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Prepared by the Committees on Bank, Financial Institutions and Currencies;
and Justice and Human Rights with Senators Panfilo M. Lacson, Joel
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AN ACT

TO FURTHER AMEND 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 House of Representatives of the Philippines
in Congress assembled:*

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

3 (a) 'Covered Persons', natural or juridical, refer to:

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

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

13 (3) (i) securities dealers, brokers, salesmen, investment
14 houses and other similar persons managing securities
15 or rendering services as investment agent, advisor, or
16 consultant, (ii) mutual funds, close-end investment
17 companies, common trust funds and other similar

- 1 persons, and (iii) other entities administering or
2 otherwise dealing in currency, commodities or financial
3 derivatives based thereon, valuable objects, cash
4 substitutes and other similar monetary instruments or
5 property supervised or regulated by Securities and
6 Exchange Commission and Exchange Commission (SEC);
- 7 (4) **MONEY SERVICE BUSINESS OR MONEY TRANSFER**
8 **COMPANIES;**
- 9 (5) **TRUST AND** Company service providers – **WHEN THEY**
10 **PREPARE FOR OR CARRY OUT TRANSACTIONS FOR A**
11 **CLIENT CONCERNING THE FOLLOWING ACTIVITIES:** (i)
12 acting as a formation agent of juridical persons; (ii)
13 acting as (or arranging for another person to act as) a
14 director or corporate secretary of a company, a partner
15 of a partnership, or a similar position in relation to
16 other juridical persons; (iii) providing a registered
17 office, business address or accommodation,
18 correspondence or administrative address for a
19 company, a partnership or any other legal persons or
20 arrangement; (iv) acting as (or arranging for another
21 person to act as) a nominee shareholder for another
22 person; **AND (V) ACTING AS (OR ARRANGING FOR**
23 **ANOTHER PERSON TO ACT AS) A TRUSTEE OF AN**
24 **EXPRESS TRUST OR PERFORMING THE EQUIVALENT**
25 **FUNCTION FOR ANOTHER FORM OF LEGAL**
26 **ARRANGEMENT;**
- 27 (6) Persons, who provide any of the following services:
28 (i) managing of client money, securities or other
29 assets;
30 (ii) management of bank, savings or securities
31 accounts;

- 1 (iii) organization of contributions for the creation,
2 operation or management of companies; and
3 (iv) creation, operation or management of juridical
4 persons or arrangements, and buying and
5 selling business entities.

6 Notwithstanding the foregoing, the term "covered
7 persons" shall exclude lawyers [and accountants acting as
8 independent legal professionals] acting in relation to
9 information concerning their clients or where
10 disclosure of information would compromise the
11 attorney-client relationship; provided, that **THEY** are
12 authorized to practice in the Philippines.

- 13 (7) DEALERS OF PRECIOUS STONES, JEWELS AND/OR
14 PRECIOUS METALS;
15 (8) DEALERS OF HIGH- VALUE ITEMS OR GOODS;
16 (9) REAL ESTATE DEVELOPERS, BROKERS AND SALES
17 AGENT; AND
18 (10) CASINOS, INCLUDING INTERNET AND SHIP-BASED
19 CASINOS, AND CHIPWASHING OR JUNKET
20 OPERATORS, WITH RESPECT TO THEIR FINANCIAL
21 TRANSACTIONS RELATED TO THEIR GAMING
22 OPERATIONS.

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

24 (B) "Covered Transaction" REFERS TO:

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

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

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

3 XXX

4 6. THE COVERED PERSON SUSPECTS OR HAS REASONABLE
5 GROUND TO SUSPECT THAT THE MONETARY INSTRUMENT
6 OR PROPERTY IS THE PROCEEDS OF OR IS IN ANY WAY related
7 to a PREDICATE OFFENSE under this act that is about to be, is
8 being or has been committed; or

9 7. THERE ARE CIRCUMSTANCES DETERMINED TO BE SUSPICIOUS
10 BY THE ANTI-MONEY LAUNDERING COUNCIL (AMLC).

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

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

15 XXX

16 (6) Illegal gambling under Presidential Decree No. 1602, AS
17 AMENDED.

18 XXX

19 (19) Violations of Sections 4 to 6 of Republic Act No. 9208,
20 otherwise known as the Anti-Trafficking in Persons Act of
21 2003, AS AMENDED;

22 (26) Violations of REPUBLIC ACT NO. 10591, OTHERWISE
23 KNOWN AS THE COMPREHENSIVE FIREARMS AND
24 AMMUNITION REGULATION ACT; [Violations of Sections
25 1, 3 and 5 of Presidential Decree No. 1866, as amended,
26 otherwise known as the decree Codifying the Laws on
27 Illegal/Unlawful Possession, Manufacture, Dealing In,
28 Acquisition or Disposition of Firearms, Ammunition or
29 Explosives]

30 XXX

- 1 (33) VIOLATIONS OF REPUBLIC ACT NO. 10175, OTHERWISE
2 KNOWN AS THE CYBERCRIME PREVENTION ACT OF
3 2012;
- 4 (34) VIOLATIONS OF REPUBLIC ACT NO. 10697, OTHERWISE
5 KNOWN AS THE STRATEGIC TRADE MANAGEMENT ACT;
- 6 (35) VIOLATIONS OF CHAPTER II, TITLE X OF THE NATIONAL
7 INTERNAL REVENUE CODE OF 1997, AS AMENDED; AND
- 8 (36) FALSIFICATION OF DOCUMENTS UNDER ARTICLES 171
9 AND 172 OF THE REVISED PENAL CODE, AS AMENDED;
- 10 (37) VIOLATIONS OF REPUBLIC ACT NO. 8484, OTHERWISE
11 KNOWN AS ACCESS DEVICES REGULATION ACT OF 1998;
- 12 (38) VIOLATIONS OF REPUBLIC ACT NO. 10173, OTHERWISE
13 KNOWN AS THE DATA PRIVACY ACT OF 2012;
- 14 (39) VIOLATIONS OF REPUBLIC ACT NO. 8791, OTHERWISE
15 KNOWN AS THE GENERAL BANKING LAW;
- 16 (40) VIOLATIONS OF REPUBLIC ACT NO. 7653, OTHERWISE
17 KNOWN AS THE NEW CENTRAL BANK ACT, AS
18 AMENDED;
- 19 (41) VIOLATIONS OF THE INSURANCE CODE OF THE
20 PHILIPPINES, AS AMENDED.
- 21 (42) Fraudulent practices and other violations under Republic
22 Act No. 8799, otherwise known as the Securities
23 Regulation Code of 2000; and
- 24 (43) Felonies and offenses of a similar nature that are
25 punishable under the penal laws of other countries.
- 26 (44) ACTS OR OMISSIONS THAT ARE INSTRUMENTAL IN THE
27 COMMISSION OF PREDICATE OFFENSES AND RESULTING
28 IN MONEY LAUNDERING OF THE ILLEGAL PROCEEDS
29 THEREOF.
- 30 **SECTION 4.** *Section 3 of the same Act shall have new paragraphs (l), (m) (n), (o), (p), (q)*
31 *and (r).*

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

4 (m) "HIGH-VALUE ITEMS OR GOODS" REFERS TO THE FOLLOWING GOODS
5 OR ITEMS THE VALUE OF WHICH EXCEEDS ONE MILLION PESOS
6 (P1,000,000.00):

7 i. MOTOR VEHICLES, INCLUDING AIR, WATER AND LAND
8 VEHICLES;

9 ii. ART AND ANTIQUES

10 iii. OTHER LUXURY ITEMS, SUCH AS JEWELRY, WATCHES, BAGS

11 (n) "CASINO" REFERS TO A BUSINESS AUTHORIZED BY THE
12 APPROPRIATE GOVERNMENT AGENCY TO ENGAGE IN GAMING
13 OPERATIONS.

14 (i) "INTERNET-BASED CASINO" SHALL REFER TO CASINOS IN
15 WHICH PERSONS PARTICIPATE BY THE USE OF REMOTE
16 COMMUNICATION FACILITIES SUCH AS, BUT NOT LIMITED TO,
17 INTERNET, TELEPHONE, TELEVISION, RADIO OR ANY OTHER KIND OF
18 ELECTRONIC OR OTHER TECHNOLOGY FOR FACILITATING
19 COMMUNICATION.

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

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

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

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

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

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

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

8 X X X

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

22 X X X

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

30 X X X

31 (6) to **FILE, DIRECTLY OR THROUGH THE OFFICE OF THE**
32 **SOLICITOR GENERAL,** before the Court of Appeals **AN** ex parte

1 [for the freezing of] **PETITION FOR ISSUANCE OF FREEZE**
2 **ORDER, OR, IN CASES SPECIFIED UNDER SECTION 10 HEREOF,**
3 **TO ISSUE EX PARTE FREEZE ORDER, AGAINST** any monetary
4 instrument or property, alleged to be laundered, proceeds
5 from, or instruments used in, or intended for use in, **OR IN**
6 **ANY WAY RELATED to ANY PREDICATE OFFENSE** [any unlawful
7 activity] as defined in Section 3(i) hereof;

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

12 X X X

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

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

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

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

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

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

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

13 (a) **CUSTOMER [Identification] DUE DILIGENCE.**

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

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

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

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

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

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

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

27 (c-1) When reporting covered or suspicious transactions to
28 the AMLC, covered persons and their officers and employees
29 shall not be deemed to have violated Republic Act No. 1405, as
30 amended, Republic Act No. 6426, as amended, Republic Act
31 No. 8791 and other similar laws, but are prohibited from
32 communicating, directly or indirectly, in any manner or by any

1 means, to any person, the fact that a covered or suspicious
2 transaction report was made, the contents thereof, or any
3 other information in relation thereto, **EXCEPT WHEN**
4 **DISCLOSURE OF INFORMATION IS IN ACCORDANCE WITH THE**
5 **SUPERVISORY AUTHORITIES' EXERCISE OF SUPERVISORY**
6 **POWERS.** In case of violation thereof, the concerned officer
7 and employee of the covered person shall be criminally liable.
8 However, no administrative, criminal or civil proceedings, shall
9 lie against any person for having made a covered or suspicious
10 transaction report in the regular performance of his duties in
11 good faith, whether or not such reporting results in any
12 criminal prosecution under this Act or any other law.

13 When reporting covered or suspicious transactions to the
14 AMLC, covered persons and their officers and employees are
15 prohibited from communicating directly or indirectly, in any
16 manner or by any means, to any person or entity, the media,
17 the fact that a covered or suspicious transaction has been
18 reported or is about to be reported, the contents of the
19 report, or any other information in relation thereto, **EXCEPT**
20 **WHEN DISCLOSURE OF INFORMATION IS IN ACCORDANCE**
21 **WITH THE SUPERVISORY AUTHORITIES' EXERCISE OF**
22 **SUPERVISORY POWERS.** Neither may such reporting be
23 published or aired in any manner or form by the mass media,
24 electronic mail, or other similar devices. In case of violation
25 thereof, the concerned officer and employee of the covered
26 person and media shall be held criminally liable.

27 **(c-2) IN THE COURSE OF VERIFYING WHETHER A**
28 **TRANSACTION IS SUSPICIOUS OR NOT, A COVERED PERSON**
29 **MAY TEMPORARILY WITHHOLD SAID TRANSACTION AND/OR**
30 **SUBSEQUENT TRANSACTIONS FOR A PERIOD NO LONGER**
31 **THAN FIVE (5) WORKING DAYS FROM OCCURRENCE OF THE**
32 **TRANSACTION. THE COVERED PERSON SHALL IMMEDIATELY**

1 REPORT TO THE AMLC THAT IT HAD TEMPORARILY
2 WITHHELD A TRANSACTION AND/OR SUBSEQUENT
3 TRANSACTIONS AND THAT IT IS CONDUCTING VERIFICATION
4 THEREOF. UPON REASONABLE BELIEF THAT THERE IS
5 POSSIBLE VIOLATION OF THIS ACT, THE COVERED PERSON
6 MAY TERMINATE THE TRANSACTION OR ACCOUNT
7 CONNECTED THERETO. THE AUTHORITY TO TEMPORARILY
8 WITHHOLD A TRANSACTION SHALL BE MADE PART OF THE
9 COVERED PERSON'S INTERNAL POLICY AND IT SHALL INCLUDE
10 GUIDELINES AND EFFECTIVE CONTROLS TO PREVENT ABUSE.
11 COVERED PERSONS, THEIR OFFICERS, DIRECTORS AND
12 EMPLOYEES SHALL NOT BE SUBJECT TO ANY ACTION, CLAIM
13 OR DEMAND IN THE EXERCISE OF THEIR AUTHORITY UNDER
14 THIS PROVISION, PROVIDED THAT, IT WAS EXERCISED IN THE
15 REGULAR PERFORMANCE OF THEIR DUTIES, IN GOOD FAITH
16 AND IN ACCORDANCE WITH THEIR POLICY, THIS ACT AND ITS
17 IMPLEMENTING RULES AND REGULATIONS.

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

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

1 MAY ISSUE *EX PARTE* FREEZE ORDER WHICH SHALL BE
2 EFFECTIVE IMMEDIATELY, AND WHICH SHALL NOT EXCEED
3 THIRTY (30) DAYS.

4 BEFORE THE EXPIRATION OF THE 30-DAY PERIOD, THE AMLC
5 MAY FILE BEFORE THE COURT OF APPEALS A PETITION TO
6 EXTEND THE FREEZE ORDER. THE EXTENSION SHALL NOT
7 EXCEED FIVE (5) MONTHS DEPENDING UPON THE
8 CIRCUMSTANCES OF THE CASE. THE COURT SHALL ACT ON
9 THE PETITION FOR EXTENSION WITHIN TWENTY-FOUR (24)
10 HOURS FROM FILING OF THE PETITION. *PROVIDED*, THAT THE
11 30-DAY FREEZE ORDER SHALL REMAIN EFFECTIVE PENDING
12 RESOLUTION OF THE PETITION FOR EXTENSION.

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

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

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

31 IF THE 30-DAY FREEZE WAS NOT EXTENDED BY THE COURT
32 OF APPEALS, OR [*Provided, That*] if there is no case filed

1 against a person whose account has been frozen within the
2 period determined by the Court of Appeals, the freeze order
3 shall be deemed *ipso facto* lifted. *Provided*, that **BEFORE**
4 **LIFTING THE EFFECTS OF THE FREEZE ORDER, THE COVERED**
5 **PERSON SHALL VERIFY WITH THE AMLC IF THERE IS ANY**
6 **PENDING CASE.**

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

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

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

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

20 SEC. 11. *Authority to Inquire into Bank Deposits. –*
21 *Notwithstanding the provisions of Republic Act No. 1405, as*
22 *amended; Republic Act No. 6426, as amended; Republic Act*
23 *No. 8791; **REPUBLIC ACT NO. 10173**; and other laws, the AMLC*
24 *may inquire into or examine any particular deposit or*
25 *investment, including related accounts, with any banking*
26 *institution or non-bank financial institution upon order of [any*
27 *competent court] **THE COURT OF APPEALS** based on an *ex**
28 *parte application in cases of violations of this Act, when [it has*
29 *been established that there is probable cause that] **THERE IS***
30 ***REASONABLE GROUND TO SUSPECT** that the deposits or*
31 *investments, including related accounts involved, are related*
32 *to [an unlawful activity] **A PREDICATE OFFENSE** as defined in*
33 *Section 3(i) hereof or a money laundering offense under*
34 *Section 4 hereof; except that no court order shall be required*

1 in cases involving activities defined in Section 3(i)(1), (2), **(3)**,
2 **(4), (9), (12), (13), (14), (15), (17), (19), (28), (31), (32), (33),**
3 **(34) and (42)** hereof, and felonies or offenses of a nature
4 similar [to those mentioned in Section 3(i)(1), (2) and (12),]
5 **THERE TO** which are punishable under the penal laws of other
6 countries. [and terrorism and conspiracy to commit terrorism
7 as defined and penalized under Republic Act No. 9372.]

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

12 To ensure compliance with this Act **AND ITS IMPLEMENTING**
13 **RULES AND REGULATIONS**, the Bangko Sentral ng Pilipinas
14 may, [in the course of a periodic or special examination, check
15 the compliance of a **covered person** with the requirements of
16 the AMLA and its implementing rules and regulations.] **IN**
17 **ACCORDANCE WITH ITS SUPERVISORY POWERS UNDER**
18 **SECTION 4 OF REPUBLIC ACT NO. 8791, LIKEWISE RANDOMLY**
19 **INQUIRE INTO OR EXAMINE ANY DEPOSIT, INVESTMENT,**
20 **TRUST OR OTHER ACCOUNTS, AND ACCESS COVERED AND**
21 **SUSPICIOUS TRANSACTION DATABASES WITH ANY BANKING**
22 **INSTITUTION OR NON-BANK FINANCIAL INSTITUTION.**

23 [For purposes of this section, 'related accounts' shall refer to
24 accounts, the funds and sources of which originated from
25 and/or are materially linked to the monetary instrument(s) or
26 property(ies) subject of the freeze order(s).]

27 A court order *ex parte* must first be obtained before the AMLC
28 can inquire into these related accounts: Provided, that the
29 procedure for the *ex parte* application [of the *ex parte* court
30 order for the principal] **FOR THE RELATED** accounts shall be
31 the same with that of [the related] **PRINCIPAL** account.

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

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

6 SEC. 12. Forfeiture Provisions. – x xx

7 **(d) RETENTION OF FORFEITED ASSETS. – THE AMLC SHALL RETAIN TWENTY**
8 **PERCENT (20%) OF THE TOTAL ASSETS FORFEITED LESS THE COST OF**
9 **LITIGATION, TAXES, LOCAL AND NATIONAL, AND OTHER RELATED**
10 **EXPENSES, PROVIDED THAT, IN NO CASE SHALL THE RETAINED AMOUNT**
11 **EXCEED TWICE THE HIGHER BUDGETARY APPROPRIATION FOR THE AMLC IN**
12 **THE LAST TWO (2) YEARS.**

13 **THE REMAINING PORTION SHALL BE TURNED OVER TO THE NATIONAL**
14 **TREASURY. THE RETAINED AMOUNT SHALL BE UTILIZED BY THE AMLC FOR**
15 **ANTI-MONEY LAUNDERING OPERATIONS AND CAPACITY BUILDING.**

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

18 c) ***Malicious Reporting.*** Any person who, with malice, or in bad faith,
19 reports or files a completely unwarranted or false information relative to
20 money laundering transaction against any person shall be subject to a
21 penalty of six (6) months to four (4) years imprisonment and a fine of not less
22 than One hundred thousand Philippine pesos (Php100,000.00) but not more
23 than Five hundred thousand Philippine pesos (Php500,000.00), at the
24 discretion of the court: *Provided*, That the offender is not entitled to avail the
25 benefits of the Probation Law.

26 **(d) *CRIMINAL LIABILITY OF JURIDICAL ENTITIES.*** - If the offender is a
27 corporation, association, partnership or juridical person, the penalty shall be
28 imposed upon the responsible officers, as the case may be, who participated
29 in, or allowed by their gross negligence, the commission of the crime. If the
30 offender is a juridical person, the court may suspend or revoke its license. If
31 the offender is an alien, he shall, in addition to the penalties herein
32 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;

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

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

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

18 **(b) NON-DISCRIMINATION AGAINST CERTAIN TYPES OF CUSTOMERS. -**

19 The provisions of this law shall not be construed or implemented in a manner
20 that will discriminate against certain customer types, such as politically-
21 exposed persons, as well as their relatives, or against a certain religion, race
22 or ethnic origin, or such other attributes or profiles when used as the only
23 basis to deny these persons access to the services provided by the covered
24 persons. Whenever a bank, or quasi-bank, financial institution or whenever
25 any person or entity commits said discriminatory act, the person or persons
26 responsible for such violation shall be subject to the sanctions as may be
27 deemed appropriate by their respective [regulators] SUPERVISING
28 AUTHORITIES.

1 SECTION 14. *Section 20¹ of Republic Act No. 9160, as amended by Republic Act No.*
2 *10365, is hereby repealed.*

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

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

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

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

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

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

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

Approved,

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.