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**Republic of the Philippines**

**ANTI-MONEY LAUNDERING COUNCIL**

**NATIONAL ANTI-MONEY LAUNDERING  
AND COUNTERING THE FINANCING OF TERRORISM  
STRATEGY**

**2018 - 2022**

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## ACKNOWLEDGMENTS

The National Anti-Money Laundering and Countering the Financing of Terrorism Strategy 2018-2022 (NACS) contains the country's priority policies consistent with international standards, defined targets, action plans, and insights harvested during the dynamic involvement of all departments, bureaus, offices, and agencies of the Executive Branch, including government financial institutions and government-owned or -controlled corporations. Led by the Anti-Money Laundering Council (AMLC), this collaboration, nevertheless, goes as far back as the crafting of two National Risk Assessment Reports (NRA), which largely guided the creation of the NACS.

The NACS, however, are not efforts of the country alone. Battling money laundering and terrorism not only means teamwork across local stakeholders but also various forms of support from foreign governments and international organizations.

The Canadian government and the United Nations Office on Drugs and Crime, particularly UNODC Consultant Thomas R. Hansen, have been very gracious in assisting the AMLC Secretariat in the spearheading and adoption of the NACS.

These initiatives banner the high-level cooperation across borders. The crafting has been a chance for most, despite different mandates and priorities, to come together and align what has to be achieved and how it can be achieved, committing themselves to one unified strategy.

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## INTRODUCTION

The National Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Strategy (NACS) 2018 – 2022 is a strategic and collective response in the form of action plans to the risks identified, gaps and problem areas noted under the National Risk Assessment (NRA) on Money Laundering and Terrorism Financing (ML/TF). It also takes into account associated risks of current trends, as well as implementation within specified timelines of the Financial Action Task Force (FATF) Forty Recommendations.

The Philippines has conducted two (2) NRAs – the first covering the period 2011-2014, and the second covering the period 2015-2016.

The NRA assessed the overall exposure of the country to money laundering and its related predicate offenses, terrorism and terrorist financing. The comprehensive process also identified and analyzed the ML/TF risks of the different sectors and entities covered under Republic Act No. 9160 or The Anti-Money Laundering Act of 2001 (AMLA), as amended. The NRA process was participated in by supervisory authorities (SAs), law enforcement agencies (LEAs), relevant government agencies, industry associations and private stakeholders.

The First NRA, which covers the period 2011 – 2014, was conducted with the assistance of the World Bank (WB). The risk assessment template based on the WB methodology, focused on the assessment of threat and vulnerabilities as the main components of the ML/TF risk.

The overall ML/TF risk of the Philippines was assessed at Medium-High. The 1<sup>st</sup> NRA was approved by the AMLC on 20 July 2016.

The Second NRA, which covers the period 2015 – 2016 was more comprehensive. It covers all predicate offenses under Republic Act No. 10365 and terrorism financing under Republic Act No. 10168. It used the modified WB methodology, wherein threat is assessed based on the proceeds of crime and regional or extent of threat activity from different sector perspectives. Vulnerability is assessed based on the ML/TF defense mechanisms including its effectiveness. Under the 2<sup>nd</sup> NRA, the national ML/TF risk of the Philippines is assessed to be medium-high as the overall threat and national vulnerability are rated high and medium, respectively. The 2<sup>nd</sup> NRA was approved by the Council on 29 November 2017.

For both 1<sup>st</sup> and 2<sup>nd</sup> NRAs, illegal drug trade, plunder, graft and corruption, smuggling, violations of the intellectual property law, illegal manufacture of firearms, environmental crimes, and investment fraud/estafa were rated high in relation to their threat to money laundering and terrorist financing. On the other hand, violations of the e-commerce act, trafficking in persons and kidnapping for ransom were rated medium in the 2<sup>nd</sup> NRA taking into account the number of investigations and prosecution, and the value of proceeds generated from these offenses. Other crimes not covered under the AMLA, such as tax evasion and violations of the Anti-Cybercrime Law, were also assessed in the 2<sup>nd</sup> NRA, posing high and medium risk, respectively.

The 2<sup>nd</sup> NRA recognizes the casinos, money service businesses and banking as the most vulnerable sectors to money laundering. Further, foreign terrorist organizations and non-profit organizations (NPOs), are identified to have links to, or as source of funding for local terrorist groups.

Following the two NRAs, FATF Recommendation 2 requires countries to have its own national policy on AML/CFT based on and informed by the risks identified, and to designate an authority or coordination mechanism that should be responsible for these policies. Countries should ensure that policymakers, law enforcement agencies, supervisory and competent authorities, and the financial intelligence unit have effective mechanisms in place which would enable them to cooperate, coordinate and exchange information concerning the development and implementation of the AML/CFT policies.

The NACS 2018 – 2022 aims to provide a whole of government approach in AML/CFT efforts. It shall enable the government and the private sector to have a coordinated and strategic approach towards combating money laundering and terrorism financing in the country. Adoption of a national strategy would therefore strengthen mechanisms to support an effective AML/CFT regime.

The NACS identifies areas of focus in order to effectively combat money laundering and terrorism financing. This includes passage and amendment of the legal and supervisory framework to further strengthen provisions on preventive measures, actions to enhance investigation and prosecution of ML/TF, measures to address risks in the sectors, and campaigns to increase public awareness. In addition to action items designed to combat ML/TF, the NACS also provides for action items to address proliferation financing as set out under the FATF Standards.

As such, the NACS provides for the following:

- a. The Vision Statement, which provides for the ultimate goal sought to be achieved by the NACS;
- b. The Mission Statement, which summarizes the strategies and priorities of the NACS in order to reach desired outcomes;
- c. Strategic Objectives of the Government in order to combat ML/TF, with the corresponding action plans identified by key government stakeholders; and
- d. The process to review and monitor the implementation and progress of the NACS and its strategic objectives.

The NACS is a result of the collaborative efforts of key AML/CFT agencies who participated in workshops and provided inputs on the action plans.<sup>1</sup> It is supported and endorsed by these key agencies.

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<sup>1</sup> Annex A – List of key AML/CFT government agencies.

## THE VISION AND MISSION STATEMENTS

The NACS provides a framework and defines the priorities to enable the Philippine Government to take a systematic approach towards a clear vision.

### THE VISION STATEMENT

***Maintain an internationally compliant and effective AML/CFT regime by ensuring that the Philippines shall not be used as a money laundering, terrorism financing and proliferation financing site as well as preserving the integrity of the country's financial system.***

The integrity of the country's financial system is essential for economic and social development. However, crimes and the laundering of criminal proceeds undermines not only financial integrity but also good governance, financial sector stability and economic development. As such, the Philippines is committed to implement a unified and cohesive strategy that would support a robust AML/CFT system. At the core of this strategy is compliance with international AML/CFT standards as this promotes financial integrity and supports the fight against crimes.

To attain this vision, the Philippine Government is undertaking a clearly defined mission.

### THE MISSION STATEMENT

***Combating money laundering, its predicate offenses, terrorism, terrorism financing and proliferation financing by strengthening the AML/CFT legal framework, establishing a strong coordination mechanism, intelligence sharing and enforcement efforts among relevant government agencies and carrying out effective supervision and preventive measures in line with international standards, and increasing society's AML/CFT awareness and support.***

The NACS provides a multi-faceted approach in combating ML, its predicate offenses, terrorism, TF and proliferation financing (PF). A strong legal framework is key to a robust AML/CFT system. Collaboration of key government agencies, particularly of the financial intelligence unit (FIU), LEAs and prosecutors, is also an essential component of the strategy. The quality of financial intelligence is also hinged in the effective supervision over, and proper implementation of preventive measures by covered persons. Finally, due to the impact of ML and TF to the economy and public order, it is crucial that key government agencies and the public are made aware of the threats of ML and TF, and the vulnerabilities of the country's AML/CFT system.

A National AML/CFT Coordinating Body shall be created to coordinate national policy measures and ensure the implementation of the NACS. Key government agencies and those who participated in the drafting of the NACS shall be part of the national body. These agencies shall have the responsibility of implementing the action plans within their areas of focus.

As ML/TF risks are constantly evolving, the NACS shall be subject to review and updating after three (3) years, or when circumstances so warrant.

## STRATEGIC OBJECTIVES

The NACS sets out an action program to be accomplished within one (1)-, three (3)- and five (5)-year timeframe covering the period of 2018 – 2022. The action program is based on seven (7) identified strategic objectives.

### THE STRATEGIC OBJECTIVES

Objective 1	<b><i>Enhance the Philippine AML/CFT Legal Framework in Order to Effectively Address the Country's ML/TF Risks and the Deficiencies in the Country's Compliance with the International Standards</i></b>
Objective 2	<b><i>Strengthen the Anti-Money Laundering Council and its Capacity for Money Laundering and Terrorism Financing Intelligence Gathering, Investigations and Prosecutions in order to become a more Effective Partner in Combating Money Laundering and its Predicate Offenses, Terrorism and Terrorism Financing</i></b>
Objective 3	<b><i>Improve Capacity and Collaboration among the Financial Intelligence Unit, Law Enforcement Agencies and Prosecutors for the Effective Investigation and Prosecution of, as well as the Confiscation of Proceeds Relating to Money Laundering, its Predicate Offenses, Terrorism and Terrorism Financing</i></b>
Objective 4	<b><i>Enhance AML/CFT Regulation and Supervision Framework to Ensure Effective and Robust AML/CFT System in Supervised Institutions for The Purpose of Protecting the Financial System, Designated Non-Financial Businesses and Professions, and the Economy from the Threats of Money Laundering and Terrorism Financing</i></b>
Objective 5	<b><i>Develop and Strengthen Mechanisms to Prevent, Disrupt and Combat Terrorism, Terrorism Financing and Proliferation Financing</i></b>
Objective 6	<b><i>Strengthen Domestic and International Cooperation Mechanisms for the Effective Exchange of Information, Facilitate Actions against Criminals and their Assets and Assist in the Capacity Building of Relevant Government Agencies</i></b>
Objective 7	<b><i>Promote AML/CFT Awareness of Government Agencies, Covered Persons and the General Public to Effectively Combat Money Laundering and Terrorism Financing</i></b>

Relevant agencies have expressed their commitment in the implementation of the action plans to attain the strategic objectives.

Within each action item, lead agency/ies are identified with the primary responsibility of implementing and reporting on the required actions. Agencies which are likewise concerned with the outcome of the action item are likewise identified to support its implementation. Timelines for implementation, as committed by the relevant agencies, are also provided. There remains, however, a broad responsibility for all AML/CFT public and private stakeholders to support and cooperate with the primary authorities in the implementation of the strategies.

STRATEGIC OBJECTIVE 1  
AML/CFT LEGAL FRAMEWORK

***Enhance the Philippine AML/CFT Legal Framework in Order to Effectively Address the Country's Money Laundering and Terrorism Financing Risks and the Deficiencies in the Country's Compliance with the International Standards***

The country's AML/CFT legal framework has made significant strides in its commitment to prevent the country from being used as a ML/TF site. In 2001, Republic Act (R.A.) No. 9160 or the Anti-Money Laundering Act of 2001 (AMLA) created the Anti-Money Laundering Council (AMLC), the Philippines' financial intelligence unit. The AMLA provided the general framework for the country's AML/CFT regime. Since 2001, the AMLA has undergone several amendments to address the evolving risks of ML and to become compliant with international standards.

R.A. No. 10168 otherwise known as the "Terrorism Financing Prevention and Suppression Act" (TFPSA) was passed in 2012. The TFPSA defined the crime of terrorism financing, which is separate and distinct from terrorism. It included among the AMLC's mandate the authority to conduct financial investigation into the accounts and other assets of persons suspected of terrorism or financing of terrorism, and empowered it *motu proprio* to cause the freezing of said accounts and assets, and conduct inquiries, as well as the forfeiture of the same.

### ***Risks and Priority Areas***

The NRA identified gaps and areas for improvement in the existing AML/CFT legal regime. Foremost of these gaps is the non-inclusion of casinos under the AMLA. On 14 July 2017, the President signed into law R.A. No. 10927 designating casinos as covered persons under the AMLA. Nevertheless, there remains gaps that need to be addressed to enhance the country's AML/CFT system and to make it more compliant with the FATF Recommendations.

- FATF Recommendation 22 requires inclusion of real estate agents, when they are involved in transactions for their client concerning the buying and selling of real estate, in the country's AML/CFT legal regime. In the context of the Philippines, only real estate brokers can engage in the buying and selling of real estate on behalf of their client. Real estate brokers should be covered persons under the AMLA.
- Tax crimes, which is one of the FATF - designated category of offenses, is not a predicate offense to money laundering. In the 2<sup>nd</sup> NRA, tax crimes were rated high given that it is not a predicate offense to money laundering, and the low convictions and recovery of proceeds despite the efforts of the Bureau of Internal Revenue (BIR).

- Similarly, the AMLA adopts the list approach in designating predicate offenses. With the passage of new laws covering proceeds-generating crimes, there is a need to amend the law and update the list of predicate offenses to ML.
- The framework for custom declarations on cash and similar instruments is based only on a regulation issued by the Bangko Sentral ng Pilipinas (BSP). There is need to strengthen the legal framework, particularly on the restraint of said cash and similar instruments if suspected to be related to terrorism financing, money laundering or predicate offenses, or when falsely declared or disclosed.
- Strict bank confidentiality rules limit the ability of the FIU and LEAs in the investigation of ML and its predicate offenses. Relaxation of bank secrecy is necessary to strengthen investigative powers of relevant agencies.
- The Philippine legal framework on asset forfeiture (both under the AMLA and under the Office of the Ombudsman) does not provide mechanisms to ensure asset management and preservation during pendency of the case, and after forfeiture order, but before disposal. This presents a significant problem in the diminution of the value of these properties (e.g., business establishment, motor vehicles) through force majeure, depreciation or even ordinary wear and tear.
- The presence of more than twenty (20) identification systems in the country continues to present Know-Your-Customer (KYC) challenges for financial institutions and DNFBNs. The establishment of a reliable national identification infrastructure can address these challenges.
- With respect to terrorism, the Human Security Act of 2007 (HSA) should further strengthen the powers of security/intelligence agencies and LEAs to prevent detect and combat terrorism and to address the exploitation of cyberspace for terrorism and terrorism financing purposes. This should also include provisions on foreign terrorist fighters.

### ***Action Plan***

To address the gaps identified in the NRA and the deficiencies in the compliance with international standards, the concerned government agencies proposed action plans for the enactment and/or amendment of relevant laws.

STRATEGIC OBJECTIVE 1 AML/CFT LEGAL FRAMEWORK				
	ACTION PLAN	TIMELINE	PRIMARY AGENCIES	SUPPORTING AGENCIES
1.	Further amendments to the Anti-Money Laundering Act of 2001 <sup>2</sup> to include, among others: a. real estate brokers as covered persons; b. tax crimes, new crimes, amendments to existing penal laws and other proceeds generating crime be included as predicate crimes to money laundering; c. cross border declaration of currencies and bearer negotiable instruments (BNIs) and the power to stop or restrain falsely or undeclared currencies and BNIs;	2018 – 2019: Consultation, Revisions/Drafting of Bill and submission to Senate and Congress  2019 – 2020: 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Reading  2020: Enactment of law	AMLC	PLLO, BSP, SEC, IC, BIR, BOC, LEAs, DOJ
2.	Amendment of the Bank Secrecy Law, <sup>3</sup> thereby allowing relevant government agencies to examine bank accounts for a legitimate purpose, and in the exercise of their investigative or supervisory powers.	2018 – 2019: Consultation, Revisions/Drafting of Bill and submission to Senate and Congress  2019 – 2022: 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Reading  2022: Enactment of law	BSP	PLLO, AMLC, OSG, OMB, LEAs, DOJ
3.	Enactment of law creating an Asset Management Office, providing mechanisms for the preservation and management of assets – a. Subject of freeze during the duration of the freeze order or under asset preservation order, pending the civil forfeiture case; and	2019 – 2020: Consultation and Drafting of Bill and submission to Senate and Congress	AMLC, OMB, DOJ, OSG	PLLO, LEAs

<sup>2</sup> There is a pending bill in the Senate, but no corresponding bill before the House of Representatives.

<sup>3</sup> There are pending bills before the Senate and Congress.

<b>STRATEGIC OBJECTIVE 1 AML/CFT LEGAL FRAMEWORK</b>				
	<b>ACTION PLAN</b>	<b>TIMELINE</b>	<b>PRIMARY AGENCIES</b>	<b>SUPPORTING AGENCIES</b>
	b. Awarded under a civil forfeiture decision, while pending disposal thereof.	2020 – 2022: 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Reading  2022: Enactment of law		
4.	Enactment of a law instituting a reliable and verifiable national identification system	2018 – 2019: Drafting of Bill and submission to Senate and Congress  2019 – 2020: 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Reading  2020: Enactment of law	BSP, SEC, IC, AGAs,	PLLO, AMLC, LEAs, DOJ, OMB, OSG
5.	Amendment of the Republic Act No. 9372 or the Human Security Act and/or other relevant laws that will include provisions on: a. Strengthening powers of security/intelligence agencies and LEAs in order to prevent, detect and combat terrorism and to address exploitation of cyberspace for terrorism and TF purposes. b. Expediting legal process for obtaining data of online accounts related to terrorism and TF. c. Penalize the travel, or attempts to travel, or recruitment or assisting another person to travel, or facilitates the travel of another person, to another state or country for the purpose of planning or preparation of, or participation in, terrorist acts, or the providing or receiving of training for terrorism.	2018 – 2019: Drafting of Bill and submission to Senate and Congress  2019 – 2021: 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Reading  2021: Enactment of law	ATC	AMLC, ATC-PMC PNP-ACG, NICA, ISAFP, NSC, DICT NBI, NTC, DOJ and PLLO

STRATEGIC OBJECTIVE 2  
FINANCIAL INTELLIGENCE UNIT

***Strengthen the Anti-Money Laundering Council and its Capacity for ML/TF Intelligence Gathering, Investigations and Prosecutions in order to become a more Effective Partner in Combating Money Laundering and its Predicate Offenses, Terrorism and Terrorism Financing***

The Anti-Money Laundering Council (AMLC), the Philippines' Financial Intelligence Unit (FIU), was created under Republic Act No. 9160, as amended, otherwise known as the Anti-Money Laundering Act of 2001. The AMLC is a hybrid FIU, with authority to: a) receive and analyze suspicious transaction reports (STRs); b) investigate ML and TF; and c) cause the filing of forfeiture proceedings and money laundering cases.

The AMLC disseminates financial intelligence to law enforcement agencies, other relevant government bodies and international counterparts to assist in combating money laundering and terrorism financing. It also provides strategic reports including statistics, trends, and typologies aimed to increase awareness of the public, financial institutions, international counterparts and government officials of ML/FT trends in the Philippines.

***Risks and Priority Areas***

The AMLC, and its Secretariat need to address the following gaps and vulnerabilities in order to strengthen its capacity for intelligence gathering and to become a more effective partner of LEAs, security/intelligence agencies and prosecutors in combating ML and its predicate offenses, terrorism and TF.

- As the number STRs and financial intelligence/investigation referrals received by the AMLC increases, there is a need to increase manpower resources and technical expertise of the AMLC Secretariat.
- There is need to strengthen the intelligence analysis system, produce timely and relevant strategic reports and conduct data mining analysis of reports submitted to the AMLC. Strategic analysis and data mining reports conducted by analysts of the AMLC are used by its financial crime investigators and the LEAs in the investigation of cases. Processed information and intelligence reports are also shared with supervisory authorities and foreign counterparts.
- Access to information held by other government agencies (i.e. land titles, vehicle registration, etc.) is crucial for the AMLC to develop higher quality financial intelligence reports.

- Low number of referrals from LEAs and security/intelligence agencies, and low number of ML/TF investigations and prosecutions is evident in the NRA threat assessment. This can be addressed through strengthening of coordination mechanisms, which includes the conduct of periodic case-reference workshops and parallel investigations, with law enforcement agencies and other relevant government agencies.
- There is no centralized database system or standard for the collection of AML/CFT relevant data and statistics. Not all AML/CFT-related data and statistics are maintained by the relevant agencies. Furthermore, system differences among agencies may result in similar or related types of data being reported in different ways, making data consolidation and analysis at the national level difficult. There is a need to institutionalize collection and maintenance of AML/CFT-related data and statistics.

### ***Action Plans***

The proposed action plans prioritize the strengthening of the AMLC through increase in manpower and enhancements in its financial intelligence analysis capability. As the investigation and prosecution of ML, its predicate offenses, terrorism and TF requires constant coordination among public stakeholders, the AMLC proposes establishment of mechanisms to facilitate information exchange among concerned agencies. Finally, in order to accurately measure the level and direction of risks and our progress, the AMLC will initiate the development of standards for the collection and maintenance of AML/CFT-related data and statistics across all AML/CFT public and private stakeholders.

STRATEGIC OBJECTIVE 2 FINANCIAL INTELLIGENCE UNIT				
	ACTION PLAN	TIMELINE	PRIMARY AGENCIES	SUPPORTING AGENCIES
<b><i>Enhance financial intelligence gathering capability of the FIU</i></b>				
1.	Reorganization of the AMLC to increase manpower and strengthen organizational structure to properly address the risks of ML/TF	2018 - 2020	AMLC	BSP
2.	Strengthen intelligence analysis system from covered person (CP) reporting, to analysis, investigation and dissemination of information			
	a. Enhancement and development of more strategic and operational analysis to identify ML/TF related trends and patterns for active dissemination to relevant government agencies and CPs	2018 - onwards	AMLC	LEAs, security/intelligence agencies
	b. Institutionalize feedback mechanism on quality of STRs submitted to the AMLC	2018 - onwards	AMLC	CPs, SAs, AGAs
	c. Institutionalize feedback mechanism on quality of information shared to LEAs, security/intelligence agencies and other relevant government agencies	2018 - onwards	AMLC	LEAs, security/intelligence agencies
	d. Create a mechanism for spontaneous disclosure of terrorism and TF flash reports, sanctions list related to PF to relevant government agencies and CPs	2018 - 2019	AMLC	SAs, AGAs, DFA, LEAs, security/intelligence agencies, CPs
<b><i>Reinforce and strengthen partnerships with law enforcement agencies, prosecutors and relevant government agencies</i></b>				
3.	Establish infrastructure for requests and access to other sources of information, (i.e. information held by LEAs, government registries/databases, identification documents of clients from CPs, etc.).		AMLC	NPC, LEAs, BI, LRA, LTO, MARINA, security/intelligence agencies, other relevant government agencies
	a. Negotiation and execution of Memorandum of Agreement (MOA) for access of database, registries	2018 - 2020		
	b. Establish online access to sources of information	2019 - 2022		
4.	Create a portal to enable relevant government agencies to request and access information from the AMLC through a secure channel	2018 - 2020		

STRATEGIC OBJECTIVE 2 FINANCIAL INTELLIGENCE UNIT				
	ACTION PLAN	TIMELINE	PRIMARY AGENCIES	SUPPORTING AGENCIES
<b><i>Institutionalize collection and maintenance of AML/CFT related data and statistics</i></b>				
5.	Establish central database for the collection and maintenance of AML/CFT data and statistics			
	a. Identify data and statistics held by and collection processes of relevant government agencies	2018 - 2019	AMLC	SAs, AGAs, LEAs, DOJ, OSG, OMB, DFA, security/intelligence agencies, and other relevant government agencies
	b. Maximize inter-agency coordination mechanisms to identify relevant AML/CFT statistics which should be collected and maintained	2018 - 2019		
	c. Develop uniform criteria/standard for the collection of AML/CFT data and statistics	2018 - 2020		
	d. Establish process and mechanisms within relevant agencies for the gathering and maintenance of uniform AML/CFT data and statistics relevant to the functions of the agency	2019 - 2022	SAs, AGAs, PNP, PDEA, NBI, DOJ, OSG, OMB, DFA, BOC, IPOPHL, DENR, PAOCC, AFP, ATC, NICA	Other law enforcement, security/intelligence agencies and other relevant government agencies

STRATEGIC OBJECTIVE 3  
LAW ENFORCEMENT AGENCIES AND PROSECUTORS

***Improve Capacity and Collaboration among the FIU, Law Enforcement Agencies and Prosecutors for the Effective Investigation and Prosecution of, as well as the Confiscation of Proceeds Relating to Money Laundering, its Predicate Offenses, Terrorism and Terrorism Financing***

The AMLC is the government agency designated to investigate ML and TF. On the other hand, law enforcement agencies (LEAs) are the ones tasked to investigate predicate offenses to money laundering. The existing legal framework allows the AMLC and LEAs to refer cases to each other and conduct parallel investigations on the ML aspect and on the predicate offenses.

The prosecution of the ML is principally carried out by the AMLC through the Department of Justice or the Office of the Ombudsman, as the case may be. The AMLC files civil forfeiture cases, petitions for the issuance of freeze order and applications for an order allowing bank inquiry through the Office of the Solicitor General.

***Risks and Priority Areas***

The NRA and the relevant government agencies identified areas for improvement on the capacity and collaboration of the FIU, LEAs and Prosecutors.

- Predicate offenses rated high are: a) smuggling; b) violations of intellectual property law; c) illegal manufacture and possession of firearms, ammunition and explosives; d) environmental crimes; e) investment fraud and estafa; f) violation of dangerous drugs law; and, g) plunder and violations of the anti-graft and corrupt practices act.
- For the period covered by the 2<sup>nd</sup> NRA, there is a relatively low number of referrals from LEAs and parallel investigations of ML and predicate offenses, particularly for predicate offenses rated High. Similarly, there is a low number of prosecution of ML offenses as compared to the prosecution of predicate offenses. This can be addressed by strengthening the coordination mechanisms among the FIU, LEAs, Prosecutors and other relevant agencies.
- The FIU, LEAs, Prosecutors and other relevant law enforcement agencies should continuously enhance their knowledge and capacity in order to address the evolving trends of ML, TF and predicate offenses. This can be done through training programs and strategic research on ML, TF and crime trends.
- The decline in the number of declarations submitted to the AMLC indicate lack of enforcement of the requirements of cross-border declarations. This is a source of vulnerability as government may be unable to monitor cash

smuggling. This also hampers efforts of the government to come with up with reliable data on the amount of cash being declared, their sources and destination and nationalities of those who do so. Existing coordination mechanisms with the Bureau of Customs should be strengthened for the enforcement of cross border declaration requirements.

### ***Action Plan***

The proposed action plans identified by the different agencies shall collectively be implemented by all concerned agencies, in order to enhance their capacity for enforcement and prosecution. Priority is given for actions related to predicate offenses considered as high risk.

Key AML/CFT government agencies should continuously work to strengthen coordination mechanisms for the effective investigation and prosecution of cases. The AMLC and LEAs should continuously conduct parallel investigations of money laundering and predicate offenses. Likewise, prosecutors should be able to coordinate criminal actions and civil forfeiture cases.

Increasing the technical expertise of all concerned agencies is also critical for the effective investigation and prosecution of cases. Different agencies have committed to include financial crime investigation courses in the staff development of their relevant personnel. Agencies will coordinate with the AMLC for the conduct of these trainings. The DOJ, in particular, commits to develop with the AMLC, training courses on financial crime investigation and include it as one of the courses in the DOJ Academy, which will be inaugurated in 2019.

The AMLC, with the assistance of relevant government agencies shall continue conducting trainings on financial investigation, which will also include asset recovery and resort to mutual legal assistance for transnational crimes. To improve on delivery, the AMLC shall develop training modules, taking into account the latest ML/TF trends and technological developments. The goal in the long term, is to establish a training academy for its own financial crime and financial intelligence investigators, law enforcement and various security/intelligence agencies, prosecutors and other relevant government agencies.

**STRATEGIC OBJECTIVE 3  
LAW ENFORCEMENT AGENCIES AND PROSECUTORS**

	<b>ACTION PLAN</b>	<b>TIMELINE</b>	<b>PRIMARY AGENCIES</b>	<b>SUPPORTING AGENCIES</b>
1.	Execution of MOA on Information Sharing with relevant government agencies, particularly with agencies that has jurisdiction over crimes rated as high.	2018 - onwards	AMLC	PNP, NBI, PDEA, IPOP HL, DENR, SEC, BOC, PAGCOR, CEZA, APECO, and other relevant agencies
	Review/updating of existing MOAs to determine effectiveness and improve coordination mechanisms			
2.	Creation of joint task forces, committees, working groups for parallel and/or joint investigation and prosecution of ML and predicate offense			
	a. Designation of focal persons within the law enforcement/relevant government agency to facilitate better coordination for the investigation and prosecution of cases, as well as civil forfeiture cases, with particular focus on predicate offenses rated as High	2018 - onwards	PNP, NBI, PDEA, IPOP HL, DENR, SEC, BOC,	AMLC, other LEAs, security/intelligence agencies
	b. Conduct of periodic workshops for strategic referral of cases, synthesize evidence gathering and prosecution of cases, a) between the AMLC and the LEAs; b) between the AMLC and prosecutors; and, c) among AMLC, LEAs and prosecutors	2018 - onwards Every semester or as needed	AMLC, OMB, DOJ, OSG, PNP, NBI, PDEA	Other LEAs, security/intelligence agencies and other relevant agencies
	c. Conduct of case conferences among prosecutors to coordinate related criminal and civil cases	2018 – onwards, Every semester or as needed	OMB, DOJ, OSG	AMLC
3.	Capacity building for relevant government agencies on financial investigation, asset recovery and mutual legal assistance, taking into account ML/TF trends and technological developments			
	a. Conduct of basic and/or complex financial crime investigation trainings for LEAs and other relevant agencies in different regions, taking into account trends in ML/TF	2018 – onwards	AMLC	PNP, NBI, PDEA, IPOP HL, DENR, SEC, BOC, and other relevant agencies

<b>STRATEGIC OBJECTIVE 3</b>				
<b>LAW ENFORCEMENT AGENCIES AND PROSECUTORS</b>				
	<b>ACTION PLAN</b>	<b>TIMELINE</b>	<b>PRIMARY AGENCIES</b>	<b>SUPPORTING AGENCIES</b>
	b. Conduct of basic and/or complex financial crime investigation trainings for prosecutors in different regions, taking into account trends in ML/TF	2018 – onwards	AMLC, DOJ	OMB, OSG
	c. Enhance AML/CFT-focused trainings for members of the Judiciary, particularly for the Court of Appeals and regular courts handling ML cases, in coordination with the Philippine Judicial Academy	2018 – onwards	AMLC	PhilJA SC
	d. Development of a unified financial investigation training module, in consultation with LEAs, security/intelligence agencies and prosecutors	2018-2020	AMLC	DOJ, OMB, OSG, LEAs, security/intelligence agencies and relevant government agencies
	e. Launching of a financial investigation training academy providing unified financial investigation courses LEAs, security/intelligence agencies and prosecutors	2020 - 2022	AMLC	
4.	Conduct and dissemination of strategic research and evaluation of various procedures in ML/TF investigation, prosecution, and asset recovery	2018 – onwards	PAOCC, AMLC	DOJ, OMB, OSG, LEAs, security/ intelligence agencies and relevant government agencies
5.	Develop arrangements and maximize existing coordination mechanisms to enforce cross border declarations and to combat physical smuggling of cash.	2019 - onwards	AMLC, BSP, BOC	CAAP, Coast Guard, OTS

STRATEGIC OBJECTIVE 4  
SUPERVISION OF FINANCIAL INSTITUTIONS AND DNFbps

***Enhance AML/CFT Regulation and Supervision Framework to Ensure Effective and Robust AML/CFT System in Supervised Institutions for The Purpose of Protecting the Financial System, Designated Non-Financial Businesses and Professions, and The Economy from the Threats of Money Laundering and Terrorism Financing***

The supervisory authorities (SAs), as provided under the AMLA, are the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and Insurance Commission (IC). The BSP is the supervisor for banks and non-bank financial institutions (NBFIs), such as pawnshops and remittances. The SEC is the supervisor for securities dealers, broker, investment houses, mutual funds and other entities dealing in currency, commodities or financial derivatives. The IC is the supervisor for insurance companies, pre-need companies, health maintenance organizations and their respective intermediaries. The SAs exercise AML supervision through the issuance of policies and regulations, conduct of examination, and meetings and dialogues with supervised institutions.

In 2017, casinos, including ship based and internet based casinos, were included as covered persons under the AMLA. The Philippine Amusement and Gaming Corporation (PAGCOR), the Cagayan Economic Zone Authority (CEZA), and the Aurora Pacific Economic Zone and Freeport Authority (APECO), were designated by law as the appropriate government agencies (AGAs) with authority to supervise, assess and monitor compliance of casinos with the obligations under the AMLA.

Designated Non-Financial Businesses and Professions (DNFBPs) covered under the AMLA, such as dealers in precious metals and precious stones, company service providers, persons, including lawyers and accountants engaged in certain activities provided by the law,<sup>4</sup> are regulated by the AMLC being the central AML/CFT authority, for AML/CFT purposes.

***Risks and Priority Areas***

The ML/TF threat and vulnerability of the different sectors and DNFbps were assessed under the NRA. Sectoral ML/TF threat was assessed based on the estimated amount of proceeds of crime which include those which are generated within the country (Internal Risk) and those which are flown or transferred into the country from other jurisdictions (External Treat) and the extent of threat passing through the sectors. Sectoral vulnerability was assessed based on identified weaknesses and gaps in defense and reaction mechanism of the sectors to combat money laundering and terrorism financing.

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<sup>4</sup> Persons, including lawyers and accountants, who provide any of the following services: a) managing of client money, securities or other assets; b) management of bank, savings or securities accounts; c) organization of contributions for the creation, operation or management of companies; and d) creation, operation or management of juridical persons or arrangements, and buying and selling business entities.

- Casinos were rated as high in sectoral threat and sectoral vulnerability. In 2016, about Php3.8 Billion stolen funds ended up with two casinos and one junket operator. As casinos were just recently added as covered persons under the AMLA, the appropriate government agencies (AGAs) and the casino operators are still in the process of implementing AML/CFT controls.
- Stand-alone money service businesses (MSBs), particularly remittance agencies, foreign exchange dealers and money changers were assessed as high in sectoral threat and sectoral vulnerability in the 2<sup>nd</sup> NRA. MSBs have been used in the laundering of criminal proceeds and have been used as a channel for terrorist financing. High ML/TF risk of stand-alone MSBs was due to the common use of cash, higher exposure to overseas customers, use of informal overseas networks that may not be regulated, and very low turn-out of registration with AMLC for purposes of CTRs/STRs submissions. Recent policy issuances of the BSP addresses ML/TF risks, and MSBs are in the process of strengthening its AML/CFT controls.
- DNFBPs, such as dealers in precious stones/precious metals, lawyers and accountants<sup>5</sup>, and company service providers, were included under the AML/CFT regime but remains to be loosely regulated for the purpose due to the absence of a specific guidelines and compliance framework for the sector. The AMLC has to develop and release a specific AML/CFT guidelines and concrete regulatory framework so that it can start to perform its AML/CFT regulatory function over the sector.
- Enhancement of existing AML/CFT regulatory framework, including increase in the manpower resources of the SAs are needed to address the evolving ML/TF risks and new business models, trends and financial products.
- Covered persons have instituted their own mechanisms to obtain beneficial ownership information prior to establishing business relationship. They use the SEC i-View database, for any information on corporations and partnerships, the Cooperative Development Authority (CDA) for cooperatives, and Department of Trade and Industry (DTI) for sole proprietorship. The existing facility however provides for limited information only. Identifying the ultimate beneficial owner may require repeated queries with the relevant authority, which can possibly delay the verification process.
- Financial inclusion products should be continuously monitored to ensure that ML/TF risks are properly identified, assessed, monitored and controlled. This should include strengthening of data collection to determine level of remittances coursed through pawnshops and MSBs.

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<sup>5</sup> Id.

### ***Action Plan***

The action plan addresses the ML/TF vulnerabilities of each sector, and also provides for action items that are applicable for all types of covered persons.

In the case of casinos, the action plan provides for the establishment of the appropriate AML/CFT supervision group within the AGAs and development of examination manuals. Thereafter, the AGAs shall conduct on-site and off-site AML examination over their casinos. To further understand the risk of the sectors, AGAs shall also undertake risk assessment of junket operations, internet gaming, e-junket, proxy betting products or services, and other new products and services offered by land-based and internet-based casinos.

With the recent issuance of guidelines covering other DNFBPs (dealers in precious stones, dealers in precious metals, the AMLC shall develop a risk-based supervision and examination manual. Off-site and on-site examination of the different covered business and professions will soon follow.

For MSBs, the action plan provides for enhancement of the existing AML risk rating system to accurately capture the risks faced by the sector. At present, re-registration of MSBs is undertaken to ensure its capacity to conduct business and comply with regulations. There is also need to conduct outreach to the sector on red flag indicators/typologies, focusing on predicate offenses which utilizes the sector.

Determination of the ultimate beneficial owner of a legal entity presents a challenge in customer identification and due diligence procedures. The AMLC shall come up with guidelines on the identification of ultimate beneficial owner, imposing certain obligations on the covered person and company registries.

Actions plans applicable to all covered persons include enhancements in the supervisory framework, intensifying enforcement mechanisms for AML violations, and building on existing coordination mechanisms between supervisors and covered persons. The action plan also provides optimization of technology in record-keeping through digitalization of records. This will facilitate AMLC's access to information held by covered persons and prevent tipping off. Regular environmental scanning of new businesses should also be conducted by supervisors, in coordination with the AMLC, to determine ML/TF risks and the need for appropriate regulation.

<b>STRATEGIC OBJECTIVE 4</b>				
<b>SUPERVISION OF FINANCIAL INSTITUTIONS AND DNFbps</b>				
	<b>ACTION PLAN</b>	<b>TIMELINE</b>	<b>PRIMARY AGENCIES</b>	<b>SUPPORTING AGENCIES</b>
<b>Casinos</b>				
1.	Creation of an AML/CFT group within the AGAs who will undertake or carry-out AML supervision.	2018 - 2019	PAGCOR, CEZA, APECO	AMLC, SAs
	a. Develop manual on risk based supervision and examination (offsite and on-site)	2018 - 2019		
	b. Capacity Building for AML/CFT supervision for AGAs	2018 - 2020		
2.	Pass specific guidelines on the conduct of customer due diligence for casinos	2018	PAGCOR, CEZA, APECO	AMLC, SAs
3.	Conduct AML/CFT off-site and on-site examination of casino operators based on a risk-based method of regulation			
	a. Conduct one (1) AML/CFT examination of at least (1) Integrated Resort	2018	PAGCOR	AMLC
	b. Complete AML/CFT examination of all casino operators	2018 - 2020	PAGCOR, CEZA, APECO	
4.	AML/CFT Training Module and conduct of trainings for casino operators	2018 - 2019	PAGCOR, CEZA, APECO, AMLC	SAs
5.	Conduct an AML/CFT risk assessment on all products and services, giving priority on junket operations, internet gaming, e-junket (extended junket), and proxy betting products or services.	2018 - 2020	AGAs, AMLC	SAs
<b>MSBs</b>				
6.	Amendment of AML Risk Rating System commensurate to the size, operations and complexity of activities of non-bank FIs (NSSLAs, MSBs and pawnshops)	2018 - 2020	BSP	
7.	Conduct of outreach to MSBs, particularly focusing on quality of STRs and red flag indicators/typologies of money laundering related to predicate offenses rated as high (i.e. drugs, fraud, terrorism financing, etc.)	2018 - onwards	BSP, AMLC	
<b>DNFBPs</b>				
8.	Develop manual on risk-based supervision and examination of DNFbps	2018	AMLC	

<b>STRATEGIC OBJECTIVE 4</b>				
<b>SUPERVISION OF FINANCIAL INSTITUTIONS AND DNFbps</b>				
	<b>ACTION PLAN</b>	<b>TIMELINE</b>	<b>PRIMARY AGENCIES</b>	<b>SUPPORTING AGENCIES</b>
9.	Enhance AML/CFT outreach to and establish coordination mechanisms with different covered businesses and professions	2018		SAs, DTI, Industry Associations
10.	Conduct AML/CFT off-site and on-site examination on the different covered businesses and professions. First cycle of examination to all covered businesses and professions will be completed within three (3) years	2018 - 2020		
11.	Risk profiling of DNFbps and their products/services	2018 - 2020		
<b><i>BSP, SEC, IC – supervised covered persons</i></b>				
12.	Continuing enhancement of regulations covering new business models, trends and financial products and services that are vulnerable to money laundering (e.g., financial technology, additional license requirement for virtual currency exchanges)	on-going	AMLC, BSP, SEC, IC	
13.	Amendments to AML/CFT regulations of BSP, SEC and IC to address evolving ML/TF risks within their sectors and to harmonize it with international standards	2018	AMLC, BSP, SEC, IC	
14.	Adoption of AML Risk Rating System commensurate to the size, operations and complexity of activities institution	2018-2019	SEC, IC	BSP
15.	Strike a balance between implementation of AML regulations and national policy on financial inclusion thru adoption of appropriate regulations	2018 - 2020	AMLC, BSP, SEC, IC	
<b><i>All covered persons</i></b>				
16.	Enhancement of regulations requiring covered persons to identify and keep records on the ultimate beneficial owner	2018 – 2020	AMLC, BSP, SEC, IC, PAGCOR, CEZA, APECO	
17.	Strict enforcement of registration requirement of covered persons with the AMLC	2018 - onwards	AMLC, BSP, SEC, IC, PAGCOR, CEZA, APECO	<u>DTI, BOI</u>
18.	Intensify enforcement mechanisms for AML/CFT violations through monetary and non-monetary sanctions	2018 - onwards	AMLC, BSP, SEC, IC, PAGCOR, CEZA, APECO	

<b>STRATEGIC OBJECTIVE 4</b>				
<b>SUPERVISION OF FINANCIAL INSTITUTIONS AND DNFBS</b>				
	<b>ACTION PLAN</b>	<b>TIMELINE</b>	<b>PRIMARY AGENCIES</b>	<b>SUPPORTING AGENCIES</b>
19.	Pass regulation requiring covered persons to digitalize customer records to facilitate access by AMLC for investigation purposes	2018 - 2020	AMLC	BSP, SEC, IC, PAGCOR, CEZA, APECO
20.	Creation and/or expansion of existing AML offices of supervisors and SRBs	2018 - 2020	BSP, SEC, IC, PAGCOR, CEZA, APECO	
21.	Conduct regular environmental scanning to identify new businesses that may need to be regulated for AML purposes and state of AMLA compliance of various industries (i.e. virtual currencies)	2018 - onwards	AMLC, BSP, SEC, IC, PAGCOR, CEZA, APECO	
22.	Require other technology-dependent and/or high volume covered persons to adopt an effective AML/CFT electronic monitoring system	2018 - onwards	BSP, SEC, IC, PAGCOR, CEZA, APECO	AMLC

STRATEGIC OBJECTIVE 5  
TERRORISM FINANCING AND PROLIFERATION FINANCING

***Develop and Strengthen Mechanisms to Prevent, Disrupt and Combat Terrorism,  
Terrorism Financing and Proliferation Financing***

Acts of terrorism was criminalized in the Philippines with the passage of Republic Act 9372 or the Human Security Act (HSA) of 2007. It defined “terrorism” as acts punishable under specified provisions of the Revised Penal Code<sup>6</sup> and other special penal laws, committed for the purpose of sowing and creating a condition of widespread and extraordinary fear and panic among the populace, in order to coerce the government to give in to an unlawful demand. The law allows the police and other law enforcement authorities, duly authorized by the Anti-Terrorism Council, to conduct electronic surveillance as well as the examination of bank deposits of suspected terrorists upon judicial authorization issued by the Court of Appeals.<sup>7</sup>

In 2012, Republic Act No. 10168 or “The Terrorist Financing Prevention and Suppression Act of 2012” (TFPSA) was passed, penalizing as Terrorism Financing as a stand-alone offense. Under the law, the AMLC was given the power to investigate terrorism financing, including the authority to conduct bank inquiry, and freeze funds and properties related to acts of terrorism or terrorism financing without need of a court order.

In 2015, Republic Act No. 10697 or the Strategic Trade Management Act (STMA) was enacted. The law defined strategic goods as, products that, for security reasons or due to international agreements, are considered to be of such military importance that their export is either prohibited altogether or subject to specific conditions. Such goods are generally suitable to be used for military purposes or for the production of weapons of mass destruction (WMD). The law regulates activities related to strategic goods, including its export, import, transit, transshipment, re-export, reassignment and provision of related services. It created the Strategic Trade Management Office (STMO) under the Department of Trade and Industry (DTI), to serve as the executive and technical agency of the national government for the establishment of the management systems for the trade in strategic goods.

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<sup>6</sup> Article 122 (Piracy in the High Seas or in the Philippine Waters); Article 134 (Rebellion or Insurrection); Article 134-a (Coup d' Etat); Article 248 (Murder); Article 267 (Kidnapping and Serious Illegal Detention); Article 324 (Crimes Involving Destruction), or under Presidential Decree No. 1613 (Arson); Republic Act No. 6969 (Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990); Republic Act No. 5207, (Atomic Energy Regulatory and Liability Act of 1968); Republic Act No. 6235 (Anti-Hijacking Law); Presidential Decree No. 532 (Anti-Piracy and Anti-Highway Robbery Law of 1974); and, Presidential Decree No. 1866, as amended (Decree Codifying the Laws on Illegal and Unlawful Possession, Manufacture, Dealing in, Acquisition or Disposition of Firearms, Ammunitions or Explosives).

<sup>7</sup> Sections 27 – 31, RA 9372.

### ***Risks and Priority Areas***

Terrorism and terrorism financing threat was assessed more extensively under the 2<sup>nd</sup> NRA. The number of threat incidents as reported by law enforcement agencies, intelligence reports from security/intelligence agencies and published research studies were used to determine the level of terrorism threat and TF threat. The following are the identified vulnerabilities based on the 2<sup>nd</sup> NRA:

- Focus of intelligence gathering and investigation is primarily on terrorism and not on terrorism financing. This results in limited appreciation of evidence useful for terrorism financing during the investigation on terrorism.
- Geographical distribution of threat incidents indicate that some regions are more at risk to terrorism. There is a need to strengthen and reinforce counter-terror mechanisms at the local government level, particularly in areas with high threat incidents.
- Recent experience of the country also points to the presence of foreign terrorist fighters in the country, particularly in high risk regions. There is need to intensify efforts in monitoring and preventing their travel to the country.
- Despite the increasing incidents related to local terror and threat organizations, STR filing related to terrorism and terrorism financing remain very low.
- Non-profit organizations (NPOs) have been abused for terrorism financing purposes. There is a need to identify types and characteristics of NPO vulnerable to TF abuse, and conduct targeted outreach to the NPOs-at-risk.
- Intelligence reports and typologies point to vulnerability of Overseas Filipino Workers (OFWs) and seamen for TF abuse. There is a need to conduct targeted outreach to OFWs and seamen.

Proliferation financing was not assessed as part of the 2<sup>nd</sup> NRA. The country's framework for regulation of strategic goods is still evolving, and needs to be further developed to address growing concerns on WMD and to make it more compliant with international standards.

- The STMA regulates financing of strategic goods only under the provision of "related services". There is a need for clearer guidelines to regulate the financing aspect.
- To effectively regulate entities engaged in manufacturing, exporting and importing of strategic goods, there is a need to create a database and determine the level of risk of these entities.

### ***Action Plans***

In the development of action plans to address terrorism and TF risks, priority is given in engaging security/intelligence agencies so as to include terrorism financing in their area of focus. This is to ensure that LEAs and security/intelligence agencies also gather evidence pertaining to financing of terrorists, terrorist organizations and acts of terrorism, and refer it to the AMLC for proper investigation.

The agencies concerned also recognize that spread of terrorism in certain regions can also be curbed with the help of the local government units in high risk regions. Thus, there is need to reinforce local government mechanisms in this regard.

The action plan also addresses the presence of foreign terrorist fighters and the vulnerability of MSBs, NPOs and Overseas Filipino Workers, including seamen. Targeted outreach is thus crucial to educate these sectors on how to prevent their abuse for TF purposes.

Finally, the focus of the PF action plans is on the further development of the regulatory framework, including the conduct of a risk assessment to properly understand the nature of business of concerned entities.

<b>STRATEGIC OBJECTIVE 5</b>				
<b>TERRORISM FINANCING AND PROLIFERATION FINANCING</b>				
	<b>ACTION PLAN</b>	<b>TIMELINE</b>	<b>PRIMARY AGENCIES</b>	<b>SUPPORTING AGENCIES</b>
<b><i>Terrorism Financing</i></b>				
1.	Expand scope of the National Intelligence Committee by including terrorism financing in its focus	2018 - 2019	NICA	AMLC
2.	Inter-agency collaboration for monitoring and prevention of travel of local and foreign terrorist fighters	2018 - onwards	ATC	AMLC, NICA, BI, DFA
3.	Establishment and/or reinforcement of counter-terror mechanisms at the local government level	2018 - 2020	ATC DILG	
	a. Strengthening of Peace and Order Councils (POC) in the local government, and formulation of integrated and harmonized community-based terrorism response and recovery plans	2018 - 2020		
	b. Institutionalization of emergency and quick response mechanisms at all levels, and integration with disaster risk management and reduction community-based mechanisms	2018 - 2020		
	c. Establishment of rehabilitation programs in response to terrorism incidents.	2018 - 2020		
4.	Develop red flag indicators/typologies on transactions related to terrorism and TF and disseminate to CPs	2018 - onwards	AMLC	SAs, AGAs, LEAs, security/intelligence agencies and relevant agencies
5.	Capacity building on terrorism and TF tactics and trends using cyberspace		PNP-ACG	JFIG member agencies, DICT
<b><i>NPOs and Persons-at-risk</i></b>				
6.	Conduct an in-depth study/risk assessment to determine subset of the NPO Sector which is at risk to TF	2018	AMLC, SEC, DSWD	LEAs and security/intelligence agencies

<b>STRATEGIC OBJECTIVE 5</b>				
<b>TERRORISM FINANCING AND PROLIFERATION FINANCING</b>				
	<b>ACTION PLAN</b>	<b>TIMELINE</b>	<b>PRIMARY AGENCIES</b>	<b>SUPPORTING AGENCIES</b>
7.	Targeted outreach on terrorism and TF trends and actions to be taken to prevent exploitation for TF purposes, to the following: <ul style="list-style-type: none"> <li>- Non-Profit Organizations, at risk;</li> <li>- Overseas Filipino Workers;</li> <li>- Seamen, both working in the Philippines and abroad</li> </ul>	2018 - onwards	ATC, DILG, AMLC, SEC, DSWD	DOLE, OWWA, POEA, LEAs and security/ intelligence agencies
<b><i>Proliferation Financing</i></b>				
8.	Capacity building for the Strategic Trade Management Office and relevant government agencies as to the regulation of financing of strategic goods in order to prevent proliferation of WMDs	2018 - 2019	NSC – STMCOM DTI – STMO	ATC-PMC, DFA, AMLC
9.	Pass specific guidelines under the Strategic Trade Management Act (STMA) for regulation of financing of proliferation of weapons of mass destruction	2018 - 2020	NSC – STMCOM DTI – STMO	ATC-PMC, DFA, AMLC
10.	Create mechanism for disclosure of sanctions list related to proliferation financing to relevant government agencies and covered persons	2018 - 2019	NSC – STMCOM DTI - STMO	ATC-PMC, DFA, AMLC
11.	Determine variables in the assessment of level of risk of businesses involved in strategic goods	2018 - 2020	NSC – STMCOM DTI – STMO	ATC-PMC, DFA, AMLC
12.	Create database of entities involved in manufacturing, exporting, importing of strategic goods	2019 - 2020	NSC – STMCOM DTI – STMO	
13.	Identify and map proliferation financing network, and disseminate to relevant government agencies	2020 onwards	NSC – STMCOM DTI - STMO	Intelligence agencies, AMLC

STRATEGIC OBJECTIVE 6  
DOMESTIC AND INTERNATIONAL COOPERATION

***Strengthen Domestic and International Cooperation Mechanisms for the Effective Exchange of Information, Facilitate Actions against Criminals and their Assets and Assist in the Capacity Building of Relevant Government Agencies***

Close cooperation among the FIU, LEAs, security/intelligence agencies and other government agencies is essential in order to effectively investigate and prosecute ML, its predicate offenses, terrorism and TF, and forfeit assets related thereto.

There are existing domestic cooperation mechanics specifically created for the purpose of coordinating actions for specific crimes. The AMLC and LEAs share information with each other to assist in the investigations of ML and predicate offenses. SAs and CPs also extend cooperation to the AMLC and LEAs, when necessary.

Likewise, the transnational nature of crime requires cooperation among jurisdictions in criminal matters and asset forfeiture. The Philippines extends cooperation in transnational investigations and prosecutions of persons involved in money laundering activities wherever committed.

The country has existing mutual legal assistance treaties (MLATs) with other jurisdiction to facilitate the prosecution of crimes and forfeiture of assets. Where there is no MLAT, the country still extends cooperation by reason of reciprocity.

On the part of the AMLC, it is authorized by law to extend assistance to other jurisdictions in the investigation of money laundering offenses. The AMLC also shares information to other FIUs, for intelligence purposes, through a secure channel.

LEAs have existing information sharing mechanisms with LEAs from other jurisdictions. SAs also cooperate and share information with their counterparts from other jurisdiction.

***Risks and Priority Areas***

Based on the threat analysis and vulnerability analysis of the 2<sup>nd</sup> NRA, several key areas of domestic cooperation need to be established and enhances:

- The AMLC is the government agency tasked to implement the AMLA. The evolving nature of ML and TF however requires the attention of the entire government. The establishment of a national coordinating body for the implementation of national AML/CFT policies is essential to coordinate actions to combat ML/TF.

- Smuggling, intellectual property violations, and environmental crimes are rated as high risk because of the lack of coordination between the responsible agency and the AMLC despite the large amount of proceeds generated by the crime. Cooperation between the BOC, IPOPHL and DENR and the AMLC should therefore be strengthened.
- In conducting financial intelligence analysis, the AMLC also requests information from various government agencies. Likewise, the AMLC also receives requests for information from other government agencies to support the latter's investigation of predicate offenses. Coordination among the agencies concerned should be strengthened and mechanisms should be established to facilitate access of information held by other agencies.
- The sectoral vulnerability assessment also takes into consideration the ML/TF risks of different products. In order to keep abreast of the associated risks of new and existing products, constant coordination is necessary between supervisors and the covered persons.
- There is also a decline in the number of declarations submitted to the AMLC. Not all airports and seaports submit cross border declaration reports to the AMLC. Reminders to declare excess cash are also lacking in international airports and seaports. There is a need for increase coordination among the concerned government agencies for the enforcement of cross border declarations.
- Moreover, the vast maritime borders of the Philippine archipelago make it difficult for the already resource-stricken Philippine Coast Guard and Bureau of Customs to monitor all possible entry and exit points into the country. Porous borders have been exploited by criminal elements and terrorist/threat groups.

In the 2<sup>nd</sup> NRA, the level of external threat was assessed taking into account the amount of proceeds from abroad, which is deduced from the requests for mutual legal assistance and FIU requests for information received by the AMLC.

- The NRA was able to identify jurisdictions from where illicit funds originated. Strengthened coordination should be prioritized with these jurisdictions.
- As ML and TF pose international and national security threats, cooperation with other jurisdictions, particularly within the region is essential to establish and/or strengthen mechanisms to prevent and combat ML, its predicate offenses, terrorism and TF.
- Some of the gaps identified in the NRA relates to the capacity of the relevant agencies. Knowledge and skills may be acquired and/or enhanced with the assistance of international partners.

### ***Action Plans***

Priority for the action plan is the establishment of a national body responsible for establishing mechanisms, both at the policymaking and operational level, to domestically coordinate on the development and implementation of AML/CFT policies.

Other action plans proposed for domestic cooperation have cross-cutting concerns with other strategic objectives, particularly with the FIU, law enforcement agencies and the supervisors. The execution of MOAs, specifically with agencies responsible for high risk predicate offenses, is crucial. Likewise, frequent coordination is necessary between the supervisor and covered persons to address ML/TF risks in the sector. For cross-cutting action plans, focus is given on identified threats and vulnerabilities under the NRA.

Participation of the public is also considered in the action plan. Mechanisms and protocols for crime reporting should be established to assist LEAs in crime prevention and investigation.

With respect to international cooperation, the AMLC and relevant agencies need to undertake a more extensive assessment in the determining the level of external threat. There is need to identify the source, destination and transshipment jurisdiction for illicit funds. There is also need to monitor presence of foreign terrorist fighters in the country, determine their nationalities and originating jurisdictions. This would require gathering and maintenance of relevant AML/CFT data and statistics, which is also a concern of Strategic Objective 2, on the FIU. Stronger relations with identified jurisdiction should be established in order to effectively address external threats.

<b>STRATEGIC OBJECTIVE 6 DOMESTIC AND INTERNATIONAL COOPERATION</b>				
	<b>ACTION PLAN</b>	<b>TIMELINE</b>	<b>PRIMARY AGENCIES</b>	<b>SUPPORTING AGENCIES</b>
<b><i>Domestic Cooperation between relevant government agencies, covered persons and the public</i></b>				
1.	Establish a national coordinating body responsible for the development, monitoring and implementation of national AML/CFT policies	2018	Office of the President, AMLC	All concerned agencies in the NACS
2.	Execution/Updating of MOA on AML/CFT-related Information Sharing with relevant government agencies, particularly with agencies that has jurisdiction over crimes rated as high	2018 - onwards	AMLC	PNP, NBI, PDEA, IPOPHL, DENR, SEC, BOC, PAGCOR, CEZA, APECO, and other relevant agencies
3.	Establish infrastructure for requests and access to other sources of information, (i.e. information held by LEAs, government registries/databases, identification documents from CPs, etc.).	2018 – 2020: Negotiation and execution of MOAs  2019 – 2022: Establish online access to sources of information	AMLC	NPC, LEAs, BI, LRA, LTO, MARINA, other relevant government agencies
4.	Creation of joint task forces, committees, working groups for parallel and/or joint investigation and prosecution of money laundering and predicate offense	2018 - onwards	AMLC, OMB, DOJ, OSG, LEAs, security/intelligence agencies and other relevant agencies	
5.	Institute periodic meetings and other forms of coordination between supervisors and covered persons to discuss current and emerging ML trends and typologies	2018 - onwards	AMLC, BSP, SEC, IC, PAGCOR, CEZA, APECO	

<b>STRATEGIC OBJECTIVE 6 DOMESTIC AND INTERNATIONAL COOPERATION</b>				
6.	Develop arrangements and maximize existing coordination mechanisms to enforce cross border declarations and to combat physical smuggling of cash	2019 - onwards	AMLC, BSP, BOC	CAAP, Coast Guard, OTS
7.	Joint activities on the development of a protocol on cooperation and provision for technical support between the LEAs and private sector, including NPOs, involved in assisting LEAs in crime reporting through information-communications technologies	2018 - 2020	PNP-ACG, PNP –CIDG, NBI – Cybercrime Division	
<b>International Cooperation</b>				
8.	Update assessment on level of external threat and identify source, destination and trans-shipment jurisdictions of illicit funds, and the nationalities and originating jurisdiction of foreign terrorist fighters	2018 - 2020	AMLC	DOJ, PCTC, ATC, NICA, BI, DFA
9.	Strengthen cooperation mechanisms with identified source, destination and transshipment jurisdictions through the conclusion of Mutual Legal Assistance Treaties (MLATs) in Criminal Matters, when possible, and facilitating the implementation of MLATs and execution of requests for assistance particularly those involving ML/TF	2018 - 2022	DOJ	DFA, AMLC, OMB, OSG
10.	Strengthen coordination mechanisms with identified source, destination and transshipment jurisdictions through the execution of Memorandum of Understanding between FIUs and, setting up of inter-jurisdictional working groups for prevention and investigation of high risk crimes	2018 - 2022	AMLC, LEAs, Security/Intelligence Agencies	DFA
11.	Participate in inter-jurisdictional working groups on money laundering, terrorism and terrorism in relation to organized criminality to strengthen country's ability to combat crime	2018 - onwards	AMLC, LEAs, Security/Intelligence Agencies	DFA
12.	Collaboration and partnership with international organizations and country partners to improve capacity to prevent, protect and respond to money laundering, organized crimes, terrorist threats, terrorism financing and proliferation financing	2018 - onwards	AMLC, LEAs, Security/Intelligence Agencies	DFA

STRATEGIC OBJECTIVE 7  
AML/CFT AWARENESS

***Promote AML/CFT Awareness of Government Agencies, Law Enforcement Agencies, Covered Persons and the General Public to Effectively Combat Money Laundering and Terrorism Financing***

A government who is informed of the ML/TF risks is essential in order to effectively combat ML, its predicate offenses, terrorism and TF. This enables government to apply a risk-based approach in allocating resources and implementing measures to preventive or mitigate ML/TF.

Covered persons who are knowledgeable and conscious of their AML/CFT obligations and the risks faced by the sector are able to effectively prevent ML and assist the government in the investigation and prosecution of crimes. This also raised the effectiveness of compliance level of financial institutions and DNFBPs.

Finally, a general public who is aware of the ML/TF trends, typologies and risks is an effective partner of the government. It will prevent vulnerable sectors and groups of people from being exploited for money laundering and terrorism financing purposes.

***Priorities and Risks***

In the 2<sup>nd</sup> NRA, AML/CFT knowledge and awareness was assessed under the different sectoral vulnerabilities. Level of AML/CFT awareness however has an impact on the investigations of relevant government agencies and on the formalization of the economy.

- Low number of referrals and parallel investigations of money laundering and predicate offenses is also a result of the lack of appreciation of relevant agencies on seized financial documents. There is a need to increase the awareness of LEAs and other relevant government agencies in this regard.
- Strategic analysis and typologies of the FIU assists covered persons in identifying and reporting suspicious transactions. In particular, the low number of STRs filed with respect to terrorism and terrorism financing can be addressed by developing and disseminating TF indicators to MSBs and other covered persons.
- AML/CFT knowledge of staff of financial institutions were identified as among the priority variables in the banking, securities, insurance sectors, and the non-bank financial institutions. With the recent AML/CFT regulations for casinos and other DNFBPs, there is likewise need to focus on increasing their AML/CFT knowledge.

- The level of the informal economy was a matter of concern under the 1<sup>st</sup> NRA. This has since improved at time of writing of the 2<sup>nd</sup> NRA due to the financial inclusion initiatives of the BSP. To support the formalization of the economy, there is need to strike a balance between AML/CFT regulations and financial inclusion initiatives.

Aside from risks identified in the 2<sup>nd</sup> NRA, discussion in existing coordination mechanisms identifies lack of public awareness on money laundering, predicate offenses and terrorism financing contribute to prevalence of these crimes.

### ***Action Plans***

The action plans under this strategic objective are also cross-cutting with other strategic objectives, particularly with respect to the FIU. The conduct of strategic analysis and its dissemination assists relevant government agencies in performing their investigative functions and the covered persons in reporting of suspicious transactions.

Enhanced outreach should be given to the different sectors, particularly with identified high risk sectors like the casinos and MSBs. Outreach should also be conducted to other DNFBPs with the recent passage of the regulations.

Promotion of awareness for certain high risk predicate offenses are also included under this action plan. In particular, programs designed to enhance deeper understanding of the role and accountability of public servants can effectively prevent and reduce corruption in government. As corruption is inextricably link to money laundering and other crimes, anti-corruption education can also have an impact on combating crimes.

The root cause of terrorism is radicalization. Thus, adoption of measures, consistent with the national action plan to counter violent extremism, to strengthen civic education can contribute in the countering of radicalization in the grassroots level, and ultimately terrorism and terrorism financing.

The legal framework for the regulation of strategic goods in order to prevent the proliferation of weapons of mass destruction (WMD) is fairly recent. There is a need to conduct information campaigns and raise the awareness of relevant government agencies and the public on proliferation of WMDs and its financing.

Financial inclusion is considered a national policy objective of the Philippine Government. This should be balanced with AML/CFT regulations to ensure that financial inclusion products remain low risk.

<b>STRATEGIC OBJECTIVE 7 AML/CFT AWARENESS</b>				
	<b>ACTION PLAN</b>	<b>TIMELINE</b>	<b>PRIMARY AGENCIES</b>	<b>SUPPORTING AGENCIES</b>
1.	Enhancement and development of more strategic and operational analysis to identify ML/TF related trends and patterns for active dissemination to relevant government agencies and covered persons	2018 - onwards	AMLC	SAs, AGAs, LEAs, DOJ, OMB, OSG, security/ intelligence agencies and other relevant government agencies
2.	Periodic updating of the National Risk Assessment and the Serious Organized Crime Threat Assessment	2018 - onwards	AMLC, PAOCC	All agencies
3.	Expand outreach activities to the different sectors			
	a. Development of AML/CFT training modules for the different sectors	2018 - 2020	AMLC, SAs, AGAs	
	b. Targeted outreach to casinos, MSBs and DNFBPs	2018 - 2020	AMLC, BSP, AGAs	
	c. Continuous conduct of outreach/trainings to covered persons on obligations under the AMLA, detecting and reporting suspicious transactions, identified risks of ML/TF, recent trends and best practices in the AML compliance and reporting of other jurisdictions	2018 - onwards	AMLC, SAs, AGAs	
4.	Institutionalize feedback mechanism on quality of suspicious transaction reports submitted to the AMLC	2018 - onwards	AMLC	Covered Persons
5.	Develop alternative learning programs to enhance AML examination competencies of supervisors	2018 - 2020	AMLC, SAs, AGAs	
6.	Enhance anti-corruption educational programs to enhance deeper understanding of the youth, community and public officials as to the role and accountability of public servants	2018 - onwards	Office of the Ombudsman	All relevant government agencies
7.	Strengthen civic education, and engaging and empowering the community to address root causes of terrorism	2018 - 2022	ATC – PMC DILG	Relevant Government Agencies

<b>STRATEGIC OBJECTIVE 7 AML/CFT AWARENESS</b>				
	a. Targeted outreach on terrorism and TF trends and actions to be taken to prevent exploitation for TF purposes, to local government units in areas identified to be high risk to terrorism threats			
	b. De-radicalization/counter-radicalization programs			
	c. General information campaigns to the public			
	d. Research and publications			
8.	Information campaign and awareness raising on PF for relevant government agencies	2018 - 2020	NSC – STMCOM DTI – STMO	ATC-PMC, DFA, AMLC
9.	Conduct of periodic risk assessment on financial inclusion products to ensure low risk to ML/TF and to guide policy-making initiatives for financial inclusion	2019 - 2020	BSP, AMLC	SAs
10.	Develop educational programs to promote financial inclusion among various stakeholders, while ensuring that ML/TF risk is minimized and addressed	2019 - 2020	BSP, AMLC	SAs

## IMPLEMENTATION AND REVIEW OF THE NATIONAL AML/CFT STRATEGY

The National AML/CFT Strategy is a product of the collaborative efforts of key AML/CFT government agencies. Its implementation will be the responsibility of all relevant government agencies which contributed and committed to the strategic objectives and action plans.

A National AML/CFT Coordinating Committee (NACC) will be created which shall facilitate inter-agency coordination focused on the development of national policies on AML/CFT consistent with relevant AML/CFT laws and international standards, champion the implementation of the NACS 2018-2022 and provide directives to relevant agencies on major issues on the implementation of the NACS 2018-2022.

The National AML/CFT Coordinating Committee shall have the following functions:

- a. Provide overall policy and strategic direction and oversee the implementation of the NACS;
- b. Coordinate the development and implementation of AML/CFT policies and activities to ensure consistency with the NACS, relevant AML/CFT laws and international AML/CFT standards;
- c. Recommend to relevant government agencies policy and/or operational actions, consistent with the strategic objectives of the NACS, to ensure a multi-agency national response to key AML/CFT risks;
- d. Ensure that the roles and responsibilities of relevant government agencies as stated in the NACS are efficiently and effectively carried out;
- e. Invite other government agencies and instrumentalities to be part of the NACB, as may be necessary;
- f. Formulate and adopt operational guidelines and rules of procedure, as may be necessary to carry out its functions and duties;
- g. Call upon any relevant agency, office, or instrumentality to provide assistance, as may be necessary.
- h. Convene and consult relevant AML/CFT public and private stakeholders on operational and policy issues that may have implications on the implementation and effectiveness of the NACS;
- i. Facilitate the periodic conduct of the money laundering and terrorist financing risk assessment and recommend action plans, which may be included in the NACS, to address the risks identified;
- j. Evaluate the effectiveness of the NACS in light of the evolving ML/TF risks and compliance with international AML/CFT standards;
- k. Establish and maintain coordination with technical assistance providers to assist relevant government agencies in the implementation of action plans provided in the NACS; and
- l. Promote activities to spread awareness of the NACS and identified high ML/TF risk areas.

There is also created several sub-committees to assist the NACC in the proper implementation of the strategic objectives and action plans.

- a) The **Financial Intelligence, Law Enforcement and Prosecution sub-committee (FILEPSC)** shall be primarily responsible for the implementation and monitoring of action plans under Strategic Objective 2 (Financial Intelligence) and Strategic Objective 3 (Law Enforcement and Prosecution). The NACC is organized into several sub-committees for the implementation of the specific strategic objectives and relevant action plans of the NACS.
- b) The **Supervision of Financial Institutions Sub-Committee (SFISC)** shall be primarily responsible for the implementation of the relevant action plans under Strategic Objective 4 (Supervision of Financial Institutions and DNFBPs). The SFISC shall likewise provide support and coordinate efforts in the implementation of the relevant action plans under Strategic Objective 1 (Legal Framework) and Strategic Objective 6 (Domestic and International Cooperation).
- c) The **Supervision of Designated Non-Financial Businesses and Professions Sub-Committee (SDSC)** shall be primarily responsible for the implementation of the relevant action plans under Strategic Objective 4 (Supervision of Financial Institutions and DNFBPs). The SDSC shall likewise provide support and coordinate efforts in the implementation of the relevant action plans under Strategic Objective 1 (Legal Framework) and Strategic Objective 6 (Domestic and International Cooperation).
- d) The **Terrorism Financing and Proliferation Financing Sub-Committee (TFPFSC)** shall be primarily responsible for the implementation of the action plans under Strategic Objective 6 (Terrorism Financing and Proliferation Financing). The TFPFSC shall likewise provide support and coordinate efforts in the implementation of the relevant action plans under Strategic Objective 1 (Legal Framework) and Strategic Objective 6 (Domestic and International Cooperation).
- e) The **AML/CFT Awareness Sub-Committee (ACASC)** shall be primarily responsible for the implementation of the action plans under Strategic Objective 7 (AML/CFT Awareness). The ACASC shall likewise provide support and coordinate efforts in the implementation of the relevant action plans under Strategic Objective 1 (Legal Framework) and Strategic Objective 6 (Domestic and International Cooperation).

A Secretariat is formed, which shall be responsible for, among others, the coordination, logistics and operations of the meetings, and coordination with and monitoring of duties and responsibilities of the NACC and its sub-committees.

As part of the implementation of the National AML/CFT Strategy, key government agencies shall integrate the identified action plans within their agency's and come up with their own action plans, consistent with the identified strategic objectives. Each agency shall provide reports on progress made against the strategic objectives and amendments to the agency's action plans, where appropriate to do so.

The National AML/CFT Strategy is a dynamic document as ML/TF risks of the country changes from time-to-time. As such, the National Coordinating Committee shall revisit and update the strategic objectives and action plans in 2020, to keep it relevant.

## ANNEX 1 - SUPPORTING AGENCIES

<b>Financial Intelligence Unit</b>	
Anti-Money Laundering Council (AMLC)	
<b>Supervising Agencies</b>	<b>Appropriate Government Agencies</b>
Bangko Sentral ng Pilipinas (BSP)	Philippine Amusement and Gaming Corporation (PAGCOR)
Insurance Commission (IC)	Cagayan Economic Zone Authority (CEZA)
Securities and Exchange Commission (SEC)	Aurora Pacific Economic Zone and Freeport (APECO)
<b>Relevant Government Agencies</b>	
Anti-Terrorism Council (ATC)	National Privacy Commission (NPC)
ATC - Program Management Center (ATC-PMC)	National Security Council (NSC)
Bureau of Customs (BOC)	National Telecommunications Commission (NTC)
Bureau of Immigration (BI)	Office of the Ombudsman (OMB)
Bureau of Internal Revenue (BIR)	Office of the Solicitor General (OSG)
Civil Aviation Authority of the Philippines (CAAP)	Office of Transportation Security (OTS)
Philippine Coast Guard (PCG)	Overseas Workers Welfare Administration (OWWA)
Department of Environment and Natural Resources (DENR)	Philippine Center on Transnational Crime (PCTC)
Department of Finance (DOF)	Philippine Coast Guard (PCG)
Department of Foreign Affairs (DFA)	Philippine Deposit Insurance Corporation (PDIC)
Department of Information and Communications Technology (DICT)	Philippine Drug Enforcement Agency (PDEA)
Department of Interior and Local Government	Philippine Judicial Academy (PhiJA)
Department of Labor and Employment (DOLE)	Philippine Overseas Employment Administration (POEA)
Department of Trade and Industry – Strategic Trade Management Office (DTI-STMO)	Philippine National Police – Anti-Cybercrime Group (PNP – ACG)
Intellectual Property Office of the Philippines (IPOP/PHL)	PNP – Anti-Kidnapping Group (PNP – AKG)
Land Registration Authority (LRA)	PNP – Criminal Investigation and Detection Group (PNP – CIDG)
Land Transportation Office (LTO)	PNP – Directorate for Intelligence (PNP – DI)
Manila International Airport Authority (MIAA)	PNP – Directorate for Investigation and Detective Management (PNP-DIDM)
Maritime Industry Authority (MARINA)	PNP – Intelligence Group (PNP – IG)
National Bureau of Investigation (NBI)	Presidential Anti-Organized Crime Commission (PAOCC)
National Disaster Risk Reduction and Management Council (NDRRMC)	Presidential Legislative Liaison Office (PLLO)
National Intelligence Committee (NIC)	Supreme Court – Office of the Court Administrator (SC – OCA)
National Intelligence Coordinating Agency (NICA)	

## TABLE OF ACRONYMS

<b>ACASC</b>	AML/CFT Awareness Sub-Committee
<b>AGA</b>	Appropriate Government Agencies
<b>AML/CFT</b>	Anti-Money Laundering and Countering the Financing of Terrorism
<b>AMLA</b>	Anti-Money Laundering Act of 2001 or Republic Act 9160
<b>AMLC</b>	Anti-Money Laundering Council
<b>APECO</b>	Aurora Pacific Economic Zone and Freeport Authority
<b>BIR</b>	Bureau of Internal Revenue
<b>BNI</b>	Bearer Negotiable Instruments
<b>BOI</b>	Board of Investments
<b>BSP</b>	Bangko Sentral ng Pilipinas
<b>CDA</b>	Cooperative Development Authority
<b>CEZA</b>	Cagayan Economic Zone Authority
<b>CP</b>	Covered Person
<b>DNFBP</b>	Designated Non-Financial Business and Professions
<b>DOJ</b>	Department of Justice
<b>DTI</b>	Department of Trade and Industry
<b>FATF</b>	Financial Action Task Force
<b>FILEPSC</b>	Financial Intelligence, Law Enforcement and Prosecution sub-committee
<b>FIU</b>	Financial Intelligence Unit
<b>HSA</b>	Human Security Act of 2007 or the Republic Act 9372
<b>IC</b>	Insurance Commission
<b>KYC</b>	Know-Your-Customer
<b>LEA</b>	Law Enforcement Agencies
<b>ML</b>	Money Laundering
<b>MLAT</b>	Mutual Legal Assistance Treaties
<b>MOA</b>	Memorandum of Agreement
<b>MSB</b>	Money Service Business
<b>NACB</b>	National AML/CFT Coordinating Body
<b>NACS</b>	National Anti-Money Laundering and Countering the Financing of Terrorism Strategy
<b>NAEC</b>	National AML/CFT Executive Committee (NAEC)
<b>NAWG</b>	National AML/CFT Working Group
<b>NBFI</b>	Non-Bank Financial Institutions
<b>NBI</b>	National Bureau of Investigation
<b>NCMF</b>	National Commission for Muslim Filipinos
<b>NPO</b>	Non-Profit Organizations
<b>NRA</b>	National Risk Assessment
<b>NSSLA</b>	Non-Stock Savings and Loan Associations
<b>OCD</b>	Office of Civil Defense
<b>OFW</b>	Overseas Filipino Workers
<b>OSG</b>	Office of the Solicitor General
<b>PAGCOR</b>	Philippine Amusement and Gaming Corporation
<b>PDEA</b>	Philippine Drug Enforcement Agency
<b>PF</b>	Proliferation Financing
<b>PNP</b>	Philippine National Police
<b>POC</b>	Peace and Order Councils
<b>RA</b>	Republic Act
<b>SA</b>	Supervising Authorities

<b>SDSC</b>	Supervision of Designated Non-Financial Businesses and Professions Sub-Committee
<b>SEC</b>	Securities and Exchange Commission
<b>SFISC</b>	Supervision of Financial Institutions Sub-Committee
<b>STMA</b>	Strategic Trade Management Act
<b>STMO</b>	Strategic Trade Management Office
<b>STR</b>	Suspicious Transaction Report
<b>TF</b>	Terrorism Financing
<b>TFPFSC</b>	Terrorism Financing and Proliferation Financing Sub-Committee
<b>TFPSA</b>	Terrorism Financing Prevention and Suppression Act or Republic Act 10168
<b>WB</b>	World Bank
<b>WMD</b>	Weapons of Mass Destruction