

SENATE  
Senate Bill No. 45

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Introduced by SENATOR LACSON

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### EXPLANATORY NOTE

Over the years, efforts to fortify Republic Act No. 9160, also known as the Anti-Money Laundering Act of 2001 (AMLA), as amended, with proposals of more stringent and stricter amendments, particularly, to expand the list of predicate crimes and institutions covered by the Law, had languished in Congress.

In 2012, the Anti-Money Laundering Council (AMLC), mandated to implement the provisions of AMLA with both investigative and prosecutorial powers, proposed the inclusion of casinos among the Law's covered institutions, claiming that the casino sector is used as "conduit" to money-laundering activities.

More so, according to the Financial Action Task Force (FATF), the international body that sets standards on combating terrorist financing and money laundering, money launderers are now using Designated Non-Financial Businesses and Professions (DNFBPs), such as casinos, real estate agents, dealers in precious metals and stones, lawyers, notaries, accountants and trust and company services providers in covering their transactions. Thus, the FATF recommends expanding the scope of reporting institutions/entities by including in the definition of covered institutions under the AMLA the Designated Non-Financial Businesses and Professions, as mentioned.

Despite these proposals, the AMLA amendments in 2012 exempt casinos from reporting to AMLC through the enactment of Republic Act 10365 or "An Act to Further Strengthening the Anti-Money Laundering Law, Amending for the Purpose Republic Act No. 9160, Otherwise Known as the "Anti-Money Laundering Act of 2001", as amended.

It has been argued that next to taxes, revenues from the casino sector are among the major sources of income of the government. Such inclusion to the regulatory provisions of AMLA may be a detriment to the gaming industry. More so, the casino sector is under the supervision and regulation of the Philippine Amusement and Gaming Corporation (PAGCOR), which has been a strong and responsible partner of the government in pursuing its development plans.

While the contributions of the industry are acknowledged, it is also understood that casinos are equally exposed to the raging threats of money laundering. Casinos are considered as cash-intensive businesses with volumes of large cash transactions taking place unremittingly; offering many financial services such as remittance, cash issuing and foreign exchange where the movement of funds, either internationally or

domestically undertaken are associated with gaming-related tourism. With these identified vulnerabilities, the casino industry appears to be attractive in successfully undertaking money-laundering activities. Thus, there is a need to place them within the mantle of the Anti-Money Laundering Law.

The "Bangladesh Bank Heist" in February 2016, considered as one of the largest cyber-heists in recent history, exposed the vulnerabilities of the AMLA in curtailing money-laundering schemes in the country. Purportedly, foreign hackers diverted about \$81 million from the Bank of Bangladesh's account with the Federal Reserve Bank in New York to four bank accounts in the Philippines, allegedly for payments in relation to Bangladeshi infrastructure projects.

A remittance company then converted funds from US dollars to Philippine pesos and a sum of the laundered money was moved to the casino industry through junket operators. The stolen money has yet to be recovered.

This proposal, hence, seeks to address the deficiencies of the AMLA and concurrently, strengthen the mandated powers of AMLC through the following amendments:

1. Include casinos, real estate brokers, art dealers, and motor vehicle dealers as covered persons;
2. Changing the nomenclature for the covered person, "jewelry dealers" in precious metals and stones to "dealers" in precious metals and stones, and including "jewelry dealers" as a separate covered person;
3. Clarifying the definition of covered transactions depending on the covered person;
4. Designating the Bangko Sentral ng Pilipinas as the Supervising Authority of foreign exchange dealers, money changers, remittance and money transfer businesses, for purposes of the AMLA; Adding unlawful activities under Section 3 (i) of the AMLA, such as violations of firearms and ammunitions regulation act, cybercrime, violations of Strategic Trade Management Act (regarding weapons of mass destruction), and tax evasion;
5. Authorizing the AMLC, instead of the Court of Appeals, to issue ex parte freeze order with respect to some unlawful activities;
6. Authorizing the AMLC to check compliance with the AMLA by covered persons not under any Supervising Authority;
7. Authorizing the AMLC to issue subpoena and administer oath in aid of its investigation and compliance checking functions;
8. Update the requirement on customer identification to include all aspects of customer due diligence;
9. Authorize the covered persons to temporarily withhold transaction and/or withhold subsequent transactions not exceeding two (2) banking days from occurrence of the transaction, in the course of verifying whether a transaction is suspicious or note; and terminate the transaction or account in case they find reasonable belief that there is possible violation of the AMLA;
10. Reducing the required quantum of evidence as basis for an authority to inquire into or examine bank accounts or investments;
11. Adding unlawful activities that are exempted from the requirement of the court order before a bank inquiry may be conducted;

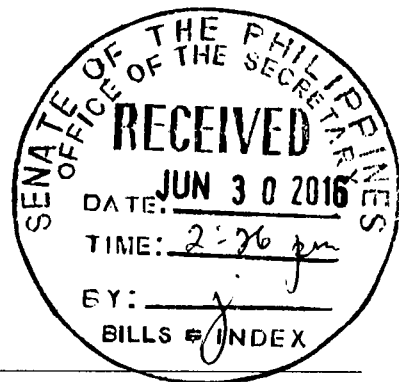
12. Allowing the BSP to check AMLA compliance of covered persons under the supervision or regulation pursuant to its supervisory powers under Section 4 of Republic Act No. 8791; and
13. Increasing the monetary penalty for administrative sanctions;
14. Allowing the Supervising Authorities to impose administrative sanctions; and
15. Repealing Section 20 of Republic Act 9160, as amended by Republic Act 10365

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

  
**PANFILO M. LACSON**  
Senator

SEVENTEENTH CONGRESS OF THE REPUBLIC }  
OF THE PHILIPPINES }  
*First Regular Session* }

SENATE  
Senate Bill No. 45



Introduced by SENATOR LACSON

**AN ACT  
TO FURTHER STRENGTHEN THE ANTI-MONEY LAUNDERING  
ACT, AMENDING FOR THE PURPOSE SECTIONS 3, 3(a), 3(b), 3(i), 7, 7(5),  
7(6), 7(7), 7(11), 9(a), 9(c), 10, 11, 14(c), 15, and 16; AND REPEALING SECTION 20  
OF THE REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE "ANTI-  
MONEYLAUNDERING ACT OF 2001", AS AMENDED**

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

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

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

4           (1) banks, non-banks, quasi-banks, trust entities, foreign exchange dealers,

5           pawnshops, money changers, remittance and transfer companies and similar

6           entities and all other persons and their subsidiaries and affiliates supervised

7           or regulated by the *Banko Sentral ng Pilipinas* (BSP)

8           (2) insurance companies, pre-need companies and all other persons supervised or

9           regulated by the Insurance Commission (IC);

10          (3) (i) securities dealers, brokers, salesmen, investment houses and other similar

11          persons managing securities or rendering services as investment agent,

12          advisor or consultant, (ii) mutual funds, close-end investment companies,

13          common trust funds and other similar persons, and (iii) other entities

14          administering, or otherwise dealing in currency, commodities or financial

15          derivatives based thereon, valuable objects, cash substitutes and other similar

1 monetary instruments or property supervised or regulated by Securities and  
2 Exchange Commission (SEC);

3 (4) [jewelry] dealers in precious metals[, who as a business, trade in precious  
4 metals, for transactions in excess of One million pesos (P1,000,000.00)];

5 (5) [jewelry] dealers in precious stones [, who as a business, trade in precious  
6 metals, for transactions in excess of One million pesos (P1,000,000.00)];

7 (6) JEWELRY DEALERS;

8 (7) ART DEALERS;

9 (8) MOTOR VEHICLE DEALERS;

10 (9) [(6)] TRUST AND company service providers [which, as business, provide  
11 any of the following services to third parties] - WHEN THEY PREPARE  
12 FOR OR CARRY OUT TRANSACTIONS FOR A CLIENT  
13 CONCERNING THE FOLLOWING ACTIVITIES: (i) acting as a formation  
14 agent of juridical persons; (ii) acting as (or arranging for another person to  
15 act as) a director or corporate secretary of a company, a partner of a  
16 partnership, or a similar position in relation to other juridical persons; (iii)  
17 providing a registered office, address for a company, a partnership or any  
18 other legal persons or arrangement; (iv) acting as (or arranging for another  
19 person to act as) a nominee shareholder for another person; and (v) acting as  
20 (or arranging for another person to act as) a trustee of an express trust or  
21 performing the equivalent function for another form of legal arrangement.

22 (10) [(7)] LAWYERS, NOTARIES, OTHER INDEPENDENT LEGAL  
23 PROFESSIONALS AND ACCOUNTANTS - WHEN THEY PREPARE  
24 FOR OR CARRY OUT TRANSACTIONS FOR THEIR CLIENT  
25 CONCERNING THE FOLLOWING ACTIVITIES [persons who provide  
26 any of the following services]:

1 (I) BUYING AND SELLING OF REAL ESTATE;

2 (II) [(i)] managing of client money, securities or other assets;

3 (III) [(ii)] management of bank, savings or securities accounts;

4 (IV) [(iii)] organization of contributions for the creation, operation or  
5 management of companies; and

6 (V) [(iv)] creation, operation or management of juridical persons or  
7 arrangements, and buying and selling business entities.

8 (11) CASINO OPERATORS, WITH RESPECT TO THEIR GAMING  
9 OPERATIONS; AND

10 (12) REAL ESTATE BROKERS.

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

12 (b) "Covered transaction"[ is a transaction in cash or other equivalent monetary  
13 instrument involving a total amount in excess of Five hundred thousand pesos  
14 (P500,000,.00) within one (1) banking day." ] refers to:

15 1. A TRANSACTION IN CASH OR OTHER EQUIVALENT MONETARY  
16 INSTRUMENT EXCEEDING FIVE HUNDRED THOUSAND PESOS (P  
17 500,000.00);

18 2. FOR COVERED PERSONS UNDER PARAGRAPHS (4), (5) AND (6) OF  
19 SECTION 3 (A) HEREOF, ANY SINGLE TRANSACTION EXCEEDING  
20 ONE MILLION PESOS (P 1,000,000.00);

21 3. FOR COVERED PERSONS UNDER PARAGRAPH 11 OF SECTION 3(A)  
22 HEREOF, ANY SINGLE OR AGGREGATE OF TRANSACTIONS  
23 EXCEEDING ONE HUNDRED FIFTY THOUSAND PESOS (P150,000.00)  
24 IN ONE GAMING DAY;

1 4. FOR COVERED PERSONS UNDER PARAGRAPH 12 OF SECTION 3 (A)  
2 HEREOF, ANY SINGLE TRANSACTIONS EXCEEDING THREE  
3 MILLION PESOS (P 3,000,000.00).”

4 (b-1) “Suspicious Transactions” are transactions with covered institutions,  
5 regardless of the amounts involved where any of the following circumstances exist:

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7 (8) ANY OTHER ANALOGOUS CIRCUMSTANCES THAT MAY BE  
8 DETERMINED TO BE SUSPICIOUS BY THE ANTI-MONEY LAUNDERING  
9 COUNCIL (AMLC).

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

11 (g) “Supervising Authority” refers to the appropriate [supervisory or regulatory]  
12 agency, department or office REGISTERING, MONITORING, supervising AND/or  
13 Regulating the covered [institutions] PERSONS enumerated in Section3(a).

14 FOR PURPOSES OF THIS ACT, THE BSP IS DESIGNATED AS THE  
15 SUPERVISING AUTHORITY OF FOREIGN EXCHANGE DEALERS,  
16 MONEYCHANGERS, AND REMITTANCE AND TRANSFER BUSINESSES  
17 UNDERSECTION 3(A) (1).

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

19 (i) ‘*Unlawful activity*’ refers to any act or omission or series or combination thereof  
20 involving or having direct relation to the following:

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22 (19) Violations of Section 4 to 6 of the Republic Act No. 9208, otherwise known  
23 as the trafficking in Persons Act of 2003, AS AMENDED BY THE REPUBLIC ACT  
24 NO. 10364;

1 (20) Violations of Section [78] 68 and [79] 69 of Chapter VI of Presidential  
2 Decree No. 705, as amended, otherwise known as the Revised Forestry Code of the  
3 Philippines, as amended.

4 xxx

5 (26) [Violations of Sections 1, (26) [Violations of Sections 1, 3 and 5 of  
6 Presidential Decree No. 1866, as amended otherwise known as the decree Codifying the  
7 Laws on Illegal/Unlawful Possession, Manufacturing, Dealing in Acquisition or  
8 Disposition of Firearms, Ammunition or Explosives;]

9 VIOLATIONS OF SECTIONS 28, 32, 33 AND 34 OF REPUBLIC ACT NO.  
10 10591, OTHERWISE KNOWN AS THE COMPREHENSIVE FIREARMS AND  
11 AMMUNITION REGULATION ACT.

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13 (34) VIOLATIONS OF SECTIONS 19 AND 20 OF REPUBLIC ACT NO.  
14 10175, OTHERWISE KNOWN AS THE CYBERCRIME PREVENTION ACT OF  
15 2012;

16 (35) VIOLATIONS OF CHAPTER II, TITLE X OF THE NATIONAL  
17 INTERNAL REVENUE CODE, AS AMENDED; AND

18 (36) [(34)] Felonies or offenses of a similar nature that are punishable under the  
19 penal laws of other countries.

20 SECTION 5. Section 3(i) item (34) of the same Act is hereby renumbered as  
21 Section 37.

22 SECTION 6. Section 3 of the same Act is hereby amended as follows:

23 (L) "JEWELRY" REFERS TO FINISHED GOODS DERIVING FIFTY  
24 PERCENT (50%) OR MORE OF THEIR VALUE FROM JEWELS, PRECIOUS  
25 METALS OR PRECIOUS STONES CONSTITUTING, FORMING PART OF, OR  
26 ATTACHED TO SAID FINISHED GOODS.



1 (M) "DEALER" REFERS TO ANY PERSON WHO BUYS AND/OR SELLS  
2 PRECIOUS METALS, PRECIOUS STONES, AND/OR JEWELRY IN THE COURSE  
3 OF ITS BUSINESS ACTIVITIES. THE PURCHASES OR SALE OF PRECIOUS  
4 METALS, PRECIOUS STONES, AND/OR JEWELRY AS REFERRED HEREIN  
5 EXCLUDE THOSE CARRIED OUT FOR, CONNECTED WITH, OR FOR THE  
6 PURPOSE OF EXTRACTING PRECIOUS METALS OR PRECIOUS STONES FROM  
7 A MINE, OR CUTTING OR POLISHING PRECIOUS STONES.

8 (N) "CASINO" SHALL REFER TO GAMBLING CASINOS WHERE THE  
9 BUILDING, ROOM OR SPACE IS USED FOR SOCIAL AMUSEMENTS;  
10 SPECIFICALLY, ONE USE FOR GAMBLING THROUGH GAMES OF CHANCE,  
11 GAMES OF CARDS AND GAMES OF NUMBERS AND ARE BEING REGULATED  
12 AND SUPERVISED BY THE PHILIPPINE AMUSEMENT AND GAMING  
13 AUTHORITY (CEZA) OR ANY OTHER APPROPRIATE SUPERVISING  
14 AUTHORITY. FOR PURPOSES OF THIS ACT, IT ALSO INCLUDES INTERNET  
15 AND SHIP-BASED CASINOS.

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

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

1 (O) "ART" REFERS TO ALL ORIGINAL WORKS OF ART LIKE  
2 PAINTINGS, SCULPTURE, DRAWING AND ART WORK PRODUCED IN  
3 MULTIPLES SUCH AS GRAPHIC AND PHOTOGRAPHIC WORKS AND  
4 SCULPTURE CASTS, BUT SHALL NOT INCLUDE WORKS INTENDED TO BE  
5 MASS-PRODUCED FOR CHEMICAL USE;

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

9 (Q) "MOTOR VEHICLE" REFERS TO ANY SELF-PROPELLED ROAD  
10 VEHICLE DESIGNED TO CARRY PASSENGERS INCLUDING, BUT NOT  
11 LIMITED TO SEDANS, COUPES, STATION WAGONS, CONVERTIBLES, PICK-  
12 UPS, VANS, SPORTS UTILITY VEHICLES (SUVs) AND ASIAN UTILITY  
13 VEHICLES (AUVs) AND MOTORCYCLES;

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

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

23 SECTION 7. Section 7 (2) of the same act hereby amended as follows:

24 SEC. 7. *Creation of the Anti-Money Laundering Council (AMLC).* – The Anti-  
25 Money Laundering Council is hereby created and shall be composed of the Governor of  
26 the Bangko Sentral ng Pilipinas as Chairman, the Commissioner of the Insurance

1 Commission and the Chairman of the Securities and Exchange Commission as members.

2 The AMLC Shall act unanimously in the discharge of its functions as defined hereunder:

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4 (2) to issue orders addressed to the appropriate supervising authority or the  
5 covered [institution] PERSON to determine the true identity to the owner of any  
6 monetary instrument or property subject of a covered transaction or suspicious  
7 transaction report or request for assistance from a foreign state, or believed by the council  
8 [, on the basis of substantial evidence,] to be, in whole or in part, wherever located,  
9 representing, involving, or relate to, directly indirectly, in any manner or any means, [the  
10 proceeds of] an unlawful activity[.] , NOTWITHSTANDING THE PROVISIONS OF  
11 REPUBLIC ACT NO. 1405, AS AMENDED, REPUBLIC ACT NO. 6426, AS  
12 AMENDED; REPUBLIC ACT NO. 8791; REPUBLIC ACT NO. 10173 AND OTHER  
13 LAWS;

14 SECTION 8. Section 7 (5) of the same Act is hereby amended as follows:

15 (5) To investigate, THROUGH THE AMLC SECRETARIAT, suspicious  
16 Transactions and covered transactions deemed suspicious [after an investigation by the  
17 AMLC] POSSIBLE money laundering activities, and other violations of this Act MOTU  
18 PROPRIO OR UPON COMPLAINT OR REQUEST OF AN APPROPRIATE  
19 DEPARTMENT, OFFICE OR AGENCY, OR BRANCH OF GOVERNMENT, OR  
20 FOREIGN STATE OR AUTHORITY;

21 SECTION 9. Section 7 (6) of the same Act is hereby amended as follows:

22 (6) to [apply] CAUSE THE FILING OF AN EX-PARTE PETITION FOR THE  
23 ISSUANCE OF FREEZE ORDER before the Court of Appeals, [ex parte, for the  
24 freezing of] OR, IN CASES SPECIFIED UNDER SECTION 10 HEREOF, TO ISSUE  
25 EX-PARTE FREEZE ORDER, AGAINST any monetary instrument or property alleged

1 to be laundered, proceeds from [or], instrumentalities used in,[or] intended for use in OR  
2 IN ANY WAY RELATED TO any unlawful activity as defined in section 3(i) hereof.”

3 SECTION 10. Section 7 (7) of the same Act is hereby amended as follows;

4 (7) To implement such measures as may be necessary and justified under this act  
5 to counteract OR PREVENT money laundering, AND ENSURE EFFECTIVE  
6 IMPLEMENTATION OF THIS ACT;

7 SECTION 11. Section 7 of the same Act is hereby amended as follows:

8 (13) TO SUBPOENA WITNESSES AND COMPEL THEIR ATTENDANCE,  
9 INCLUDING THE PRODUCTION OF BOOKS, PAPERS AND DOCUMENTS, FOR  
10 PURPOSES OF VERIFICATION, INVESTIGATION OR CHECKING  
11 COMPLIANCE WITH THE PROVISIONS OF THIS ACT. ANY MEMBER OF THE  
12 AMLC SECRETARIAT INVESTIGATING THE CASE MAY ADMINISTER OATHS  
13 OR AFFIRMATIONS TO WITNESSES APPEARING BEFORE IT.

14 (14) TO CHECK COMPLIANCE WITH THIS ACT BY COVERED  
15 PERSONS NOT UNDER ANY SUPERVISING AUTHORITY.

16 SECTION 12. Section 9 (a) of the same Act is hereby amended as follows:

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

1           The provisions of existing laws to the contrary notwithstanding, anonymous  
2 accounts, accounts under fictitious names, and all other similar accounts shall be  
3 absolutely prohibited. Peso and foreign currency non-checking numbered accounts shall  
4 be 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 13. Section 9 (c) of the same Act is hereby amended as follows:

7           “(c) Reporting of Covered and Suspicious Transactions.- Covered persons shall  
8 report 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 not  
10 exceeding fifteen (15) working days.

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

15           Should a transaction be determined to be both a covered transaction and a  
16 suspicious 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  
19 and 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 other  
21 similar laws but are prohibited from communicating, directly or indirectly, in any manner  
22 or by any means, to any person, the fact that a covered or suspicious transaction report  
23 was made, the contents thereof, or any other information in relation thereto, EXCEPT  
24 WHEN DISCLOSURE OF INFORMATION IS IN ACCORDANCE WITH BSP’S  
25 EXERCISE OF SUPERVISORY POWERS AS PROVIDED IN SECTION 11 HEREOF.  
26 In case of violation thereof, the concerned officer and employee of the covered person

1 shall be criminally liable. However, no administrative, criminal or civil proceedings, shall  
2 lie against any person for having made a covered or suspicious transaction report in the  
3 regular performance of his duties in good faith, whether or not such reporting results in  
4 any criminal prosecution under this Act or any other law.

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

15       IN THE COURSE OF VERIFYING WHETHER A TRANSACTION IS  
16 SUSPICIOUS OR NOT, COVERED PERSONS MAY TEMPORARILY WITHHOLD  
17 SAID TRANSACTION AND/OR SUBSEQUENT TRANSACTIONS FOR A PERIOD  
18 NO LONGER THAN TWO (2) BANKING DAYS FROM OCCURRENCE OF THE  
19 TRANSACTION. COVERED PERSONS SHALL IMMEDIATELY REPORT TO THE  
20 AMLC THAT IT HAD TEMPORARILY WITHHELD A TRANSACTION AND/OR  
21 SUBSEQUENT TRANSACTIONS AND THAT IT IS CONDUCTING  
22 VERIFICATION THEREOF. UPON REASONABLE BELIEF THAT THERE IS  
23 POSSIBLE VIOLATION OF THIS ACT, COVERED PERSONS MAY TERMINATE  
24 THE TRANSACTION OR ACCOUNT CONNECTED THERETO. THE AUTHORITY  
25 TO TEMPORARILY WITHHOLD A TRANSACTION SHALL BE MADE PART OF

1 THE COVERED PERSON'S INTERNAL POLICY AND IT SHALL INCLUDE  
2 GUIDELINES AND EFFECTIVE CONTROLS TO PREVENT ABUSE.

3 COVERED PERSONS, THEIR OFFICERS, DIRECTORS, AND EMPLOYEES  
4 SHALL NOT BE SUBJECT TO ANY ACTION, CLAIM OR DEMAND IN  
5 CONNECTION WITH THE EXERCISE OF THEIR AUTHORITY IN GOOD FAITH  
6 UNDER THIS PROVISION.

7 SECTION 14. Section 10 of the same Act is hereby amended as follows:

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

20 BEFORE THE EXPIRATION OF THE 30-DAY PERIOD, THE AMLC MAY  
21 FILE BEFORE THE COURT OF APPEALS A PETITION TO EXTEND THE FREEZE  
22 ORDER. THE EXTENSION SHALL NOT EXCEED FIVE (5) MONTHS DEPENDING  
23 UPON THE CIRCUMSTANCES OF THE CASE. THE COURT SHALL ACT ON THE  
24 PETITION FOR EXTENSION WITHIN TWENTY-FOUR (24) HOURS FROM  
25 FILING OF THE PETITION. *PROVIDED*, THAT THE 30-DAY FREEZE ORDER

1 SHALL REMAIN EFFECTIVE PENDING RESOLUTION OF THE PETITION FOR  
2 EXTENSION.

3 THE MEMBERS OF THE AMLC AND ITS SECRETARIAT SHALL BE  
4 IMMUNE FROM ANY CIVIL, CRIMINAL, OR ADMINISTRATIVE LIABILITY IN  
5 THE EXERCISE OF THE FOREGOING FUNCTIONS.

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

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

19 No court shall issue a temporary restraining order or a writ of injunction against  
20 any free order, except the Supreme Court”.

21 SECTION 15. Section 11 of the same Act is hereby amended as follows:

22 “SEC.11. *Authority to Inquire into Bank Deposits.* - Notwithstanding the  
23 provisions of Republic Act No. 1405, as amended; Republic Act No. 8791; REPUBLIC  
24 ACT NO. 10173; and other laws, the AMLC may inquire into or examine any particular  
25 deposit or investment, including related accounts, with any banking institution or non-  
26 bank financial institution upon order of [any competent court] THE COURT OF



1 APPEALS based on the *ex parte* application in cases of violations of this Act, when it has  
2 been established that there is [probable cause] REASONABLE GROUND TO SUSPECT  
3 that the deposits or investments, including related accounts involved are related to an  
4 unlawful activity as defined in Section 3 (i) hereof or a money laundering offense under  
5 Section 4 hereof, except that no court order shall be required in cases involving activities  
6 defined in Section 3 (i) (1), (2), [and] (3), (4), (9), (12), (13), (14), (15), (17), (19), (28),  
7 (31), (32), AND (33) HEREOF, which are punishable under the penal laws of other  
8 countries[, and terrorism and conspiracy to commit terrorism and conspiracy to commit  
9 terrorism as defined and penalized under Republic Act No. 9372].”

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

19 [“For purposes if this section, ‘related accounts’ shall refer to accounts, the funds  
20 and sources of which originated from and/or materially linked to the monetary  
21 instrument(s) or property(ies) subject of the freeze order(s).”]

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

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

4 SECTION 16. Section 14 (c), of the same Act is hereby amended as follows:

5 (c) *Malicious Reporting.* Any person, who with malice, or in bad faith, reports or  
6 files a completely unwarranted or false information relative to money laundering  
7 transaction against any person shall be subject to a penalty of six (6) months to four (4)  
8 years imprisonment and a fine of not less than one hundred thousand Philippine pesos  
9 (P100,000.00) but not more than five hundred thousand pesos (500,000.00), at the  
10 discretion of the court: Provided, that the offender is not entitled to avail the benefits of  
11 the Probation law.

12 xxx

13 xxx

14 SECTION 17. A new section is hereby inserted as Section 15 amending Items (f)  
15 and (g) of Section 14 of the same Act to read as follows:

16 SEC. 15. Administrative Sanctions. -

17 (a) Imposition of Administrative Sanctions. -- The imposition of administrative  
18 sanctions shall be without prejudice to the filing of criminal charges against the persons  
19 responsible for the violation of this Act.

20 After due notice and hearing, the AMLC, shall at its discretion, impose sanctions,  
21 including, BUT NOT LIMITED TO, monetary penalties, warning or reprimand, upon  
22 any covered, its directors, officers, employees or any other person for the violation of this  
23 Act, [its implementing rules and regulations] or for failure or refusal to comply with  
24 AMLC orders, resolutions and other issuances. Such monetary penalties shall be in  
25 amounts as may be determined by the AMLC to be appropriate, which shall not be more  
26 than [Five Hundred Thousand Pesos Philippine pesos] One Million Pesos

1 (P1,000,000.00) per violation or Twenty Percent (20%) of the value of the monetary  
2 instrument or property laundered or sought to be laundered, whichever is higher. A  
3 violation is committed whether on a one-time, per account, per transaction, or per  
4 customer basis.

5 WITHOUT PREJUDICE TO THE AMLC'S ADMINISTRATIVE SANCTIONS,  
6 SUPERVISING AUTHORITIES MAY, AT ITS DISCRETION, AND AFTER DUE  
7 NOTICE AND HEARING, ALSO IMPOSE MONETARY PENALTIES EQUIVALENT  
8 TO TWICE THE MAXIMUM PENALTY IMPOSABLE ACCORDING TO THEIR  
9 RESPECTIVE CHARTERS.

10 The AMLC AND SUPERVISING AUTHORITIES may promulgate rules on fines  
11 and penalties taking consideration the attendant circumstances, such as the nature and  
12 gravity of the violation or irregularity.

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

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

22 SECTION 18. Section 16 of the same Act is hereby amended, as follows:

23 Section 16. Prohibitions [Against Political Harassment]. --

24 (A) PROHIBITIONS AGAINST POLITICAL AND ECONOMIC  
25 HARASSMENT. -- This Act shall not be used for political persecution or harassment, or  
26 as an instrument to hamper competition and commerce.

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

4 (B) PROHIBITED TRANSACTIONS FOR CASINOS. -- CASINO  
5 OPERATORS SHALL BE PROHIBITED FROM ENGAGING IN THE FOLLOWING  
6 TRANSACTIONS OR ACTIVITIES:

7 (1) ANY OF THE FOLLOWING TRANSACTIONS INVOLVING  
8 THE CONVERSION OF MONEY FROM ONE FORM TO ANOTHER  
9 WITHOUT BEING USED FOR GAMING:

10 A. THE RECEIPT OF CASH FOR TRANSMITTAL OF ALL OR PART  
11 THEREOF THROUGH WIRE OR TELEGRAPHIC TRANSFER FOR  
12 OR ON BEHALF OF A CUSTOMER;

13 B. PAYMENTS IN CASH OF FUNDS RECEIVED THROUGH WIRE  
14 OR TELEGRAPHIC TRANSFER

15 C. THE CASHING OF CHECKS OR OTHER NEGOTIABLE  
16 INSTRUMENTS;

17 D. OTHER SIMILAR TRANSACTIONS; AND

18 (2) RECEIVING MONEY, THE PURPOSE OF OWNERSHIP OF  
19 WHICH CANNOT BE ASCERTAINED WITHIN A PERIOD OF SEVEN (7)  
20 DAYS, UNLESS THE AMLC PRESCRIBES A DIFFERENT PERIOD, FROM  
21 THE DATE OF THE RECEIPT.”

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

25 SECTION 21. *Repealing Clause.* Section 20 of Republic Act No. 9160, as  
26 amended by Republic Act No. 10365, is hereby repealed. All laws, decrees, orders, and

1 issuances or portions thereof, which are inconsistent with the provisions of this Act, are  
2 hereby repealed, amended or modified accordingly; Provided, that all provisions of  
3 Republic Act No. 9160, as amended, which are not inconsistent with this Act are hereby  
4 adopted.

5 SECTION 22. *Effectivity.* This Act shall take effect fifteen (15) days following its  
6 publication in at least two (2) newspapers of general circulation.

7 *Approved,*