

ANNEX A: ANNUAL REGULATORY PLAN

**ANTI-MONEY LAUNDERING COUNCIL
2024 ANNUAL REGULATORY PLAN**

ANNUAL REGULATORY PLAN SUMMARY

AGENCY NAME: ANTI-MONEY LAUNDERING COUNCIL

SECTORS REGULATED:

SECTOR	LEGAL BASIS	ROLE/RESPONSIBILITY OF THE REGULATING AGENCY TO THE REGULATED SECTOR
Financial and Insurance Activities	Republic Act No. 9160 or the Anti-Money Laundering Act of 2001, as amended (AMLA); Republic Act No. 9208 or the Expanded Anti-Trafficking in Persons Act of 2022 (TIP); and Republic Act No. 11930 or the Anti-Online Sexual Abuse or Exploitation of Children (OSAEC) and Anti-Child Sexual Abuse or Exploitation Materials (CSAEM) Act (Anti-OSAEC CSAEM).	To protect and preserve the integrity of the Philippine financial system, including the confidentiality of bank accounts; To ensure that the Philippines shall not be used as a money laundering site for the proceeds of any unlawful activity; To protect life, liberty and property from acts of terrorism and to condemn terrorism and those who support and finance it; To reinforce the fight against terrorism by preventing and suppressing the commission of said offenses through freezing and forfeiture of property or funds while protecting human rights.
Real Estate Activities		
Professional, Scientific and Technical Activities		
Arts, Entertainment and Recreation		
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles		
Other Relevant Government Agencies		

SUMMARY OF REGULATORY ACTIONS PLANNED FOR 2024:

1. Regulation # AMLC-2024-001-1: 2024 Implementing Rules and Regulations of Republic Act No. 9160, otherwise known as The Anti-Money Laundering Act of 2001, as amended (AMLA)
2. Regulation # AMLC-2024-001-2: 2024 Implementing Rules and Regulations of Republic Act No. 10168, otherwise known as the Terrorism Financing Prevention and Suppression Act of 2012 (TFPSA)


FOR FURTHER INFORMATION CONTACT:

Name of Contact Person: Anthony Lawrence M. Morales

Designation: Acting Head of the Counseling, Adjudication, and Mutual Legal Assistance Unit

Email: amorales@amlc.gov.ph

Office Landline/ Office Mobile Phone Number: 8708 7069


MATTHEW M. DAVID
Executive Director
Anti-Money Laundering Council

Regulatory Notification Form

Regulation # AMLC-2024-001-1

A. PROPONENT AGENCY DETAILS			
1. PROPONENT AGENCY		ANTI-MONEY LAUNDERING COUNCIL (AMLC)	
2. Accountable Officer	2a. Name	Matthew M. David	
	2b. Designation	Executive Director	
	2c. Phone Number	5306 3083	
	2d. Email	mdavid@amlc.gov.ph	
3. Contact Officer	3a. Name	Anthony Lawrence M. Morales	
	3b. Designation	Acting Head of the Counselling, Adjudication, and Mutual Legal Assistance Unit	
	3c. Phone Number	8708 7069	
	3d. Email	amorales@amlc.gov.ph	
4. Date	07 March 2024		
B. REGULATION DETAILS			
1. Full Title	2024 Implementing Rules and Regulations (IRR) of Republic Act No. 9160, otherwise known as The Anti-Money Laundering Act of 2001, as amended (AMLA)		
2. Short Title	2024 Implementing Rules and Regulations of the AMLA		
3. Regulatory Life Cycle Stage	<input type="checkbox"/> Development of Regulation <input checked="" type="checkbox"/> Implementation <input type="checkbox"/> Monitoring, Evaluation, & Ex-Post Review		
4. Regulatory Instrument	<input type="checkbox"/> Memorandum Circular <input type="checkbox"/> Joint Memorandum Circular <input type="checkbox"/> Department Order <input checked="" type="checkbox"/> Specify: Implementing Rules and Regulations		
5. Classification of Action	<input type="checkbox"/> New Regulation <input checked="" type="checkbox"/> Amendment <input type="checkbox"/> Repeal <input type="checkbox"/> Ex-Post RIS/PIR/SCR <input type="checkbox"/> Completed		
6. Regulation Amended/ Repealed (if applicable)	1. 2018 IRR of the AMLA 2. AMLC Regulatory Issuance A, B and C No. 1, Series of 2020 3. AMLC Regulatory Issuance A, B and C No. 1, Series of 2021		
C. STAKEHOLDERS AND/OR SECTORS AFFECTED			
1. Classification	<input checked="" type="checkbox"/> Business-Related		<input checked="" type="checkbox"/> Non-Business
1.1. For Business-Related Regulations		1.2. For Non-Business Regulations	
a. Sector¹	Financial and Insurance Activities		a. Stage of Life N/A
b. Stage of Business	<input checked="" type="checkbox"/> Opening/Renewing a Business <input checked="" type="checkbox"/> Operating a Business <input type="checkbox"/> Closing a Business		b. Life Event N/A
c. Case Use	Starting a Business/Operational Regulations		c. Case Use N/A
2. Jurisdiction	<input checked="" type="checkbox"/> National <input type="checkbox"/> Regional <input type="checkbox"/> City/Municipality-wide		
D. CONSULTATIONS CONDUCTED			
1. HAS THIS BEEN SUBJECTED TO STAKEHOLDER CONSULTATION AND/OR COMMENTS? <input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> ONGOING			

¹ Philippine Standard Industrial Classification

E. SUMMARY OF REGULATION

1. PROBLEM ADDRESSED BY REGULATION / SUMMARY OF CHANGES

(Describe the nature and extent of the problem that is being addressed. Provide data on scope or coverage of the problem. List summary of changes based on "Regulation Amended/ Repealed" above.)

The Philippines was included in the FATF's list of "Jurisdictions under Increased Monitoring," commonly known as the grey list, due to the deficiencies that were noted in the Mutual Evaluation Reports (MER) pertaining to various aspects of the Philippines AML/CFT framework.

The changes to be implemented include, but are not limited to, the following: the effective risk-based supervision of Non-Financial Businesses and professionals (NFBPs); mitigating risk associated with casino junkets; enhancing and streamlining access to beneficial ownership information; demonstrating an increase in the money laundering and terrorism financing investigations and prosecutions; and ensuring cross-border measures in all entry points across the country, including seaports and airports.

2. OBJECTIVE OF REGULATORY ACTION

(Identify clear and specific policy objective. State what is to be achieved. Ensure objective satisfies the SMART (specific, measurable, achievable, realistic, time-bound) criteria.)

Specific:

1. What do we need to do? What needs to happen?
Compliance with the latest FATF standards; address the operational concerns of the AMLC; further clarify the provisions to assist the covered persons and government agencies in effectively implementing the AMLA.
2. Who are we doing this for?
For the country, AMLC, covered persons, and concerned government agencies.
3. Who will be responsible for what? Do we need to involve others in the process?
AMLC shall be responsible for the drafting and formulation of the revised IRR; stakeholders shall comment.

Measurable:

1. How will we know change has occurred?
Publication, posting on the website, information dissemination, and the Mutual Evaluation of the Philippines.
2. How can we obtain accurate measurements?
Mutual Evaluation Reports.

Achievable:

1. Are there sufficient resources available?
There are sufficient resources available.
2. Is there enough manpower? Do they have the experience, knowledge, or capability in meeting expectations?
There is enough manpower with experience, knowledge, and capability in meeting expectations.

3. Can it be done in the given time frame?
This can be done in the given time frame.

Relevant

1. Should it be done?
 Yes.
2. Does the objective address the goals and mandates of your agency?
The objective addresses the goals and mandates of the agency.

Time-Bound

1. When do we expect to achieve our policy objectives?
4th Quarter of 2024, if without PIA.

F. TIMELINE OF ACTIVITIES (ACCOMPLISHED OR TARGET)

1. Conduct of PIA	N/A	4. Conduct of RIA	N/A
2. Consultation of PIS	N/A	5. Consultation of RIS	N/A
3. Submission of PIS	N/A	6. Submission of RIS	N/A

G. IMPLEMENTATION DETAILS (applicable only if regulation is for repeal/amendment)

2018 IRR of the AMLA

1. Date Filed (ONAR)	27 November 2018	3. Date Issued	22 November 2018
2. Date Published <input type="checkbox"/> Official Gazette AND/OR <input checked="" type="checkbox"/> Newspaper of General Circulation	23 November 2018	4. Date Effective	28 November 2018

AMLC Regulatory Issuance A, B and C No. 1, Series of 2020

1. Date Filed (ONAR)	3 February 2020	3. Date Issued	29 January 2020
2. Date Published <input type="checkbox"/> Official Gazette AND/OR <input checked="" type="checkbox"/> Newspaper of General Circulation	1 February 2020	4. Date Effective	31 January 2020

AMLC Regulatory Issuance A, B and C No. 1, Series of 2021

1. Date Filed (ONAR)	29 January 2021	3. Date Issued	30 January 2021
2. Date Published <input type="checkbox"/> Official Gazette AND/OR <input checked="" type="checkbox"/> Newspaper of General Circulation	30 January 2021	4. Date Effective	31 January 2021

H. CLASSIFICATION OF REGULATION

1. Proposed Classification	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Exempted <input type="checkbox"/> Minor	2. ARTA Classification (if available)	<input type="checkbox"/> Major <input type="checkbox"/> Exempted <input type="checkbox"/> Minor
3. Justification for Exempted Regulations	<i>Cite and explain the legal basis for exemption and other supporting information on how the regulation satisfies any of the criteria listed in Annex A.</i>		

Justification questions on why the regulation is considered exempt from Section 9 of ARTA MC 2022-06:

- Is the regulation among the exempted regulations per the list provided under Annex A of ARTA MC 2022-06 (i.e., laws passed by Congress, PAPs of the government, taxation or revenue-raising measures, budget-related issuances, and exceptional circumstances such as a national/local emergency and matters that deal with national security)?*
- Based on the screening tool provided under Annex B of ARTA MC 2022-06, should the regulation not undergo RIA?*

If you answer 'yes' in any of the three questions, kindly provide justification and/or data to support your request for exemption.

The proposed 2024 IRR of the AMLA is an exempted regulation. (Exceptional circumstances such as (1) national or local emergencies e.g., natural disasters, unexpected environmental, health, economic, and security crisis, and (2) matters that deal with national security and other analogous circumstances. These are outside the intent and purpose of the EODB Act and are not regulatory in nature but constitute governmental responses to emergencies.)

In August 2019, the Asia Pacific Group on Money Laundering (APG) adopted the Philippines Mutual Evaluation Report (MER), which assessed the levels of technical compliance of Philippines laws, rules, and regulations with the Financial Action Task Force (FATF) Standards and effectiveness of its Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) system. The MER identified strategic deficiencies, which made the Philippines a candidate for the FATF grey list. The deficiencies that were noted in the MER pertain to various aspects of the Philippines AML/CFT framework.

Based on the assessment of the FATF's International Cooperation Review Group (ICRG), it was determined that tangible and positive progress was not made across all key MER Recommended Actions (MRAs). The failure of the Philippines to show tangible and positive progress in its AML/CFT system was due to lack of material time for relevant government agencies to implement appropriate effectiveness measures.

As a result, the Philippines was included in the FATF's list of "Jurisdictions under Increased Monitoring," commonly known as the grey list.

While the FATF has not called upon jurisdictions to impose financial countermeasures upon a listed country, it may do so when that country fails to meet the deadlines in accomplishing the various action items. These countermeasures would treat all Filipinos and their businesses as high risk to money laundering and terrorism financing and would lead to additional costs and delays in transactions. For overseas, Filipino workers, it would mean higher remittance costs, thus, less money for daily food and necessities of their families in the Philippines. For Philippine businesses, it would mean higher interest rates, thus higher production costs. Moreover, higher costs and additional layers of customer due diligence may lead to de-risking of Filipino

individuals and businesses, that is, rejecting having any business relations with all Filipinos.

For the Philippines to exit the FATF grey list, all the ICRG Action Plans should be assessed to be largely addressed. To sustain the government's effort to meet all FATF technical compliance and effectiveness compliance requirements, several changes and updates must be made to the IRR of the AMLA to align it with the standards of the FATF.

Likewise, with the scheduled Mutual Evaluation in 2026, new regulations intended as compliance to the new set of Financial Action Task Force (FATF) Recommendations should be enacted within the year to meet technical compliance and allow sufficient time for implementation to meet Effective Compliance requirements by 2026. Since the Mutual Evaluation in 2026 will measure effectiveness compliance along with technical compliance, it is essential for the revised IRR of the AMLA and TFPSA to be released within 2024 in order to give the stakeholders sufficient time to implement the revisions and updates. If such revisions cannot be implemented immediately, there may also be an increased risk that the Philippines may be included in another grey list, assuming that the Philippines exit the current grey list within the target period.

Due to the above circumstances, the Office of the President issued Executive Order No. 33 dated 04 July 2023 and provided that the National Anti-Money Laundering and Counter-Terrorism Financing Strategy (NACS) 2023-2027, which will be implemented until the year 2027. The NACS was formulated to enable the Philippines to address the International Cooperation and Review Group (ICRG) Action Plans to exit the FATF grey list, and pursue an internationally compliant anti-money laundering, counter-terrorism financing, and counter-proliferation financing (AML/CTF/CPF) regime.

Further, the Office of the President issued Memorandum Circular 37 dated 16 October 2023 directing all concerned departments, agencies, bureaus, and instrumentalities of the national government to immediately and timely formulate and implement relevant strategies, plans and programs to implement the National Anti-Money Laundering, Counter-Terrorism Financing and Counter Proliferation Financing Strategy 2023-2027.

The government's goal is to address the deficiencies and exit the grey list this 2024 (https://pco.gov.ph/news_releases/pbbm-orders-amlc-to-ensure-implementation-of-action-plan-removing-ph-in-global-money-laundering-grey-list-in-2024/). In order to achieve this goal, the swift revision and updating of the IRR is needed. The conduct of additional steps, such as the PIA and RIA, would only delay the government's goal of exiting the grey list which, in turn, may increase the risk that the Philippines will enter the more unfavorable double grey list.

In view of the foregoing, the 2024 revision and updating of the IRR of the AMLA should be classified as an exempted regulation; thus, it is outside the scope of the PIA and RIA process.

Regulatory Notification Form

Regulation # AMLC-2024-001-2

A. PROPONENT AGENCY DETAILS			
1. PROPONENT AGENCY		ANTI-MONEY LAUNDERING COUNCIL (AMLC)	
2. Accountable Officer	2a. Name	Matthew M. David	
	2b. Designation	Executive Director	
	2c. Phone Number	5306 3083	
	2d. Email	mdavid@amlc.gov.ph	
3. Contact Officer	3a. Name	Anthony Lawrence M. Morales	
	3b. Designation	Acting Head of the Counselling, Adjudication, and Mutual Legal Assistance Unit	
	3c. Phone Number	8708 7069	
	3d. Email	amorales@amlc.gov.ph	
4. Date	07 March 2024		
B. REGULATION DETAILS			
1. Full Title	2024 Implementing Rules and Regulations of Republic Act No. 10168, otherwise known as the Terrorism Financing Prevention and Suppression Act of 2012 (TFPSA)		
2. Short Title	2024 Implementing Rules and Regulations of the TFPSA		
3. Regulatory Life Cycle Stage	<input type="checkbox"/> Development of Regulation <input checked="" type="checkbox"/> Implementation <input type="checkbox"/> Monitoring, Evaluation, & Ex-Post Review		
4. Regulatory Instrument	<input type="checkbox"/> Memorandum Circular <input type="checkbox"/> Joint Memorandum Circular <input type="checkbox"/> Department Order <input checked="" type="checkbox"/> Specify: Implementing Rules and Regulations		
5. Classification of Action	<input type="checkbox"/> New Regulation <input checked="" type="checkbox"/> Amendment <input type="checkbox"/> Repeal <input type="checkbox"/> Ex-Post RIS/PIR/SCR <input type="checkbox"/> Completed		
6. Regulation Amended/ Repealed (if applicable)	1. 2012 IRR of the TFPSA 2. Targeted Financial Sanctions (AMLC Regulatory Issuance No. 4, Series of 2020) 3. 2021 Sanctions Guidelines (Resolution No. 63, Series of 2021) 4. Guidance for Delisting and Unfreezing Procedures (AMLC Regulatory Issuance No. 5, Series of 2021)		
C. STAKEHOLDERS AND/OR SECTORS AFFECTED			
1. Classification	<input checked="" type="checkbox"/> Business-Related		<input type="checkbox"/> Non-Business
1.1. For Business-Related Regulations		1.2. For Non-Business Regulations	
a. Sector²	Financial and Insurance Activities		a. Stage of Life N/A
b. Stage of Business	<input type="checkbox"/> Opening/Renewing a Business <input checked="" type="checkbox"/> Operating a Business <input type="checkbox"/> Closing a Business		b. Life Event N/A
c. Case Use	Operational Regulations		c. Case Use N/A
2. Jurisdiction	<input checked="" type="checkbox"/> National <input type="checkbox"/> Regional <input type="checkbox"/> City/Municipality-wide		

² Philippine Standard Industrial Classification

D. CONSULTATIONS CONDUCTED

1. HAS THIS BEEN SUBJECTED TO STAKEHOLDER CONSULTATION AND/OR COMMENTS? YES NO ONGOING

E. SUMMARY OF REGULATION

1. PROBLEM ADDRESSED BY REGULATION / SUMMARY OF CHANGES

(Describe the nature and extent of the problem that is being addressed. Provide data on scope or coverage of the problem. List summary of changes based on "Regulation Amended/ Repealed" above.)

The Philippines was included in the FATF's list of "Jurisdictions under Increased Monitoring," commonly known as the grey list, due to the deficiencies that were noted in the Mutual Evaluation Reports (MER) pertaining to various aspects of the Philippines AML/CFT framework.

The changes to be implemented include, but are not limited to, the following: the effective risk-based supervision of Non-Financial Businesses and professionals (NFBPs); mitigating risk associated with casino junkets; enhancing and streamlining access to beneficial ownership information; demonstrating an increase in the money laundering and terrorism financing investigations and prosecutions; and ensuring cross-border measures in all entry points across the country, including seaports and airports.

2. OBJECTIVE OF REGULATORY ACTION

(Identify clear and specific policy objective. State what is to be achieved. Ensure objective satisfies the SMART (specific, measurable, achievable, realistic, time-bound) criteria.)

Specific:

1. What do we need to do? What needs to happen?
Consolidation of the existing terrorism financing related regulations to facilitate the compliance by covered persons and the public, particularly on the aspect of targeted financial action.
2. Who are we doing this for?
For the country, AMLC, covered persons, and concerned government agencies.
3. Who will be responsible for what? Do we need to involve others in the process?
AMLC shall be responsible for the drafting and formulation of the IRR; stakeholders shall comment.

Measurable:

1. How will we know change has occurred?
Publication, posting on the website, information dissemination, and the Mutual Evaluation of the Philippines.
2. How can we obtain accurate measurements?
Mutual Evaluation Reports.

Achievable:

1. Are there sufficient resources available?
There are sufficient resources available.

2. Is there enough manpower? Do they have the experience, knowledge, or capability in meeting expectations?

There is enough manpower with experience, knowledge, and capability in meeting expectations.

3. Can it be done in the given time frame?

This can be done in the given time frame.

Relevant

1. Should it be done?

Yes.

2. Does the objective address the goals and mandates of your agency?

The objective addresses the goals and mandates of the agency.

Time-Bound

1. When do we expect to achieve our policy objectives?

4th quarter of 2024, if without PIA.

F. TIMELINE OF ACTIVITIES (ACCOMPLISHED OR TARGET)

4. Conduct of PIA	N/A	4. Conduct of RIA	N/A
5. Consultation of PIS	N/A	5. Consultation of RIS	N/A
6. Submission of PIS	N/A	6. Submission of RIS	N/A

G. IMPLEMENTATION DETAILS (applicable only if regulation is for repeal/amendment)

2012 IRR of the TFPSA

1. Date Filed (ONAR)	10 October 2012	3. Date Issued	6 August 2012
2. Date Published <input type="checkbox"/> Official Gazette AND/OR <input checked="" type="checkbox"/> Newspaper of General Circulation	11 August 2012	4. Date Effective	26 August 2012

Targeted Financial Sanctions (AMLC Regulatory Issuance No. 4, Series of 2020)

1. Date Filed (ONAR)	6 July 2020	3. Date Issued	28 May 2020
2. Date Published <input type="checkbox"/> Official Gazette AND/OR <input checked="" type="checkbox"/> Newspaper of General Circulation	1 July 2020	4. Date Effective	21 July 2020

2021 Sanctions Guidelines (Resolution No. 63, Series of 2021)

1. Date Filed (ONAR)	1 February 2021	3. Date Issued	3 March 2021
2. Date Published <input type="checkbox"/> Official Gazette AND/OR <input checked="" type="checkbox"/> Newspaper of General Circulation	31 January 2021	4. Date Effective	31 January 2021

Guidance for Delisting and Unfreezing Procedures (AMLC Regulatory Issuance No. 5, Series of 2021)

1. Date Filed (ONAR)	29 July 2021	3. Date Issued	28 July 2021
2. Date Published <input type="checkbox"/> Official Gazette AND/OR <input checked="" type="checkbox"/> Newspaper of General Circulation	30 July 2021	4. Date Effective	30 July 2021
H. CLASSIFICATION OF REGULATION			
1. Proposed Classification	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Exempted <input type="checkbox"/> Minor	2. ARTA Classification (if available)	<input type="checkbox"/> Major <input type="checkbox"/> Exempted <input type="checkbox"/> Minor
3. Justification for Exempted Regulations	<p><i>Cite and explain the legal basis for exemption and other supporting information on how the regulation satisfies any of the criteria listed in Annex A.</i></p> <p><i>Justification questions on why the regulation is considered exempt from Section 9 of ARTA MC 2022-06:</i></p> <ul style="list-style-type: none"> <i>Is the regulation among the exempted regulations per the list provided under Annex A of ARTA MC 2022-06 (i.e., laws passed by Congress, PAPs of the government, taxation or revenue-raising measures, budget-related issuances, and exceptional circumstances such as a national/local emergency and matters that deal with national security)?</i> <i>Based on the screening tool provided under Annex B of ARTA MC 2022-06, should the regulation not undergo RIA?</i> <p><i>If you answer 'yes' in any of the three questions, kindly provide justification and/or data to support your request for exemption.</i></p> <p><i>The proposed 2024 IRR of the TFP SA is an exempted regulation. (Exceptional circumstances such as (1) national or local emergencies e.g., natural disasters, unexpected environmental, health, economic, and security crisis, and (2) matters that deal with national security and other analogous circumstances. These are outside the intent and purpose of the EODB Act and are not regulatory in nature but constitute governmental responses to emergencies.)</i></p> <p><i>In August 2019, the Asia Pacific Group on Money Laundering (APG) adopted the Philippines Mutual Evaluation Report (MER), which assessed the levels of technical compliance of Philippines laws, rules, and regulations with the Financial Action Task Force (FATF) Standards and effectiveness of its Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) system. The MER identified strategic deficiencies, which made the Philippines a candidate for the FATF grey list. The deficiencies that were noted in the MER pertain to various aspects of the Philippines AML/CFT framework.</i></p> <p><i>Based on the assessment of the FATF's International Cooperation Review Group (ICRG), it was determined that tangible and positive progress was not made across all key MER Recommended Actions (MRAs). The failure of the Philippines to show tangible and positive progress in its AML/CFT system was due to lack of material time for relevant government agencies to implement appropriate effectiveness measures.</i></p>		

As a result, the Philippines was included in the FATF's list of "Jurisdictions under Increased Monitoring," commonly known as the grey list.

While the FATF has not called upon jurisdictions to impose financial countermeasures upon a listed country, it may do so when that country fails to meet the deadlines in accomplishing the various action items. These countermeasures would treat all Filipinos and their businesses as high risk to money laundering and terrorism financing and would lead to additional costs and delays in transactions. For overseas, Filipino workers, it would mean higher remittance costs, thus, less money for daily food and necessities of their families in the Philippines. For Philippine businesses, it would mean higher interest rates, thus higher production costs. Moreover, higher costs and additional layers of customer due diligence may lead to de-risking of Filipino individuals and businesses, that is, rejecting having any business relations with all Filipinos.

For the Philippines to exit the FATF grey list, all the ICRG Action Plans should be assessed to be largely addressed. To facilitate the compliance by covered persons and the public with the requirements of the FATF Recommendations, the existing regulations relating to terrorism financing must be consolidated and streamlined for further clarity.

Likewise, with the scheduled Mutual Evaluation in 2026, new regulations intended as compliance to the new set of FATF Recommendations should be enacted within the year to meet technical compliance and allow sufficient time for implementation to meet Effective Compliance requirements by 2026. Since the Mutual Evaluation in 2026 will measure effectiveness compliance along with technical compliance, it is essential for the IRR of the TFPSA to be released within 2024 in order to give the stakeholders sufficient time to implement the revisions and updates. If such revisions cannot be implemented immediately, there may also be an increased risk that the Philippines may be included in the double grey list.

Due to the above circumstances, the Office of the President issued Executive Order No. 33 dated 04 July 2023 and provided that the National Anti-Money Laundering and Counter-Terrorism Financing Strategy (NACS) 2023-2027, which will be implemented until the year 2027. The NACS was formulated to enable the Philippines to address the International Cooperation and Review Group (ICRG) Action Plans to exit the FATF grey list, and pursue an internationally compliant anti-money laundering, counter-terrorism financing, and counter-proliferation financing (AML/CTF/CPF) regime.

Further, Memorandum Circular 37 dated 16 October 2023 directing all concerned departments, agencies, bureaus, and instrumentalities of the national government to immediately and timely formulate and implement relevant strategies, plans and programs to implement the National Anti-Money Laundering, Counter-Terrorism Financing and Counter Proliferation Financing Strategy 2023-2027.

The government's goal is to address the deficiencies and exit the grey list this 2024 (https://pco.gov.ph/news_releases/pbbm-orders-amlc-to-ensure-

[implementation-of-action-plan-removing-ph-in-global-money-laundering-grey-list-in-2024/](#)). In order to achieve this goal, the swift consolidation and updating of the IRR for TFP SA is needed. The conduct of additional steps, such as the PIA and RIA, would only delay the government's goal of exiting the grey list which, in turn, may or increase the risk that the Philippines will enter the more unfavorable double grey list.

In view of the foregoing, the consolidation and updating of the IRR of the TFP SA should be classified as an exempted regulation; thus, it is outside the scope of the PIA and RIA process.