



Senate
Office of the Secretary

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

'17 MAY 23 P2:18

SENATE

RECEIVED BY: 

S. No. 1468

Introduced by Senator Ralph G. Recto

AN ACT
DESIGNATING CASINOS AS COVERED PERSONS UNDER REPUBLIC
ACT NO. 9160, OTHERWISE KNOWN AS THE ANTI-MONEY
LAUNDERING ACT OF 2001, AS AMENDED

Explanatory Note

Republic Act No. 10365 is the most recent amendment to the Anti-Money Laundering Act (AMLA), as amended. However, this law failed to include the casinos as covered persons. It is noteworthy to mention that casinos are included in the Financial Action Task Force (FATF) Recommendations under the designated non-financial business and professions (DNFBP) category.

In its Report dated November 23, 2016 during the APG High Level Visit in Manila on November 17-18, 2016, the Asia/Pacific Group (APG) on Money Laundering urged the Philippine lawmakers to include casino regulation in the AMLA before the next APG meeting in July 2017.

This bill seeks to address the deficiency in the Philippine legal framework against money laundering and to make it fully compliant with the standards provided under the FATF Recommendations.

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


RALPH G. RECTO

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AN ACT
DESIGNATING CASINOS AS COVERED PERSONS UNDER REPUBLIC
ACT NO. 9160, OTHERWISE KNOWN AS THE ANTI-MONEY
LAUNDERING ACT OF 2001, AS AMENDED

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

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

“a) ‘Covered Persons’, natural or juridical, refer to:

xxx

(8) CASINOS, INCLUDING INTERNET AND SHIP-BASED
CASINOS, WITH RESPECT TO THEIR CASINO CASH
TRANSACTIONS RELATED TO THEIR GAMING
OPERATIONS.”

xxx

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

“(b) ‘Covered transaction’ is a transaction in cash or other equivalent
monetary instrument involving a total amount in excess of Five hundred thousand
pesos (P500,000.00) within one (1) banking day; **FOR COVERED PERSONS
UNDER SECTION 3(a)(8), A SINGLE CASINO CASH TRANSACTION
INVOLVING AN AMOUNT IN EXCESS OF FIVE MILLION PESOS
(P5,000,000.00) OR ITS EQUIVALENT IN ANY OTHER CURRENCY”**

SECTION. 3. Section 3 of Republic Act No. 9160, is hereby further amended by
inserting a new paragraph (l) to read as follows:

“xxx

“(l) **FOR PURPOSES OF COVERED PERSONS UNDER SECTION**

1 3(a)(8), THE FOLLOWING TERMS ARE HEREBY DEFINED AS
2 FOLLOWS:

- 3 (1) 'CASINO' REFERS TO A BUSINESS AUTHORIZED BY
4 THE APPROPRIATE GOVERNMENT AGENCY TO
5 ENGAGE IN GAMING OPERATIONS; 'INTERNET-
6 BASED CASINO' SHALL REFER TO CASINOS IN
7 WHICH PERSONS PARTICIPATE BY THE USE OF
8 REMOTE COMMUNICATION FACILITIES SUCH AS,
9 BUT NOT LIMITED TO, INTERNET, TELEPHONE,
10 TELEVISION, RADIO OR ANY OTHER KIND OF
11 ELECTRONIC OR OTHER TECHNOLOGY FOR
12 FACILITATING COMMUNICATION; 'SHIP-BASED
13 CASINO' SHALL REFER TO CASINOS, THE
14 OPERATION OF WHICH IS UNDERTAKEN ON
15 BOARD A VESSEL, SHIP, BOAT OR ANY OTHER
16 WATER-BASED CRAFT WHOLLY OR PARTLY
17 INTENDED FOR GAMBLING;
- 18 (2) 'CASINO CASH TRANSACTION' REFERS TO
19 TRANSACTIONS INVOLVING THE RECEIPT OF
20 CASH BY A CASINO PAID BY OR ON BEHALF OF A
21 CUSTOMER; OR TRANSACTIONS INVOLVING THE
22 PAYOUT OF CASH BY A CASINO TO A CUSTOMER
23 OR TO ANY PERSON IN HIS BEHALF;
- 24 (3) 'GAMING OPERATIONS' REFERS TO THE
25 ACTIVITIES OF THE CASINO OFFERING GAMES OF
26 CHANCE AND ANY VARIATIONS THEREOF
27 APPROVED BY THE APPROPRIATE GOVERNMENT
28 AUTHORITY."

29 SECTION. 4. Section 10 of Republic Act No. 9160, is hereby further amended to
30 read as follows:

31 "SEC. 10. *Freezing of Monetary Instrument or Property.* — Upon a
32 verified ex parte petition by the AMLC and after determination that
33 probable cause exists that any monetary instrument or property is in

any way related to an unlawful activity as defined in Section 3(i) hereof, the Court of Appeals may issue a freeze order which shall be effective immediately **FOR A PERIOD OF TWENTY (20) DAYS. WITHIN THE TWENTY (20) DAYS PERIOD, THE COURT OF APPEALS SHALL CONDUCT A SUMMARY HEARING, WITH NOTICE TO THE PARTIES, TO DETERMINE WHETHER OR NOT TO MODIFY OR LIFT THE FREEZE ORDER, OR EXTEND ITS EFFECTIVITY. THE TOTAL PERIOD OF [and which] THE FREEZE ORDER ISSUED BY THE COURT OF APPEALS UNDER THIS PROVISION** shall not exceed six (6) months. **THIS IS WITHOUT PREJUDICE TO AN ASSET PRESERVATION ORDER THAT THE REGIONAL TRIAL COURT HAVING JURISDICTION OVER THE APPROPRIATE ANTI-MONEY LAUNDERING CASE OR CIVIL FORFEITURE CASE MAY ISSUE ON THE SAME ACCOUNT** depending upon the circumstances of the case, **WHERE THE COURT OF APPEALS WILL REMAND THE CASE AND ITS RECORDS:** Provided, That if there is no case filed against a person whose account has been frozen within the period determined by the [court] **COURT OF APPEALS, NOT EXCEEDING SIX (6) MONTHS**, the freeze order shall be deemed *ipso facto* lifted: *Provided, further*, That this new rule shall not apply to pending cases in the courts. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a nonworking day, the computation of the twenty-four (24)- hour period shall exclude the nonworking days.

“THE FREEZE ORDER OR ASSET PRESERVATION ORDER ISSUED UNDER THIS ACT SHALL BE LIMITED ONLY TO THE AMOUNT OF CASH OR MONETARY INSTRUMENT OR VALUE OF PROPERTY THAT THE COURT FINDS THERE IS PROBABLE CAUSE TO BE CONSIDERED AS PROCEEDS OF A PREDICATE OFFENSE, AND THE FREEZE ORDER OR ASSET PRESERVATION ORDER SHALL NOT APPLY TO

1 AMOUNTS IN THE SAME ACCOUNT IN EXCESS OF THE
2 AMOUNT OR VALUE OF THE PROCEEDS OF THE
3 PREDICATE OFFENSE.

4 “XXX

5 “IF A FREEZE ORDER OR ASSET PRESERVATION ORDER
6 IS IMPOSED ON AN ACCOUNT (INCLUDING BANK
7 ACCOUNT) OF A COVERED PERSON THAT IT USES FOR
8 PAYMENT OF SALARY, RENT, SUPPLIERS, AND/OR TAXES
9 IN THE ORDINARY COURSE OF A LEGITIMATE BUSINESS,
10 THE COVERED PERSON MAY APPLY WITH THE COURT
11 WHICH ISSUED THE FREEZE ORDER OR ASSET
12 PRESERVATION ORDER TO LIFT THE SAME BY
13 SUBMITTING A BOND OR OTHER ACCEPTABLE
14 SECURITIES OF EQUAL VALUE TO THE AMOUNT OR
15 VALUE SUBJECT OF THE FREEZE ORDER OR ASSET
16 PRESERVATION ORDER. THE BOND OR SECURITY WHEN
17 APPROVED BY THE COURT SHALL SECURE THE
18 PAYMENT OR ENFORCEMENT OF ANY ORDER OR
19 JUDGMENT THAT THE AMLC MAY RECOVER IN THE
20 APPROPRIATE ACTION RELATING TO THAT FREEZE
21 ORDER OR ASSET PRESERVATION ORDER.

22 “XXX”

23 SECTION. 5. Section 18 of Republic Act No. 9160, is hereby amended by
24 inserting a new paragraph to read as follows:

25 “SEC. 18. *Implementing Rules and Regulations.* —

26 “XXX

27 “XXX

28 “WITHIN NINETY (90) DAYS FROM THE EFFECTIVITY OF
29 THIS ACT, THE AMLC, THE PHILIPPINE AMUSEMENT
30 AND GAMING CORPORATION (PAGCOR) AND OTHER
31 GOVERNMENT REGULATORY AGENCY SHALL JOINTLY
32 PROMULGATE THE RULES AND REGULATIONS TO

1 **IMPLEMENT THE PROVISIONS OF THIS ACT AS**
2 **APPLICABLE TO CASINOS AS COVERED INSTITUTIONS.**
3 **THE IMPLEMENTING RULES APPLICABLE TO OTHER**
4 **COVERED INSTITUTIONS SHALL NOT APPLY TO**
5 **CASINOS UNLESS IT IS EXPRESSLY SO PROVIDED UNDER**
6 **THE RULES AND REGULATIONS TO IMPLEMENT THE**
7 **PROVISIONS OF THIS ACT."**

8 SECTION. 6 *Separability Clause.* - If any provisions of this Act is declared
9 unconstitutional, the same shall not affect the validity and effectivity of other
10 provisions hereof.

11 SECTION. 7. *Repealing Clause.* - All laws, decrees, orders, and issuances or
12 portions thereof, which are inconsistent with the provisions of this Act, are hereby
13 repealed, amended or modified accordingly.

14 SECTION. 8. *Effectivity.* -This Act shall take effect fifteen (15) days following its
15 publication in the Official Gazette or in any newspaper of general circulation.

16
 Approved,