

An Assessment of the Philippines' Exposure to External and Internal Threats based on Suspicious Transaction Reports for 2021 to 1H 2024



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| | |
|-------------|--|
| 1H | First Half |
| AMLA | Anti-Money Laundering Act |
| AMLC | Anti-Money Laundering Council |
| AML/CFT | Anti-Money Laundering and Countering the Financing of Terrorism |
| AML/CTF/CPF | Anti-Money Laundering, Counter-Terrorism Financing, and Counter-Proliferation Financing |
| ATM | Automated Teller Machine |
| BEC | Business Email Compromise |
| CASA | Current Account/Savings Account |
| CBR | Correspondent Bank Relationship |
| CDO | Cease-and-desist order |
| CPs | Covered Persons |
| EMI | Electronic Money Issuer |
| FATF | Financial Action Task Force |
| FIU | Financial Intelligence Unit |
| GDP | Gross Domestic Product |
| IP | Intellectual Property |
| LEA | Law Enforcement Agency |
| MIN | Mobile Identification Number |
| ML | Money Laundering |
| MSB | Money Service Business |
| NACS | National Anti-Money Laundering, Counter-Terrorism Financing and Counter-Proliferation Financing Strategy |
| NRA | National Risk Assessment |
| OSAEC | Online Sexual Abuse and Exploitation of Children |
| PCs | Predicate Crimes |
| PD | Presidential Decree |
| PF | Proliferation Financing |
| PhP | Philippine Peso |
| PPPP | Public-Private Partnership Program |

| | |
|-------|--|
| PRC | People's Republic of China |
| RA | Republic Act |
| SA | Supervising Authority |
| SC | Suspicious Circumstance |
| SRC | Securities Regulation Code of 2000 |
| SMS | Short Message Service |
| STR | Suspicious Transaction Report |
| TF | Terrorism Financing |
| TFS | Targeted Financial Sanctions |
| UAE | United Arab Emirates |
| UNODC | United Nations Office on Drugs and Crime |
| USA | United States of America |
| USD | United States Dollar |

EXECUTIVE SUMMARY

The Anti-Money Laundering Council (AMLC) conducted this assessment to evaluate the Philippines' exposure to money laundering (ML), terrorism financing (TF), proliferation financing (PF), and various predicate offenses, as outlined in the Anti-Money Laundering Act (AMLA), as amended. This assessment was based on the analysis of suspicious transaction reports (STRs) submitted by various Covered Persons (CPs) to the AMLC from 2021 to the first half (1H) of 2024. Furthermore, the assessment identified the sources, channels, and behaviors of illicit funds related to the top and newly added predicate crimes (PCs), updating the AMLC's previous external threats assessment covering 2018–2020. The primary objective of the assessment is to provide data-driven insights to guide stakeholders in the effective development and implementation of Anti-Money Laundering, Counter-Terrorism Financing, and Counter-Proliferation Financing (AML/CTF/CPF) strategies. Relevant online resources and previous AMLC studies were also reviewed and considered in this study.

The assessment included a comprehensive analysis of STRs submitted by CPs from 1 January 2021 to 30 June 2024. It focused on STRs associated with PCs categorized as "high" and "medium" risk in the 2nd National Risk Assessment (NRA). These reports were also examined alongside recent AMLC studies on transnational elements to evaluate external threats to the Philippines. The PCs examined in this study include: (1) illegal drugs and other related crimes; (2) graft and corruption and other related crimes; (3) investment scams and estafa; (4) smuggling; (5) violation of intellectual property (IP) rights; (6) illegal possession and manufacture of firearms, ammunition and explosives; (7) violation of environmental laws; (8) cyber-enabled crimes; (9) trafficking in persons; (10) kidnapping for ransom; (11) financing of terrorism; (12) terrorism and conspiracy to commit terrorism; (13) PF; and (14) tax evasion.

While the grouping is organized around 14 major predicate crime clusters, each cluster encompasses several specific offenses or sub-predicate crimes as reported by CPs in their STR submissions. For example, "swindling" is a sub-predicate crime within the broader "investment scams and estafa" cluster, whereas violations of the Electronic Commerce Act of 2000 fall under "cyber-enabled crimes." Similarly, "child exploitation activities," including violations of the Anti-Child Pornography Act of 2009 and the Special Protection of Children Against Abuse, Exploitation, and Discrimination Act, are captured within the "trafficking in persons" cluster. While the overall analysis is conducted at the level of individual predicate crimes, supplementary insights are presented on a per-cluster basis to highlight patterns and trends across related offenses. This framework facilitates the aggregation of related offenses while preserving comparability with prior AMLC external threat studies.

The assessment covered 1,295,627 STRs valued at PhP35.49 billion, consisting of current account/savings account (CASA) and remittance transactions. By PC, cyber-enabled crimes (58.55%), swindling (24.17%), and child exploitation activities (6.55%) accounted for the highest transaction frequency, representing the majority of STRs analyzed. Meanwhile, in terms of aggregate peso value, the highest-contributing PCs were

swindling (39.49%), followed by cyber-enabled crimes (22.86%) and graft and corrupt practices (11.68%).

A total of 155,608 inflow remittance transactions, amounting to PhP3.42 billion, were flagged as suspicious in connection with PCs outlined in the AMLA. Over half (52.95%) of the transaction volume was tied to child exploitation, followed by swindling (28.96%) and child pornography (10.24%), with the USA (49.96%), Australia (7.39%), and the United Kingdom (6.82%) as the leading source countries. In terms of aggregate peso value, the largest share (72.21%) was linked to swindling, followed by child exploitation (14.99%) and cyber-enabled crimes (3.47%). The top source countries by value were Germany (33.81%), the USA (30.53%), and the United Kingdom (5.04%).

A total of 1,554 outflow remittance transactions, amounting to an aggregate value of PhP2.04 billion, were flagged as suspicious in connection with PCs listed in the AMLA. Of the total volume, 32.05% were linked to swindling, 20.66% to child pornography, and 12.61% to child exploitation. The primary destination countries for these transactions were the United States of America (USA) (15.12%), the United Arab Emirates (UAE) (6.82%), and the People's Republic of China (PRC) (5.73%). In terms of aggregate peso value, the majority (69.64%) of suspicious funds were associated with cyber-enabled crimes, followed by swindling (27.21%) and illegal drugs (1.12%).

In addition to cross-border flows, the majority of proceeds from unlawful activities categorized as high-risk and medium-risk PCs in this study originated, circulated, and remained within the Philippine financial system. Among these, the PCs contributing the most in terms of transaction volume were: (1) cyber-enabled crimes, (2) swindling, and (3) illegal drug trafficking. Meanwhile, in terms of transaction value, the top PC contributors were: (1) swindling, (2) cyber-enabled crimes, and (3) graft and corrupt practices.

Furthermore, it was found that banks accounted for more than half of the volume and aggregate value of transactions, making them the most utilized financial channel, particularly for large-value transactions. This was followed by EMIs at 17.82%, and MSBs at 11.25%, of the total STR volume used in this study, which were primarily used for small-value transactions.

The recommendations highlight the need to improve the accuracy of STR submissions by ensuring the inclusion of complete account holder profiles, detailed transaction narratives, and appropriate justifications. Additionally, the importance of proper tagging and consistent classification of transactions, ensuring accurate identification of links to predicate offenses is emphasized. Public awareness efforts are also highlighted, advocating for the dissemination of this study to stakeholders, including AMLC groups, law enforcement agencies (LEAs), supervising authorities (SAs), private sector participants of the AMLC's Public-Private Partnership Program (PPPPs), and respective foreign financial intelligence units (FIUs) with transactional links to the country as identified in the study. Lastly, the recommendations propose publishing a redacted version of the study's findings on the AMLC website to expand accessibility and awareness.

BACKGROUND OF THE STUDY

Sound and comprehensive AML/CTF/CPF policies and measures are essential to the integrity and stability of both national economies and the global financial system. ML, TF, and PF are crimes with significant economic repercussions, posing risks such as financial instability, reputational damage, banking crises, ineffective revenue collection, and loss of correspondent banking relationships (CBRs).¹ These crimes also contribute to destabilizing capital flows and broader governance weaknesses, reinforcing the importance of robust AML/CTF/CPF frameworks to safeguard financial markets.

ML remains a major threat to financial integrity, exploiting system vulnerabilities to disguise the origins of illicit funds. According to the United Nations Office on Drugs and Crime (UNODC), criminal proceeds laundered annually account for approximately 2% to 5% of global gross domestic product (GDP).² Similarly, the International Monetary Fund estimates global ML flows at United States Dollar (USD) 800 billion to USD2 trillion each year. Alarming projections from the Secretariat, a global advisory firm specializing in governance, risk, and compliance, suggest that these illicit flows could escalate to between USD4.5 trillion and USD6 trillion by 2030.³ These staggering figures underscore the urgent need for robust, data-driven risk assessments and targeted interventions to safeguard the financial system.

Similarly, TF involves the solicitation, collection, or provision of funds intended to support terrorist acts or organizations, with both legal and illicit sources fueling these activities. The Financial Action Task Force (FATF) highlights how terrorist groups exploit social media platforms, new payment systems, and other methods to raise and transfer funds, underscoring the global urgency of countering these threats.

Like many nations, the Philippines faces significant ML/TF vulnerabilities, with illicit funds fueling both external and internal threats. The AMLA of 2001 established a legal framework to combat financial crimes, with a key component being the STR mechanism. STRs, submitted by covered institutions, help identify potential illicit activities. However, it is important to note that STRs do not constitute direct evidence of wrongdoing; they only highlight transactions with suspicious characteristics as defined under Republic Act (RA) No. 9160 and its Implementing Rules and Regulations.

To strengthen its fight against financial crime, the AMLC has conducted a series of strategic threat assessments to evaluate the Philippines' exposure to ML, TF, and PF risks. This third study, covering the period 01 January 2021 to 30 June 2024 (1H 2024) builds upon two previous assessments:

- First Study⁴ – “A Study on External Threats Based on Submitted Suspicious Transaction Reports (2013-2017)”: Focused on external threats, particularly cross-

¹ <https://www.imf.org/en/Topics/Financial-Integrity/amlcft> (Link accessed on 22 March 2025). A CBR is an arrangement in which one financial institution (the correspondent) provides banking services on behalf of another financial institution (the respondent), with both institutions operating in different countries through their respective permanent establishments. <https://www.austrac.gov.au/correspondent-banking-relationships> (Link accessed on 16 May 2025).

² <https://www.unodc.org/unodc/en/money-laundering/overview.html> (Link accessed on 22 April 2025).

³ The Secretariat, a global advisory firm specializing in governance, risk, and compliance. *Global Financial and Economic Crime Outlook 2025*. See, <https://secretariat-intl.com/wp-content/uploads/2025/04/Secretariat-Global-Financial-and-Economic-Crime-Outlook-2025.pdf> (Link accessed on 24 April 2025).

⁴ <http://www.amlc.gov.ph/images/PDFs/AMLC%20EXTERNAL%20THREATS%20STUDY.pdf> (accessed on 20 March 2025).

border suspicious transactions involving foreign jurisdictions. It highlighted vulnerabilities in inbound and outbound illicit financial flows linked to fraud, human trafficking, smuggling, and drug trafficking. Banks and MSBs were identified as primary channels facilitating these threats. The study underscored the need for stronger international cooperation and enhanced cross-border transaction monitoring.

- Second Study⁵ – “*Assessment of the Philippines' Exposure to External and Internal Threats Based on Submitted Suspicious Transaction Reports (2018-2020)*”: Expanded the scope to include both external (cross-border) and internal (domestic) threats. It recognized that domestic financial crimes—such as corruption, illegal gambling, environmental crimes, and cyber-enabled fraud—were increasingly interconnected with transnational ML schemes. The study also noted the rise of cybercrime and virtual asset-related risks and provided a more nuanced analysis of TF risks, including the misuse of remittance channels. PF was assessed but determined to be low risk at the time.

Building on these insights, the third study aims to further deepen AMLC's understanding of evolving ML and TF risks. The assessment takes into account accelerated digital transformation, the impact of post-pandemic economic recovery, and emerging geopolitical⁶ challenges that may influence illicit financial activities.

Despite the comprehensive nature of prior assessments, a new study is essential to address emerging threats, evolving predicate offenses, and changing criminal methodologies. The rapid evolution of financial crime requires continuous monitoring and adaptation of AML/CTF/CPF measures. Given these historical assessments and the evolving financial crime landscape, this study examines the key trends and emerging threats in ML/TF from 2021 to 1H 2024. The trends presented in the next section are drawn from the AMLC's own strategic studies and significant regulatory events, ensuring that the findings reflect actual patterns and risks observed in the Philippine context.

As part of its commitment to the FATF and the National Anti-Money Laundering and Counter-Terrorism Financing Strategy, this study aims to provide actionable intelligence to support risk-based supervision, law enforcement investigations, and policy development. By integrating insights on both external and internal threats, this assessment serves as a critical tool for understanding and addressing the complex financial crime landscape that the Philippines is facing today.

Trends and Threats in Money Laundering and Terrorism Financing (2021–2024)

The period 2021 to 2024 has witnessed significant transformations in ML/TF activities due to technological advancements, regulatory shifts, and evolving criminal methodologies. Key trends observed include:

⁵<http://www.amlc.gov.ph/images/PDFs/ASSESSMENT%20OF%20PH%20EXPOSURE%20TO%20EXTERNAL%20AND%20INTERNAL%20THREATS%20BASED%20ON%202018%20TO%202020%20STRS.pdf> (accessed on 20 March 2025).

⁶ The Philippines' inclusion on the FATF grey list in 2021 was driven by international pressure to strengthen its Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework. Meanwhile, cyber-enabled financial crimes have become a global issue, extending beyond the Philippines. Criminal networks operating across multiple jurisdictions further complicate law enforcement efforts, highlighting the need for stronger international cooperation.

1. **Rise in Cyber-Enabled Financial Crimes.** The rapid shift to digital platforms, accelerated by the COVID-19 pandemic and associated movement restrictions, has significantly increased global cybercrime activity, with the Philippines being no exception.⁷ Various forms of cyber fraud, including vishing, short message service (SMS) phishing, business email compromise (BEC) and user account hacking, have become prevalent. Typology analyses indicate that illicit proceeds from these activities are frequently funneled through banks and non-bank financial institutions, particularly EMTIs and MSBs.⁸
2. **Exploitation of Digital Finance in Money Laundering.** The misuse of EMTIs, online banking, and digital wallets for illicit fund transfers has complicated AML detection efforts. These digital financial services facilitate rapid, anonymous transactions, making it easier for criminals to obscure illicit fund flows.⁹ The AMLC's studies on environmental scanning, money mules, phishing, and hacking as well as Online Sexual Abuse and Exploitation of Children (OSAEC) highlight several key risks.
3. **Enhanced Anonymity and Transaction Speed.** Criminals leverage digital financial services for swift and concealed fund transfers, often exploiting cross-border payment systems to evade scrutiny. The rise of digital and mobile payments has facilitated instant and anonymous transactions for offenders involved in OSAEC. The extensive network of money transfer businesses, originally designed for migrant remittances, has also been exploited for payments related to child sexual abuse content and livestreaming.¹⁰

⁷ According to the Global Digital Report 2022, approximately 5 billion people, or 62.5% of the world's estimated 7.9 billion population, were Internet users, while 5.3 billion (67.1%) owned mobile phones. In the Philippines, as of January 2022, there were an estimated 156.5 million mobile phone connections—equivalent to 140% of the country's 111.8 million population. Additionally, 76 million individuals (68%) were Internet users, and 92.1 million (82.4%) engaged with social media platforms. See,

<http://www.amlc.gov.ph/images/PDFs/2022%20SEP%20CYBERCRIME%20THREATS%20&%20PERPETRATORS.pdf> (Link accessed on 23 March 2025).

⁸ The AMLC's 2022 Typologies Brief on Phishing and Hacking highlights the growing misuse of digital platforms for financial crimes. This is evident in the increasing volume of STRs associated with phishing and hacking, with the exception of a slight decline in 2020. The study analyzed STRs covering the period from 2011 to February 2022. (See:

<http://www.amlc.gov.ph/images/PDFs/2022%20OCT%20TYPOLOGIES%20BRIEF%20PHISHING%20HACKING.pdf>, accessed on 23 March 2025.

⁹ <https://www.unodc.org/roseap/en/2024/09/southeast-asia-money-laundering/story.html> (Link accessed on 23 March 2025).

¹⁰ <http://www.amlc.gov.ph/images/PDFs/Main/Online%20Sexual%20Abuse%20and%20Exploitation%20of%20Children%20in%20the%20Philippines.pdf> (Link accessed on 23 March 2025).

4. **Exploitation of Money Mules.** The digital finance ecosystem has enabled the recruitment of money mules, who facilitate illicit transfers through multiple accounts. Methods include the use of self-service kiosks, sequential mobile identification numbers (MINs), and drop accounts from the dark web.¹¹
5. **Advanced Digital Payment Fraud.** Phishing and hacking typologies reveal an increasing reliance on BEC, SMS phishing, and social media scams to gain unauthorized access to financial platforms.¹²
6. **Integration with Cybercrime Networks.** Certain foreign-led fraud schemes operating in the Philippines have been observed to exploit digital payment systems such as Instapay, digital savings accounts, and Automated Teller Machine (ATM) cash deposits—often facilitated by money mules. The pandemic highlighted the convenience and necessity of digital transactions, accelerating their adoption. Notably, the surge in online services during this period also amplified cybercrime risks. In this study, while banks remained the primary channel for fund transfers, 2021 saw a rise in reports involving EMIs, indicating a growing preference for this financial channel due to the anonymity it offers perpetrators.¹³
7. **Stronger AML/CFT Regulations and Compliance Challenges** – Enhanced global AML/CFT frameworks have led to greater scrutiny of high-risk jurisdictions. The Philippines was placed on the FATF¹⁴ "grey list"¹⁵ in June 2021 due to strategic deficiencies in its national AML/CFT framework. Since then, the country has worked to address FATF's concerns, implementing reforms such as the adoption of risk-based supervision of designated non-financial businesses and professions (DNFBPs), enhanced monitoring of casino junkets, and stricter enforcement of money transfer service regulations. As a result of these efforts, the FATF announced the Philippines' removal from the grey list on 21 February 2025, recognizing the country's substantial progress in strengthening its regulatory and supervisory measures. Moving forward, the Philippines aims to sustain its framework through continued risk assessment and compliance efforts.¹⁶
8. **Casino Junket Operations and AML Vulnerabilities.** Casino junket operators have been identified as a high-risk sector for ML due to their handling of large volumes

¹¹ The study observed that suspected money mules utilized electronic cash cards alongside traditional withdrawal methods, such as ATMs and over-the-counter transactions. Referenced from http://www.amlc.gov.ph/images/PDFs/PR2023/2022%20DEC%20TPOLOGIES%20BRIEF%20MONEY%20MULES_For%20Publication.pdf (Link accessed on 23 March 2025).

¹² The AMLC's 2022 Typologies Brief on Phishing and Hacking highlights the growing misuse of digital platforms for financial crimes. This is evident in the increasing volume of STRs associated with phishing and hacking, with the exception of a slight decline in 2020. The study analyzed STRs covering the period from 2011 to February 2022. (Found link at <http://www.amlc.gov.ph/images/PDFs/2022%20OCT%20TPOLOGIES%20BRIEF%20PHISHING%20HACKING.pdf>, accessed on 23 March 2025).

¹³Sourced from, <http://www.amlc.gov.ph/images/PDFs/2022%20SEP%20CYBERCRIME%20THREATS%20&%20PERPETRATORS.pdf> (Link accessed on 23 March 2025).

¹⁴ The FATF is an intergovernmental body established in 1989 to combat money laundering, terrorist financing, and other threats to the integrity of the global financial system. It sets international standards and promotes effective implementation of legal, regulatory, and operational measures to protect economies from illicit financial activities. As indicated in <https://www.fatf-gafi.org/> (Link accessed 23 March 2025).

¹⁵ Countries placed on the FATF "grey list" are identified as having strategic deficiencies in their AML/CFT frameworks and are required to implement corrective measures to avoid further restrictions. Sourced from <https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html> (Link accessed on 23 March 2025).

¹⁶ While this study primarily covers trends observed during 2021–2024, certain regulatory developments in early 2025 are referenced where relevant to contextualize the evolving risk environment.

of cash and lack of stringent oversight. From 2018 to 2023, over 3,300 STRs linked to junket operations amounted to PHP17.79 billion, highlighting the sector's exposure to illicit financial activities. The reliance on junket operators for high-stakes gambling, particularly by foreign high rollers, further complicates AML efforts, as these operators often operate in loosely regulated environments with minimal transparency. Key concerns include non-reporting by junket operators, involvement in criminal conspiracies, and suspicious chip purchases, where individuals engage in minimal gambling but attempt to redeem large sums. Enhanced regulatory measures, including stricter monitoring of junket transactions, have been implemented to mitigate these risks.¹⁷

9. **Increased Scrutiny on Tax-Related Financial Crimes.** Additionally, tax-related financial crimes have long been a concern in the Philippines but gained greater focus when they were formally recognized as a predicate offense to ML in 2021. Analysis of STRs has revealed patterns where individuals and businesses engage in fraudulent tax practices to launder illicit proceeds. This includes underreporting of income, using shell companies, and manipulating financial records to obscure the origins of funds. Strengthening cooperation between FIUs and tax authorities remains critical in addressing this persistent issue.¹⁸

Before outlining the study's objectives, it is crucial to emphasize that the trends identified for the covered period underscore the evolving nature of ML and TF threats. Addressing these challenges requires continuous adaptation, inter-agency collaboration, and proactive policy enhancements.

OBJECTIVES OF THE STUDY

This assessment aims to:

1. Evaluate the Philippines' exposure to ML, TF, PF, and various predicate offenses using STR data.
2. Identify the sources, channels, and movement patterns of illicit funds associated with the most prevalent and newly included PCs.
3. Update the external threats assessment previously conducted by the AMLC for the years 2018–2020.
4. Provide data-driven insights and analysis to support stakeholders in making informed decisions for the effective formulation and implementation of AML/CTF/CPF strategies.

¹⁷ Please see,

http://www.amlc.gov.ph/images/PDFs/PR2023/2023%20JAN%20ANALYSIS%20OF%20SUSPICIOUS%20TRANSACTIONS%20ASSOCIATED%20WITH%20CASINO%20JUNKETS_FINAL.pdf

(Link accessed on 23 March 2025).

¹⁸<http://www.amlc.gov.ph/images/PDFs/Main/Examining%20Tax%20Crimes%20A%20Study%20of%20Suspicious%20Transaction%20Reports%20in%20the%20Philippines.pdf> (Link accessed on 23 March 2025).

SCOPE AND METHODOLOGY

This study provides a detailed analysis of STRs submitted by various CPs from 01 January 2021 to 1H 2024. The dataset used focuses exclusively on STRs linked to PCs classified as “high” and “medium” risk in the 2nd NRA. These STRs were analyzed alongside recent AMLC studies on transnational elements to assess external threats to the Philippines. The PCs examined in this study include:

- I. Illegal drugs and other related crimes;
- II. Graft and corruption and other related crimes;
- III. Investment scams and estafa;
- IV. Smuggling;
- V. Violation of IP rights;
- VI. Illegal possession and manufacture of firearms, ammunition and explosives;
- VII. Violation of environmental laws;
- VIII. Cyber-enabled crimes;
- IX. Trafficking in persons;
- X. Kidnapping for ransom
- XI. Financing of terrorism;
- XII. Terrorism and conspiracy to commit terrorism;
- XIII. PF;¹⁹ and
- XIV. Tax evasion.²⁰

The outlined criteria led to the generation of a dataset containing 2.20 million STRs valued at PhP647.59 trillion which include generic-coded STRs.²¹ From this dataset, only CASA and remittance transactions were selected, refining the STR count to 1.30 million, with a total value of PhP35.49 billion.²²

The analysis was conducted primarily at the level of individual PCs to provide detailed insights into specific unlawful activities. In addition, a cluster-level analysis was performed by grouping related PCs into 14 major clusters. This dual-level approach enables both a granular understanding of individual PCs and a broader perspective on trends and patterns across related offenses, ensuring that insights are both detailed and aggregated for strategic relevance.

To maintain consistency with national and international terminology, this study adopts the acronym AML/CTF/CPF when referring to the Philippines' domestic policy framework for anti-money laundering, counter-terrorism financing, and counter-proliferation

¹⁹ In addition, with the issuance of the AMLC on 01 February 2021 on Targeted Financial Sanctions (TFS) related to Proliferation of Weapons of Mass Destruction and Proliferation Financing, requiring all CPs to file STRs for attempted transactions or dealings, the category PF will be added to the list of predicate offenses to be used.

²⁰ The predicate crime categories examined in this study align with those used in the first (2013-2017) and second (2018-2020) External Threats studies. Additionally, this study includes two additional unlawful activities introduced to the AMLA through the enactment of RA No. 11521 which are Proliferation financing and Tax evasion, See, <https://syciplawresources.com/wp-content/uploads/2021/04/SyCipLaw-Amendments-to-the-Anti-Money-Laundering-Act-RA-11521.pdf> (Accessed on 07 March 2025).

²¹ Generic-coded STRs include reports filed under the transaction codes ZSTR and ZSTRA. While ZSTRA is used to file attempted transactions, ZSTR is generally used for transactions filed on the basis of suspicious triggers (such as news report subjects, qualified theft, etc.), even when the subject has no financial transaction with the CP at the time the suspicious activity was determined. In some cases, CPs appear to be using the ZSTR code as a blanket transaction code to cover different transactions with varying dates of several subjects, having a common connection (similar beneficiary/counterparty).

²² This indicates that the raw dataset included a significant number of transactions that were not related to remittance or CASA transactions.

financing. This usage aligns with the National Anti-Money Laundering, Counter-Terrorism Financing and Counter-Proliferation Financing Strategy (NACS) 2023–2027, formally adopted under Executive Order No. 33 (s. 2023) and directed for urgent implementation through Memorandum Circular No. 37 (s. 2023).²³ In contrast, the term AML/CFT is used exclusively in reference to international standards, particularly those set by the FATF, which employs CFT in its global recommendations. This distinction is observed throughout the study to ensure clarity between the Philippines' national-strategy terminology and internationally recognized AML/CFT norms.

CLASSIFICATION OF FINANCIAL TRANSACTIONS

The various types of financial transactions as posted in the STRs were categorized into three (3) types:

1. **INFLOW (Inflow Transactions)** – These refer to various inward remittance transactions from different countries going into the Philippine financial system. Inward remittance transactions include, but are not limited to, the following: direct credit to the beneficiary's account, for credit to another account, and advise and pay the beneficiary. This means that funds coming from illicit sources from different countries are transferred to the Philippines for ML purposes.
2. **OUTFLOW (Outflow Transactions)** – These refer to various outward remittance transactions from the Philippine financial system going to different countries. Outward remittance transactions include, but are not limited to, the following: direct credit to another account, direct credit to the beneficiary's account, and advise and pay the beneficiary. This means that illicit funds from the Philippines are laundered outside the Philippine jurisdiction.
3. **WITHIN THE JURISDICTION** – These refer to various CASA transactions where the funds are just circulating within the Philippine financial system. These transactions include deposits, withdrawals, check-clearing and encashment, inter-account transfers, debit and credit memos, among others. This means that proceeds from various illegal activities in the Philippines are laundered within the Philippine jurisdiction and may pertain to the same money moving around the country.

DETERMINATION OF TRANSACTION LOCATIONS

The analysis of inflow and outflow transactions was crucial in identifying the subject's location, with particular emphasis on outflow transactions, given the study's focus on external threats. These transactions were further classified into three (3) categories:

1. **IDENTIFIED** – These refer to countries explicitly mentioned in the STRs, based on beneficiary or counterparty addresses disclosed by CPs.

²³ See Executive Order No. 33 (s. 2023) adopting the NACS 2023–2027, available at: <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/5/96617>; and Memorandum Circular No. 37 (s. 2023) directing its urgent implementation, available at: <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/8/96806>. (Link accessed on 15 November 2025).

2. POTENTIAL – These refer to countries inferred solely from the correspondent bank addresses in the STRs, used when beneficiary or counterparty addresses are not provided by CPs.
3. UNKNOWN – These refer to transactions where the source or destination of funds cannot be determined due to insufficient information.

CHALLENGES OF DATA QUALITY ISSUES

During the classification process, inconsistencies in the STR data were identified. The study also assessed the completeness and accuracy of the submitted STRs, revealing gaps in the quality of reports filed by some CPs. Key challenges and the corresponding actions taken include:

- Incomplete or missing data fields – Certain international transactions lacked mandatory beneficiary or counterparty address information. To address this, the correspondent bank address was used to infer the source or destination of funds. In cases where no location data was available, the transaction was tagged as “UNKNOWN.”
- Misclassified transaction codes – Some remittance transactions contained incorrect transaction codes that did not align with the addresses and narratives in the STRs. These inconsistencies affected the tagging of location and nature of the transaction. The transaction codes were subsequently corrected to ensure accurate classification as either domestic or international.

A total of 14 STRs, amounting to PhP1.55 trillion,²⁴ were excluded based on several considerations, including unconsummated transactions involving spurious checks or remittances, fabricated financial documents, single transactions valued at PhP1 trillion or more, and potential errors in reported amounts, such as those related to cash card transactions. Following these exclusions, the final dataset comprises 1.30 million STRs with a total value of PhP35.49 billion. This refinement ensures a more accurate representation of typical suspicious transaction patterns while minimizing statistical distortions in subsequent analyses.

Furthermore, the analysis is guided by the following confidence level matrix and estimative language usage:

Analytic Judgments and Confidence Levels

FIU Intelligence Assessments use phrases such as “we judge,” “we assess” or “indicates” to convey analytical inferences (conclusions). These assessments are not statements of fact or proof, and do not imply complete knowledge. Analytic judgments are often based on incomplete information of varying quality, consistency, and reliability. Analytic judgments are distinct from the underlying facts and assumptions in which they are based and should be understood as definitive or without alternative explanation.

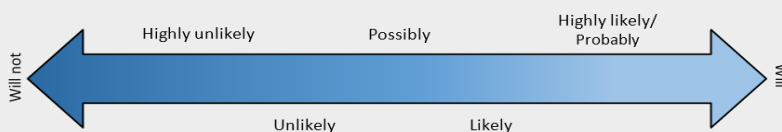
²⁴ The initial dataset comprised 2,202,904 STRs with a total value of PhP647,593,554,589,528,000. After filtering for CASA and remittance transactions, it was narrowed down to 1,295,786 transactions amounting to PhP1,583,887,581,858. Further data cleaning resulted in the final dataset of 1,295,627 STRs valued at PhP35,489,024,565. The exact values are shown here as a footnote, while the main write-up presents rounded figures for clarity.

The AMLC assigns “high,” “moderate,” or “low” confidence levels to analytic judgments based on the variety, scope, and quality of information supporting that judgment.

- “**High confidence**” generally indicates a judgment based on multiple, consistent, high-quality sources of information and/or that the nature of the issue makes it possible to render solid judgment.
- “**Moderate confidence**” generally means the information could be interpreted in various ways, we have alternative views, or the information is credible and plausible but not sufficiently corroborated to warrant a higher level of confidence.
- “**Low confidence**” generally means the information is scant, questionable, or very fragmented and it is difficult to make solid analytic inferences, or we have significant concerns or problems with the sources.

Estimative Language

Certain words are used in this assessment to convey confidence and analytical judgment regarding the probability of a development or event occurring. Judgments are often based on incomplete or fragmentary information and are not fact, proof, or knowledge. The figure below describes the relationship of the terms to each other.



Considering the foregoing data availability and limitations, a moderate level of confidence is given on the analytical judgment presented in the succeeding discussions of prominent and notable trends and typologies.

CAVEAT

The data presented in this report does not represent a comprehensive assessment of the total volume of criminal proceeds that may have entered, circulated within, or exited the Philippines. The actual scale of illicit funds could be larger than what is reflected in the sample. Furthermore, the statements in this study are not definitive conclusions but rather descriptive observations based on the STR data collected from 01 January 2021 to 1H 2024. These STRs require further verification and in-depth investigation to establish a potential connection to specific criminal activities.

DEFINITION OF TERMS

The following terms used in this report are hereby defined as follows:²⁵

²⁵ The definitions of AMLA, AMLC, CPs, PCs, STRs, SCs were sourced from: <http://www.amlc.gov.ph/images/PDFs/2021-AMLC%20REGISTRATION%20AND%20REPORTING%20GUIDELINES.pdf> (accessed 04 March 2024 | 2023).

- **AMLA** - refers to RA No. 9160, as amended by RA Nos. 9194, 10167, 10365, 10927, and 11521.
- **AMLC** - refers to the Philippines' central AML/CTF/CPF authority and FIU, which is the government instrumentality mandated to implement the AMLA and the Terrorism Financing Prevention and Suppression Act.
- **CP** - refers to natural or juridical persons regulated under the AMLA, such as, but not limited to, financial institutions, insurance companies and brokers, securities dealers, designated non-financial businesses and professions, real estate developers and brokers, and casinos.
- **PCs** - refers to the associated unlawful activities to ML defined under Section 3(i) of the AMLA.
- **STR** - refers to a report on a suspicious transaction filed by a CP before the AMLC.
- **Suspicious Circumstance (SC)** – interchangeable with the term Suspicious Indicator; refers to any of the following circumstances, the existence of which makes a transaction suspicious:
 - (1) there is no underlying legal or trade obligation, purpose or economic justification;
 - (2) the client is not properly identified;
 - (3) the amount involved is not commensurate with the business/financial capacity of the client;
 - (4) taking into account all known circumstances, it may be perceived that the client's transaction is structured in order to avoid being the subject of reporting requirements under the AMLA;
 - (5) any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client's past transactions with the CP;
 - (6) the transaction is in any way related to ML/TF or related unlawful activity that is about to be committed, is being or has been committed; and
 - (7) any transaction that is similar, analogous, or identical to any of the foregoing.
- **Threats** – refer to events or risks, whether occurring within or outside the jurisdiction (Philippines), that exploit or attempt to exploit the financial system to move or facilitate the proceeds associated or derived from illegal activities.
- **Internal threats** - refer to the possible occurrences of laundering of proceeds from offenses that may have been committed domestically.
- **External threats**²⁶ – refer to the possible occurrences of laundering of proceeds from offenses that may have been committed abroad. They may either pertain to the laundering of proceeds of crime committed outside the jurisdiction or to the laundering of domestically generated proceeds of crime to other jurisdictions.

²⁶ The definitions of Threats, as well as External and Internal Threats, were sourced from the AMLC study *Assessment of the Philippines' Exposure to External and Internal Threats Based on Submitted Suspicious Transaction Reports (2018-2020)*, available at <http://www.amlc.gov.ph/images/PDFs/ASSESSMENT%20OF%20PH%20EXPOSURE%20TO%20EXTERNAL%20AND%20INTERNAL%20THREATS%20BASED%20ON%202018%20TO%202020%20STRS.pdf> (accessed on 19 April 2025).

MAPPING OF PHILIPPINE PCs TO FATF DESIGNATED CATEGORIES OF OFFENSES

To provide international comparability, the PCs examined in this study are mapped to the FATF designated categories of offenses.²⁷ This allows readers to understand how the Philippine STR reporting categories correspond to globally recognized predicate offences.

It should be noted that the FATF-designated categories of offences may not be strictly synonymous with Philippine predicate crimes, as local laws may define, scope, or aggregate offences differently.

In this study, the Philippine terminology is retained for all categories to maintain consistency with local legal definitions and STR classifications, with the exception of cyber-enabled crimes, which replaces the previous “web-related crimes” category. This adjustment aligns the classification with FATF terminology while still reflecting the scope of offenses under the Electronic Commerce Act of 2000 (RA No. 8792). By presenting this equivalence, the study enables international readers and researchers to compare Philippine data with global AML/CFT reporting standards.

- **Illegal drugs and other related crimes** → Illicit trafficking in narcotic drugs and psychotropic substances
- **Graft and corruption and other related crimes** → Corruption and bribery
- **Investment scams and estafa** → Fraud
- **Smuggling** → Smuggling/customs/excise violations
- **Violation of IP rights** → Counterfeiting and piracy of products
- **Illegal possession and manufacture of firearms, ammunition and explosives** → Illicit arms trafficking
- **Violation of environmental laws** → Environmental crime
- **Cyber-enabled crimes** → Cyber-enabled / cyber-dependent crimes
- **Trafficking in persons** → Trafficking in human beings and migrant smuggling
- **Kidnapping for ransom** → Kidnapping, illegal restraint, hostage-taking; robbery/theft
- **Financing of terrorism** → Financing of terrorism
- **Terrorism and conspiracy to commit terrorism** → Terrorism
- **PF** → Proliferation Financing
- **Tax evasion** → Tax crimes

²⁷ FATF Designated Categories of Offences. FATF states that countries may define which offences qualify as predicate offences under each category according to domestic law. Sourced at <https://www.fatf-gafi.org/en/pages/fatf-glossary.html#accordion-a13085a728-item-121a8a2b0f> (accessed on 10 November 2025).

DATA PROFILE

DISCUSSIONS

This section intends to assess the threats posed by different jurisdictions per PC. The table²⁸ below presents the percentage of each PC to the total STR volume and aggregate peso value covered in the study. The top 3 PCs in terms of volume are cyber-enabled crimes (58.55%), swindling (24.17%), and child exploitation activities (6.55%), which together comprise the majority of STRs analyzed. In terms of aggregate peso value, swindling accounted for the highest share (39.49%), followed by cyber-enabled crimes (22.86%) and graft and corrupt practices (11.68%).

Table 0.1 Summary Distribution of STRs by predicate crime category from 2021 to 1H 2024

| | No. of STRs | Percent to Total STRs | Peso Value | Percent to Total Peso Value |
|--|------------------|-----------------------|--------------------------|-----------------------------|
| Cyber-Enabled Crimes | 758,621 | 58.55% | 8,112,623,570.43 | 22.86% |
| Investment Scams and Estafa | 358,669 | 27.68% | 17,459,442,069.66 | 49.20% |
| Swindling | 313,200 | 24.17% | 14,013,760,487.55 | 39.49% |
| Violation of the Securities Regulation Code | 45,469 | 3.51% | 3,445,681,582.11 | 9.71% |
| Trafficking in Persons | 111,883 | 8.64% | 904,225,626.50 | 2.55% |
| Violation of the Special Protection of Children against Abuse, Exploitation and Discrimination Act | 84,890 | 6.55% | 534,673,571.66 | 1.51% |
| Violation of the Anti-Child Pornography Act | 19,404 | 1.50% | 138,530,677.44 | 0.39% |
| Violation of the Anti-Trafficking in Persons Act | 5,533 | 0.43% | 209,130,017.47 | 0.59% |
| Violation of the Anti-Photo and Video Voyeurism Act | 2,056 | 0.16% | 21,891,359.93 | 0.06% |
| Illegal Drugs and Other Related Crimes | 55,787 | 4.31% | 2,442,380,660.15 | 6.88% |
| Financing of Terrorism | 5,868 | 0.45% | 573,769,672.96 | 1.62% |
| Graft and Corruption and Other Related Crimes | 1,783 | 0.14% | 4,146,501,927.54 | 11.68% |
| Terrorism and Conspiracy to Commit Terrorism | 978 | 0.08% | 103,663,547.06 | 0.29% |
| Violation of Environmental Laws | 754 | 0.06% | 11,459,716.41 | 0.03% |
| Smuggling | 368 | 0.03% | 1,253,589,828.21 | 3.53% |
| Tax Evasion | 296 | 0.02% | 414,649,512.05 | 1.17% |
| Violation of Intellectual Property Rights | 273 | 0.02% | 2,365,196.08 | 0.01% |
| Illegal Possession and Manufacture of Firearms | 201 | 0.02% | 56,562,228.93 | 0.16% |
| Kidnapping for Ransom | 145 | 0.01% | 7,785,729.26 | 0.02% |
| Proliferation Financing | 1 | 0.00% | 5,280.00 | 0.00% |
| Grand Total | 1,295,627 | 100.00% | 35,489,024,565.24 | 100.00% |

I. ILLEGAL DRUGS AND OTHER RELATED CRIMES

Article II of RA No. 9165, otherwise known as the “Comprehensive Dangerous Drugs Act of 2002,” enumerates the various unlawful acts and penalties associated with various crimes related to drug trafficking. From 2021 to 1H 2024, a total of 55,787 STRs with an aggregate peso value of PhP2.44 billion that are linked to various drug trafficking offenses were reported to the AMLC. This accounts for 4.31% of the total STR volume and 6.88% of the

²⁸ Table 0.1 serves as an overview and is presented prior to the detailed predicate crime analyses, which are discussed in the succeeding sections beginning with Table 1.1.

Assessment of the Philippines' Exposure to External and Internal Threats:
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total aggregate peso value covered in this study. Table 1.1 shows the total volume and peso value of STRs related to drug trafficking offenses from 2021 to 1H 2024.²⁹

Table 1.1 Total volume and peso value of STRs related to drug trafficking offenses from 2021 to 1H 2024

| DRUG TRAFFICKING | 2021 | | 2022 | | 2023 | | 1H 2024 | | Total | | Percent to Total | |
|-------------------------------|---------------|----------------------|---------------|----------------------|--------------|--------------------|------------|-------------------|---------------|----------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 827 | 11,222,878 | 237 | 2,015,418 | 280 | 4,778,457 | 31 | 1,314,366 | 1,375 | 19,331,120 | 2.46% | 0.79% |
| IDENTIFIED SOURCE | 778 | 10,658,040 | 141 | 1,528,379 | 168 | 3,274,418 | 25 | 525,793 | 1,112 | 15,986,631 | 1.99% | 0.65% |
| SAUDI ARABIA | 432 | 4,728,068 | 17 | 201,311 | 0 | 0 | 0 | 0 | 449 | 4,929,379 | 0.80% | 0.20% |
| USA | 88 | 1,687,571 | 68 | 555,821 | 84 | 2,354,851 | 1 | 2,919 | 241 | 4,601,162 | 0.43% | 0.19% |
| QATAR | 94 | 1,225,222 | 2 | 49,311 | 6 | 56,302 | 0 | 0 | 102 | 1,330,834 | 0.18% | 0.05% |
| UNITED KINGDOM | 55 | 995,240 | 4 | 118,275 | 0 | 0 | 9 | 332,323 | 68 | 1,445,839 | 0.12% | 0.06% |
| CHINESE TAIPEI | 52 | 596,935 | 0 | 0 | 0 | 0 | 0 | 0 | 52 | 596,935 | 0.09% | 0.02% |
| MALAYSIA | 0 | 0 | 2 | 49,131 | 37 | 364,457 | 2 | 25,366 | 41 | 438,953 | 0.07% | 0.02% |
| KUWAIT | 16 | 247,959 | 1 | 3,402 | 15 | 97,148 | 0 | 0 | 32 | 348,508 | 0.06% | 0.01% |
| CANADA | 16 | 112,824 | 4 | 102,566 | 3 | 27,730 | 0 | 0 | 23 | 243,119 | 0.04% | 0.01% |
| GERMANY | 1 | 13,325 | 1 | 5,460 | 17 | 198,560 | 0 | 0 | 19 | 217,345 | 0.03% | 0.01% |
| AUSTRALIA | 8 | 899,686 | 7 | 68,979 | 0 | 0 | 3 | 35,025 | 18 | 1,003,690 | 0.03% | 0.04% |
| SINGAPORE | 0 | 0 | 15 | 88,065 | 0 | 0 | 0 | 0 | 15 | 88,065 | 0.03% | 0.0036% |
| THAILAND | 7 | 58,748 | 5 | 50,488 | 0 | 0 | 0 | 0 | 12 | 109,236 | 0.02% | 0.0045% |
| UAE | 0 | 0 | 10 | 141,485 | 0 | 0 | 1 | 15,000 | 11 | 156,485 | 0.02% | 0.01% |
| JAPAN | 0 | 0 | 1 | 20,000 | 3 | 60,694 | 2 | 18,081 | 6 | 98,774 | 0.01% | 0.0040% |
| FRANCE | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 46,083 | 4 | 46,083 | 0.01% | 0.0019% |
| IRELAND | 3 | 33,409 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 33,409 | 0.01% | 0.0014% |
| BAHRAIN | 3 | 27,494 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 27,494 | 0.01% | 0.0011% |
| NEW ZEALAND | 2 | 28,705 | 1 | 35,129 | 0 | 0 | 0 | 0 | 3 | 63,835 | 0.01% | 0.0026% |
| PALAU | 0 | 0 | 1 | 14,302 | 2 | 111,177 | 0 | 0 | 3 | 125,479 | 0.01% | 0.01% |
| MAURITIUS | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 45,460 | 2 | 45,460 | 0.0036% | 0.0019% |
| OTHER COUNTRIES | 1 | 2,854 | 2 | 24,655 | 1 | 3,500 | 1 | 5,537 | 5 | 36,546 | 0.01% | 0.0015% |
| POTENTIAL SOURCE | 0 | 0 | 0 | 0 | 8 | 89,766 | 5 | 769,919 | 13 | 859,685 | 0.02% | 0.04% |
| USA | 0 | 0 | 0 | 0 | 2 | 2,410 | 5 | 769,919 | 7 | 772,329 | 0.01% | 0.03% |
| CANADA | 0 | 0 | 0 | 0 | 4 | 76,827 | 0 | 0 | 4 | 76,827 | 0.01% | 0.0031% |
| SINGAPORE | 0 | 0 | 0 | 0 | 2 | 10,529 | 0 | 0 | 2 | 10,529 | 0.0036% | 0.0004% |
| UNKNOWN SOURCE | 49 | 564,838 | 96 | 487,039 | 104 | 1,414,273 | 1 | 18,654 | 250 | 2,484,804 | 0.45% | 0.10% |
| OUTFLOW | 63 | 17,121,053 | 8 | 5,541,246 | 5 | 100,938 | 0 | 0 | 76 | 22,763,236 | 0.14% | 0.93% |
| IDENTIFIED DESTINATION | 62 | 16,999,815 | 8 | 5,541,246 | 4 | 76,948 | 0 | 0 | 74 | 22,618,009 | 0.13% | 0.93% |
| PRC | 12 | 786,943 | 3 | 2,691,212 | 1 | 8,998 | 0 | 0 | 16 | 3,487,153 | 0.03% | 0.14% |
| NEPAL | 14 | 122,350 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 122,350 | 0.03% | 0.01% |
| USA | 6 | 1,303,803 | 4 | 221,034 | 0 | 0 | 0 | 0 | 10 | 1,524,837 | 0.02% | 0.06% |
| THAILAND | 8 | 973,308 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 973,308 | 0.01% | 0.04% |
| INDIA | 5 | 145,871 | 0 | 0 | 3 | 67,950 | 0 | 0 | 8 | 213,820 | 0.01% | 0.01% |
| CANADA | 8 | 1,643,550 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 1,643,550 | 0.01% | 0.07% |
| UAE | 3 | 502,950 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 502,950 | 0.01% | 0.02% |
| JAPAN | 3 | 453,300 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 453,300 | 0.01% | 0.02% |
| SINGAPORE | 1 | 10,565,540 | 1 | 2,629,000 | 0 | 0 | 0 | 0 | 2 | 13,194,540 | 0.0036% | 0.54% |
| KUWAIT | 2 | 502,200 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 502,200 | 0.0036% | 0.02% |
| POTENTIAL DESTINATION | 0 | 0 | 0 | 0 | 1 | 23,990 | 0 | 0 | 1 | 23,990 | 0.0018% | 0.0010% |
| INDIA | 0 | 0 | 0 | 0 | 1 | 23,990 | 0 | 0 | 1 | 23,990 | 0.0018% | 0.0010% |
| UNKNOWN DESTINATION | 1 | 121,238 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 121,238 | 0.0018% | 0.0050% |
| WITHIN THE PHILIPPINES | 34,666 | 1,053,830,051 | 12,775 | 1,127,904,739 | 6,019 | 174,635,276 | 876 | 43,916,238 | 54,336 | 2,400,286,304 | 97.40% | 98.28% |
| Grand Total | 35,556 | 1,082,173,982 | 13,020 | 1,135,461,403 | 6,304 | 179,514,671 | 907 | 45,230,605 | 55,787 | 2,442,380,660 | 100.00% | 100.00% |

²⁹ Jurisdictions categorized under "Other Countries – Identified Source" consist of Poland, Indonesia, Croatia, Italy, and Hong Kong, China, each with one reported STR. Selected percentage values were extended to four (4) decimal places to reflect figures that would otherwise appear as 0.00%.

Consistent with the observed results for the first³⁰ and second³¹ External Threat studies,³² which covered the periods 2013-2017 and 2018-2020, nearly all the financial transactions associated with drug trafficking occurred within the Philippine jurisdiction. Reported transactions consist mostly of inward and outward remittances, cash and check deposits, inter-account transfers, and withdrawals. The said financial transactions accounted for 97.40% and 98.28% of the total STR volume and peso value, respectively.

From 2021 to 1H 2024, there is a decreasing trend in terms of the STR volume within the Philippine jurisdiction. However, during 2022, there was a notable increase of PhP74.08 million in the total value of STRs compared to the 2021 figures, despite a decrease of 21,891 in STR volume. This may be attributed to the increase in high-value transactions. Specifically, data from 2022 show that 248 transactions exceeded PhP1 million, with an aggregate value of PhP747.68 million, representing more than half of the total domestic transactions for that year. Notably, for the period of 2021 to 1H 2024, there is a significant increase of approximately 580% to 54,336 in the number of STRs that occurred within the Philippine jurisdiction from 9,363 STRs presented in the second External Threat study, which covered the period from 2018 to 2020.³³ This remains substantial despite the third study covering an additional six months, and may indicate increased drug trafficking activity within the country or enhanced detection and reporting by covered institutions, as supported by recent operational data from LEAs.³⁴

Inflow

Between 2021 and 1H 2024, a total of 1,375 international inward remittance transactions were reported to the AMLC as suspicious in relation to drug trafficking, which significantly increased compared to 17 transactions from the second External Threat study. Saudi Arabia (identified source) recorded the highest number of drug-related transactions, with 449 remittances, representing a significant portion of the total inward remittance transactions. Meanwhile, the USA (both identified and potential) registered the largest transaction value, which totaling PhP5.37 million, followed by Saudi Arabia, United Kingdom, and Qatar.

Across the total inflow transactions, multiple receivers were observed to have received funds from the same senders, many of whom were arrested for possible charges including sale, distribution, and possession of dangerous drugs. Moreover, almost half of the inward

³⁰ A Risk Assessment on the Philippines' Exposure to External Threats based on Submitted Suspicious Transaction Reports (2013-2017), see

<http://www.amlc.gov.ph/images/PDFs/AMLC%20EXTERNAL%20THREATS%20STUDY.pdf> (Link accessed on 5 March 2025).

³¹ An Assessment to the Philippine's Exposure to External and Internal Threats Based on Suspicious Transaction Reports for 2018-2020, see

<http://www.amlc.gov.ph/images/PDFs/ASSESSMENT%20OF%20PH%20EXPOSURE%20TO%20EXTERNAL%20AND%20INTERNAL%20THREATS%20BASED%20ON%202018%20TO%202020%20STRS.pdf>

(Link accessed on 5 March 2025).

³² While data from these earlier studies are not presented in the current tables, these prior assessments highlighted similar patterns of domestic financial activity linked to drug trafficking, with the bulk of suspicious transactions occurring within the Philippine jurisdiction.

³³ The total number of STRs within the Philippine jurisdiction for 2018 to 2020 is presented in Table 1.1 of the AMLC Study: "An Assessment to the Philippine's Exposure to External and Internal Threats Based on Suspicious Transaction Reports for 2018-2020", which details the total number and peso value of STRs related to drug trafficking offenses.

³⁴ This upward trend in drug-related STRs corresponds with operational data from Philippine law enforcement agencies. From mid-2022 to mid-2023, one agency reported seizures valued at over PhP20 billion following nationwide anti-drug operations. In the succeeding two years, another enforcement body noted that the overall scale of drug confiscations continued to rise, exceeding PhP35 billion.

remittances that are associated with drug trafficking have family support and living expenses as purposes for sending funds.

Notably, inward remittance transactions from unknown sources, consisting of 250 STRs with a total peso value of PhP2.48 million, accounting for 18.18% of the total transaction volume and 12.85% of the total peso value of inflows related to drug trafficking.³⁵

Outflow

The outward remittances for 2021 to 1H 2024 also significantly increased to a total of 76 transactions from 5 transactions for the years 2018 to 2020. The PRC, Nepal, and the USA are the top three (3) destinations of funds in terms of the number of reported STRs. In terms of transaction value, Singapore was the top destination, with two transactions accounting for more than half of the total outward remittance value. The larger of the two transactions was a remittance of PhP10.57 million to Singapore from a foreign individual listed in the database of the International Criminal Police Organization for drug-related offenses.

In relation to this, the top sender among outward remittance transactions from the Philippines was an individual previously arrested for selling drugs. This individual sent five (5) remittances totaling PhP1.14 million to a recipient in Canada, citing family support, living expenses and payment for goods and services as the stated purposes of the transactions.

Financial Channels

Table 1.2 Breakdown of drug trafficking-related STRs per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|---------------|----------------|----------------------|----------------|
| | COUNT | % | AMOUNT | % |
| PAWNSHOPS | 46,754 | 83.81% | 352,713,989 | 14.44% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 3,093 | 5.54% | 1,978,659,756 | 81.01% |
| RURAL BANKS/COOPERATIVE BANKS | 1,919 | 3.44% | 39,986,784 | 1.64% |
| ELECTRONIC MONEY ISSUER | 1,864 | 3.34% | 6,082,190 | 0.25% |
| MONEY SERVICE BUSINESSES | 1,719 | 3.08% | 26,008,671 | 1.06% |
| DIGITAL BANK | 394 | 0.71% | 18,327,919 | 0.75% |
| NON-STOCK SAVINGS & LOAN ASSOCIATION | 20 | 0.04% | 1,285,432 | 0.05% |
| SAVINGS & MORTGAGE BANKS | 12 | 0.02% | 17,337,090 | 0.71% |
| SPECIALIZED GOVERNMENT BANKS | 8 | 0.01% | 1,849,880 | 0.08% |
| MICRO-FINANCE - RURAL BANKS | 2 | 0.0036% | 2,712 | 0.0001% |
| STOCK SAVINGS & LOAN ASSOCIATIONS | 1 | 0.0018% | 5,000 | 0.0002% |
| BANKS' SUBSIDIARIES AND AFFILIATES ABROAD | 1 | 0.0018% | 121,238 | 0.0050% |
| Grand Total | 55,787 | 100.00% | 2,442,380,660 | 100.00% |

Most financial activities related to drugs were transacted through pawnshops, representing 83.81% of the total volume of transactions, while 84.19% of the total value of the transactions were transacted through banks.³⁶ Further, the number and total peso

³⁵ The percentage of inward remittance transactions from unknown sources was computed based on the total volume and peso value of inflow transactions. These remittance transactions include 250 STRs, with an aggregate value of PhP2.48 million. Meanwhile, the total number of inflow STRs stands at 1,375, with an aggregate value of PhP19.33 million.

³⁶ Included in banks are the Commercial Banks/Non-Expanded Commercial Banks; Rural Banks/Cooperative Banks; Digital Bank; Savings & Mortgage Banks; Specialized Government Banks; Micro-Finance - Rural Banks, and Banks' Subsidiaries and Affiliates Abroad.

value of transactions channeled through both pawnshops and commercial banks significantly increased compared to the report in the years 2018 to 2020.

Interpretation

Based on the STRs submitted by various covered persons covering the period 2021 to 1H 2024, it was observed that the largest portion of illicit funds from drug trafficking originated and was distributed across the Philippines through banks. It is noteworthy that a significant number of small-value transactions were channeled through pawnshops. Inflows were concentrated from Saudi Arabia in terms of transaction volume and from the USA in terms of value. Outflows, meanwhile, were directed mainly toward Asian destinations, particularly the PRC and Singapore. These patterns indicate that drug trafficking proceeds are moved through a combination of high-value banking transactions and smaller retail remittance outlets, reflecting strategic concealment and integration. The substantial increase in domestic transactions compared to previous studies may suggest heightened trafficking activity or improved detection and reporting by covered institutions.

II. GRAFT AND CORRUPTION AND OTHER RELATED CRIMES

This portion of the study discusses the STRs linked to graft and corruption and other related offenses, which include the following:

- 1) graft and corrupt practices, as defined and penalized under RA No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act;
- 2) plunder, as defined under RA No. 7080, as amended, otherwise known as the Act Defining and Penalizing the Crime of Plunder;
- 3) malversation of public funds or property under Articles 217 and 222 of the Revised Penal Code, as amended; and
- 4) bribery and corruption of public officers under Articles 210, 211, 211-A, and 212 of the Revised Penal Code, as amended.

However, for the years covered by this study, there were no reported suspicious transactions related to plunder, malversation of public funds or property, and bribery.

Meanwhile, as shown in Table 2.1, a total of 1,783 STRs with an aggregate value of PhP4.15 billion were reported to the AMLC in connection with graft and corrupt practices. This represents 0.14% and 11.68% of the total STR volume and value used in this study, respectively.

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Table 2.1 Total volume and peso value of STRs related to graft and corruption from 2021 to 1H 2024

| GRAFT AND CORRUPTION AND OTHER RELATED CRIMES | 2021 | | 2022 | | 2023 | | 1H 2024 | | Total | | Percent to Total | |
|--|---------------|----------------------|---------------|---------------------|---------------|----------------------|---------------|---------------------|---------------|----------------------|------------------|---------------------|
| | STR Volume | STR Value in PHP | STR Volume | STR Value in PHP | STR Volume | STR Value in PHP | STR Volume | STR Value in PHP | STR Volume | STR Value in PHP | STR Volume | STR Value in PHP |
| INFLOW | 2 | 3,986,997 | 1 | 10,255 | 0 | 0 | 0 | 0 | 3 | 3,997,252 | 0.17% | 0.10% |
| IDENTIFIED SOURCE | 1 | 2,541,889 | 1 | 10,255 | 0 | 0 | 0 | 0 | 2 | 2,552,144 | 0.11% | 0.06% |
| HONG KONG, CHINA | 1 | 2,541,889 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 2,541,889 | 0.06% | 0.06% |
| USA | 0 | 0 | 1 | 10,255 | 0 | 0 | 0 | 0 | 1 | 10,255 | 0.06% | 0.0002% |
| POTENTIAL SOURCE | 1 | 1,445,108 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1,445,108 | 0.06% | 0.03% |
| SINGAPORE | 1 | 1,445,108 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1,445,108 | 0.06% | 0.03% |
| OUTFLOW | 1 | 1,761,306 | 0 | 0 | 6 | 2,752,814 | 0 | 0 | 7 | 4,514,120 | 0.39% | 0.11% |
| IDENTIFIED DESTINATION | 0 | 0 | 0 | 0 | 6 | 2,752,814 | 0 | 0 | 6 | 2,752,814 | 0.34% | 0.07% |
| CANADA | 0 | 0 | 0 | 0 | 2 | 134,899 | 0 | 0 | 2 | 134,899 | 0.11% | 0.0033% |
| USA | 0 | 0 | 0 | 0 | 4 | 2,617,915 | 0 | 0 | 4 | 2,617,915 | 0.22% | 0.06% |
| POTENTIAL DESTINATION | 1 | 1,761,306 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1,761,306 | 0.06% | 0.04% |
| SINGAPORE | 1 | 1,761,306 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1,761,306 | 0.06% | 0.04% |
| WITHIN THE PHILIPPINES | 220 | 1,842,811,764 | 231 | 19,219,219 | 1,306 | 2,263,169,145 | 16 | 12,790,429 | 1,773 | 4,137,990,555 | 99.44% | 99.79% |
| Grand Total | 223 | 1,848,560,067 | 232 | 19,229,473 | 1,312 | 2,265,921,959 | 16 | 12,790,429 | 1,783 | 4,146,501,928 | 100.00% | 100.00% |

Moreover, as reflected in Table 2.1, nearly all transactions related to graft and corruption occurred within the Philippine jurisdiction, accounting for 99.44 % of the total STR volume and 99.79% of the total STR value. The findings reinforce the observations from the first and second studies, which noted the predominantly domestic nature of graft and corruption-related transactions. Reported transactions consist mostly of cash and check deposits, encashment, remittances, and withdrawals. It is noteworthy that almost the entire aggregate value of domestic transactions consisted of amounts ranging from PhP1 million to as high as PhP442.56 million.

In addition, it is also noted that 39 transactions with an aggregate value of PhP1.16 billion were related to a corporation that supplied the government's procurement of alleged overpriced personal protective equipment and testing kits in response to the COVID-19 pandemic.

Inflow

Between 2023 and 1H 2024, there were no inflow transactions associated with graft and corruption from foreign countries. Meanwhile, from 2021 to 2022, there are three (3) suspicious transactions involving senders located in Hong Kong, China, the USA (identified source) and Singapore (potential source) with an aggregate value of PhP4 million. It includes a transaction of an individual who allegedly pocketed funds that were supposed to be tax payments and used access codes to encode the payment in the system. The remaining transactions pertain to remittances of an individual who is one of the owners of the company that allegedly sold overpriced goods to the government.³⁷

Outflow

For the period covering 2021 to 1H 2024, seven (7) outward remittance transactions were reported in connection with graft and corruption. No outward transactions were reported for the years 2022 and 1H 2024. However, during 2023, there were a total of six (6) transactions which include: the two (2) remittances to an individual located in Canada to a former government official who was convicted of four (4) graft charges involving the unlawful transfer of Tax Credit Certificates in 1998; and the other four (4) remittance

³⁷ Individuals X and Y are listed as owners of a company, which is under scrutiny due to adverse news surrounding Covid-19-related government contracts. Concerns have been raised over how a small company, recently established and with a capitalization of less than a million, secured these contracts. Allegations of overpricing have also emerged.

transactions sent to the USA involving an individual, who is under investigation for graft charges relative to an anomalous sale of a property owned by a government owned and controlled corporation in June 2018, where he was a former member of its board of directors. The remaining transaction is a remittance in 2021 destined for Singapore (potential destination), originating from an individual allegedly involved in tax evasion and linked to a company under investigation for selling overpriced goods to the government.

Financial Channel

For the period of 2021 to 1H 2024, a total of 1,783 STRs with a corresponding total value of PhP4.15 billion, which are associated with graft and corruption, were reported to the AMLC. These STRs were transacted through the following financial channels presented in Table 2.2.

Table 2.2 Breakdown of STRs related to graft and corruption per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|--------------|----------------|----------------------|----------------|
| | COUNT | % | AMOUNT | % |
| PAWNSHOPS | 934 | 52.38% | 24,343,309 | 0.59% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 677 | 37.97% | 4,104,375,871 | 98.98% |
| SAVINGS & MORTGAGE BANKS | 128 | 7.18% | 11,001,386 | 0.27% |
| ELECTRONIC MONEY ISSUER | 26 | 1.46% | 193,653 | 0.0047% |
| DIGITAL BANK | 9 | 0.50% | 257,810 | 0.01% |
| SPECIALIZED GOVERNMENT BANKS | 4 | 0.22% | 5,907,539 | 0.14% |
| MONEY SERVICE BUSINESSES | 2 | 0.11% | 134,899 | 0.0033% |
| RURAL BANKS/COOPERATIVE BANKS | 2 | 0.11% | 7,250 | 0.0002% |
| PRIVATE DEVELOPMENT BANKS | 1 | 0.06% | 280,210 | 0.01% |
| Grand Total | 1,783 | 100.00% | 4,146,501,928 | 100.00% |

As presented in the table above, most of the graft and corruption-related transactions were processed through pawnshops and commercial banks, with a combined percentage of 90.35% of the total volume of STRs from 2021 to 1H 2024. Notably, there is a significant increase in the STR volume transacted through pawnshops during 2021 to 1H 2024 compared to the second study, which covers the years 2018 to 2020.³⁸ However, nearly all the illicit funds, which correspond to 99.40% of the total, were funneled through banks.³⁹ This is consistent with the observations in the second study, which covers the period from 2018 to 2020, that most of the illicit funds were channeled through banks.

Interpretation

For the period under study, it was observed that nearly all STRs linked to graft and corruption were transacted within the Philippine jurisdiction. All STRs recorded in 1H 2024 involved domestic transactions. Most transactions by volume occurred through pawnshops, while commercial banks accounted for the bulk of the transaction value.⁴⁰ In terms of international flows, the possible source countries of illicit funds were Hong Kong, China, and the USA, while the destination countries were the USA and Canada. Notably, the total number of STRs declined in 2021–1H 2024 compared to the second study covering 2018–2020.

³⁸ A significant increase of 539.73% was noted during 2021 to 2024, from 146 STRs associated with graft and corruption that were reported to be transacted through pawnshops during 2018 to 2020.

³⁹ Included in “banks” with a total of 99.40% are: Commercial Banks/Non-Expanded Commercial Banks; Savings & Mortgage Banks; Digital Bank; Specialized Government Banks; Rural Banks/Cooperative Banks; and Private Development Banks

⁴⁰ There were 2,172 corruption-related STRs submitted by various CPs during 2018 to 2020.

III. INVESTMENT SCAMS AND ESTAFA

This section of the study discusses the fraud-related STRs involving the following offenses: swindling and its other forms under Articles 315 and 316 of the Revised Penal Code⁴¹ and violation of the Securities Regulation Code of 2000 (SRC) under RA No. 8799. Presented in the table below is the breakdown of fraud-related STRs by offense.

Table 3.1 Breakdown of fraud-related STRs by predicate crime from 2021 to 1H 2024

| FRAUD-RELATED STRs | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|--------------------------------------|---------------|----------------------|----------------|----------------------|---------------|----------------------|---------------|----------------------|----------------|-----------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| SECURITIES REGULATION CODE VIOLATION | 33,147 | 1,976,897,180 | 6,966 | 188,446,683 | 4,182 | 1,129,743,452 | 1,174 | 150,594,266 | 45,469 | 3,445,681,582 | 12.67% | 19.73% |
| SWINDLING | 54,989 | 3,364,590,154 | 108,575 | 4,743,029,885 | 94,599 | 3,192,136,421 | 55,104 | 2,716,420,889 | 313,267 | 14,016,177,350 | 87.33% | 80.27% |
| Grand Total | 88,136 | 5,341,487,335 | 115,541 | 4,931,476,569 | 98,781 | 4,321,879,873 | 56,278 | 2,867,015,156 | 358,736 | 17,461,858,932 | 100.00% | 100.00% |

For the years 2021 to 1H 2024, a total of 358,736 STRs with an aggregate value of PhP17.46 billion related to fraud were reported by various CPs, which accounted for 27.69% and 49.20% of the total STR volume and STR value used in this study, respectively. Compared to the second study, which covers the years 2018 to 2020, there is a significant increase in the number of STRs, while there is a significant decrease in the aggregate STR value. In addition, it is shown in Table 3.1 that the majority of fraud-related STRs in terms of total STR volume and value were associated with swindling, which deviated from the assessment in the first and second studies that revealed that the larger portion of fraud-related STRs were categorized under SRC violations.⁴² Notably, a decreasing trend in the total STR value from 2021 to 1H 2024 and a decreasing trend in the total STR volume from 2022 to 1H 2024 were observed.

A. Violation of the SRC

For the period covered by this study, a total of 45,469 STRs with an aggregate value of PhP3.45 billion, were submitted by various CPs to the AMLC in connection with violation of the SRC. This reflects a decrease of more than half in both volume and value compared to the second External Threats study, which reported 101,151 STRs with a total value of PhP6.52 billion.⁴³

Table 3.2 Breakdown of STRs related to SRC violations from 2021 to 1H 2024 by transaction flow

| SECURITIES REGULATION CODE VIOLATION | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|--------------------------------------|---------------|----------------------|--------------|--------------------|--------------|----------------------|--------------|--------------------|---------------|----------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 961 | 15,407,727 | 163 | 2,645,714 | 79 | 31,021,800 | 142 | 2,118,527 | 1,345 | 51,193,768 | 2.96% | 1.49% |
| OUTFLOW | 89 | 2,143,710 | 1 | 237,692 | | | 18 | 2,330,914 | 108 | 4,712,316 | 0.24% | 0.14% |
| WITHIN THE PHILIPPINES | 32,097 | 1,959,345,744 | 6,802 | 185,563,278 | 4,103 | 1,098,721,652 | 1,014 | 146,144,825 | 44,016 | 3,389,775,498 | 96.80% | 98.38% |
| Grand Total | 33,147 | 1,976,897,180 | 6,966 | 188,446,683 | 4,182 | 1,129,743,452 | 1,174 | 150,594,266 | 45,469 | 3,445,681,582 | 100.00% | 100.00% |

⁴¹ Articles 315 and 316, Chapter 6, Book 2 of the RA No. 3815, otherwise known as the Revised Penal Code of the Philippines, states the provision for punishable acts related to swindling and its other forms with corresponding penalties. See <https://chanrobles.com/revisedpenalcodeofthephilippinesbook2.htm> (Link accessed on 19 March 2025).

⁴² As shown on page 14 of the AMLC's second *External Threats Study*, a total of 170,001 fraud-related STRs with an aggregate value of PhP42.3 billion were submitted by various CPs to the AMLC. Available at <http://www.amlc.gov.ph/images/PDFs/ASSESSMENT%20OF%20PH%20EXPOSURE%20TO%20EXTERNAL%20AND%20INTERNAL%20THREATS%20BASED%20ON%202018%20TO%202020%20STRs.pdf>.

⁴³ Refer to Table 3.2 on page 14 of the AMLC's second *External Threats study* with the same reference link above.

As shown in Table 3.2, almost all the financial transactions associated with SRC violations were domestic in nature, comprising 44,016 STRs with a combined value of PhP3.39 billion. This finding is consistent with the results of the first and second External Threats studies. The reported transactions predominantly involved unregistered investment entities/activities,⁴⁴ remittances related to online or e-sabong platforms,⁴⁵ investment scam entities offering “double your investment” schemes,⁴⁶ the facilitation of unauthorized cryptocurrency-based investments, and other related offenses.

Inflow

As shown in Table 3.3, a total of 1,345 inflow transactions with an aggregate value of PhP51.19 million from various countries were reported by various CPs to be related to SRC violations. The number of transactions decreased by approximately 42.96%, while the aggregate value decreased by mere 5.06% compared to the second AMLC External Threats study (2018 to 2020).⁴⁷

Based on the number of STRs (covering both identified and potential sources), the top source countries were the USA, the United Kingdom, the UAE, Malaysia, and Saudi Arabia. On the other hand, when assessed by aggregate value of illicit funds (also considering both identified and potential sources), the leading source countries were Singapore, Canada, the USA, New Zealand, and the United Kingdom. Notably, more than half of the total illicit funds attributed to SRC violations flowed into the Philippines in 2023, while the highest number of transactions occurred in 2021.

⁴⁴ A total of 2,743 STRs were associated with transactions involving an individual, who is allegedly affiliated with an investment entity. The subject was reportedly soliciting investments from the public through remittances made by various individuals. These transactions were declared as “load payments,” with the indicated relationship as “friend.” The subject is said to have promoted the entity through multiple online posts on Facebook. While the said entity is registered with the appropriate corporate regulatory authority, it failed to secure the necessary registration and/or license to solicit investments from the public.

⁴⁵ Online sabong platforms enable enthusiasts in the Philippines to view and place bets on live cockfighting matches remotely. Moreover, it offers seamless streaming and secure betting. See <https://onlinesabong.com.ph/> and <https://www.pagcor.ph/regulatory/e-sabong.php> (Links accessed 27 March 2025).

⁴⁶ An entity reportedly entices the public to join the company and invest a minimum of one thousand pesos (PhP1,000.00), with a promised return of 10% daily interest over twenty (20) days effectively doubling the investment within that period. The entity also offers a referral scheme, providing a 10% bonus for direct referral and an additional 5% for indirect referrals. The company was included in the list of entities flagged for involvement in investment scams.

⁴⁷ The second AMLC External Threats Study reported 2,358 inflow transactions with a total value of PhP53,923,971 related to SRC violations during the period 2018 to 2020 (see *previous footnotes for link*).

Assessment of the Philippines' Exposure to External and Internal Threats:
Analysis of Suspicious Transaction Reports (01 January 2021 – 30 June 2024)

Table 3.3 Breakdown of inflow transactions related to SRC violations from 2021 to 1H 2024

| SRC VIOLATION | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|---------------|----------------------|--------------|--------------------|--------------|----------------------|--------------|--------------------|---------------|----------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 961 | 15,407,727 | 163 | 2,645,714 | 79 | 31,021,800 | 142 | 2,118,527 | 1,345 | 51,193,768 | 2.96% | 1.49% |
| IDENTIFIED SOURCE | 130 | 7,984,380 | 137 | 2,342,095 | 12 | 29,739,210 | 5 | 121,676 | 284 | 40,187,361 | 0.62% | 1.17% |
| SAUDI ARABIA | 6 | 31,789 | 35 | 320,089 | 0 | 0 | 0 | 0 | 41 | 351,878 | 0.09% | 0.01% |
| USA | 28 | 1,011,384 | 7 | 130,032 | 1 | 18,740 | 3 | 18,676 | 39 | 1,178,832 | 0.09% | 0.03% |
| KUWAIT | 0 | 0 | 34 | 349,166 | 0 | 0 | 0 | 0 | 34 | 349,166 | 0.07% | 0.01% |
| UNITED KINGDOM | 26 | 378,435 | 2 | 396,500 | 0 | 0 | 0 | 0 | 28 | 774,935 | 0.06% | 0.02% |
| SINGAPORE | 12 | 1,746,950 | 10 | 138,454 | 3 | 16,686,888 | 0 | 0 | 25 | 18,572,291 | 0.05% | 0.54% |
| UAE | 12 | 412,345 | 12 | 135,208 | 1 | 10,000 | 0 | 0 | 25 | 557,553 | 0.05% | 0.02% |
| AUSTRALIA | 18 | 563,251 | 2 | 20,272 | 1 | 158,001 | 2 | 103,000 | 23 | 844,524 | 0.05% | 0.02% |
| QATAR | 5 | 580,215 | 8 | 43,888 | 1 | 80,796 | 0 | 0 | 14 | 704,899 | 0.03% | 0.02% |
| ITALY | 9 | 329,033 | 2 | 112,329 | 0 | 0 | 0 | 0 | 11 | 441,361 | 0.02% | 0.01% |
| HONG KONG, CHINA | 3 | 65,000 | 4 | 221,251 | 1 | 500,000 | 0 | 0 | 8 | 786,251 | 0.02% | 0.02% |
| CANADA | 3 | 39,717 | 3 | 85,000 | 2 | 12,264,785 | 0 | 0 | 8 | 12,389,502 | 0.02% | 0.36% |
| CHINESE TAIPEI | 0 | 0 | 5 | 123,883 | 0 | 0 | 0 | 0 | 5 | 123,883 | 0.01% | 0.0036% |
| BAHRAIN | 0 | 0 | 4 | 35,337 | 0 | 0 | 0 | 0 | 4 | 35,337 | 0.01% | 0.0010% |
| JORDAN | 0 | 0 | 3 | 38,322 | 0 | 0 | 0 | 0 | 3 | 38,322 | 0.01% | 0.0011% |
| ISRAEL | 1 | 50,046 | 0 | 0 | 1 | 10,000 | 0 | 0 | 2 | 60,046 | 0.0044% | 0.0017% |
| NEW ZEALAND | 2 | 2,568,000 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2,568,000 | 0.0044% | 0.0745% |
| SOUTH KOREA | 1 | 33,500 | 1 | 15,000 | 0 | 0 | 0 | 0 | 2 | 48,500 | 0.0044% | 0.0014% |
| SPAIN | 2 | 123,713 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 123,713 | 0.0044% | 0.0036% |
| LEBANON | 0 | 0 | 2 | 17,163 | 0 | 0 | 0 | 0 | 2 | 17,163 | 0.0044% | 0.0005% |
| PRC | 1 | 1,004 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1,004 | 0.0022% | 0.00003% |
| JAPAN | 0 | 0 | 1 | 100,001 | 0 | 0 | 0 | 0 | 1 | 100,001 | 0.0022% | 0.0029% |
| OMAN | 0 | 0 | 1 | 10,200 | 0 | 0 | 0 | 0 | 1 | 10,200 | 0.0022% | 0.0003% |
| DENMARK | 0 | 0 | 1 | 50,000 | 0 | 0 | 0 | 0 | 1 | 50,000 | 0.0022% | 0.0015% |
| TURKS AND CAICOS | 0 | 0 | 0 | 0 | 1 | 10,000 | 0 | 0 | 1 | 10,000 | 0.0022% | 0.0003% |
| MALAYSIA | 1 | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 50,000 | 0.0022% | 0.0015% |
| POTENTIAL SOURCE | 376 | 2,928,292 | 14 | 204,930 | 20 | 404,906 | 3 | 71,241 | 413 | 3,609,369 | 0.91% | 0.10% |
| USA | 167 | 1,465,627 | 4 | 70,015 | 10 | 51,690 | 1 | 1,000 | 182 | 1,588,332 | 0.40% | 0.05% |
| UNITED KINGDOM | 62 | 402,760 | 0 | 0 | 1 | 90,198 | 0 | 0 | 63 | 492,958 | 0.14% | 0.01% |
| UAE | 46 | 232,634 | 4 | 50,000 | 1 | 3,000 | 0 | 0 | 51 | 285,634 | 0.11% | 0.01% |
| MALAYSIA | 47 | 211,125 | 2 | 10,005 | 0 | 0 | 0 | 0 | 49 | 221,130 | 0.11% | 0.01% |
| HONG KONG, CHINA | 37 | 295,423 | 0 | 0 | 1 | 15,000 | 0 | 0 | 38 | 310,423 | 0.08% | 0.01% |
| CHINESE TAIPEI | 2 | 30,000 | 1 | 10,000 | 7 | 245,018 | 0 | 0 | 10 | 285,018 | 0.02% | 0.01% |
| SAUDI ARABIA | 7 | 36,649 | 1 | 49,910 | 0 | 0 | 0 | 0 | 8 | 86,559 | 0.02% | 0.003% |
| SINGAPORE | 5 | 236,459 | 1 | 5,000 | 0 | 0 | 0 | 0 | 6 | 241,459 | 0.01% | 0.01% |
| CANADA | 3 | 17,615 | 1 | 10,000 | 0 | 0 | 0 | 0 | 4 | 27,615 | 0.01% | 0.001% |
| BELGIUM | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 23,923 | 1 | 23,923 | 0.002% | 0.001% |
| AUSTRALIA | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 46,319 | 1 | 46,319 | 0.002% | 0.001% |
| UNKNOWN SOURCE | 455 | 4,495,054 | 12 | 98,689 | 47 | 877,684 | 134 | 1,925,610 | 648 | 7,397,037 | 1.43% | 0.21% |
| OUTFLOW | 89 | 2,143,710 | 1 | 237,692 | 0 | 0 | 18 | 2,330,914 | 108 | 4,712,316 | 0.24% | 0.14% |
| WITHIN THE PHILIPPINES | 32,097 | 1,959,345,744 | 6,802 | 185,563,278 | 4,103 | 1,098,721,652 | 1,014 | 146,144,825 | 44,016 | 3,389,775,498 | 96.80% | 98.38% |
| Grand Total | 33,147 | 1,976,897,180 | 6,966 | 188,446,683 | 4,182 | 1,129,743,452 | 1,174 | 150,594,266 | 45,469 | 3,445,681,582 | 100.00% | 100.00% |

Outflow

From 2021 to 1H 2024, a total of 108 outgoing STRs linked to SRC violations were recorded, with an aggregate value of PhP4.71 million. These represent only 0.24% and 0.14% of the STR volume and value, respectively. Noteworthy is that there is only one (1) outgoing STR during 2022, which involved a transfer to British Virgin Islands, and no outgoing STRs reported in 2023.

The annual and country-level distribution of the STRs is presented in Table 3.4.

Assessment of the Philippines' Exposure to External and Internal Threats:
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Table 3.4 Breakdown of outflow transactions related to SRC violations from 2021 to 1H 2024

| SRC VIOLATION | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|---------------|----------------------|--------------|--------------------|--------------|----------------------|--------------|--------------------|---------------|----------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 961 | 15,407,727 | 163 | 2,645,714 | 79 | 31,021,800 | 142 | 2,118,527 | 1,345 | 51,193,768 | 2.96% | 1.49% |
| OUTFLOW | 89 | 2,143,710 | 1 | 237,692 | 0 | 0 | 18 | 2,330,914 | 108 | 4,712,316 | 0.24% | 0.14% |
| IDENTIFIED DESTINATION | 88 | 2,129,406 | 1 | 237,692 | 0 | 0 | 3 | 1,969,914 | 92 | 4,337,012 | 0.20% | 0.13% |
| CHINESE TAIPEI | 13 | 134,846 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 134,846 | 0.03% | 0.004% |
| HONG KONG, CHINA | 10 | 112,140 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 112,140 | 0.02% | 0.003% |
| PAPUA NEW GUINEA | 10 | 110,126 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 110,126 | 0.02% | 0.003% |
| SRI LANKA | 9 | 104,180 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 104,180 | 0.02% | 0.003% |
| SINGAPORE | 8 | 47,244 | 0 | 0 | 0 | 0 | 1 | 1,583,502 | 9 | 1,630,746 | 0.02% | 0.05% |
| NORWAY | 8 | 241,640 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 241,640 | 0.02% | 0.01% |
| CANADA | 7 | 962,224 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 962,224 | 0.02% | 0.03% |
| UAE | 4 | 4,440 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 4,440 | 0.01% | 0.0001% |
| BAHRAIN | 4 | 643 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 643 | 0.01% | 0.00002% |
| SAUDI ARABIA | 4 | 5,250 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 5,250 | 0.01% | 0.0002% |
| GERMANY | 4 | 201,240 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 201,240 | 0.01% | 0.01% |
| FRANCE | 2 | 100,040 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 100,040 | 0.004% | 0.0029% |
| USA | 2 | 100,320 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 100,320 | 0.004% | 0.0029% |
| VIETNAM | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 386,413 | 2 | 386,413 | 0.004% | 0.01% |
| RUSSIA | 2 | 4,063 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 4,063 | 0.004% | 0.0001% |
| BRITISH VIRGIN ISLANDS | 0 | 0 | 1 | 237,692 | 0 | 0 | 0 | 0 | 1 | 237,692 | 0.002% | 0.01% |
| CAMEROON | 1 | 1,010 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1,010 | 0.002% | 0.00003% |
| UNKNOWN DESTINATION | 1 | 14,304 | 0 | 0 | 0 | 0 | 15 | 361,000 | 16 | 375,304 | 0.04% | 0.01% |
| WITHIN THE PHILIPPINES | 32,097 | 1,959,345,744 | 6,802 | 185,563,278 | 4,103 | 1,098,721,652 | 1,014 | 146,144,825 | 44,016 | 3,389,775,498 | 96.80% | 98.38% |
| Grand Total | 33,147 | 1,976,897,180 | 6,966 | 188,446,683 | 4,182 | 1,129,743,452 | 1,174 | 150,594,266 | 45,469 | 3,445,681,582 | 100.00% | 100.00% |

Based on the data in Table 3.4, Chinese Taipei, Hong Kong, China, and Papua New Guinea were the most frequent destinations of illicit funds related to SRC violations. In contrast, when ranked by total peso value, the top destination countries were Singapore, Canada, and Vietnam.

The high value attributed to Singapore is primarily due to a single transaction in 2023 involving a company that was issued a cease-and-desist order (CDO) for engaging in the unauthorized sale or offering of securities. A review of records indicated frequent large fund transfers between this account and other accounts of the subject, which were used to cover issued checks and loan payments.⁴⁸

Financial Channel

Presented in Table 3.5 is the distribution of the volume and value of STRs related to SRC violations per financial channel used.

Table 3.5 Breakdown of STRs related to SRC violations per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|---------------|----------------|----------------------|----------------|
| | COUNT | % | AMOUNT | % |
| PAWNSHOPS | 22,071 | 48.54% | 212,513,970 | 6.17% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 16,457 | 36.19% | 3,075,341,121 | 89.25% |
| ELECTRONIC MONEY ISSUER | 5,549 | 12.20% | 67,865,657 | 1.97% |
| MONEY SERVICE BUSINESSES | 1,039 | 2.29% | 20,913,409 | 0.61% |
| SAVINGS & MORTGAGE BANKS | 205 | 0.45% | 25,799,990 | 0.75% |
| RURAL BANKS/COOPERATIVE BANKS | 126 | 0.28% | 38,208,556 | 1.11% |
| BANKS' SUBSIDIARIES AND AFFILIATES ABROAD | 13 | 0.03% | 265,304 | 0.01% |
| SPECIALIZED GOVERNMENT BANKS | 9 | 0.02% | 4,773,575 | 0.14% |
| Grand Total | 45,469 | 100.00% | 3,445,681,582 | 100.00% |

⁴⁸ Related reports also identified another entity being involved. The regulatory authority's CDO remains in effect to safeguard investors from ongoing fraud risks and to prevent the misuse of assets acquired through unauthorized investment activities.

Consistent with the assessment made covering the period 2018 to 2020, pawnshops are the most widely used channel for transactions, while the high value transactions related to SRC violations were coursed through banks for the years 2021 to 1H 2024.

Interpretation

Based on STR data from 2021 to 1H 2024, majority of the suspicious transactions associated with SRC violations originated and remained within the domestic financial system. Nearly half of the transaction volume was channeled through pawnshops, while a significant portion of the transaction value was transacted through banks.⁴⁹ There is also a notable decrease in the volume and value of the STRs compared to the second study, which covered the periods 2018 to 2021.

For transactions involving cross-border flows, the top sources of funds in terms of frequency were the USA, the United Kingdom, the UAE, Malaysia, and Saudi Arabia. In terms of aggregate transaction value, the leading source countries were Singapore, Canada, the USA, New Zealand, and the United Kingdom. Outflows were minimal, with Singapore also being the top destination by value.

B. Swindling

As shown in Table 3.6, a total of 313,267 STRs with an aggregate value of PhP14.02 billion related to swindling were reported by various CPs to the AMLC from 2021 to 1H 2024. The said data represents the majority of fraud-related STRs, accounting for 87.33% of the total STR volume and 80.27% of the total STR value within the fraud category.

Table 3.6 provides a transaction flow overview of related STRs to swindling activities reported during the covered period.

Table 3.6 Breakdown of STRs related to swindling from 2021 to 1H 2024 by transaction flow

| SWINDLING | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|------------------------|---------------|----------------------|----------------|----------------------|---------------|----------------------|---------------|----------------------|----------------|-----------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 10,408 | 864,958,724 | 14,644 | 968,889,585 | 14,332 | 454,205,492 | 5,747 | 182,847,987 | 45,131 | 2,470,901,789 | 14.41% | 17.63% |
| OUTFLOW | 147 | 37,717,524 | 202 | 14,953,686 | 116 | 497,083,907 | 33 | 4,894,858 | 498 | 554,649,976 | 0.16% | 3.96% |
| WITHIN THE PHILIPPINES | 44,434 | 2,461,913,906 | 93,729 | 3,759,186,614 | 80,151 | 2,240,847,021 | 49,324 | 2,528,678,044 | 267,638 | 10,990,625,585 | 85.43% | 78.41% |
| Grand Total | 54,989 | 3,364,590,154 | 108,575 | 4,743,029,885 | 94,599 | 3,192,136,421 | 55,104 | 2,716,420,889 | 313,267 | 14,016,177,350 | 100.00% | 100.00% |

As indicated in Table 3.6, a significant portion of swindling-related STRs, both in terms of volume and value, occurred and circulated within the Philippine jurisdiction, suggesting that these transactions were predominantly domestic in nature. Moreover, most of the total STRs from 2021 to 1H 2024 were reported in 2022 and 2023, with the majority still consisting of domestic transactions. The reported transactions largely involved spurious check deposits and variety of scams, including *budol-budol*, employment scams, fake donation schemes, hacked social media accounts, fake sellers, cryptocurrency-related frauds, and other deceptive schemes.⁵⁰

⁴⁹ Included in “banks” were Commercial Banks/Non-Expanded Commercial Banks, Savings & Mortgage Banks, Rural Banks/Cooperative Banks, Banks' Subsidiaries and Affiliates Abroad, and Specialized Government Banks.

⁵⁰ A total of 133 STRs with an equivalent total amount of PhP596.13 million were attributed to spurious check deposits.

A notable disparity is observed between inflow and outflow transactions. Inflow transactions exceeded outflow transactions, indicating that cross-border swindling-related STRs were predominantly inflow in nature.

Inflow

Based on the STR data submitted by various CPs to the AMLC as detailed in Table 3.7, there were 45,131 inflow transactions amounting to PhP2.47 billion related to swindling. More than half of these transactions originated from the USA (both identified and potential locations), accounting for 24,801 transactions with a total value of PhP653.43 million.⁵¹ Other top source countries in terms of STR volume included Australia, Canada, the United Kingdom, and Saudi Arabia.

Assessing the STR value (both for identified and potential locations), the top source country of illicit funds related to swindling is Germany, with 448 financial transactions totaling PhP1.15 billion. Other significant source countries based on transaction value included the USA, the United Kingdom, Australia, and Canada.

Included in the inflows from Germany was a cancelled remittance transaction in 2021 amounting to PhP559 million.⁵² The intended recipient is a construction company in the Philippines, with the remittance allegedly intended for infrastructure development and public utility projects. However, the remittance documents were considered fictitious as the correspondent bank denied the issuance of the documents. The said amount boosted the inflows of STRs related to swindling in 2021.

It is also noted that in 2022, there is a reported inflow transaction related to swindling amounting to PhP570.5 million from an unknown sender who is potentially located in Germany, further boosting the value of STRs associated with swindling during that year.⁵³

⁵¹ Based on the second study covering the years 2018 to 2020, the USA recorded the highest number of swindling-related remittances at 1,433 STRs which is consistent with the first study. Refer to page 18 of the second AMLC External Threats study.

⁵² A construction company allegedly received an inward remittance amounting PhP559 million (EUR10 million) from a sender located in Germany. However, the said remittance was subsequently returned due to allegations that the accompanying documents were fictitious.

⁵³ In 2022, a company located in the Philippines allegedly received a remittance amounting to PhP570.5 million from an unknown sender, potentially located in Germany (as identified by the address of its correspondent bank). According to the report, the transaction was allegedly linked to swindling, based on a narrative indicating that a certain individual and their team presented fabricated documents with the intention to commit fraud.

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Table 3.7 Breakdown of inflow transactions related to swindling from 2021 to 1H 2024

| SWINDLING | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|---------------|----------------------|----------------|----------------------|---------------|----------------------|---------------|----------------------|----------------|-----------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 10,408 | 864,958,724 | 14,644 | 968,889,585 | 14,332 | 454,205,492 | 5,747 | 182,847,987 | 45,131 | 2,470,901,789 | 14.41% | 17.63% |
| IDENTIFIED SOURCE | 9,827 | 840,752,253 | 13,977 | 383,894,417 | 13,355 | 348,358,620 | 5,532 | 173,343,512 | 42,691 | 1,746,348,801 | 13.63% | 12.46% |
| USA | 5,781 | 151,421,113 | 7,746 | 209,565,706 | 7,226 | 174,118,550 | 2,898 | 84,441,847 | 23,651 | 619,547,216 | 7.55% | 4.42% |
| AUSTRALIA | 677 | 23,929,763 | 1,557 | 42,044,226 | 1,385 | 33,976,280 | 509 | 10,742,148 | 4,128 | 110,692,417 | 1.32% | 0.79% |
| CANADA | 707 | 15,721,452 | 965 | 20,727,977 | 1,025 | 33,705,184 | 321 | 9,350,017 | 3,018 | 79,504,629 | 0.96% | 0.57% |
| UNITED KINGDOM | 596 | 26,290,434 | 990 | 41,873,940 | 964 | 28,049,135 | 347 | 9,879,540 | 2,897 | 106,093,049 | 0.92% | 0.76% |
| SAUDI ARABIA | 506 | 6,069,789 | 609 | 7,828,131 | 261 | 4,979,815 | 171 | 3,055,737 | 1,547 | 21,933,472 | 0.49% | 0.16% |
| SINGAPORE | 109 | 6,437,404 | 177 | 6,953,408 | 234 | 10,292,189 | 87 | 4,421,129 | 607 | 28,104,130 | 0.19% | 0.20% |
| JAPAN | 177 | 4,008,517 | 134 | 4,471,450 | 82 | 1,599,267 | 119 | 2,917,366 | 512 | 12,996,600 | 0.16% | 0.09% |
| SOUTH KOREA | 39 | 3,281,491 | 131 | 3,929,136 | 296 | 6,250,178 | 37 | 781,640 | 503 | 14,242,444 | 0.16% | 0.10% |
| GERMANY | 106 | 566,110,267 | 142 | 3,279,707 | 151 | 5,380,704 | 46 | 767,408 | 445 | 575,538,085 | 0.14% | 4.11% |
| NEW ZEALAND | 109 | 5,752,136 | 109 | 3,540,797 | 145 | 4,383,643 | 57 | 905,649 | 420 | 14,582,226 | 0.13% | 0.10% |
| NETHERLANDS | 45 | 1,101,665 | 82 | 1,222,708 | 159 | 2,245,310 | 38 | 753,512 | 324 | 5,323,196 | 0.10% | 0.04% |
| FRANCE | 42 | 641,408 | 49 | 1,615,343 | 162 | 4,728,437 | 68 | 3,650,838 | 321 | 10,636,026 | 0.10% | 0.08% |
| UAE | 48 | 1,219,224 | 101 | 2,678,240 | 57 | 3,269,645 | 112 | 6,486,794 | 318 | 13,653,903 | 0.10% | 0.10% |
| MALAYSIA | 44 | 1,098,033 | 64 | 1,567,132 | 163 | 2,415,928 | 31 | 557,748 | 302 | 5,638,841 | 0.10% | 0.04% |
| ITALY | 58 | 1,047,789 | 57 | 839,529 | 90 | 2,445,523 | 49 | 1,283,601 | 254 | 5,616,442 | 0.08% | 0.04% |
| SWEDEN | 76 | 2,667,659 | 51 | 1,001,098 | 63 | 1,286,817 | 48 | 595,613 | 238 | 5,551,187 | 0.08% | 0.04% |
| NORWAY | 35 | 473,544 | 44 | 1,131,600 | 56 | 667,702 | 48 | 844,065 | 183 | 3,116,912 | 0.06% | 0.02% |
| POLAND | 15 | 165,730 | 91 | 1,012,197 | 44 | 817,830 | 27 | 289,675 | 177 | 2,285,433 | 0.06% | 0.02% |
| KUWAIT | 61 | 2,791,766 | 74 | 2,115,452 | 16 | 193,620 | 22 | 335,779 | 173 | 5,436,617 | 0.06% | 0.04% |
| QATAR | 52 | 1,293,840 | 58 | 673,444 | 36 | 3,234,483 | 24 | 417,888 | 170 | 5,619,656 | 0.05% | 0.04% |
| HONG KONG, CHINA | 45 | 2,196,241 | 42 | 1,254,893 | 52 | 2,022,716 | 9 | 310,890 | 148 | 5,784,740 | 0.05% | 0.04% |
| IRELAND | 23 | 359,848 | 65 | 1,429,694 | 36 | 1,111,631 | 11 | 520,096 | 135 | 3,421,270 | 0.04% | 0.02% |
| SPAIN | 19 | 787,232 | 32 | 605,412 | 57 | 1,217,202 | 24 | 419,411 | 132 | 3,029,258 | 0.04% | 0.02% |
| BELGIUM | 23 | 860,684 | 37 | 732,506 | 28 | 330,865 | 43 | 791,550 | 131 | 2,715,605 | 0.04% | 0.02% |
| DENMARK | 22 | 457,165 | 50 | 975,820 | 20 | 267,804 | 32 | 578,822 | 124 | 2,279,611 | 0.04% | 0.02% |
| OTHER COUNTRIES | 412 | 14,568,057 | 520 | 20,824,870 | 547 | 19,368,161 | 354 | 28,244,749 | 1,833 | 83,005,838 | 0.59% | 0.59% |
| POTENTIAL SOURCE | 421 | 16,467,255 | 483 | 580,355,508 | 429 | 14,965,847 | 108 | 5,221,682 | 1,441 | 617,010,292 | 0.46% | 4.40% |
| USA | 249 | 7,881,137 | 410 | 9,216,832 | 387 | 12,076,366 | 104 | 4,711,441 | 1,150 | 33,885,776 | 0.37% | 0.24% |
| CANADA | 104 | 1,982,381 | 0 | 0 | 5 | 202,785 | 2 | 480,629 | 111 | 2,665,794 | 0.04% | 0.02% |
| UNITED KINGDOM | 12 | 5,674,817 | 57 | 315,543 | 3 | 79,350 | 0 | 0 | 72 | 6,069,709 | 0.02% | 0.04% |
| SINGAPORE | 23 | 248,001 | 0 | 0 | 1 | 198,500 | 0 | 0 | 24 | 446,501 | 0.01% | 0.003% |
| AUSTRALIA | 1 | 14,115 | 1 | 14,421 | 18 | 1,623,858 | 1 | 11,402 | 21 | 1,663,796 | 0.01% | 0.01% |
| MALAYSIA | 4 | 50,000 | 8 | 233,273 | 7 | 448,612 | 0 | 0 | 19 | 731,885 | 0.01% | 0.01% |
| HONG KONG, CHINA | 10 | 179,036 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 179,036 | 0.0032% | 0.0013% |
| ITALY | 0 | 0 | 0 | 0 | 7 | 73,163 | 0 | 0 | 7 | 73,163 | 0.0022% | 0.0005% |
| JAPAN | 6 | 135,788 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 135,788 | 0.0019% | 0.0010% |
| NORWAY | 4 | 37,207 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 37,207 | 0.0013% | 0.0003% |
| SAUDI ARABIA | 4 | 25,411 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 25,411 | 0.0013% | 0.0002% |
| UAE | 0 | 0 | 3 | 46,891 | 0 | 0 | 0 | 0 | 3 | 46,891 | 0.0010% | 0.0003% |
| GERMANY | 1 | 71,236 | 1 | 570,500,000 | 1 | 263,212 | 0 | 0 | 3 | 570,834,448 | 0.0010% | 4.07% |
| NEW ZEALAND | 0 | 0 | 2 | 18,698 | 0 | 0 | 0 | 0 | 2 | 18,698 | 0.0006% | 0.0001% |
| SWEDEN | 2 | 55,288 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 55,288 | 0.0006% | 0.0004% |
| BRUNEI | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 18,210 | 1 | 18,210 | 0.0003% | 0.0001% |
| IRELAND | 1 | 112,839 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 112,839 | 0.0003% | 0.0008% |
| CHINESE TAIPEI | 0 | 0 | 1 | 9,850 | 0 | 0 | 0 | 0 | 1 | 9,850 | 0.0003% | 0.0001% |
| UNKNOWN SOURCE | 160 | 7,739,216 | 184 | 4,639,660 | 548 | 90,881,026 | 107 | 4,282,793 | 999 | 107,542,695 | 0.32% | 0.77% |
| OUTFLOW | 147 | 37,717,524 | 202 | 14,953,686 | 116 | 497,083,907 | 33 | 4,894,858 | 498 | 554,649,976 | 0.16% | 3.96% |
| WITHIN THE PHILIPPINES | 44,434 | 2,461,913,906 | 93,729 | 3,759,186,614 | 80,151 | 2,240,847,021 | 49,324 | 2,528,678,044 | 267,638 | 10,990,625,585 | 85.43% | 78.41% |
| Grand Total | 54,989 | 3,364,590,154 | 108,575 | 4,743,029,885 | 94,599 | 3,192,136,421 | 55,104 | 2,716,420,889 | 313,267 | 14,016,177,350 | 100.00% | 100.00% |

Outflow

For the period covering 2021 to 1H 2024, a total of 498 outflow transactions related to swindling were filed by various CPs, with a corresponding value of PhP554.65 million. This reflects a significant increase compared to the AMLC External Threat 2nd study (covering 2018 to 2020), which reported only 52 STRs with an equivalent total value of PhP102.44 million.⁵⁴

⁵⁴ Refer to Table 3.8 on page 19 of the second AMLC External Threats study (see reference link in previous footnotes)

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Table 3.8 Breakdown of outflow transactions related to swindling from 2021 to 1H 2024

| SWINDLING | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|---------------|----------------------|----------------|----------------------|---------------|----------------------|---------------|----------------------|----------------|-----------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 10,408 | 864,958,724 | 14,644 | 968,889,585 | 14,332 | 454,205,492 | 5,747 | 182,847,987 | 45,131 | 2,470,901,789 | 14.41% | 17.63% |
| OUTFLOW | 147 | 37,717,524 | 202 | 14,953,686 | 116 | 497,083,907 | 33 | 4,894,858 | 498 | 554,649,976 | 0.16% | 3.96% |
| IDENTIFIED DESTINATION | 134 | 36,586,755 | 202 | 14,953,686 | 67 | 495,137,341 | 30 | 1,739,876 | 433 | 548,417,659 | 0.14% | 3.91% |
| UAE | 37 | 4,187,072 | 28 | 3,817,975 | 6 | 656,250 | 3 | 28,800 | 74 | 8,690,097 | 0.02% | 0.06% |
| USA | 20 | 5,517,996 | 8 | 2,136,703 | 15 | 2,885,503 | 8 | 1,234,526 | 51 | 11,774,728 | 0.02% | 0.08% |
| PRC | 11 | 2,336,100 | 22 | 2,172,236 | 6 | 979,531 | 0 | 0 | 39 | 5,487,867 | 0.01% | 0.04% |
| MALI | 0 | 0 | 38 | 404,209 | 0 | 0 | 0 | 0 | 38 | 404,209 | 0.01% | 0.003% |
| PAKISTAN | 9 | 751,000 | 9 | 69,536 | 4 | 482,703 | 0 | 0 | 22 | 1,303,239 | 0.01% | 0.01% |
| INDONESIA | 2 | 174,539 | 8 | 843,573 | 0 | 0 | 12 | 257,050 | 22 | 1,275,163 | 0.01% | 0.01% |
| GHANA | 0 | 0 | 20 | 379,452 | 0 | 0 | 0 | 0 | 20 | 379,452 | 0.01% | 0.003% |
| MALAYSIA | 5 | 31,636 | 12 | 1,246,211 | 2 | 21,200 | 0 | 0 | 19 | 1,299,047 | 0.01% | 0.01% |
| MEXICO | 0 | 0 | 18 | 85,700 | 0 | 0 | 0 | 0 | 18 | 85,700 | 0.01% | 0.001% |
| HONG KONG, CHINA | 4 | 7,909,131 | 4 | 708,567 | 8 | 488,545,808 | 0 | 0 | 16 | 497,163,506 | 0.01% | 3.55% |
| THAILAND | 2 | 152,121 | 4 | 52,827 | 7 | 530,898 | 0 | 0 | 13 | 735,846 | 0.004% | 0.01% |
| INDIA | 0 | 0 | 10 | 77,253 | 0 | 0 | 0 | 0 | 10 | 77,253 | 0.003% | 0.0006% |
| CAMEROON | 1 | 8,945 | 0 | 0 | 0 | 0 | 5 | 27,500 | 6 | 36,445 | 0.002% | 0.0003% |
| CANADA | 0 | 0 | 5 | 151,920 | 0 | 0 | 1 | 100,000 | 6 | 251,920 | 0.002% | 0.0018% |
| AUSTRALIA | 5 | 2,140 | 1 | 4,696 | 0 | 0 | 0 | 0 | 6 | 6,836 | 0.002% | 0.00005% |
| BRAZIL | 5 | 6,613,541 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 6,613,541 | 0.002% | 0.05% |
| BOLIVIA | 5 | 143,331 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 143,331 | 0.002% | 0.0010% |
| ARGENTINA | 0 | 0 | 0 | 0 | 5 | 69,099 | 0 | 0 | 5 | 69,099 | 0.002% | 0.0005% |
| GERMANY | 0 | 0 | 3 | 1,957,480 | 1 | 49,000 | 0 | 0 | 4 | 2,006,480 | 0.01% | 0.01% |
| CYPRUS | 4 | 75,946 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 75,946 | 0.001% | 0.001% |
| CAMBODIA | 3 | 556,239 | 1 | 45,000 | 0 | 0 | 0 | 0 | 4 | 601,239 | 0.001% | 0.004% |
| JAPAN | 4 | 473,040 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 473,040 | 0.001% | 0.003% |
| KENYA | 3 | 213,000 | 1 | 5,633 | 0 | 0 | 0 | 0 | 4 | 218,633 | 0.001% | 0.002% |
| RUSSIA | 4 | 48,542 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 48,542 | 0.001% | 0.000% |
| SOUTH SUDAN | 0 | 0 | 0 | 0 | 3 | 96,721 | 0 | 0 | 3 | 96,721 | 0.001% | 0.001% |
| OTHER COUNTRIES | 10 | 7,392,437 | 10 | 794,715 | 10 | 820,628 | 1 | 92,000 | 31 | 9,099,780 | 0.01% | 0.06% |
| POTENTIAL DESTINATION | 13 | 1,130,769 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 1,130,769 | 0.004% | 0.01% |
| MALAYSIA | 11 | 980,769 | 0 | 0 | 0 | 0 | 0 | 0 | 11 | 980,769 | 0.00% | 0.01% |
| USA | 2 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 150,000 | 0.001% | 0.001% |
| UNKNOWN DESTINATION | 0 | 0 | 0 | 0 | 49 | 1,946,567 | 3 | 3,154,982 | 52 | 5,101,549 | 0.02% | 0.04% |
| WITHIN THE PHILIPPINES | 44,434 | 2,461,913,906 | 93,729 | 3,759,186,614 | 80,151 | 2,240,847,021 | 49,324 | 2,528,678,044 | 267,638 | 10,990,625,585 | 85.43% | 78.41% |
| Grand Total | 54,989 | 3,364,590,154 | 108,575 | 4,743,029,885 | 94,599 | 3,192,136,421 | 55,104 | 2,716,420,889 | 313,267 | 14,016,177,350 | 100.00% | 100.00% |

As shown in Table 3.8,⁵⁵ the top destination of illicit funds related to swindling in terms of volume is the UAE with 74 STRs, followed by the USA and the PRC, with 51 and 39 STRs, respectively. The aforementioned is a deviation from the observations in the second study, where Nigeria was identified as the top destination country by volume during 2018 to 2020.

In terms of value, the leading destination of swindling-related funds is Hong Kong, China, with an aggregate of PhP497.16 million, followed by the USA and the UAE with total amounts of PhP11.92 million and PhP8.2 million, respectively. Notably, there was no reported outflow to Hong Kong, China, during 1H 2024, following the eight (8) STRs filed in 2023. Out of the eight (8) STRs, six (6) STRs with an aggregate value of PhP482.39 million were attributed to an alleged invoice fraud/payment diversion fraud. The remaining two (2) STRs involved unauthorized telegraphic transfer and sexual extortion.

While a decreasing trend in STR volume was observed from 2022 to 1H 2024, the value of reported outflows showed a contrasting pattern. Although the volume of STRs in 2023 dropped to nearly half of 2022 levels, the aggregate value significantly increased from PhP14.95 million to PhP497.08 million. The said increase in STR value during 2023 is attributed to six (6) unauthorized fund transfers from a Philippine entity to four (4)

⁵⁵ Included in "Other Countries" on Table 3.8 are the following jurisdictions: South Africa, Chinese Taipei, Northern Mariana Islands, South Korea, United Kingdom, Turkey, France, Italy, Poland, Faroe Islands, Ivory Coast, Lebanon, Spain, Netherlands, Uruguay, Kuwait, Ukraine, Oman, Saudi Arabia, Burkina Faso, Senegal, Singapore, North Macedonia.

different bank accounts in Hong Kong, China, related to invoice and payment diversion fraud.

Financial Channel

Suspicious transactions related to swindling were coursed through various financial channels. Table 3.9 presents the STR volume and value allocation per financial channel between 2021 and 1H 2024.

Table 3.9 Breakdown of STRs related to swindling per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|----------------|----------------|-----------------------|----------------|
| | COUNT | % | AMOUNT | % |
| ELECTRONIC MONEY ISSUER | 180,844 | 57.74% | 1,027,454,843 | 7.33% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 57,953 | 18.50% | 9,257,487,384 | 66.06% |
| MONEY SERVICE BUSINESSES | 42,288 | 13.50% | 940,835,054 | 6.71% |
| SPECIALIZED GOVERNMENT BANKS | 11,189 | 3.57% | 690,509,937 | 4.93% |
| PAWNSHOPS | 7,617 | 2.43% | 173,921,084 | 1.24% |
| DIGITAL BANK | 7,311 | 2.33% | 79,792,957 | 0.57% |
| SAVINGS & MORTGAGE BANKS | 4,734 | 1.51% | 1,815,104,545 | 12.95% |
| RURAL BANKS/COOPERATIVE BANKS | 994 | 0.32% | 14,653,669 | 0.10% |
| STOCK SAVINGS & LOAN ASSOCIATIONS | 96 | 0.03% | 7,854,908 | 0.06% |
| PRIVATE DEVELOPMENT BANKS | 66 | 0.02% | 389,910 | 0.00% |
| BANKS' SUBSIDIARIES AND AFFILIATES ABROAD | 49 | 0.02% | 1,946,567 | 0.01% |
| MICRO-FINANCE - RURAL BANKS | 45 | 0.01% | 336,272 | 0.00% |
| OPERATORS OF PAYMENT SYSTEMS (OPS) | 7 | 0.00% | 739,917 | 0.01% |
| NON-STOCK SAVINGS & LOAN ASSOCIATION | 7 | 0.00% | 2,733,440 | 0.02% |
| Grand Total | 313,200 | 100.00% | 14,013,760,488 | 100.00% |

During this period, EMIs accounted 57.73% of the total STR volume, while representing 7.33% of the total STR value. This suggests that EMIs were commonly used for small-value transactions linked to swindling, likely due to their accessibility and lower barriers for use. This observation aligns with the Philippines' regulatory authority's move to license fintech companies as EMIs, enabling them to provide e-wallet services that facilitate cashless transactions such as bill payments, remittances, and online shopping through mobile apps.⁵⁶ These features, while designed to promote financial inclusion, may also be exploited by perpetrators of fraud schemes involving low-value but high-frequency transactions.

Moreover, EMIs emerged as the leading financial channel in terms of transaction volume, marking a shift from the first and second studies where banks were the primary channel. A substantial increase in swindling-related transactions conducted through EMIs was also observed over time. Meanwhile, the bulk of illicit funds related to swindling continued to be funneled through banks, consistent with the earlier findings that swindling-related illicit funds are still largely moved through the formal banking system.

⁵⁶ In mid-2021, it was reported that the national financial regulator began granting licenses for financial technology firms to operate as official electronic money issuers (EMIs). The license authorizes these firms to provide e-wallet services through mobile applications. Such accreditation allows entities to convert consumer funds into electronic money that can be used for online transactions, such as bill payments, remittances, purchase of mobile load, and shopping with partner merchants. Customers are also able to add or withdraw funds from their e-wallets through bank transfers and over-the-counter payment centers.

Interpretation

The analysis of STR data from 2021 to 1H 2024 indicates that swindling-related financial activities were predominantly domestic, both in terms of transaction volume and value. Most of the reported transactions involved various types of scams ranging from spurious check deposits, fake sellers, to social media and cryptocurrency frauds. Deviating from the second study, the primary financial channel used during this period were EMIs, accounting for over half of the total STR volume. Nevertheless, banks remain the dominant financial channels in terms of peso value.

Regarding international transactions, the USA and Germany were the top source countries for inbound STR volume and value, respectively. Conversely, the UAE and Hong Kong, China were the leading destination countries for outbound illicit funds based on volume and value, respectively.

IV. SMUGGLING

Smuggling, under RA No. 455⁵⁷ and RA No. 1937⁵⁸ is considered a predicate offense or an unlawful activity under the AMLA, as amended. It is defined as the illegal importation or exportation of goods in violation of customs laws, including knowingly or fraudulently bringing merchandise into the Philippines without authorization or assisting in such acts. It also encompasses activities such as receiving, concealing, selling, or transporting goods with the knowledge that they were unlawfully imported, as well as acts that undermine customs regulations and evade duties and taxes.

As provided in Table 4.1, a total of 273 STRs related to smuggling with a corresponding aggregate value of PhP1.25 billion were reported by various CPs between 2021 and 1H 2024. The aforesaid represents 0.02% and 3.52% of the total STR volume and STR value covered by this study, respectively.

Table 4.1 Total volume and peso value of STRs related to smuggling from 2021 to 1H 2024

| SMUGGLING | 2021 | | 2022 | | 2023 | | 1H 2024 | | Total | | Percent to Total | |
|-------------------------------|------------|-------------------|------------|------------------|------------|----------------------|------------|------------------|------------|----------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 128 | 9,262,943 | 0 | 0 | 0 | 0 | 0 | 0 | 128 | 9,262,943 | 46.89% | 0.74% |
| IDENTIFIED SOURCE | 128 | 9,262,943 | 0 | 0 | 0 | 0 | 0 | 0 | 128 | 9,262,943 | 46.89% | 0.74% |
| USA | 48 | 4,581,429 | 0 | 0 | 0 | 0 | 0 | 0 | 48 | 4,581,429 | 17.58% | 0.37% |
| CANADA | 37 | 1,734,017 | 0 | 0 | 0 | 0 | 0 | 0 | 37 | 1,734,017 | 13.55% | 0.14% |
| JORDAN | 30 | 353,875 | 0 | 0 | 0 | 0 | 0 | 0 | 30 | 353,875 | 10.99% | 0.03% |
| UNITED KINGDOM | 7 | 1,124,817 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 1,124,817 | 2.56% | 0.09% |
| FRANCE | 6 | 1,468,805 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 1,468,805 | 2.20% | 0.12% |
| OUTFLOW | 7 | 1,151,932 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 1,151,932 | 2.56% | 0.09% |
| IDENTIFIED DESTINATION | 7 | 1,151,932 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 1,151,932 | 2.56% | 0.09% |
| PRC | 7 | 1,151,932 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 1,151,932 | 2.56% | 0.09% |
| WITHIN THE PHILIPPINES | 22 | 7,579,800 | 24 | 3,420,480 | 90 | 1,229,372,815 | 2 | 16,000 | 138 | 1,240,389,095 | 50.55% | 99.17% |
| Grand Total | 157 | 17,994,676 | 24 | 3,420,480 | 90 | 1,229,372,815 | 2 | 16,000 | 273 | 1,250,803,970 | 100.00% | 100.00% |

⁵⁷ RA No. 455 of 1950, otherwise known as "An Act to Amend Sections Two Thousand Seven Hundred and Two, and Two Thousand Seven Hundred and Three of the Revised Administrative Code" which addressed unlawful importation and fraudulent practices against customs revenues. See

<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/2/11990> (Link accessed on 11 March 2025)

⁵⁸ RA No. 1937, otherwise known as "An Act to Revise and Codify the Tariff and Customs Laws of the Philippines" outlined the rules and regulations for the importation and exportation of goods, including the imposition of duties, prohibited importations, and penalties for violations. See

https://www.vertic.org/media/National%20Legislation/Philippines/PH_Tariff_Customs_Code_1937.pdf (Link accessed on 11 March 2025)

Within this period, 138 STRs with a corresponding aggregate value of PhP1.24 billion involving smuggling-related transactions were reported as transactions conducted within the Philippine jurisdiction. While this reflects a decrease in volume compared to the 236 STRs filed in 2018 to 2020 period,⁵⁹ the total value of these transactions increased significantly from the PhP167.16 million reported during that earlier period.

Most of the domestic financial transactions reported to be related to smuggling were proceeds or funds from smuggled goods, including rice, counterfeit cigarettes, smartphones, luxury vehicles, undocumented petroleum products, and illegal contraband, among others.

Inflow

The inflow transactions represented more than half of the total volume of STRs related to smuggling. Of the 273 total STRs, 128 STRs, or 46.89% involved funds originating from other countries. In terms of volume, the top source countries were the USA, Canada, and Jordan. When assessed by value, the leading source countries were the USA, Canada, and France.

This marks a notable increase in smuggling-related STRs involving remittances from abroad from 2021 to 1H 2024, compared to the second study, which reported no suspicious transactions from outside the Philippine jurisdiction. The reported transactions were mostly from individuals located in a foreign country who sent remittances at unusually high frequencies and volumes to multiple recipients in the Philippines, who appear to be connected due to the use of a common address, suggesting possible collusion or syndication.

Outflow

From 2021 to 1H 2024, there were seven (7) outward transactions related to smuggling, which were all bound to the PRC. Meanwhile, no outward transactions were reported for the years 2022 to 1H 2024. Particularly, all seven (7) transactions were all attributed to an individual who allegedly sent a total of PhP1.15 million to a receiver located in the PRC in 2021. Relative to this, each transaction was declared under different purposes, despite being sent to the same receiver with no apparent relationship between sender and receiver identified.

Financial Channel

Table 4.2 Breakdown of STRs related to smuggling per financial channel from 2021 to 1H 2024.

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|------------|----------------|----------------------|----------------|
| | COUNT | % | AMOUNT | % |
| MONEY SERVICE BUSINESSES | 135 | 49.45% | 10,414,876 | 0.83% |
| PAWNSHOPS | 69 | 25.27% | 1,978,090 | 0.16% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 58 | 21.25% | 1,238,215,930 | 98.99% |
| ELECTRONIC MONEY ISSUER | 10 | 3.66% | 18,700 | 0.0015% |
| SAVINGS & MORTGAGE BANKS | 1 | 0.37% | 176,375 | 0.01% |
| Grand Total | 273 | 100.00% | 1,250,803,970 | 100.00% |

⁵⁹ As presented in Table 4.1, page 21 of the second External Threats study of AMLC (reference links in previous footnotes).

It is presented in Table 4.2 that for the period under review, most of the financial transactions related to smuggling were channeled through MSBs, accounting for 49.45% of the total number of transactions. This aligns with findings from the first study (2013–2017), which also identified MSBs as the primary financial conduit for smuggling-linked transactions. Meanwhile, the second AMLC study (2018–2020) indicated that most such transactions during that period were transacted through commercial banks. In terms of transaction value, 98.99% of the illicit funds associated with smuggling between 2021 and 1H 2024 were funneled through banks, consistent with the patterns observed in both earlier studies.⁶⁰

Interpretation

Analysis of STRs related to smuggling submitted to the AMLC covering the period from 2021 to 1H 2024 indicates a significant shift in transaction pattern compared to the 2018–2020 period. While smuggling-related STRs were previously all domestic, the recent data show an increase in cross-border activity, although domestic transactions still dominate in both volume and value.⁶¹ Moreover, the top source countries both in terms of the total STR volume and value were the USA, followed by Canada, Jordan (based on STR volume), and France (based on STR value). While the funds were primarily transacted domestically, all identified outflow transactions were sent to the PRC.

In terms of transaction channels, MSBs handled most of the transactions by volume, while commercial banks accounted for the vast majority of the transaction value.

V. VIOLATION OF IP RIGHTS

Included in the list of unlawful activities under the AMLA, as amended, is the violation of RA No. 8293, otherwise known as the IP Code of the Philippines, as amended. A review of the STRs submitted by various CPs for the years 2021 to 1H 2024 revealed 273 suspicious transactions related to violation of IP rights, with a total aggregate value of PHP2.37 million. These transactions represent 0.02% and 0.01% of the total STR volume and STR value, covered in this study, respectively. Presented in Table 5.1 are the details of the STRs related to violation of IP rights for the period under review.

Table 5.1 Total volume and peso value of STRs related to violation of IP rights from 2021 to 1H 2024

| VIOLATION OF INTELLECTUAL PROPERTY RIGHTS | 2021 | | 2022 | | 2023 | | 1H 2024 | | Total | | Percent to Total | |
|---|------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW- IDENTIFIED SOURCE | 0 | 0 | 0 | 0 | 1 | 59,000 | 0 | 0 | 1 | 59,000 | 0.37% | 2.49% |
| NETHERLANDS | 0 | 0 | 0 | 0 | 1 | 59,000 | 0 | 0 | 1 | 59,000 | 0.37% | 2.49% |
| WITHIN THE PHILIPPINES | 0 | 0 | 3 | 103,094 | 269 | 2,203,102 | 0 | 0 | 272 | 2,306,196 | 99.63% | 97.51% |
| Grand Total | 0 | 0 | 3 | 103,094 | 270 | 2,262,102 | 0 | 0 | 273 | 2,365,196 | 100.00% | 100.00% |

From 2021 to 1H 2024, one (1) STR related to a violation of IP rights was reported involving a cross-border transaction. Specifically, it pertains to a remittance transaction received in June 2023 by an individual in the Philippines amounting to PHP59,000.08 from a sender based in the Netherlands. The recipient had no apparent relationship with the sender and

⁶⁰ Included in banks are Commercial Banks/Non-Expanded Commercial Banks, and Savings & Mortgage Banks.

⁶¹ This interpretation is not conclusive, as it is based on a limited number of STRs (273 in total) submitted by CPs. The findings should be treated as indicative rather than representative of the full extent of smuggling-related financial activity.

was allegedly associated with a website suspected of selling counterfeit goods and fake documents.

As shown in Table 5.1, the 272 STRs transacted within the Philippine jurisdiction between 2022 and 2023 with a combined value of PHP 2.31 million mostly involved individuals operating businesses that sell imitation shoes and ready-to-wear products. These findings indicate a trend of IP rights violations linked to the unauthorized sale of counterfeit goods and the misuse of names or branding that falsely imply origin or affiliation. However, details provided in the STR narratives were generally limited.

Financial Channel

Table 5.2 Breakdown of STRs related to violation of IP rights per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|------------|----------------|---------------------|----------------|
| | COUNT | % | AMOUNT | % |
| SAVINGS & MORTGAGE BANKS | 269 | 98.53% | 2,203,102 | 93.15% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 3 | 1.10% | 103,094 | 4.36% |
| MONEY SERVICE BUSINESSES | 1 | 0.37% | 59,000 | 2.49% |
| Grand Total | 273 | 100.00% | 2,365,196.08 | 100.00% |

As shown in Table 5.2, the STRs related to violation of IP rights were transacted through various financial channels. Nearly all transactions, both in terms of volume and value were transacted through savings and mortgage banks, accounting for 98.53% of the total volume and 93.15% of total value. This reflects a shift from the results of the first (2013 to 2017) and second study (2018 to 2020), which indicated that the majority of the financial transactions related to IP rights violations were transacted through commercial banks.⁶²

Interpretation

Consistent with the observations from the first and second external threats studies, the majority of transactions associated with violation of IP rights were domestic in nature, and the illicit funds were mostly circulated through banks. The reported activities largely involved the distribution and sale of counterfeit goods. Furthermore, the inflow transaction identified from the Netherlands pertains to payment for fake documents sold via an online platform. Notably, the cross-border threats or inflow transactions from other jurisdictions related to IP rights were commonly associated with the sale of counterfeit products, which were often marketed and sold through digital or online channels. However, these observations are not conclusive, as they are based on a limited dataset of only 273 STRs, and may not fully reflect the extent or complexity of IP rights violations occurring in the broader financial system.

⁶² Based on Table 5.3 found on page 21 of the first AMLC External Threats Study, 73.33% of the STRs and 98.33% of the total STR value were transacted through commercial bank. Meanwhile 6.67% and 0.75% of the STR volume and value, respectively, were channeled through savings and mortgage banks.

VI. ILLEGAL POSSESSION AND MANUFACTURE OF FIREARMS, AMMUNITION AND EXPLOSIVES

One of the predicate offenses listed under the AMLA, as amended, is the violation of Sections 1, 3, and 5 of Presidential Decree (PD) No. 1866,⁶³ as amended. This decree titled "Codifying the Laws on Illegal/Unlawful Possession, Manufacture, Dealing In, Acquisition or Disposition of Firearms, Ammunition or Explosives," outlines prohibited acts related to firearms and explosives.

From 2021 to 1H 2024, a total of 201 STRs were filed in connection with this predicate offense, involving an aggregate amount of PhP56.56 million. These STRs accounted for approximately 0.02% of the total volume and 0.16% of the total value of all STRs reported during the period.

Of the total 201 STRs, 55 were filed in connection with inward remittances, totaling PhP693,933.00. This represents 27.36% of the STRs by volume and 1.23% by value for this predicate category. This marks a notable increase to the 2013-2017 assessment period, when no inward remittances were recorded.

Flow of Transactions

Table 6.1 Breakdown of STRs related to Illegal Possession & Manufacture of Firearms from 2021 to 1H 2024 by transaction flow

| ILLEGAL POSSESSION AND MANUFACTURE OF FIREARMS | 2021 | | 2022 | | 2023 | | 1H 2024 | | Total | | Percent to Total | |
|--|------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 55 | 693,933 | 0 | 0 | 0 | 0 | 0 | 0 | 55 | 693,933 | 27.36% | 1.23% |
| IDENTIFIED SOURCE | 54 | 688,561 | 0 | 0 | 0 | 0 | 0 | 0 | 54 | 688,561 | 26.87% | 1.22% |
| QATAR | 1 | 19,794 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 19,794 | 0.50% | 0.03% |
| USA | 53 | 668,767 | 0 | 0 | 0 | 0 | 0 | 0 | 53 | 668,767 | 26.37% | 1.18% |
| POTENTIAL SOURCE | 1 | 5,372 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 5,372 | 0.50% | 0.01% |
| USA | 1 | 5,372 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 5,372 | 0.50% | 0.01% |
| WITHIN THE PHILIPPINES | 42 | 31,356,752 | 30 | 213,880 | 55 | 24,228,493 | 19 | 69,170 | 146 | 55,868,296 | 72.64% | 98.77% |
| Grand Total | 97 | 32,050,686 | 30 | 213,880 | 55 | 24,228,493 | 19 | 69,170 | 201 | 56,562,229 | 100.00% | 100.00% |

In terms of identified sources, Qatar and the USA emerged as the primary countries linked to firearms-related financial transactions, with a total of 54 STRs valued at PhP688,561.00. One (1) STR originated from Qatar, valued at PhP19,794.00, while 53 STRs were traced from the USA, totaling PhP668,767.00. Combined, Qatar and the USA accounted for approximately 26.87% and 1.22% of the total volume and peso value of the transactions, respectively. The USA also appeared as a potential source in one (1) additional STRs amounting to PhP5,372.00 reinforcing its significant presence in firearms-related transactions.

It is noteworthy that all 53 STRs identified from the USA pertain to two (2) individuals who received funds from a previously reported individual in the USA. Based on open-source investigation of the CP, a potential consumer name match, indicating a possible but unverified similarity of names, suggests that one of the subjects could be linked to a social

⁶³ PD No. 1883 (<https://www.officialgazette.gov.ph/1983/09/24/presidential-decree-no-1883-s-1983/>) (Link accessed on 29 April 2025).

media profile potentially engaged in activities related to the acquisition or disposition of firearms and associated licenses.⁶⁴

In contrast, the previous assessment covering the period 2018 to 2020 indicated that all STRs related to the illegal possession and manufacture of firearms, ammunition, and explosives were confined solely to the Philippine jurisdiction.⁶⁵ The current dataset, however, identified that 146 STRs valued at PhP55.87 million, as domestic, representing 98.77% of the total peso value and 72.64% of the total volume of STRs.

Financial Channel

Table 6.2 Breakdown of STRs related to Illegal Possession & Manufacture of Firearms per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|------------|----------------|-------------------|----------------|
| | COUNT | % | AMOUNT | % |
| PAWNSHOPS | 94 | 46.77% | 751,868 | 1.33% |
| MONEY SERVICE BUSINESSES | 53 | 26.37% | 668,767 | 1.18% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 35 | 17.41% | 55,129,861 | 97.47% |
| ELECTRONIC MONEY ISSUER | 19 | 9.45% | 11,733 | 0.02% |
| Grand Total | 201 | 100.00% | 56,562,229 | 100.00% |

Pawnshops were the most frequently used channels, accounting for 46.77% of the total volume, though they only represented 1.33% of the total value. MSBs followed, with 26.37% of volume and 1.18% of the value. Commercial banks accounted for 17.41% of the STR volume but handled the majority of the value (97.47%), suggesting that high-value transactions are predominantly routed through the banking system. EMIs contributed 9.45% of the volume and a mere 0.02% of the value, indicating minimal financial impact. Overall, pawnshops and MSBs were involved in lower-value, more frequent transactions, while banks processed fewer but much higher-value transactions.

Interpretation

From 2021 to 1H 2024, 201 STRs related to illegal firearms activities were filed under the AMLA, totaling PhP56.56 million. While comprising a minimal 0.02% of the total STR volume and 0.16% of the total value, the notable share of inward remittances (55 STRs) and foreign links (Qatar and USA) signals growing cross-border exposure.

Foreign jurisdictions, primarily the USA and Qatar, were linked to more than a quarter of the total STRs by volume, although their financial impact remains limited. Domestic STRs dominated in value (98.77%) and volume (72.64%), with the remaining reports tied to overseas sources. Financial activity was concentrated in pawnshops and MSBs by frequency, but the majority of funds (PhP55.14 million) were processed through commercial banks, indicating that high-value or organized operations may prefer formal banking channels.

VII. VIOLATION OF ENVIRONMENTAL LAWS

The five (5) predicate offenses that comprise environmental crimes are as follows:

⁶⁴ The STR narratives indicate that these transactions were reported as suspicious due to the following factors: (i) some consumers appeared to be connected through a common address and phone number, and (ii) a higher-than-normal frequency of money transfers.

⁶⁵ The second study, pages 23-24.

- (1) violations of Sections 78 to 79 of the Revised Forestry Code of the Philippines, as amended (PD No. 705);⁶⁶
- (2) violations of Sections 101 to 107, and 110 of the Philippine Mining Act of 1995 (RA No. 7942);⁶⁷
- (3) violations of Sections 27 (c), (e), (f), (g), and (i) of the Wildlife Resources Conservation and Protection Act (RA No. 9147);⁶⁸
- (4) violation of Section 7 (b) of the National Caves and Cave Resources Management Protection Act (RA No. 9072);⁶⁹ and
- (5) violations of Sections 86 to 106 of the Philippine Fisheries Code of 1998 (RA No. 8550).⁷⁰

In 2013, the aforementioned unlawful activities were officially designated as predicate offenses for money laundering.

Between 2021 and 1H 2024, a total of 754 STRs related to environmental crimes were filed, with an aggregate transaction value of PhP11.46 million. Said 754 STRs represent 0.06% of the total STR volume and 0.03% of the total peso value of STRs considered in the study.

Table 7.1 Breakdown of STRs related to Environmental Crimes from 2021 to 1H 2024 per predicate crime

| ENVIRONMENT LAWS | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|--|------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------|-------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| VIOLATIONS OF THE WILDLIFE RESOURCES CONSERVATION AND PROTECTION ACT | 456 | 4,589,995 | 62 | 3,108,913 | 153 | 624,775 | 0 | 0 | 671 | 8,323,682 | 88.99% | 72.63% |
| VIOLATIONS OF THE PHILIPPINE MINING ACT OF 1995 | 0 | 0 | 29 | 429,192 | 10 | 31,500 | 0 | 0 | 39 | 460,692 | 5.17% | 4.02% |
| VIOLATIONS OF THE REVISED FORESTRY CODE OF THE PHILIPPINES | 28 | 2,550,542 | 0 | 0 | 0 | 0 | 1 | 100,000 | 29 | 2,650,542 | 3.85% | 23.13% |
| VIOLATIONS OF THE PHILIPPINE FISHERIES CODE OF 1998 | 15 | 24,800 | 0 | 0 | 0 | 0 | 0 | 0 | 15 | 24,800 | 1.99% | 0.22% |
| Grand Total | 499 | 7,165,337 | 91 | 3,538,105 | 163 | 656,275 | 1 | 100,000 | 754 | 11,459,716 | 100.00% | 100.00% |

Approximately 88.99% of the reported transactions involved violation of the Wildlife Resources Conservation and Protection Act. Most cases pertained to wildlife trafficking and the illegal possession and sale of endangered species online, including African fat-tailed geckos, Australian green tree frogs,⁷¹ and red-footed tortoises.⁷² Notably, previous assessments covering 2013–2017⁷³ and 2018–2020⁷⁴ likewise identified the violation of the

⁶⁶ Revised Forestry Code of the Philippines, as amended (PD No. 705). See https://lawphil.net/statutes/presdecs/pd1975/pd_705_1975.html (Link accessed on 29 April 2025).

⁶⁷ Philippine Mining Act of 1995 (<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/10/42417>) (Link accessed 29 April 2025).

⁶⁸ Wildlife Resources Conservation and Protection Act (RA No. 9147). See https://lawphil.net/statutes/repacts/ra2001/ra_9147_2001.html (Link accessed on 29 April 2025).

⁶⁹ National Caves and Cave Resources Management Protection Act (RA No. 9072). See <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/2/4217> (Link accessed on 29 April 2025).

⁷⁰ Philippine Fisheries Code of 1998 (RA No. 8550). See https://lawphil.net/statutes/repacts/ra1998/ra_8550_1998.html (Link accessed on 29 April 2025).

⁷¹ A total of two (2) STRs were filed involving an individual, who made international outward remittances to a recipient in Poland, amounting to PhP20,183.21 (PLN1,268.29), which may potentially be linked to wildlife trafficking.

⁷² Seven (7) STRs filed for these International Outward Remittances were all going to Indonesia aggregating PhP1.031 million (IDR258.25 million) specifically indicating in the narratives, green iguana ball python and red-footed tortoise as examples of potentially wildlife-trafficked animals.

⁷³ The first study, page 23.

⁷⁴ The second study, page 24.

Wildlife Resources Conservation and Protection Act as the most prevalent environmental crime. For the 2018–2020 period, STRs in this category were primarily linked to the illicit exportation of critically endangered timber and the smuggling of live gliders, cockatoos, and birds of paradise.

Table 7.2 Breakdown of STRs related to Environmental Crimes from 2021 to 1H 2024 by transaction flow

| ENVIRONMENT LAWS | 2021 | | 2022 | | 2023 | | 1H 2024 | | Total | | Percent to Total | |
|-------------------------------|------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------|-------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 251 | 2,334,772 | 29 | 442,922 | 34 | 506,436 | 0 | 0 | 314 | 3,284,130 | 41.64% | 28.66% |
| IDENTIFIED SOURCE | 251 | 2,334,772 | 2 | 10,606 | 20 | 283,967 | 0 | 0 | 273 | 2,629,345 | 36.21% | 22.94% |
| SAUDI ARABIA | 180 | 1,625,875 | 0 | 0 | 0 | 0 | 0 | 0 | 180 | 1,625,875 | 23.87% | 14.19% |
| OMAN | 35 | 266,201 | 0 | 0 | 0 | 0 | 0 | 0 | 35 | 266,201 | 4.64% | 2.32% |
| UNITED KINGDOM | 35 | 357,681 | 0 | 0 | 0 | 0 | 0 | 0 | 35 | 357,681 | 4.64% | 3.12% |
| USA | 1 | 85,015 | 0 | 0 | 11 | 181,105 | 0 | 0 | 12 | 266,120 | 1.59% | 2.32% |
| AUSTRALIA | 0 | 0 | 0 | 0 | 9 | 102,862 | 0 | 0 | 9 | 102,862 | 1.19% | 0.90% |
| UAE | 0 | 0 | 2 | 10,606 | 0 | 0 | 0 | 0 | 2 | 10,606 | 0.27% | 0.09% |
| POTENTIAL SOURCE | 0 | 0 | 14 | 228,457 | 10 | 116,902 | 0 | 0 | 24 | 345,359 | 3.18% | 3.01% |
| USA | 0 | 0 | 14 | 228,457 | 10 | 116,902 | 0 | 0 | 24 | 345,359 | 3.18% | 3.01% |
| UNKNOWN SOURCE | 0 | 0 | 13 | 203,859 | 4 | 105,568 | 0 | 0 | 17 | 309,427 | 2.25% | 2.70% |
| OUTFLOW | 7 | 454,518 | 24 | 2,586,991 | 0 | 0 | 0 | 0 | 31 | 3,041,509 | 4.11% | 26.54% |
| IDENTIFIED DESTINATION | 7 | 454,518 | 24 | 2,586,991 | 0 | 0 | 0 | 0 | 31 | 3,041,509 | 4.11% | 26.54% |
| INDONESIA | 0 | 0 | 23 | 2,558,991 | 0 | 0 | 0 | 0 | 23 | 2,558,991 | 3.05% | 22.33% |
| THAILAND | 3 | 389,885 | 1 | 28,000 | 0 | 0 | 0 | 0 | 4 | 417,885 | 0.53% | 3.65% |
| POLAND | 2 | 20,183 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 20,183 | 0.27% | 0.18% |
| USA | 2 | 44,450 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 44,450 | 0.27% | 0.39% |
| WITHIN THE PHILIPPINES | 241 | 4,376,047 | 38 | 508,192 | 129 | 149,839 | 1 | 100,000 | 409 | 5,134,078 | 54.24% | 44.80% |
| Grand Total | 499 | 7,165,337 | 91 | 3,538,105 | 163 | 656,275 | 1 | 100,000 | 754 | 11,459,716 | 100.00% | 100.00% |

Inflow

In 2021, inflows totaled 251 transactions, contributing PhP2.33 million. This volume significantly decreased in 2022 to 29 transactions with a value of PhP442,922.00. In 2023, the volume rose slightly to 34 transactions, valued at PhP506,436.00. Cumulatively, from 2021 to 1H 2024, inflow transactions reached 314, with a total value of PhP3.28 million. This represents 41.64% of the total STR volume and 28.66% of the total STR value for the period. Notably, there are no inflows during 1H 2024.

The majority of these inflow transactions originated from Saudi Arabia, which was the leading source country both in terms of volume (180 transactions) and value (PhP1.63 million). The remaining transactions were distributed among other countries.

It should be noted that in the previous assessment covering 2018 to 2020, Malaysia emerged as the top source of remittances related to the illegal exportation of wood.⁷⁵

Outflow

Outflow transactions from 2021 to 1H 2024 were significantly fewer than inflows. In 2021, only 7 transactions were recorded, totaling PhP454,518.00. The volume increased in 2022 to 24 transactions, amounting to PhP2.57 million, and remained the same in 2023. However, no outflow transactions were reported in 1H 2024.

⁷⁵ The second study, page 25.

Thus, the total outflow volume for the covered period stood at 31 transactions, with a total value of PhP3.04 million, accounting for 4.11% of total STR volume and 26.54% of total STR value.

Indonesia emerged as the primary destination for these outflows, accounting for 23 transactions valued at PhP2.56 million, or 22.33% of the total STR value. These outflows were primarily associated with wildlife trafficking, particularly in connection with inflows from Saudi Arabia and subsequent outflows to Indonesia.

Financial Channel

Table 7.3 Breakdown of STRs related to Environmental Crimes from 2021 to 1H 2024 by financial channel

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|------------|----------------|-------------------|----------------|
| | COUNT | % | AMOUNT | % |
| MONEY SERVICE BUSINESSES | 298 | 39.52% | 5,564,083 | 48.55% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 256 | 33.95% | 4,880,439 | 42.59% |
| ELECTRONIC MONEY ISSUER | 121 | 16.05% | 123,811 | 1.08% |
| PAWNSHOPS | 79 | 10.48% | 891,384 | 7.78% |
| Grand Total | 754 | 100.00% | 11,459,716 | 100.00% |

Based on the recent assessment, MSBs and banks were the top two financial channels used by perpetrators to move proceeds from environmental crimes, accounting for 48.55% and 42.59% of the total peso value, respectively.

By comparison, in the previous assessment covering 2018 to 2020, banks overwhelmingly dominated, facilitating 98.57% of the total transaction volume and 99.98% of the total peso value of criminal proceeds.⁷⁶ This shift suggests a growing reliance on MSBs in the current period, indicating evolving tactics in laundering proceeds from environmental crimes.

Interpretation

From 2021 to mid-2024, a total of 754 STRs amounting to PhP11.46 million were linked to environmental crimes, with nearly 90% involving wildlife trafficking and illegal trade of endangered species. Inflows, primarily from Saudi Arabia, accounted for 23.87% of volume, while outflows were mainly directed to Indonesia.

A shift in laundering methods was also noted. Unlike in 2018–2020 when banks dominated, recent data show increased use of MSBs (48.55% of value), indicating changing tactics in moving illicit funds. The findings highlight the continuing threat of wildlife-related financial crimes and evolving laundering strategies.

VIII. CYBER-ENABLED CRIMES

The Electronic Commerce Act of 2000, also known as RA No. 8792,⁷⁷ establishes penalties for the unlawful use of electronic commercial and non-commercial transactions and documents, as well as other objectives. Under this law, crimes facilitated by digital platforms including phishing, online fraud, BEC, and misuse of electronic channels for

⁷⁶ The second study, page 26.

⁷⁷ Electronic Commerce Act of 2000. See https://lawphil.net/statutes/repacts/ra2000/ra_8792_2000.html (Link accessed on 29 April 2025).

illicit financial activity are classified as cyber-enabled crimes. This category excludes OSAEC, which is treated separately due to its specialized typologies.

Table 8.1 Breakdown of STRs related to cyber-enabled crimes from 2021 to 1H 2024 by transaction flow

| E-COMMERCE VIOLATIONS | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | Percent to Total | |
|------------------------|---------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 300 | 18,829,733 | 199 | 37,720,226 | 188 | 51,633,258 | 60 | 10,491,624 | 747 | 118,674,841 | 0.10% | 1.46% |
| OUTFLOW | 51 | 1,344,039,697 | 73 | 37,741,200 | 21 | 7,392,996 | 24 | 30,207,033 | 169 | 1,419,380,926 | 0.02% | 17.50% |
| WITHIN THE PHILIPPINES | 85,142 | 2,175,829,324 | 194,605 | 1,061,984,232 | 354,472 | 2,343,559,265 | 123,486 | 993,194,983 | 757,705 | 6,574,567,804 | 99.88% | 81.04% |
| Grand Total | 85,493 | 3,538,698,754 | 194,877 | 1,137,445,657 | 354,681 | 2,402,585,519 | 123,570 | 1,033,893,640 | 758,621 | 8,112,623,570 | 100.00% | 100.00% |

From 2021 to 1H 2024, a total of 758,621 STRs were filed by CPs in connection with violation of RA No. 8792, amounting to approximately PhP8.11 billion in total transaction value. These figures represent 58.55% of the total STR volume and 22.86% of the total STR value, indicating a high frequency of smaller-value transactions associated with cyber-enabled crimes.

The year-on-year data shows a sharp increase in both volume and value of STRs between 2021 and 2023, particularly in domestic transactions. Despite a surge in STR numbers from 2021 to 2022, the total value decreased by more than half, suggesting a rise in small-value transactions. From 2022 to 1H 2024, there has been an upward trend in the average peso value per STR, with the highest average value occurring in 1H 2024, derived from 123,570 STRs totalling over PhP1.03 billion.

A closer look at transaction flow reveals that 99.88% of the STRs related to e-commerce violations were domestic transactions, comprising 757,705 STRs with a total value of PhP6.57 billion or 81.04% of the total peso value. This points to a strong internal threat landscape.

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Inflow⁷⁸

Table 8.2 Breakdown inflow transactions related to cyber-enabled crimes from 2021 to 1H 2024

| E-COMMERCE VIOLATIONS | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | Percent to Total | |
|-------------------------------|---------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 300 | 18,829,733 | 199 | 37,720,226 | 188 | 51,633,258 | 60 | 10,491,624 | 747 | 118,674,841 | 0.10% | 1.46% |
| IDENTIFIED SOURCE | 300 | 18,829,733 | 190 | 37,129,033 | 183 | 50,882,258 | 44 | 9,273,277 | 717 | 116,114,300 | 0.09% | 1.43% |
| USA | 161 | 8,458,708 | 75 | 4,612,299 | 53 | 3,015,588 | 18 | 3,613,841 | 307 | 19,700,436 | 0.04% | 0.24% |
| UNITED KINGDOM | 31 | 3,430,459 | 10 | 4,226,893 | 26 | 5,257,329 | 8 | 4,512,621 | 75 | 17,427,302 | 0.01% | 0.21% |
| UAE | 2 | 52,820 | 30 | 3,521,996 | 15 | 279,864 | 4 | 82,406 | 51 | 3,937,086 | 0.01% | 0.05% |
| SAUDI ARABIA | 39 | 649,646 | 1 | 40,136 | 2 | 39,039 | 0 | 0 | 42 | 728,821 | 0.01% | 0.01% |
| KOREA | 26 | 3,293,959 | 0 | 0 | 9 | 2,417,773 | 0 | 0 | 35 | 5,711,732 | 0.005% | 0.07% |
| KUWAIT | 2 | 7,030 | 30 | 2,633,661 | 0 | 0 | 0 | 0 | 32 | 2,640,691 | 0.004% | 0.03% |
| SINGAPORE | 0 | 0 | 15 | 580,787 | 10 | 2,241,200 | 1 | 25,266 | 26 | 2,847,253 | 0.003% | 0.04% |
| AUSTRALIA | 9 | 1,711,105 | 8 | 1,480,332 | 2 | 249,103 | 1 | 36,139 | 20 | 3,476,678 | 0.003% | 0.04% |
| CANADA | 3 | 146,457 | 3 | 47,852 | 10 | 849,734 | 3 | 488,790 | 19 | 1,532,834 | 0.003% | 0.02% |
| QATAR | 1 | 4,508 | 1 | 66,061 | 13 | 1,839,275 | 3 | 69,439 | 18 | 1,979,283 | 0.002% | 0.02% |
| THAILAND | 16 | 549,866 | 0 | 0 | 0 | 0 | 0 | 0 | 16 | 549,866 | 0.002% | 0.01% |
| SPAIN | 0 | 0 | 3 | 42,866 | 10 | 33,280,409 | 0 | 0 | 13 | 33,323,276 | 0.002% | 0.41% |
| MALAYSIA | 0 | 0 | 0 | 0 | 9 | 547,826 | 0 | 0 | 9 | 547,826 | 0.001% | 0.01% |
| ITALY | 0 | 0 | 0 | 0 | 8 | 130,864 | 0 | 0 | 8 | 130,864 | 0.001% | 0.0016% |
| SWEDEN | 1 | 1,252 | 4 | 117,902 | 2 | 45,663 | 0 | 0 | 7 | 164,816 | 0.001% | 0.0020% |
| JAPAN | 4 | 284,308 | 0 | 0 | 0 | 0 | 2 | 364,038 | 6 | 648,346 | 0.001% | 0.01% |
| CHINESE TAIPEI | 0 | 0 | 0 | 0 | 1 | 6,801 | 3 | 70,736 | 4 | 77,537 | 0.001% | 0.0010% |
| NETHERLANDS | 0 | 0 | 3 | 53,039 | 0 | 0 | 0 | 0 | 3 | 53,039 | 0.0004% | 0.0007% |
| ISRAEL | 0 | 0 | 1 | 2,286 | 2 | 36,000 | 0 | 0 | 3 | 38,286 | 0.0004% | 0.0005% |
| NEW ZEALAND | 0 | 0 | 0 | 0 | 3 | 89,269 | 0 | 0 | 3 | 89,269 | 0.0004% | 0.0011% |
| BRAZIL | 0 | 0 | 2 | 24,015 | 0 | 0 | 0 | 0 | 2 | 24,015 | 0.0003% | 0.0003% |
| AUSTRIA | 2 | 107,482 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 107,482 | 0.0003% | 0.0013% |
| INDONESIA | 0 | 0 | 0 | 0 | 2 | 12,000 | 0 | 0 | 2 | 12,000 | 0.0003% | 0.0001% |
| JORDAN | 0 | 0 | 1 | 7,710 | 0 | 0 | 0 | 0 | 1 | 7,710 | 0.0001% | 0.0001% |
| GREECE | 1 | 294 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 294 | 0.0001% | 0.0000% |
| OTHER COUNTRIES | 2 | 131,840 | 3 | 19,671,198 | 6 | 544,523 | 1 | 10,000 | 12 | 20,357,561 | 0.002% | 0.25% |
| POTENTIAL SOURCE | 0 | 0 | 8 | 579,493 | 5 | 751,000 | 5 | 678,402 | 18 | 2,008,895 | 0.002% | 0.02% |
| USA | 0 | 0 | 5 | 169,133 | 1 | 3,500 | 3 | 471,112 | 9 | 643,745 | 0.001% | 0.01% |
| UAE | 0 | 0 | 3 | 410,360 | 0 | 0 | 0 | 0 | 3 | 410,360 | 0.0004% | 0.01% |
| CANADA | 0 | 0 | 0 | 0 | 1 | 200,000 | 2 | 207,290 | 3 | 407,290 | 0.0004% | 0.01% |
| SINGAPORE | 0 | 0 | 0 | 0 | 2 | 430,000 | 0 | 0 | 2 | 430,000 | 0.0003% | 0.01% |
| MALAYSIA | 0 | 0 | 0 | 0 | 1 | 117,500 | 0 | 0 | 1 | 117,500 | 0.0001% | 0.00% |
| UNKNOWN SOURCE | 0 | 0 | 1 | 11,700 | 0 | 0 | 11 | 539,946 | 12 | 551,646 | 0.002% | 0.01% |
| OUTFLOW | 51 | 1,344,039,697 | 73 | 37,741,200 | 21 | 7,392,996 | 24 | 30,207,033 | 169 | 1,419,380,926 | 0.02% | 17.50% |
| WITHIN THE PHILIPPINES | 85,142 | 2,175,829,324 | 194,605 | 1,061,984,232 | 354,472 | 2,343,559,265 | 123,486 | 993,194,983 | 757,705 | 6,574,567,804 | 99.88% | 81.04% |
| Grand Total | 85,493 | 3,538,698,754 | 194,877 | 1,137,445,657 | 354,681 | 2,402,585,519 | 123,570 | 1,033,893,640 | 758,621 | 8,112,623,570 | 100.00% | 100.00% |

International inward remittances account for only 747 transactions or 0.10% of the total number of STRs associated with E-Commerce Act violations, representing PhP118.67 million or 1.46% of total peso value.

Of the total, 717 STRs (95.98%) were from identified source countries, representing PhP116.11 million (97.84% of inflow value). Meanwhile, 18 STRs (2.41%) were tagged as having potential source countries, identified solely on correspondent bank addresses due to the absence of declared counterparty information. These transactions were valued at PhP2.01 million, or 1.69% of the total inflow value.

The USA emerged as the leading source country, contributing 316 STRs (both as identified and potential source) accounting for 42.30% of total inflow volume) with an aggregate value of PhP20.34 million (17.14% of the total inflow value). The United Kingdom and UAE followed by value, with 75 STRs (PhP17.43 million) and 15 STRs (both as identified and potential source aggregating PhP4.35 million) respectively.

An additional 12 STRs (1.61%) involving PhP551,646.00 were categorized under unknown sources, with 11 cases flagged from complaints of unauthorized online fund transfers.

⁷⁸ Other Countries: Norway, Portugal, Moldova, PRC, Turkey, Ireland, Ecuador, Hong Kong, China, Poland, Bahrain, Malta, Mexico

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Covered persons noted that the funds involved were not commensurate with the clients' declared sources of income.

In the previous 2nd external threat study covering years 2018 to 2020, most international inward remittances associated with E-Commerce Act violations from both identified and potential sources pertain to fraud schemes such as romance scams, online relationship fraud, emergency scams).⁷⁹

Outflow

Table 8.3 Breakdown outflow transactions related to cyber-enabled crimes from 2021 to 1H 2024

| E-COMMERCE VIOLATIONS | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | Percent to Total | |
|-------------------------------|---------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 300 | 18,829,733 | 199 | 37,720,226 | 188 | 51,633,258 | 60 | 10,491,624 | 747 | 118,674,841 | 0.10% | 1.46% |
| OUTFLOW | 51 | 1,344,039,697 | 73 | 37,741,200 | 21 | 7,392,996 | 24 | 30,207,033 | 169 | 1,419,380,926 | 0.02% | 17.50% |
| IDENTIFIED DESTINATION | 25 | 62,132,511 | 23 | 37,514,431 | 9 | 7,362,617 | 4 | 30,185,438 | 61 | 137,194,997 | 0.01% | 1.69% |
| USA | 1 | 11,727,309 | 7 | 9,443,053 | 1 | 40,000 | 0 | 0 | 9 | 21,210,362 | 0.0012% | 0.26% |
| THAILAND | 4 | 4,820,880 | 0 | 0 | 0 | 0 | 3 | 18,202,955 | 7 | 23,023,835 | 0.0009% | 0.28% |
| PRC | 1 | 816,144 | 5 | 4,762,421 | 0 | 0 | 0 | 0 | 6 | 5,578,564 | 0.0008% | 0.07% |
| UNITED KINGDOM | 0 | 0 | 5 | 13,543,685 | 0 | 0 | 0 | 0 | 5 | 13,543,685 | 0.0007% | 0.17% |
| AUSTRALIA | 0 | 0 | 1 | 842,952 | 4 | 4,132,490 | 0 | 0 | 5 | 4,975,442 | 0.0007% | 0.06% |
| SINGAPORE | 3 | 18,205,244 | 1 | 774,218 | 0 | 0 | 0 | 0 | 4 | 18,979,462 | 0.0005% | 0.23% |
| HONG KONG, CHINA | 3 | 4,472,649 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 4,472,649 | 0.0004% | 0.06% |
| ITALY | 1 | 13,444,784 | 1 | 50,000 | 0 | 0 | 1 | 11,982,482 | 3 | 25,477,267 | 0.0004% | 0.31% |
| CANADA | 2 | 20,000 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 20,000 | 0.0003% | 0.0002% |
| BRAZIL | 2 | 2,179,667 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2,179,667 | 0.0003% | 0.03% |
| BELGIUM | 0 | 0 | 0 | 0 | 2 | 1,789,359 | 0 | 0 | 2 | 1,789,359 | 0.0003% | 0.02% |
| BARBADOS | 2 | 1,485,024 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 1,485,024 | 0.0003% | 0.02% |
| CHINESE TAIPEI | 2 | 852,429 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 852,429 | 0.0003% | 0.01% |
| KOREA | 0 | 0 | 2 | 728,758 | 0 | 0 | 0 | 0 | 2 | 728,758 | 0.0003% | 0.01% |
| VIETNAM | 0 | 0 | 1 | 7,369,344 | 0 | 0 | 0 | 0 | 1 | 7,369,344 | 0.0001% | 0.09% |
| INDIA | 0 | 0 | 0 | 0 | 1 | 846,980 | 0 | 0 | 1 | 846,980 | 0.0001% | 0.01% |
| SLOVAKIA | 1 | 2,377,597 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 2,377,597 | 0.0001% | 0.03% |
| INDONESIA | 1 | 523,515 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 523,515 | 0.0001% | 0.01% |
| UAE | 0 | 0 | 0 | 0 | 1 | 553,789 | 0 | 0 | 1 | 553,789 | 0.0001% | 0.01% |
| GERMANY | 1 | 618,000 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 618,000 | 0.0001% | 0.01% |
| MALAYSIA | 1 | 589,270 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 589,270 | 0.0001% | 0.01% |
| POTENTIAL DESTINATION | 26 | 1,281,907,186 | 50 | 226,769 | 12 | 30,379 | 20 | 21,595 | 108 | 1,282,185,929 | 0.01% | 15.80% |
| USA | 18 | 34,971,131 | 34 | 63,095 | 6 | 3,607 | 11 | 14,967 | 69 | 35,052,798 | 0.01% | 0.43% |
| SINGAPORE | 3 | 53,510 | 6 | 160,846 | 0 | 0 | 0 | 0 | 9 | 214,356 | 0.0012% | 0.0026% |
| NETHERLANDS | 0 | 0 | 8 | 592 | 1 | 217 | 0 | 0 | 9 | 809 | 0.0012% | 0.0000% |
| UNITED KINGDOM | 0 | 0 | 1 | 1,749 | 0 | 0 | 4 | 115 | 5 | 1,864 | 0.0007% | 0.0000% |
| HONG KONG, CHINA | 4 | 1,246,879,434 | 0 | 0 | 1 | 0 | 0 | 0 | 5 | 1,246,879,434 | 0.0007% | 15.37% |
| GERMANY | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 3,178 | 2 | 3,178 | 0.0003% | 0.0000% |
| CYPRUS | 0 | 0 | 0 | 0 | 2 | 3,765 | 0 | 0 | 2 | 3,765 | 0.0003% | 0.0000% |
| CANADA | 0 | 0 | 0 | 0 | 1 | 21,605 | 1 | 222 | 2 | 21,827 | 0.0003% | 0.0003% |
| BELIZE | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 3,085 | 1 | 3,085 | 0.0001% | 0.0000% |
| CZECH REPUBLIC | 1 | 3,111 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 3,111 | 0.0001% | 0.0000% |
| AUSTRALIA | 0 | 0 | 1 | 487 | 0 | 0 | 0 | 0 | 1 | 487 | 0.0001% | 0.0000% |
| POLAND | 0 | 0 | 0 | 0 | 1 | 1,185 | 0 | 0 | 1 | 1,185 | 0.0001% | 0.0000% |
| MALAYSIA | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 29 | 1 | 29 | 0.0001% | 0.0000% |
| WITHIN THE PHILIPPINES | 85,142 | 2,175,829,324 | 194,605 | 1,061,984,232 | 354,472 | 2,343,559,265 | 123,486 | 993,194,983 | 757,705 | 6,574,567,804 | 99.88% | 81.04% |
| Grand Total | 85,493 | 3,538,698,754 | 194,877 | 1,137,445,657 | 354,681 | 2,402,585,519 | 123,570 | 1,033,893,640 | 758,621 | 8,112,623,570 | 100.00% | 100.00% |

Between 2021 and 1H 2024, a total of 169 STRs involving outward international fund transfers were filed in connection with E-Commerce Act (RA No. 8792) violations, representing 0.02% of the total cyber-enabled STRs volume. While limited in frequency, these transactions amounted to a significant PhP1.42 billion, or 17.50% of the total STR value analyzed.

Of 169 outflow STRs, 61 were directed to identified destination countries (PhP137.19 million) and 108 were routed to potential destinations via intermediary banks (PhP1.28 billion), highlighting the high value and opacity of these transfers.

⁷⁹ The second study, page 28

Considering both identified and potential counts, the top destinations were the USA at 78 STRs followed by Singapore, Hongkong, China, Thailand and the PRC. In terms of value, the top destinations are the Hongkong, China, (PhP1.25 billion), USA (PhP56.26 million), Italy (PhP25.48 million), Thailand (PhP23.02 million), and Singapore (PhP19.19 million).

A standout here is Hong Kong, China, which received 8 transactions (both identified and potential) in 2021 totaling PhP1.25 billion, representing 88.16% of all outflow transaction value and 15.43% of the total STR value for all cyber-enabled. A substantial portion of this value stemmed from two high-value transactions conducted on 17 and 18 June 2021, amounting to USD6.72 million (PhP324.65 million) and USD6.13 million (PhP298.17 million), respectively. These transfers were made to an account specified by a supplier, based on email correspondence. However, it was later discovered that the supplier's email server had been compromised. Following the incident's reporting and subsequent investigation, the transferred amounts were successfully recovered and returned to the customer's account on 23 and 29 June 2021, respectively.

Notably, based on prior findings covering 2018 to 2020, most of the outward international outward remittances associated with E-Commerce Act violations were linked to cyber-enabled fraud such as hacked or spoofed emails, payment to unauthorized beneficiaries, instructions from a fictitious e-mail address which are typical markers of BEC schemes.⁸⁰

Financial Channel

Table 8.4 Breakdown of STRs on cyber-enabled crimes per financial channel from 2021 to 1H 2024

| CHANNELS | Volume | % | Value in PhP | % |
|--|----------------|----------------|----------------------|----------------|
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 701,219 | 92.43% | 7,210,317,096 | 88.88% |
| ELECTRONIC MONEY ISSUER | 39,126 | 5.16% | 604,298,866 | 7.45% |
| SAVINGS & MORTGAGE BANKS | 8,655 | 1.14% | 68,616,583 | 0.85% |
| RURAL BANKS/COOPERATIVE BANKS | 7,023 | 0.93% | 11,478,418 | 0.14% |
| SPECIALIZED GOVERNMENT BANKS | 1,160 | 0.15% | 105,944,913 | 1.31% |
| DIGITAL BANK | 548 | 0.07% | 31,929,287 | 0.39% |
| STOCK SAVINGS & LOAN ASSOCIATIONS | 341 | 0.04% | 14,193,927 | 0.17% |
| MONEY SERVICE BUSINESSES | 306 | 0.04% | 8,185,939 | 0.10% |
| PRIVATE DEVELOPMENT BANKS | 132 | 0.02% | 52,750,080 | 0.65% |
| OPERATORS OF PAYMENT SYSTEMS | 108 | 0.01% | 4,848,498 | 0.06% |
| PAWNSHOPS | 3 | 0.00% | 59,963 | 0.00% |
| Grand Total | 758,621 | 100.00% | 8,112,623,570 | 100.00% |

Commercial banks are mainly used in transacting illicit funds, amounting to PhP7.21 billion (88.88% of the total peso amount) with 701,219 STRs (92.43% of the total volume of STRs). This has been consistent with the findings from the previous assessments covering years 2013 to 2017 and 2018 to 2020.

Interpretation

From 2021 to mid-2024, a total of 758,621 STRs amounting to approximately PhP8.11 billion were linked to violations of the Electronic Commerce Act (RA No. 8792), with the vast majority (99.88%) involving domestic transactions. International inflows were limited but included high-value transfers, primarily from the USA, while outflows were few but

⁸⁰ Refer to the second study, page 28.

significant, highlighted by a major case to Hong Kong, China linked to cyber-enabled fraud and BEC.

Commercial banks remained the primary channel, processing most transactions and values, underscoring their significant role in potential illicit fund flows. The data indicate that cyber-enabled crimes involve frequent, lower-value domestic transactions and occasional high-value international transfers, reflecting evolving transaction behaviors.

IX: TRAFFICKING IN PERSONS, CHILD EXPLOITATION, AND OTHER RELATED CRIMES

This section of the study covers the discussion of the following predicate offenses:

- 1) violations of Sections 4 to 6 of RA No. 9208 (as amended by RA No. 10364), otherwise known as the Anti-Trafficking in Persons Act of 2003
- 2) violation of Section 4 of RA No. 9995, otherwise known as the Anti-Photo and Video Voyeurism Act of 2009
- 3) violation of Section 4 of RA No. 9775, otherwise known as the Anti-Child Pornography Act of 2009
- 4) violations of Sections 5, 7, 8, 9, 10(c), (d) and (e), 11, 12 and 14 of RA No. 7610, otherwise known as the Special Protection of Children Against Abuse, Exploitation and Discrimination Act

For the years covered by this study, which include the years 2021 to 1H 2024, a total of 111,911 STRs with a corresponding aggregate value of PhP904.59 million were reported to be associated with trafficking in persons, child exploitation, and other related crimes. The said figures represent 8.64% of the total STR volume and 2.55% of the total STR value covered by this study. While the volume of STRs increased significantly compared to the second study,⁸¹ the aggregate STR value decreased. Table 9.1 presents the breakdown of STRs associated with these predicate offenses.

Table 9.1 Breakdown of STRs related to trafficking in persons, child exploitation, and other related crimes for 2021 to 1H 2024 per predicate offense

| PREDICATE OFFENSE | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|---------------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|--------------|--------------------|----------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| TRAFFICKING IN PERSONS | 2,795 | 44,371,550 | 1,379 | 13,595,587 | 1,110 | 10,739,178 | 259 | 140,477,734 | 5,543 | 209,184,049 | 4.95% | 23.12% |
| PHOTO AND VIDEO VOYEURISM | 1,137 | 12,807,287 | 506 | 6,525,554 | 425 | 2,800,394 | 6 | 73,089 | 2,074 | 22,206,324 | 1.85% | 2.45% |
| CHILD PORNOGRAPHY | 9,273 | 72,383,331 | 4,769 | 34,794,580 | 4,364 | 25,330,402 | 998 | 6,022,365 | 19,404 | 138,530,677 | 17.34% | 15.31% |
| CHILD EXPLOITATION | 34,950 | 243,553,250 | 29,413 | 169,424,490 | 16,145 | 94,581,720 | 4,382 | 27,114,112 | 84,890 | 534,673,572 | 75.85% | 59.11% |
| Grand Total | 48,155 | 373,115,418 | 36,067 | 224,340,210 | 22,044 | 133,451,694 | 5,645 | 173,687,301 | 111,911 | 904,594,622 | 100.00% | 100.00% |

As observed in Table 9.1, the majority of the suspicious transactions, both in terms of total volume and value, pertain to child exploitation. This agrees with the assessments made in the first and second external threats studies. Notably, from 2021 to 1H 2024, a decreasing trend in STR volume was observed for trafficking in persons offenses. However, this is inversely proportional to the STR value, which shows an increasing trend. It can be inferred that there are high-value transactions included in the reports, as evidenced by 43 transactions with amounts of more than PhP1 million with an aggregate amount of PhP128.21 million. Moreover, despite being the highest in terms of both STR volume and

⁸¹ A total of 50,965 STRs with a total value of PhP1.13 billion related to trafficking in persons, child exploitation, and other related crimes were reported by various CPs for the years 2018 to 2020. Found on pages 10 and 29 of the second AMLC External Threats Study.

value, child exploitation-related STRS also exhibited a directly proportional decrease in both volume and value from 2021 to 1H 2024.

In terms of STR volume share within this crime category, child exploitation accounted for 75.85%, followed by child pornography (17.34%), trafficking in persons (4.95%), and photo and video voyeurism (1.85%). Meanwhile, assessing the STR value share, child exploitation comprised 59.11%, followed by trafficking in persons (23.12%), child pornography (15.31%), and photo and video voyeurism (2.45%).

Table 9.2 Breakdown of STRs related to trafficking in persons, child exploitation, and other related crimes for 2021 to 1H 2024 per transaction flow

| TRANSACTION FLOW | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|------------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|--------------|--------------------|----------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 45,175 | 339,010,285 | 33,186 | 203,802,371 | 20,229 | 120,321,546 | 5,266 | 34,135,622 | 103,856 | 697,269,824 | 92.80% | 77.08% |
| OUTFLOW | 372 | 16,969,921 | 100 | 1,197,208 | 53 | 1,501,399 | 44 | 188,900 | 569 | 19,857,428 | 0.51% | 2.20% |
| WITHIN THE PHILIPPINES | 2,608 | 17,135,211 | 2,781 | 19,340,631 | 1,762 | 11,628,749 | 335 | 139,362,779 | 7,486 | 187,467,370 | 6.69% | 20.72% |
| Grand Total | 48,155 | 373,115,418 | 36,067 | 224,340,210 | 22,044 | 133,451,694 | 5,645 | 173,687,301 | 111,911 | 904,594,622 | 100.00% | 100.00% |

As reflected in Table 9.2, the majority of financial transactions related to trafficking in persons, child exploitation, and other related crimes involved inflows from foreign jurisdictions. These findings reinforce the conclusions of the second study, particularly those outlines in the AMLC's study titled "*Child Pornography in the Philippines: Post 2019 Study using STR Data*,"⁸² as well as the most recent AMLC study "*Online Sexual Abuse and Exploitation in the Philippines: An Evaluation using STR Data*."⁸³ Both studies underscore that child pornography-related transactions in the Philippines are predominantly cross-border in nature.

A. Violation of the Anti-Trafficking in Persons Act of 2003

For the years 2021 to 1H 2024, a total of 5,543 STRs with an aggregate value of PhP209.18 million related to trafficking in persons were submitted to the AMLC by various CPs. The data comprise 4.95% of the total number and 23.12% of the total value of STRs related to trafficking in persons, child exploitation, and other related crimes within the covered period of the study.

Table 9.3 Breakdown of STRs related to trafficking in persons from 2021 to 1H 2024 by transaction flow

| TRAFFICKING IN PERSONS | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|------------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|------------|--------------------|--------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 2,229 | 37,231,626 | 1,007 | 9,959,326 | 963 | 7,602,681 | 182 | 3,101,997 | 4,381 | 57,895,631 | 79.04% | 27.68% |
| OUTFLOW | 18 | 2,111,839 | 6 | 335,912 | 16 | 1,028,610 | | | 40 | 3,476,362 | 0.72% | 1.66% |
| WITHIN THE PHILIPPINES | 548 | 5,028,085 | 366 | 3,300,348 | 131 | 2,107,887 | 77 | 137,375,736 | 1,122 | 147,812,057 | 20.24% | 70.66% |
| Grand Total | 2,795 | 44,371,550 | 1,379 | 13,595,587 | 1,110 | 10,739,178 | 259 | 140,477,734 | 5,543 | 209,184,049 | 100.00% | 100.00% |

As shown in Table 9.3, the majority of the STR volume came from inflow transactions from other jurisdictions, while the majority of the STR value was attributed to the transactions that occurred within the Philippines. Noteworthy is that for inflow transactions for the

⁸² See

<http://www.amlc.gov.ph/images/PDFs/2020%20DEC%20CHILD%20PORNOGRAPHY%20IN%20THE%20PHILIPPINES%20PST-2019%20STUDY%20USING%20STR%20DATA.pdf> (Link accessed on 24 March 2025).

⁸³ See

<http://www.amlc.gov.ph/images/PDFs/Main/Online%20Sexual%20Abuse%20and%20Exploitation%20of%20Children%20in%20the%20Philippines.pdf> (Link accessed on 24 March 2025).

years 2021 to 1H 2024, there is a directly proportional decrease in the STR volume and STR value, which indicates that the inflow transactions from other countries pertaining to human trafficking declined. However, despite the decrease in the number of suspicious transactions that occurred within the Philippine jurisdiction from 2023 to 1H 2024, the STR value significantly increased to PhP137.38 million from PhP2.11 million. This was noted as a significant increase considering that the data for 2024 only pertains to its 1H compared to 2023, which is for the whole year.

Inflow

As shown in Table 9.4,⁸⁴ A total of 4,381 inflow transactions with an aggregate value of around PhP57.90 million related to human trafficking were reported by various CPs to the AMLC for the years 2021 to 1H 2024. The figure represents a significant increase compared to the data in the second study,⁸⁵ indicating growth in both volume and value of remittance transactions linked to human trafficking.

However, a declining trend can be observed in both the number and value of STRs over the said period.

Notably, a significant portion of the STR volume and value were remittances from the USA (both as identified and potential source), accounting for 26.81% of the total volume and 10.35% of the total value of STRs linked to human trafficking. In terms of STR volume, the USA was the top source country followed by Saudi Arabia and the United Kingdom. Meanwhile, based on transaction value, the top three source countries were the USA, Saudi Arabia, and Canada. These findings highlight the significant risk posed by the USA as the primary origin of illicit funds related to human trafficking inflows to the Philippines.

⁸⁴ Included in "Other Countries" are the following: Bahrain, Belgium, France, Israel, Poland, Turkey, New Zealand, Lebanon, Brazil, Pakistan, Chinese Taipei, Haiti, Iceland, Luxembourg, Cyprus, Slovakia, Croatia, Bosnia and Herzegovina, Panama, Iraq, Colombia, Spain, and Montenegro.

⁸⁵ As shown on Table 9.7 found on page 33 of the second AMLC External Threats study, a total of 144 STRs amounting to PhP30.37 million were inflow remittance transactions related to human trafficking from various jurisdictions from 2018 to 2020.

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Table 9.4 Summary of transaction inflow related to trafficking in persons for 2021 to 1H 2024

| TRAFFICKING IN PERSONS | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|------------|--------------------|--------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 2,229 | 37,231,626 | 1,007 | 9,959,326 | 963 | 7,602,681 | 182 | 3,101,997 | 4,381 | 57,895,631 | 79.04% | 27.68% |
| IDENTIFIED SOURCE | 2,229 | 37,231,626 | 1,006 | 9,955,375 | 960 | 7,573,510 | 181 | 3,101,289 | 4,376 | 57,861,801 | 78.95% | 27.66% |
| USA | 714 | 15,561,942 | 296 | 1,784,958 | 401 | 2,531,757 | 73 | 1,744,456 | 1,484 | 21,623,113 | 26.77% | 10.34% |
| SAUDI ARABIA | 784 | 10,593,026 | 365 | 2,589,745 | 102 | 582,715 | 4 | 11,000 | 1,255 | 13,776,486 | 22.64% | 6.59% |
| UNITED KINGDOM | 160 | 1,179,824 | 56 | 543,510 | 50 | 196,952 | 44 | 301,458 | 310 | 2,221,745 | 5.59% | 1.06% |
| CANADA | 212 | 4,672,369 | 25 | 288,989 | 61 | 476,354 | 4 | 51,960 | 302 | 5,489,672 | 5.45% | 2.62% |
| AUSTRALIA | 59 | 896,332 | 52 | 596,854 | 110 | 923,061 | 22 | 349,839 | 243 | 2,766,085 | 4.38% | 1.32% |
| HONG KONG, CHINA | 29 | 306,700 | 42 | 647,297 | 2 | 11,000 | 6 | 135,680 | 79 | 1,100,676 | 1.43% | 0.53% |
| QATAR | 55 | 470,147 | 8 | 588,575 | 1 | 3,000 | 5 | 220,172 | 69 | 1,281,895 | 1.24% | 0.61% |
| NETHERLANDS | 11 | 67,369 | 41 | 1,434,289 | 10 | 329,661 | 0 | 0 | 62 | 1,831,319 | 1.12% | 0.88% |
| NORWAY | 13 | 27,660 | 21 | 141,408 | 23 | 58,083 | 0 | 0 | 57 | 227,150 | 1.03% | 0.11% |
| GERMANY | 11 | 46,321 | 10 | 14,419 | 27 | 245,040 | 3 | 7,875 | 51 | 313,655 | 0.92% | 0.15% |
| SWITZERLAND | 0 | 0 | 8 | 15,483 | 36 | 394,489 | 0 | 0 | 44 | 409,972 | 0.79% | 0.20% |
| SOUTH KOREA | 0 | 0 | 1 | 3,498 | 37 | 182,342 | 0 | 0 | 38 | 185,840 | 0.69% | 0.09% |
| KUWAIT | 22 | 231,935 | 11 | 84,013 | 4 | 85,597 | 0 | 0 | 37 | 401,545 | 0.67% | 0.19% |
| ITALY | 11 | 55,385 | 6 | 95,142 | 16 | 71,644 | 0 | 0 | 33 | 222,171 | 0.60% | 0.11% |
| DENMARK | 12 | 716,554 | 1 | 3,809 | 20 | 479,683 | 0 | 0 | 33 | 1,200,046 | 0.60% | 0.57% |
| JAPAN | 19 | 286,101 | 8 | 25,132 | 0 | 0 | 1 | 18,442 | 28 | 329,676 | 0.51% | 0.16% |
| SWEDEN | 13 | 544,623 | 2 | 9,072 | 12 | 50,338 | 0 | 0 | 27 | 604,033 | 0.49% | 0.29% |
| IRELAND | 1 | 7,446 | 19 | 33,409 | 3 | 38,976 | 2 | 3,000 | 25 | 82,830 | 0.45% | 0.04% |
| AUSTRIA | 20 | 79,363 | 0 | 0 | 2 | 8,185 | 2 | 4,175 | 24 | 91,723 | 0.43% | 0.04% |
| MALAYSIA | 21 | 136,776 | 2 | 3,122 | 1 | 569 | 0 | 0 | 24 | 140,466 | 0.43% | 0.07% |
| UAE | 11 | 44,216 | 4 | 9,879 | 6 | 425,845 | 1 | 15,011 | 22 | 494,951 | 0.40% | 0.24% |
| SINGAPORE | 0 | 0 | 5 | 629,895 | 13 | 136,730 | 2 | 14,381 | 20 | 781,006 | 0.36% | 0.37% |
| THAILAND | 11 | 46,500 | 1 | 10,001 | 6 | 15,274 | 1 | 98,758 | 19 | 170,533 | 0.34% | 0.08% |
| PERU | 14 | 99,289 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 99,289 | 0.25% | 0.05% |
| JORDAN | 1 | 1,993 | 8 | 187,098 | 1 | 1,481 | 0 | 0 | 10 | 190,572 | 0.18% | 0.09% |
| OTHER COUNTRIES | 25 | 1,159,757 | 14 | 215,780 | 16 | 324,733 | 11 | 125,083 | 66 | 1,825,352 | 1.19% | 0.87% |
| POTENTIAL SOURCE | 0 | 0 | 0 | 0 | 2 | 27,733 | 0 | 0 | 2 | 27,733 | 0.04% | 0.01% |
| USA | 0 | 0 | 0 | 0 | 2 | 27,733 | 0 | 0 | 2 | 27,733 | 0.04% | 0.01% |
| UNKNOWN SOURCE | 0 | 0 | 1 | 3,951 | 1 | 1,438 | 1 | 708 | 3 | 6,097 | 0.05% | 0.003% |
| OUTFLOW | 18 | 2,111,839 | 6 | 335,912 | 16 | 1,028,610 | 0 | 0 | 40 | 3,476,362 | 0.72% | 1.66% |
| WITHIN THE PHILIPPINES | 548 | 5,028,085 | 366 | 3,300,348 | 131 | 2,107,887 | 77 | 137,375,736 | 1,122 | 147,812,057 | 20.24% | 70.66% |
| Grand Total | 2,795 | 44,371,550 | 1,379 | 13,595,587 | 1,110 | 10,739,178 | 259 | 140,477,734 | 5,543 | 209,184,049 | 100.00% | 100.00% |

Outflow

As presented in Table 9.4, for the period covered by this study, a total of 40 outgoing remittances with an aggregate value of PhP3.48 million associated with human trafficking were reported by various CPs to the AMLC. Notably, there were no reported outflows in 1H 2024, indicating a decline in human trafficking outflow for that period.

Included in the reported transactions were remittances sent to an individual who was convicted in Denmark for human smuggling of 800 Filipinos in 2011. The case involved a travel consultancy firm that recruited workers from central and northern Luzon, falsely promising them employment as factory workers, welders, and truck drivers in Poland. In terms of destination countries, Poland, Romania, and the PRC emerged as the top recipients based on STR volume, while Japan, Australia, and Poland were the leading destinations based on STR value. These countries may warrant closer monitoring due to their apparent involvement in the international trafficking of Filipino individuals.

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Table 9.5 Summary of transaction outflow related to trafficking in persons for 2021 to 1H 2024

| TRAFFICKING IN PERSONS | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|------------|--------------------|--------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 2,229 | 37,231,626 | 1,007 | 9,959,326 | 963 | 7,602,681 | 182 | 3,101,997 | 4,381 | 57,895,631 | 79.04% | 27.68% |
| OUTFLOW | 18 | 2,111,839 | 6 | 335,912 | 16 | 1,028,610 | 0 | 0 | 40 | 3,476,362 | 0.72% | 1.66% |
| IDENTIFIED DESTINATION | 18 | 2,111,839 | 6 | 335,912 | 15 | 1,018,756 | 0 | 0 | 39 | 3,466,508 | 0.70% | 1.66% |
| POLAND | 0 | 0 | 0 | 0 | 7 | 594,000 | 0 | 0 | 7 | 594,000 | 0.13% | 0.28% |
| ROMANIA | 0 | 0 | 6 | 335,912 | 0 | 0 | 0 | 0 | 6 | 335,912 | 0.11% | 0.16% |
| PRC | 6 | 526,349 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 526,349 | 0.11% | 0.25% |
| USA | 4 | 301,815 | 0 | 0 | 1 | 126,500 | 0 | 0 | 5 | 428,315 | 0.09% | 0.20% |
| JAPAN | 3 | 590,000 | 0 | 0 | 1 | 19,700 | 0 | 0 | 4 | 609,700 | 0.07% | 0.29% |
| SUDAN | 0 | 0 | 0 | 0 | 3 | 41,886 | 0 | 0 | 3 | 41,886 | 0.05% | 0.02% |
| AUSTRALIA | 2 | 595,575 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 595,575 | 0.04% | 0.28% |
| NEPAL | 0 | 0 | 0 | 0 | 2 | 11,670 | 0 | 0 | 2 | 11,670 | 0.04% | 0.01% |
| DENMARK | 0 | 0 | 0 | 0 | 1 | 225,000 | 0 | 0 | 1 | 225,000 | 0.02% | 0.11% |
| UAE | 1 | 25,750 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 25,750 | 0.02% | 0.01% |
| MADAGASCAR | 1 | 50,750 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 50,750 | 0.02% | 0.02% |
| SWEDEN | 1 | 21,600 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 21,600 | 0.02% | 0.01% |
| POTENTIAL DESTINATION | 0 | 0 | 0 | 0 | 1 | 9,854 | 0 | 0 | 1 | 9,854 | 0.02% | 0.00% |
| UNITED KINGDOM | 0 | 0 | 0 | 0 | 1 | 9,854 | 0 | 0 | 1 | 9,854 | 0.02% | 0.00% |
| WITHIN THE PHILIPPINES | 548 | 5,028,085 | 366 | 3,300,348 | 131 | 2,107,887 | 77 | 137,375,736 | 1,122 | 147,812,057 | 20.24% | 70.66% |
| Grand Total | 2,795 | 44,371,550 | 1,379 | 13,595,587 | 1,110 | 10,739,178 | 259 | 140,477,734 | 5,543 | 209,184,049 | 100.00% | 100.00% |

Financial Channel

Table 9.6 Breakdown of STRs related to trafficking in persons per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|--------------|----------------|--------------------|----------------|
| | COUNT | % | AMOUNT | % |
| MONEY SERVICE BUSINESSES | 4,727 | 85.28% | 64,936,735 | 31.04% |
| ELECTRONIC MONEY ISSUER | 361 | 6.51% | 3,824,389 | 1.83% |
| PAWNSHOPS | 299 | 5.39% | 2,043,865 | 0.98% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 156 | 2.81% | 138,379,060 | 66.15% |
| Grand Total | 5,543 | 100.00% | 209,184,049 | 100.00% |

As presented in Table 9.6, majority of the financial transactions related to trafficking in persons were coursed through MSBs, which comprise 85.28% of the total STR volume. Meanwhile, assessing the STR value, the commercial banks handled the majority of the funds, representing of 66.15% of the total STR value, followed by MSBs at 31.04%. This indicates that while most of the transactions were conducted through MSBs, the higher-value transactions were predominantly carried out through commercial banks, suggesting the use of formal banking channels for larger remittances or proceeds.

Interpretation

Based on STR data from 2021 to 1H 2024, the majority of human trafficking-related transactions were inflows from foreign jurisdictions, primarily sent via MSBs. However, larger amounts of illicit funds were circulated within the Philippines, often through commercial banks.

This pattern suggests that human trafficking operations may involve small, frequent remittances sent to multiple unrelated individuals, lacking clear economic justification. In contrast, higher-value transactions are likely associated with the consolidation or movement of trafficking proceeds, possibly linked to organized networks.

The USA emerged as the top source of these remittances in both volume and value, followed by Saudi Arabia, the United Kingdom, and Canada. On the outflow side, Poland, Romania, and the PRC were the most frequent recipient in terms of volume, while Japan,

Australia, and Poland were the top destinations in terms of peso value, highlighting specific countries that may be central nodes in trafficking routes involving Filipino victims.

B. Violation of the Anti-Photo and Video Voyeurism Act of 2009

RA No. 9995, which is also known as the Anti-Photo and Video Voyeurism Act of 2009, penalizes the taking, copying, reproducing, or distributing photos or videos of a person's private areas or intimate acts without their consent.⁸⁶ For the years 2021 to 1H 2024, a total of 2,074 STRs with a corresponding aggregate value of PhP22.21 million related to photo and video voyeurism were reported by various CPs to the AMLC. Presented in Table 9.7 is the distribution of STR volume and value among the other jurisdictions (inflow and outflow) and within the Philippine jurisdiction.

Table 9.7 Breakdown of STRs related to photo and video voyeurism from 2021 to 1H 2024 by transaction flow

| PHOTO AND VIDEO VOYEURISM | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|------------------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|------------------|---------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 977 | 11,255,756 | 110 | 1,453,331 | 52 | 804,132 | 6 | 73,089 | 1,145 | 13,586,308 | 55.21% | 61.18% |
| OUTFLOW | 12 | 1,030,271 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 1,030,271 | 0.58% | 4.64% |
| WITHIN THE PHILIPPINES | 148 | 521,261 | 396 | 5,072,223 | 373 | 1,996,261 | 0 | 0 | 917 | 7,589,745 | 44.21% | 34.18% |
| Grand Total | 1,137 | 12,807,287 | 506 | 6,525,554 | 425 | 2,800,394 | 6 | 73,089 | 2,074 | 22,206,324 | 100.00% | 100.00% |

As compared with the second study, which covers the years 2018 to 2020, the STR volume during the current study significantly increased, while the STR value significantly decreased.⁸⁷ The majority of the STR volume and value for the current study were attributed to inflow transactions from other jurisdictions with allocated percentages of 55.21% and 61.18%, respectively. The aforementioned was a deviation from the previous study wherein more than half of the STRs, both in terms of volume and peso value, occurred within the Philippine jurisdiction. It is an indication that during the years 2021 to 1H 2024, other jurisdictions pose a significant threat to the Philippines in terms of photo and video voyeurism, as evidenced by the increased number of suspicious transactions and their equivalent peso value.

As presented in Table 9.7, a total of 917 STRs with an equivalent peso value of PhP7.59 million occurred within the Philippine jurisdiction. The volume increased as compared with the previous study, while the total peso value largely decreased. It indicates that transactions that occurred within the Philippine jurisdiction related to photo and video voyeurism were transacted mostly in small denominations. In support of the aforementioned, 901 of the 917 STRs have values ranging from PhP1.00 to PhP50,000.00. Moreover, one large transaction pertains to a cash deposit of an individual who is allegedly linked to two cybersex dens raided for allegedly being used in human trafficking activities and cybersex operations.

⁸⁶ See https://lawphil.net/statutes/repacts/ra2010/ra_9995_2010.html (Link accessed on 22 April 2025).

⁸⁷ As presented in Table 9.9 found on page 34 of the second AMLC External Threat's Study, during 2018 to 2020, a total of 398 STRs with an aggregate value of PhP343.66 million relate to photo and video voyeurism was reported by various CPs to the AMLC.

Inflow

Presented in Table 9.8⁸⁸ is the summary of inflow transactions related to photo and video voyeurism for the years 2021 to 1H 2024.

Table 9.8 Summary of transaction inflow related to photo and video voyeurism for 2021 to 1H 2024

| PHOTO AND VIDEO VOYEURISM | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|------------------|---------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 977 | 11,255,756 | 110 | 1,453,331 | 52 | 804,132 | 6 | 73,089 | 1,145 | 13,586,308 | 55.21% | 61.18% |
| IDENTIFIED SOURCE | 975 | 11,248,250 | 80 | 1,049,462 | 15 | 256,179 | 6 | 73,089 | 1,076 | 12,626,980 | 51.88% | 56.86% |
| USA | 463 | 6,687,408 | 16 | 387,920 | 0 | 0 | 1 | 18,443 | 480 | 7,093,771 | 23.14% | 31.94% |
| UNITED KINGDOM | 79 | 598,209 | 9 | 321,347 | 6 | 87,122 | 0 | 0 | 94 | 1,006,678 | 4.53% | 4.53% |
| AUSTRALIA | 75 | 584,132 | 4 | 56,632 | 2 | 21,000 | 0 | 0 | 81 | 661,764 | 3.91% | 2.98% |
| SAUDI ARABIA | 28 | 126,260 | 44 | 63,294 | 1 | 18,544 | 0 | 0 | 73 | 208,098 | 3.52% | 0.94% |
| CANADA | 45 | 375,938 | 5 | 65,783 | 1 | 16,951 | 1 | 7,876 | 52 | 466,548 | 2.51% | 2.10% |
| GERMANY | 48 | 392,878 | 0 | 0 | 0 | 0 | 0 | 0 | 48 | 392,878 | 2.31% | 1.77% |
| ITALY | 45 | 223,988 | 1 | 5,849 | 0 | 0 | 0 | 0 | 46 | 229,837 | 2.22% | 1.04% |
| JAPAN | 40 | 501,831 | 0 | 0 | 0 | 0 | 0 | 0 | 40 | 501,831 | 1.93% | 2.26% |
| SINGAPORE | 27 | 393,825 | 1 | 148,637 | 0 | 0 | 0 | 0 | 28 | 542,462 | 1.35% | 2.44% |
| SWITZERLAND | 22 | 141,045 | 0 | 0 | 0 | 0 | 0 | 0 | 22 | 141,045 | 1.06% | 0.64% |
| LEBANON | 13 | 375,917 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 375,917 | 0.63% | 1.69% |
| UAE | 12 | 87,843 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 87,843 | 0.58% | 0.40% |
| FRANCE | 9 | 45,730 | 0 | 0 | 0 | 0 | 1 | 3,048 | 10 | 48,779 | 0.48% | 0.22% |
| NORWAY | 5 | 5,005 | 0 | 0 | 0 | 0 | 1 | 30,877 | 6 | 35,882 | 0.29% | 0.16% |
| THAILAND | 6 | 14,272 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 14,272 | 0.29% | 0.06% |
| MALAYSIA | 6 | 68,711 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 68,711 | 0.29% | 0.31% |
| DENMARK | 5 | 25,000 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 25,000 | 0.24% | 0.11% |
| AUSTRIA | 5 | 68,108 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 68,108 | 0.24% | 0.31% |
| SPAIN | 5 | 13,313 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 13,313 | 0.24% | 0.06% |
| NEW ZEALAND | 5 | 25,987 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 25,987 | 0.24% | 0.12% |
| CHINESE TAIPEI | 4 | 210,000 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 210,000 | 0.19% | 0.95% |
| HONG KONG, CHINA | 4 | 91,306 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 91,306 | 0.19% | 0.41% |
| QATAR | 4 | 41,543 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 41,543 | 0.19% | 0.19% |
| JAMAICA | 0 | 0 | 0 | 0 | 4 | 90,265 | 0 | 0 | 4 | 90,265 | 0.19% | 0.41% |
| NETHERLANDS | 3 | 17,011 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 17,011 | 0.14% | 0.08% |
| OTHER COUNTRIES | 17 | 132,990 | 0 | 0 | 1 | 22,297 | 2 | 12,845 | 20 | 168,132 | 0.96% | 0.76% |
| POTENTIAL SOURCE | 2 | 7,506 | 4 | 36,271 | 0 | 0 | 0 | 0 | 6 | 43,776 | 0.29% | 0.20% |
| AUSTRALIA | 0 | 0 | 2 | 10,861 | 0 | 0 | 0 | 0 | 2 | 10,861 | 0.10% | 0.05% |
| HUNGARY | 2 | 7,506 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 7,506 | 0.10% | 0.03% |
| USA | 0 | 0 | 1 | 4,986 | 0 | 0 | 0 | 0 | 1 | 4,986 | 0.05% | 0.02% |
| UNITED KINGDOM | 0 | 0 | 1 | 20,424 | 0 | 0 | 0 | 0 | 1 | 20,424 | 0.05% | 0.09% |
| UNKNOWN SOURCE | 0 | 0 | 26 | 367,598 | 37 | 547,953 | 0 | 0 | 63 | 915,552 | 3.04% | 4.12% |
| OUTFLOW | 12 | 1,030,271 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 1,030,271 | 0.58% | 4.64% |
| WITHIN THE PHILIPPINES | 148 | 521,261 | 396 | 5,072,223 | 373 | 1,996,261 | 0 | 0 | 917 | 7,589,745 | 44.21% | 34.18% |
| Grand Total | 1,137 | 12,807,287 | 506 | 6,525,554 | 425 | 2,800,394 | 6 | 73,089 | 2,074 | 22,206,324 | 100.00% | 100.00% |

Based on Table 9.8, there are 1,145 inflow transactions with an aggregate amount of PhP13.59 million from other jurisdictions. A significant volume of inflow transactions originated from the USA, and their equivalent peso value represents a substantial portion of the total peso value of STRs linked to photo and video voyeurism. It is followed by the United Kingdom, Australia, Saudi Arabia, and Canada as the top sources of transactions and funds related to photo and video voyeurism. In addition, the said inflows pertain to remittances, cash deposits, inter-account transfers, and check issuances. Notably, a relatively large inflow transaction amounting to PhP148,637.00 was received by a domestic account holder. The funds were sent from Singapore by a potential victim involved in a sextortion case. The account holder has not responded to requests for clarification regarding the nature of the transaction.⁸⁹

⁸⁸ Included in "Other Countries" in Table 9.8 are Ireland; Romania; Sweden; Bulgaria; Egypt; Maldives; Kazakhstan; Brazil; Poland; Portugal; and Marshall Islands.

⁸⁹ The transaction was flagged as suspicious following a police report indicating that the funds were allegedly obtained through a sextortion scheme, in which a victim was coerced into sending money under threat of exposing a sexually explicit video.

Outflow

As presented in Table 9.9, there is a total outflow of 12 STRs amounting to PhP1.03 million related to photo and video voyeurism for the years 2021 to 1H 2024. It is noted that there are no reported STRs for the years 2022 to 1H 2024, and all STRs occurred during 2021.

Table 9.9 Summary of transaction outflow related to photo and video voyeurism for 2021 to 1H 2024

| PHOTO AND VIDEO VOYEURISM | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|--------------|-------------------|------------|------------------|------------|------------------|------------|------------------|--------------|-------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 977 | 11,255,756 | 110 | 1,453,331 | 52 | 804,132 | 6 | 73,089 | 1,145 | 13,586,308 | 55.21% | 61.18% |
| OUTFLOW | 12 | 1,030,271 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 1,030,271 | 0.58% | 4.64% |
| IDENTIFIED DESTINATION | 12 | 1,030,271 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 1,030,271 | 0.58% | 4.64% |
| USA | 4 | 350,002 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 350,002 | 0.19% | 1.58% |
| THAILAND | 4 | 613,177 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 613,177 | 0.19% | 2.76% |
| LEBANON | 2 | 16,591 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 16,591 | 0.10% | 0.07% |
| UAE | 2 | 50,500 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 50,500 | 0.10% | 0.23% |
| WITHIN THE PHILIPPINES | 148 | 521,261 | 396 | 5,072,223 | 373 | 1,996,261 | 0 | 0 | 917 | 7,589,745 | 44.21% | 34.18% |
| Grand Total | 1,137 | 12,807,287 | 506 | 6,525,554 | 425 | 2,800,394 | 6 | 73,089 | 2,074 | 22,206,324 | 100.00% | 100.00% |

Based on Table 9.9, the USA and Thailand were the top destinations of transactions related to photo and video voyeurism, both with four (4) reported transactions. Meanwhile, in terms of peso value, the top destination country is Thailand and followed by the USA. Notably, more than half of the remittances were sent with the purpose of family support or living expenses, while the remaining were for payment for goods and services and savings and were sent through MSBs. This indicates that outflow transactions from the Philippines were mostly masked with the purpose of family support and payments for goods and services to hide the real intention of unlawful activity. While it is reported that no outflow transactions from the Philippines related to photo and video voyeurism occurred between 2022 and 1H 2024, possibly indicating improved enforcement or deterrent measures, the risk of the Philippines being the source of proceeds related to the unlawful activity cannot be discounted, underscoring the need for continued vigilance.

Financial Channel

Table 9.10 Breakdown of STRs related to photo and video voyeurism per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|--------------|----------------|-------------------|----------------|
| | COUNT | % | AMOUNT | % |
| MONEY SERVICE BUSINESSES | 1,108 | 53.42% | 13,403,787 | 60.36% |
| ELECTRONIC MONEY ISSUER | 799 | 38.52% | 4,496,484 | 20.25% |
| DIGITAL BANK | 143 | 6.89% | 742,723 | 3.34% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 24 | 1.16% | 3,563,331 | 16.05% |
| Grand Total | 2,074 | 100.00% | 22,206,324 | 100.00% |

As shown in Table 9.10, more than half of both STR volume and value related to photo and video voyeurism for the years 2021 to 1H 2024 were transacted through MSBs with equivalent percentages of 53.42% and 60.36%, respectively. This indicates that most of the perpetrators of photo and video voyeurism channeled the proceeds in small amounts through MSBs and EMIs due to their affordability and accessibility to the public. Moreover, this is also consistent with the second study that MSBs are the most utilized financial channel for photo-and-video-voyeurism-related transactions. It is noteworthy, however, that there is a significant increase in the utilization of EMIs for the current study compared to the second study.

Interpretation

Based on the STRs for the years 2021 to 1H 2024 related to photo and video voyeurism submitted by various CPs, it is noted that the majority of the transactions were inflows from other jurisdictions, which is a deviation from the assessments made in the second study. The said transactions were mostly transacted through MSBs and in amounts of PhP50,000.00 and below. As the total volume of STRs increased despite the decline in terms of peso value, it still posed a significant threat to the Philippines being the recipient of illicit funds. Even with the decline in the volume of STRs from the years 2021 to 1H 2024, the threat of photo and video voyeurism proceeds coming to the Philippines cannot be discounted. Notably, the USA is the top source of inflow transactions and also the top destination of funds in terms of volume. Consequently, it indicates the risk of being the location of both inflow and outflow transactions for photo and video voyeurism.

C. Violation of the Anti-Child Pornography Act of 2009

RA No. 9775, which is also known as the Anti-Child Pornography Act of 2009, is one of the PCs under AMLA as amended. It is a law passed to define, criminalize, and penalize child pornography, which includes the production, distribution, and possession of child pornography in any form, whether visual, audio, or written.⁹⁰ For the period covering the years 2021 to 1H 2024, a total of 19,404 STRs with a corresponding peso value of PhP138.53 million related to child pornography were submitted by various CPs to the AMLC. Shown in Table 9.11 is the breakdown of STRs per transaction flow.

Table 9.11 Breakdown of STRs related to child pornography from 2021 to 1H 2024 by transaction flow

| CHILD PORNOGRAPHY | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|------------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|------------|------------------|---------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 7,925 | 61,412,438 | 3,438 | 27,588,940 | 3,818 | 20,139,775 | 758 | 4,016,106 | 15,939 | 113,157,259 | 82.14% | 81.68% |
| OUTFLOW | 183 | 2,275,294 | 75 | 106,487 | 22 | 125,882 | 41 | 154,000 | 321 | 2,661,663 | 1.65% | 1.92% |
| WITHIN THE PHILIPPINES | 1,165 | 8,695,600 | 1,256 | 7,099,152 | 524 | 5,064,745 | 199 | 1,852,259 | 3,144 | 22,711,756 | 16.20% | 16.39% |
| Grand Total | 9,273 | 72,383,331 | 4,769 | 34,794,580 | 4,364 | 25,330,402 | 998 | 6,022,365 | 19,404 | 138,530,677 | 100.00% | 100.00% |

As presented in Table 9.11, the majority of the STRs related to child pornography were inflows from other jurisdictions, with percentages of 82.14% and 81.68% of the total volume and peso value, respectively, while the smallest percentage were outflow transactions. Moreover, the total STR volume and value during the years 2021 to 1H 2024 related to child pornography significantly increased compared to the second study.⁹¹

Further, Table 9.11 also showed that 3,144 STRs with an equivalent total peso value of PhP22.71 million occurred within the Philippine jurisdiction. The aforesaid volume and amount are largely higher compared to the data from the second study, revealing the increase in the transactions related to child pornography in the Philippines. However, it is also noted that there is a decreasing trend in the peso value from 2021 to 1H 2024, which indicates a decline in the transactions both in volume and peso value, although a minimal increase in volume happened from 2021 to 2022.

⁹⁰ See https://lawphil.net/statutes/repacts/ra2009/ra_9775_2009.html (Link accessed on 22 April 2025).

⁹¹ As shown in Table 9.11 found on page 36 of the second AMLC External Threats study, a total of 3,079 STRs with a corresponding total peso value of PhP25.17 million related to child pornography was submitted by various CPs to the AMLC.

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Inflow

Table 9.12 Summary of transaction inflow related to child pornography for 2021 to 1H 2024

| CHILD PORNOGRAPHY | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|------------|------------------|---------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 7,925 | 61,412,438 | 3,438 | 27,588,940 | 3,818 | 20,139,775 | 758 | 4,016,106 | 15,939 | 113,157,259 | 82.14% | 81.68% |
| IDENTIFIED SOURCE | 5,040 | 49,465,884 | 1,780 | 12,619,045 | 1,062 | 6,977,726 | 119 | 539,255 | 8,001 | 69,601,909 | 41.23% | 50.24% |
| USA | 2,455 | 27,480,908 | 985 | 7,286,828 | 358 | 2,701,248 | 83 | 465,747 | 3,881 | 37,934,732 | 20.00% | 27.38% |
| AUSTRALIA | 365 | 2,424,509 | 46 | 369,300 | 472 | 3,068,487 | 26 | 52,618 | 909 | 5,914,914 | 4.68% | 4.27% |
| SAUDI ARABIA | 585 | 5,893,059 | 56 | 621,769 | 7 | 94,084 | 0 | 0 | 648 | 6,608,912 | 3.34% | 4.77% |
| UNITED KINGDOM | 255 | 1,182,106 | 141 | 1,096,098 | 137 | 940,816 | 10 | 20,890 | 543 | 3,239,910 | 2.80% | 2.34% |
| GERMANY | 233 | 2,113,658 | 83 | 549,121 | 4 | 4,770 | 0 | 0 | 320 | 2,667,548 | 1.65% | 1.93% |
| CANADA | 222 | 1,953,688 | 56 | 177,845 | 3 | 11,170 | 0 | 0 | 281 | 2,142,702 | 1.45% | 1.55% |
| NETHERLANDS | 61 | 712,455 | 12 | 42,294 | 73 | 91,424 | 0 | 0 | 146 | 846,173 | 0.75% | 0.61% |
| FRANCE | 121 | 843,692 | 15 | 119,213 | 0 | 0 | 0 | 0 | 136 | 962,905 | 0.70% | 0.70% |
| ITALY | 84 | 338,135 | 25 | 61,184 | 1 | 50,000 | 0 | 0 | 110 | 449,319 | 0.57% | 0.32% |
| NORWAY | 59 | 294,252 | 33 | 199,133 | 3 | 2,503 | 0 | 0 | 95 | 495,889 | 0.49% | 0.36% |
| JAPAN | 73 | 1,352,448 | 13 | 130,856 | 1 | 2,198 | 0 | 0 | 87 | 1,485,502 | 0.45% | 1.07% |
| SINGAPORE | 45 | 429,914 | 36 | 206,353 | 0 | 0 | 0 | 0 | 81 | 636,267 | 0.42% | 0.46% |
| HONG KONG, CHINA | 39 | 465,553 | 40 | 349,037 | 0 | 0 | 0 | 0 | 79 | 814,590 | 0.41% | 0.59% |
| SWITZERLAND | 16 | 192,754 | 49 | 238,432 | 0 | 0 | 0 | 0 | 65 | 431,186 | 0.33% | 0.31% |
| SOUTH KOREA | 12 | 120,319 | 49 | 400,429 | 0 | 0 | 0 | 0 | 61 | 520,748 | 0.31% | 0.38% |
| SPAIN | 58 | 151,920 | 3 | 5,711 | 0 | 0 | 0 | 0 | 61 | 157,630 | 0.31% | 0.11% |
| BELGIUM | 51 | 148,389 | 5 | 65,567 | 0 | 0 | 0 | 0 | 56 | 213,956 | 0.29% | 0.15% |
| DENMARK | 41 | 166,797 | 14 | 45,866 | 0 | 0 | 0 | 0 | 55 | 212,663 | 0.28% | 0.15% |
| AUSTRIA | 14 | 200,242 | 41 | 226,142 | 0 | 0 | 0 | 0 | 55 | 426,384 | 0.28% | 0.31% |
| NEW ZEALAND | 46 | 375,952 | 4 | 16,169 | 1 | 1,000 | 0 | 0 | 51 | 393,121 | 0.26% | 0.28% |
| QATAR | 29 | 851,301 | 12 | 57,807 | 1 | 2,500 | 0 | 0 | 42 | 911,608 | 0.22% | 0.66% |
| SWEDEN | 20 | 61,118 | 18 | 78,195 | 0 | 0 | 0 | 0 | 38 | 139,313 | 0.20% | 0.10% |
| ICELAND | 28 | 111,677 | 0 | 0 | 0 | 0 | 0 | 0 | 28 | 111,677 | 0.14% | 0.08% |
| INDONESIA | 27 | 268,578 | 0 | 0 | 0 | 0 | 0 | 0 | 27 | 268,578 | 0.14% | 0.19% |
| TURKEY | 21 | 210,090 | 1 | 500 | 0 | 0 | 0 | 0 | 22 | 210,590 | 0.11% | 0.15% |
| OTHER COUNTRIES | 80 | 1,122,371 | 43 | 275,197 | 1 | 7,525 | 0 | 0 | 124 | 1,405,093 | 0.64% | 1.01% |
| POTENTIAL SOURCE | 51 | 638,777 | 24 | 102,936 | 0 | 0 | 0 | 0 | 75 | 741,714 | 0.39% | 0.54% |
| USA | 15 | 68,784 | 22 | 100,152 | 0 | 0 | 0 | 0 | 37 | 168,936 | 0.19% | 0.12% |
| UNITED KINGDOM | 35 | 474,403 | 2 | 2,784 | 0 | 0 | 0 | 0 | 37 | 477,187 | 0.19% | 0.34% |
| RUSSIA | 1 | 95,590 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 95,590 | 0.01% | 0.07% |
| UNKNOWN SOURCE | 2,834 | 11,307,776 | 1,634 | 14,866,959 | 2,756 | 13,162,050 | 639 | 3,476,851 | 7,863 | 42,813,636 | 40.52% | 30.91% |
| OUTFLOW | 183 | 2,275,294 | 75 | 106,487 | 22 | 125,882 | 41 | 154,000 | 321 | 2,661,663 | 1.65% | 1.92% |
| WITHIN THE PHILIPPINES | 1,165 | 8,695,600 | 1,256 | 7,099,152 | 524 | 5,064,745 | 199 | 1,852,259 | 3,144 | 22,711,756 | 16.20% | 16.39% |
| Grand Total | 9,273 | 72,383,331 | 4,769 | 34,794,580 | 4,364 | 25,330,402 | 998 | 6,022,365 | 19,404 | 138,530,677 | 100.00% | 100.00% |

For the period covering the years 2021 to 1H 2024, a total of 15,939 inflow STRs with a corresponding aggregate value of PhP113.16 million related to child pornography was submitted by various CPs to the AMLC. Shown in Table 9.12 is the summary of inflow transactions related to child pornography for the years 2021 to 1H 2024.

Based on Table 9.12,⁹² the USA (both as identified and potential location) is the jurisdiction with the highest number and value of inflow transactions, accounting for 20.19% of the

⁹² Included in "Other Countries" in Table 9.12 are Ireland; Thailand; Greece; Finland; UAE; Kuwait; Chinese Taipei; Lebanon; Malaysia; Russia; Malta; Israel; Poland; Mexico; Paraguay; Argentina; Czech Republic; Liberia; Portugal; Slovenia; Luxembourg; Romania; and Cambodia.

total STR volume and 27.50% of the total STR value related to child pornography. This is consistent with the assessment made in the second study wherein USA has the largest amount and highest number of remittances that were related to child pornography. The USA is followed by Australia and Saudi Arabia as the top source countries of child pornography-related transactions. Most of the reported transactions pertain to remittances sent by male senders located in western countries through digital payment method and in small denominations. It is also noted that the recipients receive funds in higher-than-normal frequency and with inconsistent purposes that deviates with their declared financial capacity that makes the transaction questionable. Moreover, some of the remittances were also related to live-distance streaming child exploitation. Consequently, it indicates that there is a higher risk of funds coming to the Philippines due to activities related to child pornography.

Outflow

Table 9.13 Summary of transaction outflow related to child pornography for 2021 to 1H 2024

| CHILD PORNOGRAPHY | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|------------|------------------|---------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 7,925 | 61,412,438 | 3,438 | 27,588,940 | 3,818 | 20,139,775 | 758 | 4,016,106 | 15,939 | 113,157,259 | 82.14% | 81.68% |
| OUTFLOW | 183 | 2,275,294 | 75 | 106,487 | 22 | 125,882 | 41 | 154,000 | 321 | 2,661,663 | 1.65% | 1.92% |
| IDENTIFIED DESTINATION | 12 | 1,026,343 | 1 | 4,000 | 0 | 0 | 0 | 0 | 13 | 1,030,343 | 0.07% | 0.74% |
| PAKISTAN | 6 | 405,241 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 405,241 | 0.03% | 0.29% |
| JAPAN | 3 | 509,852 | 0 | 0 | 0 | 0 | 0 | 3 | 509,852 | 0.02% | 0.37% | |
| UNITED ARAB EMIRATES | 0 | 0 | 1 | 4,000 | 0 | 0 | 0 | 1 | 4,000 | 0.01% | 0.003% | |
| HONG KONG, CHINA | 1 | 5,500 | 0 | 0 | 0 | 0 | 0 | 1 | 5,500 | 0.01% | 0.004% | |
| PRC | 1 | 100,250 | 0 | 0 | 0 | 0 | 0 | 1 | 100,250 | 0.01% | 0.07% | |
| MALAYSIA | 1 | 5,500 | 0 | 0 | 0 | 0 | 0 | 1 | 5,500 | 0.01% | 0.004% | |
| POTENTIAL DESTINATION | 6 | 801,500 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 801,500 | 0.03% | 0.58% |
| PRC | 6 | 801,500 | 0 | 0 | 0 | 0 | 0 | 6 | 801,500 | 0.03% | 0.58% | |
| UNKNOWN DESTINATION | 165 | 447,451 | 74 | 102,487 | 22 | 125,882 | 41 | 154,000 | 302 | 829,820 | 1.56% | 0.60% |
| WITHIN THE PHILIPPINES | 1,165 | 8,695,600 | 1,256 | 7,099,152 | 524 | 5,064,745 | 199 | 1,852,259 | 3,144 | 22,711,756 | 16.20% | 16.39% |
| Grand Total | 9,273 | 72,383,331 | 4,769 | 34,794,580 | 4,364 | 25,330,402 | 998 | 6,022,365 | 19,404 | 138,530,677 | 100.00% | 100.00% |

Based on Table 9.13, there are 321 outflow STRs with an aggregate amount of PhP2.66 million related to child pornography. Almost one-third of the illicit funds were sent to the PRC (potential location) during 2021 through six (6) transactions. Notably, all remittances were sent to one (1) recipient. Moreover, Pakistan (identified location) is also the top destination of illicit funds with six (6) remittances sent by one (1) individual to five (5) recipients in Pakistan.

Financial Channel

Table 9.14 Breakdown of STRs related to child pornography per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|---------------|----------------|--------------------|----------------|
| | COUNT | % | AMOUNT | % |
| MONEY SERVICE BUSINESSES | 9,843 | 50.73% | 84,042,207 | 60.67% |
| PAWNSHOPS | 9,260 | 47.72% | 51,949,169 | 37.50% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 208 | 1.07% | 2,262,826 | 1.63% |
| ELECTRONIC MONEY ISSUER | 93 | 0.48% | 276,476 | 0.20% |
| Grand Total | 19,404 | 100.00% | 138,530,677 | 100.00% |

Based on Table 9.14, the majority of transactions related to child pornography were transacted through MSBs and pawnshops, both in terms of volume and peso value. It indicates that the perpetrators mainly utilize MSBs and pawnshops as the financial channel for the illicit funds for activities related to child pornography. The said channels were probably used due to their affordability and convenience of use.

Interpretation

Based on the STR data from 2021 to 1H 2024, majority of the transactions related to child pornography were inflows from other jurisdictions, particularly the USA, which emerged as the top source in both STR volume and value. These funds were primarily transacted through MSBs and pawnshops, reflecting the preference for accessible and informal channels. A consistent pattern observed includes remittances sent in higher-than-normal frequency, often in small denominations, and with inconsistent purposes. Notably, most of the transactions were initiated by male senders from Western countries, reinforcing typologies observed in previous assessments. These findings underscore the persistent and growing risk of the Philippines being used as a recipient of illicit funds tied to online child exploitation activities, necessitating targeted enforcement, financial monitoring, and cross-border collaboration.

D. Violation of the Special Protection of Children Against Abuse, Exploitation and Discrimination Act

The Special Protection of Children Against Abuse, Exploitation and Discrimination Act aims to provide comprehensive protection for children from all forms of abuse, neglect, exploitation, and discrimination.⁹³ Presented in Table 9.15 is the breakdown of STRs related to child exploitation and related activities from 2021 to 1H 2024.

Table 9.15 Breakdown of STRs related to child exploitation from 2021 to 1H 2024 by transaction flow

| CHILD EXPLOITATION | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|------------------------|---------------|--------------------|---------------|--------------------|---------------|-------------------|--------------|-------------------|---------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 34,044 | 229,110,466 | 28,631 | 164,800,775 | 15,396 | 91,774,957 | 4,320 | 26,944,429 | 82,391 | 512,630,627 | 97.06% | 95.88% |
| OUTFLOW | 159 | 11,552,518 | 19 | 754,808 | 15 | 346,908 | 3 | 34,900 | 196 | 12,689,133 | 0.23% | 2.37% |
| WITHIN THE PHILIPPINES | 747 | 2,890,266 | 763 | 3,868,907 | 734 | 2,459,856 | 59 | 134,783 | 2,303 | 9,353,811 | 2.71% | 1.75% |
| Grand Total | 34,950 | 243,553,250 | 29,413 | 169,424,490 | 16,145 | 94,581,720 | 4,382 | 27,114,112 | 84,890 | 534,673,572 | 100.00% | 100.00% |

As shown in Table 9.15, a total of 84,890 STRs with a corresponding aggregate value of PhP534.67 million related to child exploitation were submitted by various CPs to the AMLC for the period covering the years 2021 to 1H 2024. The said figures were significantly higher compared to the data from 2018 to 2021 indicating an increased risk on child exploitation activities. In contrast, a decreasing trend was observed on the STR volume and value from 2021 to 1H 2024, which implies the decrease in transactions related to child exploitation and its related activities for the said period.

It is also noted that almost all the STRs related to child exploitation were inflows from other jurisdictions. This observation is consistent with the findings of the second study, wherein majority of the STRs linked to child exploitation from 2018 to 2020 were international inward remittances.⁹⁴ Moreover, although there is a minimal increase in the total number of STRs compared to the second study, outflow and domestic transactions remains minimal, reinforcing the assessment that child exploitation-related transactions are predominantly international in nature.

⁹³ See <https://www.respicio.ph/bar/2025/criminal-law/special-penal-laws/special-protection-of-children-against-abuse-exploitation-and-discrimination-act-ra-no-7610-as-amended-by-ra-no-9231-ra-no-11648> (Link accessed on 22 April 2025)

⁹⁴ Found on page 30 of the AMLC's second External Threats study.

Assessment of the Philippines' Exposure to External and Internal Threats:
Analysis of Suspicious Transaction Reports (01 January 2021 – 30 June 2024)

Inflow

Table 9.16 Summary of transaction inflow related to child exploitation for 2021 to 1H 2024

| CHILD EXPLOITATION | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|---------------|--------------------|---------------|--------------------|---------------|-------------------|--------------|-------------------|---------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 34,044 | 229,110,466 | 28,631 | 164,800,775 | 15,396 | 91,774,957 | 4,320 | 26,944,429 | 82,391 | 512,630,627 | 97.06% | 95.88% |
| IDENTIFIED SOURCE | 33,304 | 224,103,710 | 27,950 | 158,966,348 | 15,262 | 91,161,316 | 4,265 | 26,457,437 | 80,781 | 500,688,811 | 95.16% | 93.64% |
| USA | 18,086 | 116,524,251 | 16,312 | 96,138,561 | 8,512 | 51,009,153 | 2,444 | 15,611,297 | 45,354 | 279,283,262 | 53.43% | 52.23% |
| AUSTRALIA | 2,360 | 15,105,735 | 1,965 | 10,253,331 | 1,322 | 6,941,625 | 364 | 1,549,095 | 6,011 | 33,849,786 | 7.08% | 6.33% |
| UNITED KINGDOM | 2,061 | 8,782,045 | 1,839 | 8,842,085 | 1,314 | 7,373,278 | 420 | 2,249,238 | 5,634 | 27,246,647 | 6.64% | 5.10% |
| CANADA | 1,847 | 14,437,102 | 2,075 | 11,463,135 | 1,186 | 7,396,119 | 229 | 953,368 | 5,337 | 34,249,724 | 6.29% | 6.41% |
| SAUDI ARABIA | 2,883 | 22,365,313 | 910 | 5,695,952 | 282 | 2,171,505 | 144 | 720,170 | 4,219 | 30,952,941 | 4.97% | 5.79% |
| JAPAN | 1,105 | 12,475,592 | 617 | 4,514,208 | 259 | 2,046,923 | 22 | 49,614 | 2,003 | 19,086,338 | 2.36% | 3.57% |
| SINGAPORE | 561 | 3,026,603 | 533 | 2,832,381 | 235 | 1,572,037 | 56 | 2,492,901 | 1,385 | 9,923,922 | 1.63% | 1.86% |
| NETHERLANDS | 355 | 1,908,929 | 503 | 3,022,142 | 214 | 1,027,472 | 62 | 84,084 | 1,134 | 6,042,627 | 1.34% | 1.13% |
| MALAYSIA | 356 | 1,160,030 | 340 | 1,474,801 | 233 | 1,551,734 | 25 | 40,020 | 954 | 4,226,584 | 1.12% | 0.79% |
| GERMANY | 361 | 1,875,181 | 278 | 1,955,581 | 168 | 701,644 | 83 | 550,461 | 890 | 5,082,867 | 1.05% | 0.95% |
| FRANCE | 296 | 1,782,957 | 283 | 1,533,248 | 242 | 1,092,029 | 63 | 177,003 | 884 | 4,585,237 | 1.04% | 0.86% |
| SWEDEN | 367 | 1,869,685 | 264 | 1,045,407 | 126 | 448,691 | 45 | 219,193 | 802 | 3,582,976 | 0.94% | 0.67% |
| NORWAY | 231 | 1,918,103 | 298 | 1,383,666 | 199 | 951,966 | 55 | 339,968 | 783 | 4,593,704 | 0.92% | 0.86% |
| BELGIUM | 130 | 747,182 | 203 | 682,268 | 137 | 1,328,974 | 29 | 111,323 | 499 | 2,869,748 | 0.59% | 0.54% |
| UAE | 119 | 1,257,650 | 153 | 801,125 | 151 | 1,080,859 | 50 | 164,068 | 473 | 3,303,703 | 0.56% | 0.62% |
| ITALY | 207 | 926,915 | 83 | 421,086 | 101 | 868,971 | 41 | 129,745 | 432 | 2,346,717 | 0.51% | 0.44% |
| SOUTH KOREA | 196 | 2,172,125 | 120 | 580,708 | 64 | 520,139 | 10 | 230,399 | 390 | 3,503,370 | 0.46% | 0.66% |
| DENMARK | 100 | 1,109,401 | 185 | 769,910 | 88 | 532,026 | 7 | 33,750 | 380 | 2,445,087 | 0.45% | 0.46% |
| KUWAIT | 167 | 880,060 | 64 | 301,171 | 38 | 285,767 | 6 | 11,177 | 275 | 1,478,175 | 0.32% | 0.28% |
| QATAR | 222 | 1,364,127 | 35 | 278,889 | 12 | 150,965 | 1 | 500 | 270 | 1,794,481 | 0.32% | 0.34% |
| NEW ZEALAND | 101 | 707,409 | 126 | 1,098,502 | 26 | 169,068 | 0 | 0 | 253 | 1,974,979 | 0.30% | 0.37% |
| HONG KONG, CHINA | 142 | 1,419,550 | 54 | 348,076 | 48 | 576,085 | 3 | 4,600 | 247 | 2,348,311 | 0.29% | 0.44% |
| FINLAND | 91 | 335,585 | 112 | 542,232 | 33 | 112,012 | 0 | 0 | 236 | 989,828 | 0.28% | 0.19% |
| IRELAND | 64 | 160,800 | 96 | 327,459 | 11 | 20,178 | 6 | 6,843 | 177 | 515,280 | 0.21% | 0.10% |
| THAILAND | 62 | 356,256 | 68 | 345,273 | 36 | 175,003 | 3 | 6,433 | 169 | 882,964 | 0.20% | 0.17% |
| OTHER COUNTRIES | 834 | 9,435,123 | 434 | 2,315,152 | 225 | 1,057,092 | 97 | 722,185 | 1,590 | 13,529,552 | 1.87% | 2.53% |
| POTENTIAL SOURCE | 655 | 4,587,902 | 642 | 5,620,263 | 122 | 550,403 | 7 | 22,479 | 1,426 | 10,781,047 | 1.68% | 2.02% |
| UNITED KINGDOM | 361 | 1,783,333 | 325 | 2,228,568 | 55 | 248,622 | 2 | 5,187 | 743 | 4,265,711 | 0.88% | 0.80% |
| USA | 230 | 1,931,675 | 284 | 3,199,689 | 66 | 294,781 | 5 | 17,292 | 585 | 5,443,438 | 0.69% | 1.02% |
| SOUTH KOREA | 39 | 740,054 | 0 | 0 | 0 | 0 | 0 | 0 | 39 | 740,054 | 0.05% | 0.14% |
| CANADA | 8 | 14,528 | 24 | 139,660 | 0 | 0 | 0 | 0 | 32 | 154,188 | 0.04% | 0.03% |
| SINGAPORE | 10 | 98,647 | 7 | 21,156 | 0 | 0 | 0 | 0 | 17 | 119,803 | 0.02% | 0.02% |
| UAE | 2 | 7,824 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 7,824 | 0.002% | 0.001% |
| ISRAEL | 1 | 2,010 | 1 | 8,678 | 0 | 0 | 0 | 0 | 2 | 10,688 | 0.002% | 0.002% |
| MALAYSIA | 1 | 3,000 | 1 | 22,512 | 0 | 0 | 0 | 0 | 2 | 25,512 | 0.002% | 0.005% |
| GREECE | 0 | 0 | 0 | 0 | 1 | 7,000 | 0 | 0 | 1 | 7,000 | 0.001% | 0.001% |
| FINLAND | 1 | 2,277 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 2,277 | 0.001% | 0.0004% |
| KUWAIT | 1 | 3,825 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 3,825 | 0.001% | 0.001% |
| LEBANON | 1 | 727 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 727 | 0.001% | 0.0001% |
| UNKNOWN SOURCE | 85 | 418,854 | 39 | 214,164 | 12 | 63,238 | 48 | 464,513 | 184 | 1,160,769 | 0.22% | 0.22% |
| OUTFLOW | 159 | 11,552,518 | 19 | 754,808 | 15 | 346,908 | 3 | 34,900 | 196 | 12,689,133 | 0.23% | 2.37% |
| WITHIN THE PHILIPPINES | 747 | 2,890,266 | 763 | 3,868,907 | 734 | 2,459,856 | 59 | 134,783 | 2,303 | 9,353,811 | 2.71% | 1.75% |
| Grand Total | 34,950 | 243,553,250 | 29,413 | 169,424,490 | 16,145 | 94,581,720 | 4,382 | 27,114,112 | 84,890 | 534,673,572 | 100.00% | 100.00% |

A total of 82,391 inflow transactions with a corresponding aggregate value of PhP512.63 million associated with child exploitation were reported by various CPs covering the years 2021 to 1H 2025. The majority of the reported transactions were remittances with amounts ranging PhP50,000.00 and below. In addition, it is also noted that many of the remittances were sent by older male located in western countries to younger females in some of Southeast Asian countries including the Philippines. The said remittances were payment for livestreaming shows of children from the Philippines.

Based on Table 9.16,⁹⁵ the top source country of funds related to child exploitation is the USA (both as identified and potential location) with a total of 45,939 STRs amounting to

⁹⁵ Included in the "Other Countries" in Table 9.16 were Spain; Austria; Indonesia; Switzerland; Turkey; Greece; Chinese Taipei; Cyprus; Israel; Jordan; Poland; Portugal; Brazil; Micronesia; Luxembourg; Bahrain; Estonia; Lebanon; Czech Republic; South

PhP284.73 million. The said figures represent more than half of both the total volume and peso value of inflow transactions from 2021 to 1H 2024 associated with child exploitation. The aforementioned indicates higher risk posed by the USA as consumer of child exploitation materials. The other top source countries assessing both STR volume and value include the United Kingdom, Australia, Canada, and Saudi Arabia. There is also a noted decreasing trend in the total volume and value of inflow STRs from 2021 to 1H 2024.

Outflow

Table 9.17 Summary of transaction outflow related to child exploitation for 2021 to 1H 2024

| CHILD EXPLOITATION | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|---------------|--------------------|---------------|--------------------|---------------|-------------------|--------------|-------------------|---------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 34,044 | 229,110,466 | 28,631 | 164,800,775 | 15,396 | 91,774,957 | 4,320 | 26,944,429 | 82,391 | 512,630,627 | 97.06% | 95.88% |
| OUTFLOW | 159 | 11,552,518 | 19 | 754,808 | 15 | 346,908 | 3 | 34,900 | 196 | 12,689,133 | 0.23% | 2.37% |
| IDENTIFIED DESTINATION | 159 | 11,552,518 | 19 | 754,808 | 15 | 346,908 | 3 | 34,900 | 196 | 12,689,133 | 0.23% | 2.37% |
| USA | 58 | 4,024,617 | 7 | 315,731 | 4 | 170,559 | 0 | 0 | 69 | 4,510,907 | 0.08% | 0.84% |
| JAPAN | 22 | 1,831,184 | 0 | 0 | 0 | 0 | 0 | 0 | 22 | 1,831,184 | 0.03% | 0.34% |
| AUSTRALIA | 14 | 1,233,850 | 3 | 42,457 | 1 | 32,000 | 0 | 0 | 18 | 1,308,307 | 0.02% | 0.24% |
| UAE | 14 | 687,900 | 1 | 40,000 | 1 | 10,000 | 1 | 10,000 | 17 | 747,900 | 0.02% | 0.14% |
| INDONESIA | 11 | 356,050 | 2 | 6,500 | 1 | 22,311 | 0 | 0 | 14 | 384,861 | 0.02% | 0.07% |
| CANADA | 8 | 816,495 | 1 | 4,980 | 0 | 0 | 0 | 0 | 9 | 821,475 | 0.01% | 0.15% |
| PAKISTAN | 6 | 476,871 | 0 | 0 | 1 | 10,500 | 0 | 0 | 7 | 487,371 | 0.01% | 0.09% |
| PRC | 3 | 678,300 | 2 | 304,140 | 2 | 28,474 | 0 | 0 | 7 | 1,010,914 | 0.01% | 0.19% |
| NEW ZEALAND | 6 | 327,300 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 327,300 | 0.01% | 0.06% |
| SUDAN | 4 | 580,400 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 580,400 | 0.005% | 0.11% |
| UNITED KINGDOM | 1 | 4,431 | 0 | 0 | 0 | 0 | 2 | 24,900 | 3 | 29,331 | 0.004% | 0.01% |
| HONG KONG, CHINA | 0 | 0 | 1 | 11,000 | 2 | 14,364 | 0 | 0 | 3 | 25,364 | 0.004% | 0.005% |
| MALAYSIA | 2 | 181,108 | 1 | 20,000 | 0 | 0 | 0 | 0 | 3 | 201,108 | 0.004% | 0.04% |
| QATAR | 1 | 16,750 | 0 | 0 | 1 | 5,500 | 0 | 0 | 2 | 22,250 | 0.002% | 0.004% |
| THAILAND | 1 | 23,750 | 0 | 0 | 1 | 13,700 | 0 | 0 | 2 | 37,450 | 0.002% | 0.01% |
| SAUDI ARABIA | 2 | 141,600 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 141,600 | 0.002% | 0.03% |
| KUWAIT | 0 | 0 | 1 | 10,000 | 0 | 0 | 0 | 0 | 1 | 10,000 | 0.001% | 0.002% |
| CAMBODIA | 0 | 0 | 0 | 0 | 1 | 39,500 | 0 | 0 | 1 | 39,500 | 0.001% | 0.01% |
| BELGIUM | 1 | 5,000 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 5,000 | 0.001% | 0.001% |
| FRANCE | 1 | 40,313 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 40,313 | 0.001% | 0.01% |
| SINGAPORE | 1 | 21,750 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 21,750 | 0.001% | 0.004% |
| VIETNAM | 1 | 95,850 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 95,850 | 0.001% | 0.02% |
| FIJI | 1 | 5,500 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 5,500 | 0.001% | 0.001% |
| SWEDEN | 1 | 3,500 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 3,500 | 0.001% | 0.001% |
| WITHIN THE PHILIPPINES | 747 | 2,890,266 | 763 | 3,868,907 | 734 | 2,459,856 | 59 | 134,783 | 2,303 | 9,353,811 | 2.71% | 1.75% |
| Grand Total | 34,950 | 243,553,250 | 29,413 | 169,424,490 | 16,145 | 94,581,720 | 4,382 | 27,114,112 | 84,890 | 534,673,572 | 100.00% | 100.00% |

There were 196 outflow STRs with a total amount of PhP12.69 million associated with child exploitation for the years 2021 to 1H 2024. A significant portion of these transactions were bound to the USA, which is the top destination country for child exploitation-related transactions. Other than the USA, top destination countries were Japan, Australia, and the UAE. Moreover, there is a noted decreasing trend in both the STR volume and value from 2021 to 1H 2024, indicating decline in the outward remittances from the Philippines relative to child exploitation.

Africa; Romania; Brunei; Solomon Islands; Kenya; Russia; Peru; Iceland; Botswana; Egypt; Malta; Oman; Papua New Guinea; Mexico; Cayman Islands; India; Kosovo; PRC; Bulgaria; Cote D Ivoire; North Macedonia; Morocco; Bermuda; Turks and Caicos Islands; Hungary; Slovenia; Slovakia; Colombia; Croatia; Serbia; Argentina; Tajikistan; Maldives; Kiribati; Cook Islands; Namibia; Lithuania; Syria; Iraq; Uganda; Cambodia; Albania; Uzbekistan; Guyana; Azerbaijan; Tuvalu; Aruba; Ukraine; Dominican Republic; Vanuatu; Eswatini; Senegal; Nauru; Haiti; Sudan; Democratic Republic of the Congo; Fiji; Zambia; Cape Verde; Ecuador; Panama; Moldova; and Kyrgyzstan.

Financial Channel

Table 9.18 Breakdown of STRs related to child exploitation per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|---------------|----------------|--------------------|----------------|
| | COUNT | % | AMOUNT | % |
| MONEY SERVICE BUSINESSES | 80,600 | 94.95% | 505,396,645 | 94.52% |
| PAWNSHOPS | 2,578 | 3.04% | 19,977,983 | 3.74% |
| ELECTRONIC MONEY ISSUER | 1,351 | 1.59% | 5,043,989 | 0.94% |
| DIGITAL BANK | 273 | 0.32% | 1,522,090 | 0.28% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 88 | 0.10% | 2,732,864 | 0.51% |
| Grand Total | 84,890 | 100.00% | 534,673,572 | 100.00% |

Based on Table 9.18, almost all the STRs for the years 2021 to 1H 2024 were coursed through MSBs, accounting for 94.95% and 94.52% of the total STR volume and value, respectively. This is consistent with the observation on the second study wherein transactions associated with child exploitation were mostly transacted through MSBs.

Interpretation

STRs related to child exploitation for the years 2021 to 1H 2024 were mostly inward remittances from various jurisdiction which were channeled through MSBs. These transactions were largely associated with small-value remittances, with over half of both the total STR volume and value traced to the USA. Other notable source countries include the United Kingdom, Australia, Canada, and Saudi Arabia.

In contrast, outward STRs related to child exploitation were minimal in volume and value. The top destination countries for these transactions were the USA, Japan, Australia, the UAE, and Indonesia. Consistent with the findings from the second study, the prevalence of inward remittances particularly those suspected to be payments for livestreamed child exploitation content, suggests that the Philippines remains a likely source country of child exploitation materials. The data also reinforce the international dimension of this illicit activity, with remittance patterns pointing to a global consumer base and a reliance on MSBs as the primary financial channel.

X. KIDNAPPING FOR RANSOM

Kidnapping and serious illegal detention, as defined under Article 267 of RA No. 3815,⁹⁶ otherwise known as the Revised Penal Code, as amended, are among the predicate offenses or unlawful activities under the AMLA, as amended. As shown in Table 10.2, a total of 145 STRs, with an aggregate value of PhP7.79 million, related to kidnapping for ransom were submitted by various CPs to the AMLC during the period from 2021 to 1H 2024. These figures represent 0.01% of the total STR volume and 0.02% of the total STR value included in this study.

⁹⁶ Article 267 of RA No. 3815. See (<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/28/20426>) (Link accessed on 28 April 2025).

Table 10.1 Breakdown of transactions related to kidnapping for ransom from 2021 to 1H 2024

| KIDNAPPING FOR RANSOM | 2021 | | 2022 | | 2023 | | 1H 2024 | | TOTAL | | PERCENT TO TOTAL | |
|-------------------------------|------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 18 | 62,931 | 42 | 926,618 | 11 | 265,522 | 0 | 0 | 71 | 1,255,070 | 48.97% | 16.12% |
| IDENTIFIED SOURCE | 18 | 62,931 | 42 | 926,618 | 11 | 265,522 | 0 | 0 | 71 | 1,255,070 | 48.97% | 16.12% |
| SAUDI ARABIA | 16 | 30,148 | 25 | 341,236 | 5 | 15,536 | 0 | 0 | 46 | 386,920 | 31.72% | 4.97% |
| USA | 2 | 32,783 | 17 | 585,382 | 2 | 57,134 | 0 | 0 | 21 | 675,299 | 14.48% | 8.67% |
| CANADA | 0 | 0 | 0 | 0 | 2 | 115,284 | 0 | 0 | 2 | 115,284 | 1.38% | 1.48% |
| UNITED KINGDOM | 0 | 0 | 0 | 0 | 2 | 77,568 | 0 | 0 | 2 | 77,568 | 1.38% | 1.00% |
| WITHIN THE PHILIPPINES | 17 | 141,100 | 28 | 3,745,567 | 29 | 2,643,992 | 0 | 0 | 74 | 6,530,659 | 51.03% | 83.88% |
| Grand Total | 35 | 204,031 | 70 | 4,672,185 | 40 | 2,909,514 | 0 | 0 | 145 | 7,785,729 | 100.00% | 100.00% |

According to the figures in the table, over half (51.03%) of the STRs, representing 83.88% of the total value associated with kidnapping for ransom, occurred within Philippine jurisdiction. Notably, the highest number of domestic STRs was filed in 2023, while the highest total value was recorded in 2022. However, no suspicious transactions were reported in 1H 2024. Some of the domestic STRs were transactions linked to individuals allegedly involved in online cockfighting or *E-Sabong*-related abductions.⁹⁷

Inflow

As shown in Table 10.1, a total of 71 cross-border transactions amounting to PhP1.26 million from 2021 to 2023, associated with kidnapping for ransom, were recorded from 2021 to 2023. These represent 48.97% of the total STR volume and 16.12% of the total value. Saudi Arabia emerged as the top source country in terms of volume, with 46 transactions totaling PhP386,920.00, making it the second highest in terms of aggregate STR value. On the other hand, the USA ranked first in terms of aggregate STR value at PhP675,299.00, while coming second in terms of STR volume.

Financial Channel

Table 10.2 Breakdown of STRs related to kidnapping for ransom per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|------------|----------------|------------------|----------------|
| | COUNT | % | AMOUNT | % |
| MONEY SERVICE BUSINESSES | 48 | 33.10% | 758,407 | 9.74% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 42 | 28.97% | 4,784,641 | 61.45% |
| PAWNSHOPS | 25 | 17.24% | 558,659 | 7.18% |
| ELECTRONIC MONEY ISSUER | 18 | 12.41% | 133,022 | 1.71% |
| SAVINGS & MORTGAGE BANKS | 7 | 4.83% | 1,529,900 | 19.65% |
| NON-STOCK SAVINGS & LOAN ASSOCIATION | 5 | 3.45% | 21,100 | 0.27% |
| Grand Total | 145 | 100.00% | 7,785,729 | 100.00% |

As presented in Table 10.2, banks were the most frequently utilized financial channel for transactions related to kidnapping for ransom. This finding aligns with the assessments from the first and second studies, which revealed that ransom money was commonly funneled through banks.⁹⁸ However, it is noteworthy that transactions involving MSBs significantly increased in both STR volume and value from 2021 to 1H 2024, compared to the data in the second study. This suggests that MSBs have become an alternative channel for perpetrators to move ransom funds.

⁹⁷ 22 STRs with an aggregate value of PHP2.22 million were allegedly linked to e-sabong-related abductions.

⁹⁸ Included in banks are commercial banks and savings and mortgage banks.

Interpretation

From 2021 to 1H 2024, STRs associated with kidnapping for ransom predominantly occurred within the Philippine jurisdiction and were primarily transacted through banks. These included transactions linked to individuals allegedly involved in online cockfighting or *E-Sabong*-related abductions. Saudi Arabia and the USA emerged as the top source countries for cross-border transactions. Additionally, a significant increase in transactions coursed through MSBs was observed, indicating a shift in the financial behavior of perpetrators compared to the findings of the second study.

XI. FINANCING OF TERRORISM

Financing of terrorism, as one of the predicate offenses listed under the AMLA, as amended, and its legal framework was further strengthened through the enactment of RA No. 10168, otherwise known as the Terrorist Financing Prevention and Suppression Act of 2012, which penalizes TF as a stand-alone offense.⁹⁹

From 2021 to 1H 2024, a total of 5,868 STRs related to TF with a corresponding total value of PhP573.77 million, were submitted by various CPs to the AMLC. The said transactions represent 0.45% of the total STR volume and 1.62% of the total STR value covered by this study. The figures reflect a significant increase compared to the reported transactions in the second study, which covers the period from 2018 to 2020. The breakdown of STRs by transaction flow is presented in Table 11.1.

Table 11.1 Breakdown of STRs related to financing of terrorism from 2021 to 1H 2024 by transaction flow

| TERRORISM FINANCING | 2021 | | 2022 | | 2023 | | 1H 2024 | | Total | | Percent to Total | |
|------------------------|--------------|-------------------|--------------|-------------------|--------------|--------------------|------------|------------------|--------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 738 | 8,114,436 | 481 | 6,696,799 | 777 | 14,010,274 | 12 | 230,436 | 2,008 | 29,051,944 | 34.22% | 5.06% |
| OUTFLOW | 11 | 460,605 | 14 | 1,273,499 | 8 | 206,139 | 1 | 399 | 34 | 1,940,642 | 0.58% | 0.34% |
| WITHIN THE PHILIPPINES | 1,315 | 18,015,413 | 1,171 | 4,961,824 | 768 | 515,751,553 | 572 | 4,048,297 | 3,826 | 542,777,087 | 65.20% | 94.60% |
| Grand Total | 2,064 | 26,590,453 | 1,666 | 12,932,122 | 1,553 | 529,967,966 | 585 | 4,279,132 | 5,868 | 573,769,673 | 100.00% | 100.00% |

A 291.21% increase in STRs occurring within the Philippine jurisdiction was observed, compared to the 978 STRs reported in the second study.¹⁰⁰ The total STR value, also increased alongside the rise in transaction volume. However, the proportion of domestic STRs associated with TF-related transactions narrowed to 65.20% compared to 82.46% in the 2018 to 2020 period.¹⁰¹ Despite this, consistent with the previous studies, majority of illicit funds related to TF continued to circulate within the Philippines.

Reported domestic transactions included remittances received by an individual who was accompanied by another individual identified as a member of a regional armed resistance group. The declared purpose of remittance was mainly for house construction, and the beneficiary was stated to be a family member. Also included were inter-account transfers involving an individual identified as the ultimate beneficial owner of a bookstore that is allegedly involved in TF.

⁹⁹ National Anti-Money Laundering and Counterfeiting the Financing of Terrorism Strategy 2018 to 2022.

¹⁰⁰ The period covered by the second study included years 2018 to 2020.

¹⁰¹ This is from the second study. Page 40.

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Inflow

From 2021 to 1H 2024, a total of 2,008 STRs with a combined value of PhP29.05 million were recorded as inflows from various jurisdictions into the Philippines. The data accounted for approximately one-third of the total STRs and a relatively small portion of the total illicit funds associated with TF. The number of STRs also reflects a marked increase from the 201 STRs reported in the second study.

Based on the STR data, 1,988 transactions, or nearly all, involved amounts below PhP100,000.00. Meanwhile, the majority of the STRs valued at PhP100,000.00 or more originated from Saudi Arabia, followed by the UAE and Kuwait.

In addition, eight (8) STRs with an aggregate amount of approximately PhP1.4 million were potentially linked to the TF in Mali, Burkina Faso, and Niger, which are neighboring countries in West Africa and part of the Sahel region, a semi-arid area bordering the Sahara Desert. The said transactions involved sending funds to multiple recipients in areas linked to jihadist activity, conducting high-volume transactions in remote, high-risk regions like the Sahel, and engaging in networks with individuals flagged for terror financing.

Table 11.2 Breakdown of inflow transactions related to TF from 2021 to 1H 2024

| TERRORISM FINANCING | 2021 | | 2022 | | 2023 | | 1H 2024 | | Total | | Percent to Total | |
|-------------------------------|--------------|-------------------|--------------|-------------------|--------------|--------------------|------------|------------------|--------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 738 | 8,114,436 | 481 | 6,696,799 | 777 | 14,010,274 | 12 | 230,436 | 2,008 | 29,051,944 | 34.22% | 5.06% |
| IDENTIFIED SOURCE | 706 | 7,722,648 | 426 | 6,054,078 | 718 | 13,512,630 | 6 | 121,991 | 1,856 | 27,411,348 | 31.63% | 4.78% |
| SAUDI ARABIA | 517 | 5,439,918 | 217 | 2,686,147 | 208 | 3,872,025 | 2 | 30,983 | 944 | 12,029,073 | 16.09% | 2.10% |
| QATAR | 37 | 432,436 | 100 | 1,383,421 | 179 | 2,709,486 | 0 | 0 | 316 | 4,525,343 | 5.39% | 0.79% |
| KUWAIT | 29 | 320,028 | 11 | 135,947 | 101 | 2,832,265 | 0 | 0 | 141 | 3,288,240 | 2.40% | 0.57% |
| UAE | 1 | 6,220 | 4 | 79,918 | 106 | 1,646,257 | 0 | 0 | 111 | 1,732,395 | 1.89% | 0.30% |
| USA | 54 | 771,330 | 39 | 759,227 | 16 | 142,543 | 0 | 0 | 109 | 1,673,101 | 1.86% | 0.29% |
| LEBANON | 0 | 0 | 4 | 50,859 | 40 | 1,165,174 | 0 | 0 | 44 | 1,216,033 | 0.75% | 0.21% |
| GERMANY | 2 | 28,377 | 4 | 12,206 | 23 | 700,371 | 3 | 71,008 | 32 | 811,962 | 0.55% | 0.14% |
| AUSTRALIA | 26 | 182,534 | 0 | 0 | 0 | 0 | 0 | 0 | 26 | 182,534 | 0.44% | 0.03% |
| MALAYSIA | 4 | 24,451 | 18 | 195,982 | 0 | 0 | 0 | 0 | 22 | 220,433 | 0.37% | 0.04% |
| CANADA | 1 | 2,066 | 5 | 216,047 | 7 | 133,898 | 1 | 20,000 | 14 | 372,012 | 0.24% | 0.06% |
| JORDAN | 0 | 0 | 6 | 40,260 | 7 | 57,947 | 0 | 0 | 13 | 98,208 | 0.22% | 0.02% |
| TURKEY | 0 | 0 | 0 | 0 | 12 | 79,034 | 0 | 0 | 12 | 79,034 | 0.20% | 0.01% |
| IRELAND | 12 | 128,000 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 128,000 | 0.20% | 0.02% |
| SOUTH KOREA | 10 | 91,976 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 91,976 | 0.17% | 0.02% |
| EGYPT | 0 | 0 | 7 | 175,849 | 0 | 0 | 0 | 0 | 7 | 175,849 | 0.12% | 0.03% |
| UNITED KINGDOM | 0 | 0 | 1 | 6,749 | 5 | 45,638 | 0 | 0 | 6 | 52,387 | 0.10% | 0.01% |
| CÔTE D'IVOIRE | 0 | 0 | 0 | 0 | 5 | 17,526 | 0 | 0 | 5 | 17,526 | 0.09% | 0.003% |
| MALDIVES | 0 | 0 | 5 | 275,750 | 0 | 0 | 0 | 0 | 5 | 275,750 | 0.09% | 0.05% |
| INDONESIA | 4 | 45,338 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 45,338 | 0.07% | 0.01% |
| NIGER | 0 | 0 | 0 | 0 | 4 | 69,263 | 0 | 0 | 4 | 69,263 | 0.07% | 0.01% |
| ITALY | 0 | 0 | 1 | 3,009 | 2 | 17,352 | 0 | 0 | 3 | 20,361 | 0.05% | 0.004% |
| GREECE | 3 | 11,603 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 11,603 | 0.05% | 0.002% |
| BAHRAIN | 0 | 0 | 2 | 13,239 | 0 | 0 | 0 | 0 | 2 | 13,239 | 0.03% | 0.002% |
| MALTA | 2 | 7,199 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 7,199 | 0.03% | 0.001% |
| SINGAPORE | 1 | 123,431 | 1 | 5,000 | 0 | 0 | 0 | 0 | 2 | 128,431 | 0.03% | 0.02% |
| OTHER COUNTRIES | 3 | 107,740 | 1 | 14,466 | 3 | 23,850 | 0 | 0 | 7 | 146,057 | 0.12% | 0.03% |
| POTENTIAL SOURCE | 12 | 84,804 | 4 | 164,404 | 3 | 64,842 | 2 | 41,829 | 21 | 355,879 | 0.36% | 0.06% |
| USA | 11 | 73,104 | 2 | 147,850 | 0 | 0 | 2 | 41,829 | 15 | 262,783 | 0.26% | 0.05% |
| KUWAIT | 0 | 0 | 0 | 0 | 3 | 64,842 | 0 | 0 | 3 | 64,842 | 0.05% | 0.01% |
| MALAYSIA | 1 | 11,700 | 1 | 14,042 | 0 | 0 | 0 | 0 | 2 | 25,742 | 0.03% | 0.004% |
| SWEDEN | 0 | 0 | 1 | 2,512 | 0 | 0 | 0 | 0 | 1 | 2,512 | 0.02% | 0.0004% |
| UNKNOWN SOURCE | 20 | 306,984 | 51 | 478,316 | 56 | 432,802 | 4 | 66,616 | 131 | 1,284,718 | 2.23% | 0.22% |
| OUTFLOW | 11 | 460,605 | 14 | 1,273,499 | 8 | 206,139 | 1 | 399 | 34 | 1,940,642 | 0.58% | 0.34% |
| WITHIN THE PHILIPPINES | 1,315 | 18,015,413 | 1,171 | 4,961,824 | 768 | 515,751,553 | 572 | 4,048,297 | 3,826 | 542,777,087 | 65.20% | 94.60% |
| Grand Total | 2,064 | 26,590,453 | 1,666 | 12,932,122 | 1,553 | 529,967,966 | 585 | 4,279,132 | 5,868 | 573,769,673 | 100.00% | 100.00% |

As presented in Table 11.2,¹⁰² the top sender countries for financial transactions related to TF in terms of both STR volume and value were Saudi Arabia, Qatar, Kuwait, the UAE, and the USA. This represent a shift from the assessments made in the second study, wherein the top sender countries were the USA and Singapore. The current study now implies that from 2021 until 1H 2024, the financial transactions that were deemed suspicious and related to TF were from countries located in the Arabian Peninsula and neighboring regions.

Outflow

There is a total of 34 suspicious outflow transactions with an aggregate value of PhP1.94 million associated with TF from the Philippines between 2021 and 1H 2024. The number is much higher compared to the seven (7) STRs reported in the second study. Presented in Table 11.3 is the summary of the outflow transactions related to TF per year and country location.

Table 11.3 Breakdown of outflow transactions related to TF from 2021 to 1H 2024

| TERRORISM FINANCING | 2021 | | 2022 | | 2023 | | 1H 2024 | | Total | | Percent to Total | |
|-------------------------------|--------------|-------------------|--------------|-------------------|--------------|--------------------|------------|------------------|--------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 738 | 8,114,436 | 481 | 6,696,799 | 777 | 14,010,274 | 12 | 230,436 | 2,008 | 29,051,944 | 34.22% | 5.06% |
| OUTFLOW | 11 | 460,605 | 14 | 1,273,499 | 8 | 206,139 | 1 | 399 | 34 | 1,940,642 | 0.58% | 0.34% |
| IDENTIFIED DESTINATION | 11 | 460,605 | 12 | 1,261,699 | 8 | 206,139 | 1 | 399 | 32 | 1,928,842 | 0.55% | 0.34% |
| INDIA | 0 | 0 | 0 | 0 | 6 | 35,542 | 0 | 0 | 6 | 35,542 | 0.10% | 0.01% |
| MALAYSIA | 0 | 0 | 5 | 787,871 | 0 | 0 | 0 | 0 | 5 | 787,871 | 0.09% | 0.14% |
| INDONESIA | 3 | 53,314 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 53,314 | 0.05% | 0.01% |
| KUWAIT | 3 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 150,000 | 0.05% | 0.03% |
| USA | 0 | 0 | 3 | 36,389 | 0 | 0 | 0 | 0 | 3 | 36,389 | 0.05% | 0.01% |
| NORTH MACEDONIA | 0 | 0 | 2 | 289,506 | 0 | 0 | 0 | 0 | 2 | 289,506 | 0.03% | 0.05% |
| UAE | 0 | 0 | 1 | 12,801 | 1 | 49,598 | 0 | 0 | 2 | 62,398 | 0.03% | 0.01% |
| SAUDI ARABIA | 2 | 177,597 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 177,597 | 0.03% | 0.03% |
| CHINESE TAIPEI | 1 | 37,395 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 37,395 | 0.02% | 0.01% |
| SPAIN | 0 | 0 | 1 | 135,132 | 0 | 0 | 0 | 0 | 1 | 135,132 | 0.02% | 0.02% |
| CHINA | 1 | 31,799 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 31,799 | 0.02% | 0.01% |
| SINGAPORE | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 399 | 1 | 399 | 0.02% | 0.0001% |
| CANADA | 0 | 0 | 0 | 0 | 1 | 121,000 | 0 | 0 | 1 | 121,000 | 0.02% | 0.02% |
| NEW ZEALAND | 1 | 10,500 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 10,500 | 0.02% | 0.002% |
| POTENTIAL DESTINATION | 0 | 0 | 1 | 2,280 | 0 | 0 | 0 | 0 | 1 | 2,280 | 0.02% | 0.0004% |
| MALAYSIA | 0 | 0 | 1 | 2,280 | 0 | 0 | 0 | 0 | 1 | 2,280 | 0.02% | 0.0004% |
| UNKNOWN DESTINATION | 0 | 0 | 1 | 9,520 | 0 | 0 | 0 | 0 | 1 | 9,520 | 0.02% | 0.002% |
| WITHIN THE PHILIPPINES | 1,315 | 18,015,413 | 1,171 | 4,961,824 | 768 | 515,751,553 | 572 | 4,048,297 | 3,826 | 542,777,087 | 65.20% | 94.60% |
| Grand Total | 2,064 | 26,590,453 | 1,666 | 12,932,122 | 1,553 | 529,967,966 | 585 | 4,279,132 | 5,868 | 573,769,673 | 100.00% | 100.00% |

As shown in Table 11.3, the top destination countries in terms of STR volume were India, Malaysia, Indonesia, Kuwait, and the USA. On the other hand, when assessed by STR value, the top recipient countries were Malaysia, North Macedonia, Saudi Arabia, Kuwait, and Spain. Most of the reported transactions involved remittances sent with higher-than-normal frequency, questionable purposes, and in amounts and transaction patterns that were inconsistent with the financial capacity of the parties.

¹⁰² Included in the "Other Countries" in Table 11.2 were France, Democratic Republic of Congo, Oman, Israel and Sweden with either one (1) or two (2) reported STRs.

Financial Channel

Table 11.4 Breakdown of TF-related STRs per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|--------------|----------------|--------------------|----------------|
| | COUNT | % | AMOUNT | % |
| MONEY SERVICE BUSINESSES | 2,870 | 48.91% | 41,708,187 | 7.27% |
| PAWNSHOPS | 2,294 | 39.09% | 18,314,878 | 3.19% |
| ELECTRONIC MONEY ISSUER | 492 | 8.38% | 1,585,346 | 0.28% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 208 | 3.54% | 511,949,262 | 89.23% |
| SAVINGS & MORTGAGE BANKS | 3 | 0.05% | 62,000 | 0.01% |
| SPECIALIZED GOVERNMENT BANKS | 1 | 0.02% | 150,000 | 0.03% |
| Grand Total | 5,868 | 100.00% | 573,769,673 | 100.00% |

As shown in Table 11.4, nearly half of the TF-related STRs were coursed through MSBs, while the bulk of the illicit funds were channeled through commercial banks. The data support the observations from the first and second studies, which noted that TF often involves small amounts sent frequently, thus making MSBs and pawnshops attractive due to their ubiquity and affordability. Consistent with earlier findings, banks remained the top financial channel in terms of total peso value.

Interpretation

Based on the STR data from 2021 to 1H 2024, majority of the financial transactions associated with TF were domestic in nature, specifically when assessed by STR value, as the bulk of the illicit funds circulated within the Philippines. Both inflow and outflow transactions significantly increased compared to the data from the 2018 to 2020 period or the 2nd External Threats study.

Countries located in the Arabian Peninsula and its neighboring countries, which include Saudi Arabia, Qatar, Kuwait, and the UAE, posed a significant threat to the Philippines, as these countries were the top source countries of illicit funds and transactions related to TF.

Consistent with the previous studies, the MSBs and pawnshops remained the most frequently used channels for TF-related transactions, while commercial banks handled the majority of the transaction value.

XII. TERRORISM AND CONSPIRACY TO COMMIT TERRORISM

Terrorism is defined under the Anti-Terrorism Act of 2020 as acts committed with the intent to cause death or serious physical harm to a person, damage critical infrastructure or public property, instill fear or intimidate the general public, the government, or any international organization, and seriously destabilize or destroy the fundamental political, economic, or social structures of the state.¹⁰³

In the Philippines, acts of terrorism were initially criminalized with the passage of RA No. 9372, or the Human Security Act of 2007 (HSA). This law was later repealed by RA No. 11479, or the Anti-Terrorism Act of 2020, which was enacted on 3 July 2020.

¹⁰³ See https://lawphil.net/statutes/repacts/ra2020/ra_11479_2020.html (Link accessed 07 April 2025).

For the years 2021 to 1H 2024, a total of 978 STRs with a corresponding total value of PhP103.66 million that were associated with terrorism were reported by various CPs to the AMLC. These figures account for 0.08% of the total STR volume and 0.29% of the total STR value used in this study. Further details of terrorism-related STRs for the period under consideration are presented in Table 12.1.

Table 12.1 Total volume and peso value of STRs related to terrorism from 2021 to 1H 2024

| TERRORISM | 2021 | | 2022 | | 2023 | | 2024 | | Total | | Percent to Total | |
|-------------------------------|------------|------------------|------------|-------------------|------------|-------------------|------------|------------------|------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 189 | 2,816,597 | 302 | 5,493,329 | 53 | 1,974,602 | 1 | 29,187 | 545 | 10,313,715 | 55.73% | 9.95% |
| IDENTIFIED SOURCE | 187 | 2,807,077 | 299 | 5,445,829 | 52 | 1,960,702 | 1 | 29,187 | 539 | 10,242,795 | 55.11% | 9.88% |
| SAUDI ARABIA | 61 | 554,716 | 183 | 3,161,207 | 1 | 42,759 | 1 | 29,187 | 246 | 3,787,868 | 25.15% | 3.65% |
| JORDAN | 51 | 1,355,246 | 35 | 451,271 | 0 | 0 | 0 | 0 | 86 | 1,806,518 | 8.79% | 1.74% |
| KUWAIT | 41 | 464,062 | 25 | 390,719 | 6 | 71,379 | 0 | 0 | 72 | 926,160 | 7.36% | 0.89% |
| USA | 2 | 5,379 | 17 | 113,966 | 29 | 1,676,995 | 0 | 0 | 48 | 1,796,340 | 4.91% | 1.73% |
| UAE | 30 | 421,071 | 6 | 82,933 | 0 | 0 | 0 | 0 | 36 | 504,004 | 3.68% | 0.49% |
| QATAR | 2 | 6,603 | 20 | 226,252 | 0 | 0 | 0 | 0 | 22 | 232,856 | 2.25% | 0.22% |
| CANADA | 0 | 0 | 1 | 2,000 | 14 | 107,278 | 0 | 0 | 15 | 109,278 | 1.53% | 0.11% |
| MALAYSIA | 0 | 0 | 5 | 744,486 | 0 | 0 | 0 | 0 | 5 | 744,486 | 0.51% | 0.72% |
| ITALY | 0 | 0 | 4 | 225,019 | 0 | 0 | 0 | 0 | 4 | 225,019 | 0.41% | 0.22% |
| SINGAPORE | 0 | 0 | 0 | 0 | 2 | 62,291 | 0 | 0 | 2 | 62,291 | 0.20% | 0.06% |
| UNITED KINGDOM | 0 | 0 | 1 | 30,679 | 0 | 0 | 0 | 0 | 1 | 30,679 | 0.10% | 0.03% |
| EGYPT | 0 | 0 | 1 | 14,625 | 0 | 0 | 0 | 0 | 1 | 14,625 | 0.10% | 0.01% |
| BRUNEI | 0 | 0 | 1 | 2,672 | 0 | 0 | 0 | 0 | 1 | 2,672 | 0.10% | 0.00% |
| UNKNOWN SOURCE | 2 | 9,520 | 3 | 47,500 | 1 | 13,900 | 0 | 0 | 6 | 70,920 | 0.61% | 0.07% |
| OUTFLOW | 3 | 76,150 | 38 | 3,652,870 | 10 | 160,275 | 0 | 0 | 51 | 3,889,296 | 5.21% | 3.75% |
| IDENTIFIED DESTINATION | 3 | 76,150 | 38 | 3,652,870 | 10 | 160,275 | 0 | 0 | 51 | 3,889,296 | 5.21% | 3.75% |
| MALAYSIA | 0 | 0 | 26 | 3,417,354 | 0 | 0 | 0 | 0 | 26 | 3,417,354 | 2.66% | 3.30% |
| BANGLADESH | 0 | 0 | 10 | 197,575 | 0 | 0 | 0 | 0 | 10 | 197,575 | 1.02% | 0.19% |
| INDIA | 0 | 0 | 0 | 0 | 5 | 65,718 | 0 | 0 | 5 | 65,718 | 0.51% | 0.06% |
| USA | 0 | 0 | 0 | 0 | 4 | 57,149 | 0 | 0 | 4 | 57,149 | 0.41% | 0.06% |
| JORDAN | 1 | 4,400 | 2 | 37,942 | 0 | 0 | 0 | 0 | 3 | 42,342 | 0.31% | 0.04% |
| UAE | 0 | 0 | 0 | 0 | 1 | 37,408 | 0 | 0 | 1 | 37,408 | 0.10% | 0.04% |
| SAUDI ARABIA | 1 | 48,000 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 48,000 | 0.10% | 0.05% |
| QATAR | 1 | 23,750 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 23,750 | 0.10% | 0.02% |
| WITHIN THE PHILIPPINES | 75 | 994,813 | 161 | 921,719 | 145 | 87,540,004 | 1 | 4,000 | 382 | 89,460,536 | 39.06% | 86.30% |
| Grand Total | 267 | 3,887,560 | 501 | 10,067,919 | 208 | 89,674,881 | 2 | 33,187 | 978 | 103,663,547 | 100.00% | 100.00% |

Although 39.06% (or 382 STRs) of the total terrorism-related STR volume occurred within the Philippine jurisdiction, the corresponding aggregate value amounts PhP89.46 million, which represents the majority, or 86.30% of the total STR value. More than half of this value pertain to transactions involving an individual who is included in the list of designated terrorists per AMLC. Moreover, reported transactions consist mostly of remittances, inter-account transfers, cash and check deposits, and check issuances.

Most of the transactions related to terrorism were inflows from other jurisdictions. Consistent with the findings of the second study, this trend may indicate that the Philippines remains vulnerable as a recipient of funds potentially associated with terrorism.

Inflow

Based on the data provided in Table 12.1, four (4) of the top five (5) source countries in terms of transactions related to terrorism (namely Saudi Arabia, Jordan, Kuwait, and the United Arab Emirates) in terms of volume are located in the Middle East. Collectively, these countries account for the majority of inflow transactions associated with terrorism.

However, despite comprising the bulk of STRs by volume, the corresponding aggregate value of the inflow transactions only pertains to 9.95% of the total STR value.

In comparison, the second study identified the USA and Malaysia as the top sources of remittances sent to the Philippines. In the current study, however, Saudi Arabia and Jordan recorded the highest volume of terrorism-related transactions, accounting for 25.15% and 8.79% of the total inflow STR volume, respectively. The said countries emerged as the leading sources of illicit funds in terms of STR volume, followed by the USA.

Outflow

Outflow transactions represent only 5.21% and 3.75% of the total STR volume and value, respectively, of the transactions related to terrorism. Notably, more than half of said transactions were outgoing remittances to Malaysia, which emerged as the top destination of illicit funds related to terrorism both in terms of STR volume and value. This finding aligns with the previous assessment, which also identified Malaysia as the primary destination for the proceeds from terrorism-related transactions. However, unlike the prior 2nd External Threats Study, Singapore and Egypt were the leading destination countries based on STR volume and value, respectively.¹⁰⁴

Financial Channel

Shown in Table 12.2 is the distribution of STR volume and value related to terrorism for the years 2021 to 1H 2024 among the financial channels used.

Table 12.2 Breakdown of terrorism-related STRs per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|------------|----------------|--------------------|----------------|
| | COUNT | % | AMOUNT | % |
| MONEY SERVICE BUSINESSES | 615 | 62.88% | 14,276,039 | 13.77% |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 161 | 16.46% | 88,273,172 | 85.15% |
| ELECTRONIC MONEY ISSUER | 146 | 14.93% | 261,997 | 0.25% |
| PAWNSHOPS | 38 | 3.89% | 190,353 | 0.18% |
| DIGITAL BANK | 8 | 0.82% | 5,201 | 0.01% |
| RURAL BANKS/COOPERATIVE BANKS | 7 | 0.72% | 612,605 | 0.59% |
| SPECIALIZED GOVERNMENT BANKS | 2 | 0.20% | 43,801 | 0.04% |
| NON-STOCK SAVINGS & LOAN ASSOCIATION | 1 | 0.10% | 380 | 0.00% |
| Grand Total | 978 | 100.00% | 103,663,547 | 100.00% |

Based on the table provided above, the majority of the financial transactions related to terrorism in terms of volume were transacted through MSBs, accounting for 62.88% of the total volume, while most of the values were transacted through commercial banks, which comprise 85.15% of the total peso value. In the second study, pawnshops were identified as the second most utilized financial channel. In contrast, the current period shows that perpetrators more frequently used MSBs, banks, and EMIs, with pawnshops playing a much smaller role. Notably, while commercial banks remain the primary channel in terms of transaction value, the share of MSBs in total value has increased significantly compared to the 2018–2020 period.¹⁰⁵

¹⁰⁴ Refer to page 44 of the 2nd AMLC External Threats Study at <http://www.amlc.gov.ph/images/PDFs/ASSESSMENT%20OF%20PH%20EXPOSURE%20TO%20EXTERNAL%20AND%20INTERNAL%20THREATS%20BASED%20ON%202018%20TO%202020%20STRS.pdf>.

¹⁰⁵ Ibid., page 44, showing a 3.19% share in value.

Interpretation

The majority of terrorism-related transactions during 2021 to 1H 2024 were inflows from abroad, although these accounted for only 9.95% of the total STR value, suggesting that cross-border transfers were mostly of small amounts.

In contrast, domestic transactions carried higher values, comprising 86.30% of the total peso value, and were primarily coursed through banks. This indicates that while foreign inflows remain frequent, high-value terrorism-related financial activity is concentrated within the Philippine jurisdiction, pointing to an elevated risk of TF at the domestic level.

MSBs were the most commonly used channel in terms of transaction volume (62.88%), reflecting their role in moving small amounts of funds. Banks, however, dominated in terms of value (85.15%), consistent with their capacity to handle larger sums. Compared with the 2018–2020 period, the current data show a marked increase in the value of transactions coursed through MSBs, which may signal a tactical shift by perpetrators toward using less-regulated channels for smaller remittances, while continuing to rely on banks for larger transactions.

XIII. PROLIFERATION FINANCING

Proliferation of Weapons of Mass Destruction Financing, or PF as defined under the AMLA, refers to the act of providing assets, financial services, or conducting financial transactions with the knowledge or reckless disregard that these resources may be used, in whole or in part, to facilitate the proliferation of weapons of mass destruction.¹⁰⁶

Table 13.1 Details of STR related to proliferation financing from 2021 to 1H 2024

| PROLIFERATION FINANCING | 2021 | | 2022 | | 2023 | | 2024 | | Total | | Percent to Total | |
|-------------------------------|------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| OUTFLOW | 0 | 0 | 1 | 5,280 | 0 | 0 | 0 | 0 | 1 | 5,280 | 100.00% | 100.00% |
| IDENTIFIED DESTINATION | 0 | 0 | 1 | 5,280 | 0 | 0 | 0 | 0 | 1 | 5,280 | 100.00% | 100.00% |
| RUSSIA | 0 | 0 | 1 | 5,280 | 0 | 0 | 0 | 0 | 1 | 5,280 | 100.00% | 100.00% |
| Grand Total | 0 | 0 | 1 | 5,280 | 0 | 0 | 0 | 0 | 1 | 5,280 | 100.00% | 100.00% |

As presented in Table 13.1, only one (1) STR linked to PF was reported from 2021 to 1H 2024. This outflow transaction, valued at PhP5,280.00, involved a remittance made by a non-stock, non-profit corporation supporting indigenous people in the Philippines to a Russian national.

The STR indicated that the beneficiary's correspondent bank is allegedly sanctioned for violations of the weapons of mass destruction, proliferators sanctions regulations, and the global terrorism sanctions regulations. Upon investigation, it was found that the sender regularly remits funds to the same recipient, reportedly as salary for interpretation and translation services.

¹⁰⁶ AMLC Issuance on TFS. See <http://www.amlc.gov.ph/images/PDFs/TFS%20final.pdf> (Link accessed on 14 April 2025).

Financial Channel

Table 13.2 Breakdown of STR related to proliferation financing per financial channel from 2021 to 1H 2024

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|------------|----------------|------------------|----------------|
| | COUNT | % | AMOUNT | % |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 1 | 100.00% | 5,280 | 100.00% |
| Grand Total | 1 | 100.00% | 5,280 | 100.00% |

Based on Table 13.2, the only STR related to PF was transacted through commercial banks.

XIV. TAX EVASION

Tax evasion became a predicate offense to ML with the enactment of RA No. 11521 on 21 January 2021,¹⁰⁷ which amended the AMLA of 2001 (RA No. 9160). This amendment expanded the scope of unlawful activities covered by the AMLA to include violation of Section 254 of the National Internal Revenue Code (NIRC), as amended, provided that the deficiency in basic tax due exceeds Twenty-Five Million Pesos (PhP25,000,000.00) per taxable year for each tax type, and there is a finding of probable cause by the competent authority.¹⁰⁸

For the period from 2021 to 1H 2024, a total of 296 STRs related to tax evasion were filed to the AMLC, with a corresponding aggregate value of PhP414.65 million. These figures account for 0.02% of the total STR volume and 1.17% of the total STR value used in this study.

Table 14.1 Total volume and peso value of STRs related to tax evasion from 2021 to 1H 2024

| TAX EVASION | 2021 | | 2022 | | 2023 | | 2024 | | Total | | Percent to Total | |
|-------------------------------|------------|-------------------|------------|------------------|------------|-------------------|------------|--------------------|------------|--------------------|------------------|------------------|
| | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP | STR Volume | STR Value in PhP |
| INFLOW | 25 | 2,131,221 | 1 | 10,620 | 0 | 0 | 3 | 1,402,264 | 29 | 3,544,105 | 9.80% | 0.85% |
| IDENTIFIED SOURCE | 24 | 1,167,888 | 1 | 10,620 | 0 | 0 | 3 | 1,402,264 | 28 | 2,580,772 | 9.46% | 0.62% |
| CANADA | 20 | 536,563 | 0 | 0 | 0 | 0 | 0 | 0 | 20 | 536,563 | 6.76% | 0.13% |
| HONG KONG, CHINA | 1 | 336,315 | 0 | 0 | 0 | 0 | 3 | 1,402,264 | 4 | 1,738,579 | 1.35% | 0.42% |
| USA | 1 | 4,839 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 4,839 | 0.34% | 0.00% |
| PALAU | 0 | 0 | 1 | 10,620 | 0 | 0 | 0 | 0 | 1 | 10,620 | 0.34% | 0.00% |
| PRC | 1 | 258,905 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 258,905 | 0.34% | 0.06% |
| ITALY | 1 | 31,265 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 31,265 | 0.34% | 0.01% |
| UNKNOWN SOURCE | 1 | 963,333 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 963,333 | 0.34% | 0.23% |
| OUTFLOW | 3 | 2,256,493 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 2,256,493 | 1.01% | 0.54% |
| IDENTIFIED DESTINATION | 2 | 2,226,376 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2,226,376 | 0.68% | 0.54% |
| HONG KONG, CHINA | 2 | 2,226,376 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2,226,376 | 0.68% | 0.54% |
| POTENTIAL DESTINATION | 1 | 30,117 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 30,117 | 0.34% | 0.01% |
| USA | 1 | 30,117 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 30,117 | 0.34% | 0.01% |
| WITHIN THE PHILIPPINES | 56 | 65,910,454 | 30 | 5,210,069 | 174 | 97,414,306 | 4 | 240,314,085 | 264 | 408,848,914 | 89.19% | 98.60% |
| Grand Total | 84 | 70,298,168 | 31 | 5,220,689 | 174 | 97,414,306 | 7 | 241,716,349 | 296 | 414,649,512 | 100.00% | 100.00% |

The majority of the STR volume and value of financial transactions related to tax evasion occurred and were transacted within the Philippine jurisdiction. This corresponds to 264 STRs valued at PhP408.8 million, representing 89.19% of the total volume and 98.60% of the total peso value of suspicious transactions associated with tax evasion. Notably, nearly half of the total STR value is attributable to a single transaction involving a company

¹⁰⁷ Sourced from <http://www.amlc.gov.ph/images/PDFs/RA%2011521.pdf> (Link accessed on 19 April 2025).

¹⁰⁸ Consequently, proceeds derived from tax evasion may be subject to investigation and forfeiture in line with anti-money laundering regulations. Although the AMLC is barred from intervening in the tax authority's operations, the law permits coordination between the two agencies for investigations involving tax evasion linked to money laundering. See, <https://syciplawresources.com/wp-content/uploads/2021/04/SyCipLaw-Amendments-to-the-Anti-Money-Laundering-Act-RA-11521.pdf> (Link accessed on 19 April 2025).

reported for alleged involvement in tax fraud/evasion following the raid of a warehouse containing smuggled e-cigarette. The company was among those charged by the tax authority for violation of the NIRC, including unlawful possession of vape products without payment of excise tax under Section 263, tax evasion under Section 254 and failure to file excise tax returns under Section 255.

Inflow

From 2021 to 2024, inflow transactions related to tax evasion comprised a total of 29 STRs with a total value of approximately PhP3.54 million, accounting for 9.80% of the STR volume and 0.85% of the STR value for tax-related offenses. In terms of volume, Canada was the top source country, reflecting possible cross-border financial activity linked to possible tax non-compliance.¹⁰⁹ While these transactions were flagged as possibly indicative of tax evasion, it is crucial to note that tax evasion was only included as a predicate offense under the AMLA on 30 January 2021. Hence, only transactions from that date onward may be legally considered under this category.¹¹⁰ However, in terms of value, Hong Kong, China ranked highest, with reported inflow transactions amounting to PhP1.75 million, flagged in connection with adverse news involving a prominent business family in the country.

Outflow

In terms of outflow transactions, only three (3) STRs were reported, with a total value of approximately PhP2.26 million. These transactions were primarily associated with the same individuals flagged in the inflow transactions from Hong Kong, China, indicating attempts to transfer funds out of the country. This underscores the cross-jurisdictional nature of financial activities that may be linked to potential tax evasion.

Financial Channel

Table 14.2 presents the distribution of STR volume and value across various financial channels used in transactions associated with tax evasion for the years 2021 to 1H 2024.

Table 14.2 Breakdown of STRs related to tax evasion per from 2021 to 1H 2024 financial channel

| CHANNELS USED | STR VOLUME | | STR VALUE in PhP | |
|--|------------|----------------|--------------------|----------------|
| | COUNT | % | AMOUNT | % |
| COMMERCIAL BANKS/NON EXPANDED COMMERCIAL BANKS | 232 | 78.38% | 401,014,047 | 96.71% |
| DIGITAL BANK | 30 | 10.14% | 5,210,069 | 1.26% |
| MONEY SERVICE BUSINESSES | 23 | 7.77% | 573,682 | 0.14% |
| SAVINGS & MORTGAGE BANKS | 10 | 3.38% | 3,351,713 | 0.81% |
| SPECIALIZED GOVERNMENT BANKS | 1 | 0.34% | 4,500,000 | 1.09% |
| Grand Total | 296 | 100.00% | 414,649,512 | 100.00% |

¹⁰⁹ STRs were filed involving a Filipina based in Canada, covering 336 transactions amounting to \$68,790 conducted between 2016 and 2021, which may be linked to a tax-related offense. These transactions involved significant fund transfers from Canada to the Philippines and exhibited red flags such as structuring, unrelated transacting parties, and multiple back-to-back transactions.

¹¹⁰ President Rodrigo Roa Duterte signed RA No. 11521 into law on 29 January 2021, amending the AMLA of 2001. In accordance with its provisions, the law took effect upon its publication in the Official Gazette on 30 January 2021. Retrieved from <http://www.amlc.gov.ph/home/16-news-and-announcements/252-advisory-5> (Link accessed on 20 April 2025).

The data show that majority of the financial transactions, both in terms of STR volume and value, were transacted through banks, primarily commercial banks. This underscores the central role of traditional banking institutions in facilitating potentially illicit financial flows linked to tax evasion.

Interpretation

From 2021 to 1H 2024, the majority of suspicious transactions related to tax evasion occurred within the Philippines and were primarily coursed through banks, particularly commercial banks. This reflects the critical role of traditional financial institutions in detecting potentially illicit activities linked to tax evasion.

Despite tax evasion only being recognized as a predicate offense under the AMLA starting 30 January 2021, a total of 296 STRs amounting to PhP414.65 million were reported during the review period. Notably, a substantial portion of the aggregate value was tied to a single high-profile case involving smuggled e-cigarettes, which significantly influenced the overall data.

Cross-border financial movements were also observed. Inflow transactions originated mainly from Canada (by volume) and Hong Kong, China (by value), with the latter linked to adverse media involving a prominent business family. Corresponding outflow transactions were minimal but associated with the same parties, suggesting possible international fund transfers connected to tax non-compliance.

Overall, the data illustrate both the domestic and transnational dimensions of tax evasion-related suspicious activities and underscore the importance of banks in identifying and reporting such cases.

CONCLUSION AND RECOMMENDATIONS

CONCLUSION

Based on the assessment of remittance and CASA-related STRs submitted by various CPs to the AMLC from 2021 to 1H 2024, the study concludes the following:

- ML continues to pose a significant threat to financial integrity, consistent with the UNODC's global estimate that 2% to 5% of global GDP is laundered annually. The Philippines is not exempt from this risk, as reflected in the 1.30 million STRs analyzed in this study, valued at PhP35.49 billion, indicating substantial exposure to ML activities across multiple predicate crimes and financial channels.
- The PCs with the highest transaction frequency, which account for the majority of total STRs analyzed in this study, are as follows: (1) cyber-enabled crimes at 58.55%; (2) swindling at 24.18%; and (3) child exploitation activities at 6.55%.
- Considering the aggregate peso value of STRs used in this study, the PCs with the highest contribution are as follows; (1) swindling at 39.49%; (2) cyber-enabled crimes at 22.86%; and (3) graft and corrupt practices at 11.68%.
- A total of 155,608 inward remittance transactions, amounting to PhP3.42 billion, were flagged as suspicious in connection with PCs outlined in the AMLA. Over half (52.95%) of the transaction volume was tied to child exploitation, followed by swindling (29%) and child pornography (10.24%), with the USA (49.96%), Australia (7.39%), and the United Kingdom (6.82%) as the leading source countries. In terms of aggregate peso value, the largest share (72.27%) was linked to swindling, followed by child exploitation (14.99%) and cyber-enabled crimes (3.47%). The top source countries by value were Germany (33.81%), the USA (30.53%), and the United Kingdom (5.04%).
- A total of 1,554 outflow transactions, amounting to an aggregate value of PhP2.04 billion, were flagged as suspicious in connection with PCs listed in the AMLA. Of the total volume, 32.05% were linked to swindling, 20.66% to child pornography, and 12.61% to child exploitation. The primary destination countries for these transactions were the USA (15.12%), the UAE (6.82%), and PRC (5.73%). In terms of aggregate peso value, the majority (69.64%) of suspicious funds were associated with cyber-enabled crimes, followed by swindling (27.21%) and illegal drugs (1.12%).
- In addition to cross-border flows, the majority of proceeds from unlawful activities categorized as high-risk and medium-risk PCs in this study originated, circulated, and remained within the Philippine financial system. Among these, the PCs contributing the most in terms of transaction volume were: (1) cyber-enabled crimes, (2) swindling, and (3) illegal drug trafficking. Meanwhile, in terms of transaction value, the top PC contributors were: (1) swindling, (2) cyber-enabled crimes, and (3) graft and corrupt practices.
- It was found that banks accounted for more than half of the volume and aggregate value of transactions, making them the most utilized financial channel, particularly for large-value transactions. This was followed by EMIs at 17.82%, and MSBs at 11.25%.

of the total STR volume used in this study, which were primarily used for small-value transactions.

As the STRs are merely indicative of suspicious transactions, they need further verification and more in-depth investigations to substantiate likely linkage to a certain crime or unlawful offense covered by the AMLA, as amended.

RECOMMENDATIONS

The following recommendations are proposed based on the analysis provided, with the objective of offering insights and data-driven analysis to assist stakeholders in making informed decisions for the effective development and implementation of AML/CTF/CPF strategies:

- **Enhancing the Accuracy of STR Submissions:** CPs should provide comprehensive information in their STR submissions, including account holder profiles, beneficiary and counterparty addresses, detailed transaction narratives, identification of all involved parties, and accurate justifications for filing.
- **Ensuring Proper Tagging and Classification of Transactions:** CPs must understand the importance of proper and consistent classification of transactions, particularly the transaction type and flow, which are crucial for recognizing transactions related to each predicate offense. Improving the ability to classify transactions will ensure the completeness and accuracy of classifications.
- **Increasing Public Awareness:** The public should be informed through the dissemination of this study to various stakeholders, such as internal AMLC groups, relevant LEAs, SAs, private partners in the AMLC's PPPP, and foreign FIUs with transactional nexus to the Philippines. Furthermore, a redacted version of the findings should be made available on the AMLC website.

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