 **OFFSHORE GAMING OPERATORS, AS WELL AS THEIR SERVICE**
9 **PROVIDERS;**

10 **"(9) REAL ESTATE DEVELOPERS AND BROKERS;**

11 xxx

1 Sec 2. Section 3(b) of Republic Act No. 9160, as amended, is hereby further
2 amended to read as follows:

3 “(b) "Covered transaction" is a transaction in cash or other equivalent monetary
4 instrument involving a total amount in excess of Five Hundred Thousand Pesos
5 (P500,000.00) within one (1) banking day; for covered persons under Section
6 3(a)(8), a single casino cash transaction involving an amount in excess of Five
7 Million Pesos (P5,000,000.00) or its equivalent in any other currency; **FOR**
8 **COVERED PERSONS UNDER SECTION 3(A)(9), A SINGLE CASH**
9 **TRANSACTION INVOLVING AN AMOUNT IN EXCESS OF FIVE MILLION**
10 **PESOS (PHP5,000,000.00) OR ITS EQUIVALENT IN ANY OTHER**
11 **CURRENCY.**

12 Sec. 3. Section 3 (i) of Republic Act No. 9160, as amended, is hereby further
13 amended to read as follows:

14 xxx

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

17 (1) xxx

18 xxx

19 (33) Fraudulent practices and other violations under Republic Act No.
20 8799, otherwise known as the Securities Regulation Code of 2000;

21 [and]

22 **(34) VIOLATION OF SECTION 19 (A)(3) OF REPUBLIC ACT NO.**
23 **10697, OTHERWISE KNOWN AS THE STRATEGIC TRADE**
24 **MANAGEMENT ACT, IN RELATION TO THE PROLIFERATION OF**

1 WEAPONS OF MASS DESTRUCTION AND ITS FINANCING
2 PURSUANT TO UNITED NATIONS SECURITY COUNCIL
3 RESOLUTION NUMBERS 1718 OF 2006 AND 2231 OF 2015;
4 (35) VIOLATIONS OF SECTION 254, 255, 264, 264-A, AND 264-
5 B OF CHAPTER II, TITLE X OF THE NATIONAL INTERNAL
6 REVENUE CODE OF 1997, AS AMENDED, WHERE THE BASIC TAX
7 DUE IN THE FINAL ASSESSMENT IS IN EXCESS OF FIFTY
8 MILLION PESOS (P50,000,000.00) PER TAXABLE YEAR, FOR
9 EACH TAX TYPE COVERED AND THERE HAS BEEN A FINDING OF
10 PROBABLE CAUSE BY THE COMPETENT AUTHORITY; PROVIDED
11 FURTHER, THAT THERE MUST BE A FINDING OF FRAUD,
12 WILLFUL MISREPRESENTATION OR MALICIOUS INTENT ON
13 THE PART OF THE TAX PAYER; PROVIDED FINALLY, THAT IN NO
14 CASE SHALL THE AMLC INSTITUTE FORFEITURE PROCEEDINGS
15 TO RECOVER MONETARY INSTRUMENTS, PROPERTY OR
16 PROCEEDS REPRESENTING, INVOLVING, OR RELATING TO A
17 TAX CRIME, IF THE SAME HAS ALREADY BEEN RECOVERED OR
18 COLLECTED BY THE BUREAU OF INTERNAL REVENUE (BIR) IN
19 A SEPARATE PROCEEDING"; AND
20 [(34)] (36) Felonies and offenses of a similar nature that are punishable
21 under the penal laws of other countries."

22 Sec. 4. Section 3 (l) of Republic Act No. 9160, as amended, is hereby further
23 amended to read as follows:

1 "(l) For purposes of covered persons under Section 3(a)(8), the following terms
2 are hereby defined as follows:

3 xxx

4 **"(4) 'OFFSHORE GAMING OPERATOR' REFERS TO AN ENTITY**
5 **ENGAGED IN OFFERING ONLINE GAMES OF CHANCE OR**
6 **SPORTING EVENTS VIA THE INTERNET USING A NETWORK AND**
7 **SOFTWARE PROGRAM, BY THEMSELVES OR THROUGH LOCAL**
8 **SERVICE PROVIDERS.**

9 **(5) 'SERVICE PROVIDERS' REFER TO DULY CONSTITUTED**
10 **BUSINESS CORPORATIONS WHO PROVIDE COMPONENTS OF**
11 **OFFSHORE GAMING OPERATIONS TO OFFSHORE GAMING**
12 **OPERATORS."**

13 Sec. 5. Section 3 of Republic Act No. 9160, as amended, is hereby further
14 amended by inserting new paragraphs (m), (n), (o), and (p) as follows:

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

16 xxx

17 **(M) "PROLIFERATION FINANCING" REFERS WHEN A PERSON:**

18 **(1) MAKES AVAILABLE AN ASSET; OR**

19 **(2) PROVIDES A FINANCIAL SERVICE; OR**

20 **(3) CONDUCTS A FINANCIAL TRANSACTION; AND THE PERSON**
21 **KNOWS THAT, OR IS RECKLESS AS TO WHETHER, THE ASSET,**
22 **FINANCIAL SERVICE OR FINANCIAL TRANSACTION IS**
23 **INTENDED TO, IN WHOLE OR IN PART, FACILITATE**
24 **PROLIFERATION OF WEAPONS OF MASS DESTRUCTION IN**

1 **RELATION TO UN SECURITY COUNCIL RESOLUTION NUMBERS**
2 **1718 OF 2006 AND 2231 OF 2015;**

3 **(N) 'REAL ESTATE DEVELOPER' REFERS TO ANY NATURAL OR**
4 **JURIDICAL PERSON ENGAGED IN THE BUSINESS OF DEVELOPING**
5 **REAL ESTATE DEVELOPMENT PROJECT FOR HIS/HER OR ITS OWN**
6 **ACCOUNT AND OFFERING THEM FOR SALE OR LEASE;**

7 **(O) 'REAL ESTATE BROKER' REFERS TO A DULY REGISTERED AND**
8 **LICENSED NATURAL PERSON WHO, FOR A PROFESSIONAL FEE,**
9 **COMMISSION OR OTHER VALUABLE CONSIDERATION, ACTS AS AN**
10 **AGENT OF A PARTY IN A REAL ESTATE TRANSACTION TO OFFER,**
11 **ADVERTISE, SOLICIT, LIST, PROMOTE, MEDIATE, NEGOTIATE OR**
12 **EFFECT THE MEETING OF THE MINDS ON THE SALE, PURCHASE,**
13 **EXCHANGE, MORTGAGE, LEASE OR JOINT VENTURE, OR OTHER**
14 **SIMILAR TRANSACTIONS ON REAL ESTATE OR ANY INTEREST**
15 **THEREIN;**

16 **(P) 'TARGETED FINANCIAL SANCTIONS' REFER TO BOTH ASSET**
17 **FREEZING AND PROHIBITION TO PREVENT FUNDS OR OTHER**
18 **ASSETS FROM BEING MADE AVAILABLE, DIRECTLY OR INDIRECTLY,**
19 **FOR THE BENEFIT OF ANY INDIVIDUAL, NATURAL OR LEGAL**
20 **PERSONS OR ENTITY DESIGNATED IN RELATION TO PROLIFERATION**
21 **OF WEAPONS OF MASS DESTRUCTIONS AND ITS FINANCING**
22 **PURSUANT TO UNITED NATIONS SECURITY COUNCIL RESOLUTION**
23 **NUMBERS 1718 OF 2006 AND 2231 OF 2015;**

1 Sec. 6. Section 7 of Republic Act No. 9160, as amended, is hereby further
2 amended to read as follows:

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

9 "(1) to require [and], receive **AND ANALYZE** covered or suspicious
10 transactions reports from covered persons;

11 xxx

12 "(5) to investigate suspicious transactions and covered transactions
13 deemed suspicious after [an investigation by] **DETERMINATION** by
14 AMLC, money laundering activities, and other violations of this Act;

15 xxx

16 "(12) to require the Land Registration Authority and all its Registries of
17 Deeds to submit to the AMLC, reports on all real estate transactions
18 involving an amount in excess of [Five hundred thousand pesos
19 (P500,000.00)] **FIVE MILLION PESOS (P5,000,000.00)** within
20 fifteen (15) days from the date of registration of the transaction, in a
21 form to be prescribed by the AMLC. The AMLC may also require the Land
22 Registration Authority and all its Registries of Deeds to submit copies of
23 relevant documents of all real estate transactions;"

1 **"(13) TO IMPLEMENT TARGETED FINANCIAL SANCTIONS IN**
2 **RELATION TO PROLIFERATION OF WEAPONS OF MASS**
3 **DESTRUCTIONS AND ITS FINANCING, INCLUDING EX PARTE,**
4 **FREEZE, WITHOUT DELAY, AGAINST ALL FUNDS AND OTHER**
5 **ASSETS THAT ARE OWNED AND CONTROLLED, DIRECTLY OR**
6 **INDIRECTLY, INCLUDING FUNDS AND ASSETS DERIVED OR**
7 **GENERATED THEREFROM, BY INDIVIDUALS OR ENTITIES**
8 **DESIGNATED AND LISTED UNDER UNITED NATIONS SECURITY**
9 **COUNCIL RESOLUTION NUMBERS 1718 OF 2006 AND 2231 OF**
10 **2015 AND THEIR SUCCESSOR RESOLUTIONS AS WELL AS ANY**
11 **BINDING RESOLUTION OF THE SECURITY COUNCIL."**

12 **"(14) TO PRESERVE, MANAGE OR DISPOSE ASSETS SUBJECT OF**
13 **A FREEZE ORDER, ASSET PRESERVATION ORDER, AND**
14 **JUDGMENT OF FORFEITURE: PROVIDED, HOWEVER, THAT**
15 **PENDING THEIR TURN OVER TO THE NATIONAL GOVERNMENT,**
16 **ALL EXPENSES INCURRED IN RELATION TO THE DUTIES**
17 **HEREIN MENTIONED SHALL BE DEDUCTED FROM THE AMOUNT**
18 **TO BE TURNED OVER TO THE NATIONAL GOVERNMENT."**

19 **"(15) TO DEPUTIZE, TO ENLIST THE ASSISTANCE OF, AND/OR**
20 **DIRECT ANY BRANCH, DEPARTMENT, BUREAU, OFFICE,**
21 **AGENCY OR INSTRUMENTALITY OF THE GOVERNMENT,**
22 **INCLUDING GOVERNMENT-OWNED AND -CONTROLLED**
23 **CORPORATIONS, IN UNDERTAKING ANY AND ALL ANTI-**
24 **MONEY LAUNDERING OPERATIONS, WHICH MAY INCLUDE THE**

1 **USE OF ITS PERSONNEL, FACILITIES AND RESOURCES FOR THE**
2 **MORE RESOLUTE PREVENTION, DETECTION AND**
3 **INVESTIGATION OF MONEY LAUNDERING OFFENSES AND**
4 **PROSECUTION OF OFFENDER."**

5 **"(16) TO APPLY FOR A SEARCH WARRANT FROM PROPER**
6 **COURTS; AND"**

7 **"(17) TO TIMELY OBTAIN INFORMATION ON ULTIMATE**
8 **BENEFICIAL OWNERSHIP AND CONTROL FROM ANY**
9 **GOVERNMENT AGENCY AND COVERED PERSON, FOR**
10 **PURPOSES OF ENSURING THAT ONLY 'FIT AND PROPER' HAS**
11 **CONTROL OVER COVERED PERSONS."**

12 Sec. 7. Section 10 of Republic Act No. 9160, as amended, is hereby further
13 amended to read as follows:

14 "*Section 10. Freezing of Monetary Instrument or Property.* - Upon a verified ex
15 parte petition by the AMLC and after determination that probable cause exists
16 that any monetary instrument or property is in any way related to an unlawful
17 activity as defined in Section 3(i) hereof, the Court of Appeals may issue a
18 freeze order which shall be effective immediately, for a period of twenty (20)
19 days. Within the twenty (20)-day period, the Court of Appeals shall conduct a
20 summary hearing, with notice to the parties, to determine whether or not to
21 modify or lift the freeze order, or extend its effectivity. The total period of the
22 freeze order issued by the Court of Appeals under this provision shall not exceed
23 six (6) months. This is without prejudice to an asset preservation order that the
24 Regional Trial Court having jurisdiction over the appropriate anti-money

1 laundering case or civil forfeiture case may issue on the same account
2 depending on the circumstances of the case, where the Court of Appeals will
3 remand the case and its records; Provided, That if there is no case filed against
4 a person whose account has been frozen within the period determined by the
5 Court of Appeals, not exceeding six (6) months, the freeze order shall be
6 deemed ipso facto lifted; Provided, further, That this new rule shall not apply
7 to pending cases in the courts. In any case, the court should act on the petition
8 to freeze within twenty-four (24) hours from filing of the petition. If the
9 application is filed a day before a nonworking day, the computation of the
10 twenty-four (24)-hour period shall exclude the nonworking days.

11 The freeze order or asset preservation order issued under this Act shall be
12 limited only to the amount of cash or monetary instrument or value of property
13 that court finds there is probable cause to be considered as proceeds of a
14 predicate offense, and the freeze order or asset preservation order shall not
15 apply to amounts in the same account in excess of the amount or value of the
16 proceeds of the predicate offense.

17 A person whose account has been frozen may file a motion to lift the freeze
18 order and the court must resolve this motion before the expiration of the freeze
19 order. No court shall issue a temporary restraining order or a writ of injunction
20 against any freeze order, except the Supreme Court.

21 **FOR PURPOSES OF IMPLEMENTING TARGETED FINANCIAL**
22 **SANCTIONS IN RELATION TO PROLIFERATION OF WEAPONS OF**
23 **MASS DESTRUCTION AND ITS FINANCING, AS PROVIDED UNDER**
24 **SECTION 6(13), THE AMLC SHALL HAVE THE POWER TO ISSUE, EX**

1 **PARTE, AN ORDER TO FREEZE WITHOUT DELAY. THE FREEZE ORDER**
2 **SHALL BE EFFECTIVE UNTIL THE BASIS FOR ITS ISSUANCE SHALL**
3 **HAVE BEEN LIFTED. DURING THE EFFECTIVITY OF THE FREEZE**
4 **ORDER, THE AGGRIEVED PARTY MAY, WITHIN TWENTY (20) DAYS**
5 **FROM ISSUANCE, FILE WITH THE COURT OF APPEALS A PETITION TO**
6 **DETERMINE THE BASIS OF THE FREEZE ORDER ACCORDING TO THE**
7 **PRINCIPLE OF EFFECTIVE JUDICIAL PROTECTION: PROVIDED, THAT**
8 **THE PERSON WHOSE PROPERTY OR FUNDS HAVE BEEN FROZEN MAY**
9 **WITHDRAW SUCH SUMS AS THE AMLC DETERMINES TO BE**
10 **REASONABLY NEEDED FOR MONTHLY FAMILY NEEDS AND**
11 **SUSTENANCE INCLUDING THE SERVICES OF COUNSEL AND THE**
12 **FAMILY MEDICAL NEEDS OF SUCH PERSON.**

13 **THE AMLC, IF CIRCUMSTANCES WARRANTS, MAY INITIATE A CIVIL**
14 **FORFEITURE PROCEEDINGS TO PRESERVE THE ASSETS AND TO**
15 **PROTECT IT FROM DISSIPATION. NO COURT SHALL ISSUE A**
16 **TEMPORARY RESTRAINING ORDER OR A WRIT OF INJUNCTION**
17 **AGAINST THE FREEZE ORDER, EXCEPT THE COURT OF APPEALS OR**
18 **THE SUPREME COURT."**

19 Sec. 8. Section 12 of Republic Act No. 9160, as amended, is hereby further
20 amended to read as follows:

- 21 (a) Civil Forfeiture. - xxx
22 (b) Claim on Forfeited Assets. - xxx
23 (c) Payment in Lieu of Forfeiture. -xxx

1 **(D) NO COURT SHALL ISSUE A TEMPORARY RESTRAINING ORDER**
2 **(TRO) OR A WRIT OF INJUNCTION AGAINST ANY PROVISIONAL**
3 **ASSET PRESERVATION ORDER OR ASSET PRESERVATION ORDER,**
4 **EXCEPT THE COURT OF APPEALS OR THE SUPREME COURT."**

5 Sec. 9. Section 20 of Republic Act No. 9160, as amended, is hereby deleted.

6 [SECTION 20. Non-intervention in the Bureau of Internal Revenue (BIR) Operations.

7 – Nothing contained in this Act nor in related antecedent laws or existing agreements
8 shall be construed to allow the AMLC to participate in any manner in the operations
9 of the BIR."]

10 Sec. 10. Implementing Rules and Regulations. - The AMLC shall within ninety
11 (90) days from the effectivity of this Act issue the necessary rules and regulations.

12 Sec. 11. Separability Clause. - If any provision or section of this Act is held to
13 be unconstitutional or invalid, the other provisions or sections hereof, which are not
14 affected thereby shall continue to be in full force and effect.

15 Sec. 12. Repealing Clause. - All provisions of existing laws, orders, rules and
16 regulations, or parts thereof which are in conflict or inconsistent with the provisions
17 of this Act are hereby repealed, amended or modified accordingly; Provided, that all
18 provisions of Republic Act No. 9160, as amended, which are not inconsistent with this
19 Act are hereby adopted.

20 Sec. 13. Effectivity. - This Act shall take effect immediately after the completion
21 of its publication in the Official Gazette or in a newspaper of general circulation.

Approved,