



ANNUAL REPORT 2019 to 2022

Anti-Money Laundering Council
The Philippines' Financial Intelligence Unit



ANNUAL REPORT 2019^{to}2022

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The Anti-Money Laundering Council

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Anti-Money Laundering Council
The Philippines' Financial Intelligence Unit

Vision

We envision AMLC to be globally recognized as the anti-money laundering and counter-terrorism financing (AML/CTF) authority and partner for a crime-free financial system for the Filipino people.

The AMLC envisions itself as an institution that is known internationally as the Philippines' lead agency in terms of AML/CTF and an important contributor in ensuring that the country's financial system is crime-free, law-abiding, and responsive to the needs of its people.

Mission

The AMLC protects and preserves the integrity of the Philippine financial system through financial intelligence and investigation, prosecution of money laundering, terrorism and proliferation financing activities, ensuring compliance of covered persons with money laundering and terrorism financing laws and extension of international cooperation.

The AMLC exists to ensure that the country's financial system is protected against money laundering and terrorism financing. Its main capabilities are in the areas of financial intelligence and investigation, prosecution of money laundering and terrorism financing activities and partnerships with covered persons for compliance with national laws and international standards.

Values

The AMLC values excellence, patriotism, integrity, solidarity, and accountability.

Excellence. Consistently doing our best to master our craft, continually improving our competencies, and learning new things in pursuit of the organizational goals, comparable to the best practices of other financial intelligence units.

Patriotism. Selfless commitment to the service of the Filipino people and the country.

Integrity. Performing mandate with independence, sincerity, honesty, and uprightness, worthy of respect and emulation from others.

Solidarity. Performing with team spirit; acting and thinking as one in the pursuit of common goals and objectives.

Accountability. Taking full responsibility for one's or group's actions.

Acknowledgements

BENJAMIN E. DIOKNO, PhD

Chairman

Anti-Money Laundering Council

Governor

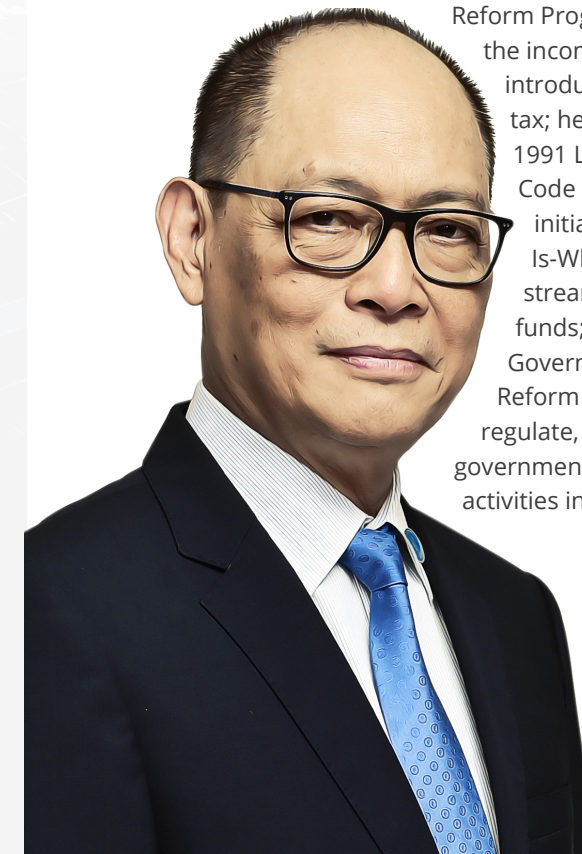
Bangko Sentral ng Pilipinas

March 2019 – June 2022

Former Chairman Diokno served as the fifth Governor of the Bangko Sentral ng Pilipinas (BSP) and *ex officio* Chairman of the Anti-Money Laundering Council (AMLC).

Prior to his appointment as BSP Governor, he has had extensive experience in implementing reforms at the public sector. He pursued an expansionary fiscal policy to finance investments in human capital development and public infrastructure as the Budget Secretary. His policy expertise and research contribution extend to various areas of public economics, such as the structure and scope of government, tax policies and reforms, public expenditure management analysis, fiscal decentralization, national budget, and public debt, among other topics.

Some of his major policy reform contributions include providing technical assistance to the 1986 Tax Reform Program to simplify the income tax system and introduce the value-added tax; helping design the 1991 Local Government Code of the Philippines; initiating a What-You-See-Is-What-You-Get policy to streamline the release of funds; and sponsoring the Government Procurement Reform Act to modernize, regulate, and standardize government procurement activities in the Philippines.



ATTY. MEL GEORGIE B. RACELA, CPA, LLM

Executive Director

Anti-Money Laundering Council

August 2017 – August 2022

Atty. Racela served as Executive Director of the AMLC until the end of his term in August 2022. During his tenure as Executive Director, Atty. Racela led several legislative and regulatory framework developments such as Republic Act No. (RA) 10927 or "An Act Designating Casinos as Covered Persons under RA 9160, as amended;" RA 11479 or the Anti-Terrorism Act of 2020; Casino Implementing Rules and Regulations of RA 10927; AMLC Registration and Reporting Guidelines (ARRG); AML/CTF Guidelines for Designated Non-Financial Businesses and Professions; AMLC Guidelines on Digitization of Customer Records; and the Rules of Procedure in Administrative Cases under the AMLA, among others.

Prior to his appointment as Executive Director, Atty. Racela led the then Anti-Money Laundering Specialist Group of the Supervision and Examination Sub-Sector I at the Supervision and Examination Sector of the BSP. He is a certified public accountant and a lawyer. He also holds a Master of Laws degree in International Legal Studies from the Georgetown University Law Center in Washington, DC, USA, where he graduated as a Dean's Lister.



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Governor

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Member

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FELIPE M. MEDALLA, PhD

Chairman

Anti-Money Laundering Council

Governor

Bangko Sentral ng Pilipinas

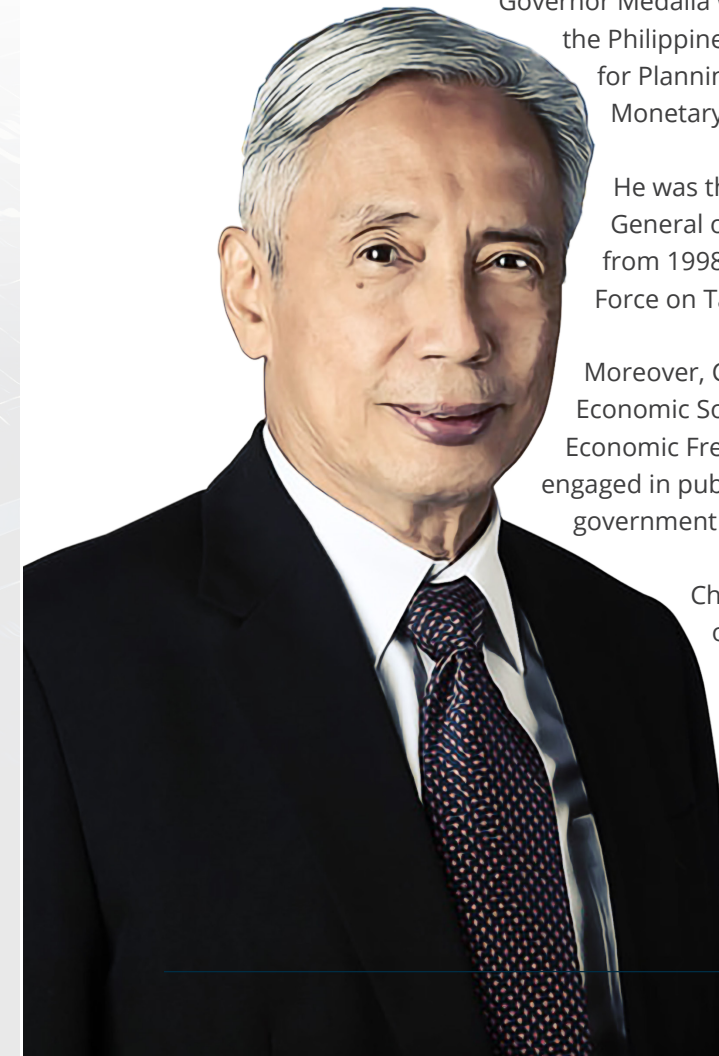
In 2022, Chairman Medalla was appointed to serve the remaining term of Former Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno, who was named Secretary of Finance. Prior to this, Chairman Medalla has been a member of the Monetary Board since 2011.

Governor Medalla was also a professor and a dean of the University of the Philippines (UP) School of Economics; and was Vice President for Planning and Finance of the UP System, before joining the Monetary Board.

He was the Socioeconomic Planning Secretary and Director-General of the National Economic and Development Authority from 1998 to 2001; and a member of the Presidential Task Force on Tax and Tariff Reforms that was established in 1994.

Moreover, Chairman Medalla was the President of the Philippine Economic Society as well as Chairman of the Foundation for Economic Freedom, a non-governmental organization primarily engaged in public advocacy for fiscal reforms and market-friendly government policies.

Chairman Medalla holds degrees in Bachelor of Arts and Bachelor of Science in Commerce (Economics-Accounting) from the De La Salle University, graduating cum laude; Master of Arts in Economics from UP; and Ph.D. in Economics from Northwestern University in Evanston, Illinois. He is also a certified public accountant.



The Council

ATTY. DENNIS B. FUNA

Member

Anti-Money Laundering Council

Insurance Commissioner

Insurance Commission

Before his appointment in the Insurance Commission (IC) in 2016, Insurance Commissioner Funa served in the government in various capacities from 1992 to 1998 and 2013 to the present. At the age of 28, he was the youngest presidential appointee of then President Fidel V. Ramos as the Executive Director of the Videogram Regulatory Board (now Optical Media Board).

Insurance Commissioner Funa is a member of the Philippine Bar Association. He served as a National Officer of the Integrated Bar of the Philippines for more than 12 years. His last position was National Director for Bar Discipline, which investigates disbarment complaints against erring lawyers.



The Council

ATTY. EMILIO B. AQUINO, CPA, MPM, CSEE

Member

Anti-Money Laundering Council

Chairperson

Securities and Exchange Commission

Securities and Exchange Commission (SEC) Chairperson Aquino has a fast-tracking record of 14 years in progressively responsible positions of trust up to the level of SEC Chairperson (with SEC among Top 10 Best Performing Government Agencies per Makati Business Club Survey). Concurrently, he is the Chairperson of the government-owned Credit Information Corporation, as well as Chair of the Microfinance NGO Regulatory Council.

Prior thereto, SEC Chairperson Aquino has a proven history of success and integrity in the administrative management of two SEC Head Office Operating Departments, and two Regional Extension Offices (Davao and Zamboanga) and has been highly regarded for his fast output on critical concerns of the Commission.

SEC Chairperson Aquino is a multi-awarded leader, a certified public accountant, and a 16th bar placer.



The Secretariat

ATTY. MATTHEW M. DAVID

Executive Director

Anti-Money Laundering Council

Prior to being the Executive Director, Atty. Matthew M. David served as the Director of the Investigation and Enforcement Department of the AMLC and as Deputy Director of the Office of the General Counsel and Legal Services at the BSP. He is also one of the authors of the New Central Bank Act and the BSP book, Special Banking Laws Annotated.

Atty. David holds a Master of Laws degree in Finance from the Institute for Law and Finance at the Goethe-Frankfurt University in Germany. He obtained his degrees in Bachelor of Laws and Bachelor of Arts in Political Science from the UP Diliman, Quezon City.



THE ANTI-MONEY LAUNDERING COUNCIL

In line with the policy of the State to protect and preserve the integrity and confidentiality of bank accounts, and to ensure that the Philippines shall not be used as a money laundering (ML) site for the proceeds of any unlawful activity, the Anti-Money Laundering Council (AMLC) was created by virtue of Republic Act No. (RA) 9160, otherwise known as the Anti-Money Laundering Act of 2001 (AMLA), as amended.

The AMLC also refers to the official name of the Council, which is the governing body of said government agency.

The AMLC is composed of the Governor of the BSP as Chairman; and the Insurance Commissioner of the IC and the Chairperson of the SEC as Members. The Chairman and Members act unanimously in the discharge of AMLC's functions.

The AMLC is an independent government agency mandated to implement the AMLA, as amended by RA 9194, 10167, 10365, 10927, and 11521; RA 10168 or the Terrorism Financing Prevention and Suppression Act of 2012 (TFPSA); and certain aspects of RA 11479 or the Anti-Terrorism Act of 2020 (ATA). The AMLC is also mandated to assist in transnational investigations and prosecutions of persons involved in ML and terrorism financing (TF) activities wherever committed.

The AMLC also refers to the official name of the Council, which is the governing body of said government agency. The AMLC is composed of the Governor of

the BSP as Chairman; and the Insurance Commissioner of the IC and the Chairperson of the SEC as Members. The Chairman and Members act unanimously in the discharge of AMLC's functions.

The AMLC is a hybrid-type of financial intelligence unit (FIU) because in addition to the core functions of an FIU, such as receipt, analysis, and dissemination of suspicious transaction and other reports, it performs investigative, prosecutorial, and supervisory functions.

The AMLC is assisted by a Secretariat, which is headed by an Executive Director.

CORE FUNCTIONS OF THE AMLC

Financial Intelligence Analysis

- Require and receive covered (CTRs) or suspicious transaction reports (STRs) from covered persons.
- Probe into suspicious transactions or covered transactions deemed suspicious

Investigation

- Investigate ML/TF activities and other violations of anti-money laundering and counter-terrorism financing (AML/CTF) laws and regulations
- Enlist the assistance of any branch, department, bureau, office, agency, or instrumentality of the government, including government-owned and controlled corporations, in undertaking AML/CTF operations
- Examine any particular deposit or investment with any banking or non-bank financial institution, where probable cause exists that the deposits or investments are related to an unlawful activity
- Identify properties, documents, and flow of financial transactions relative to ML/TF

Prosecution

- Institute civil forfeiture proceedings and all other remedial proceedings through the Office of the Solicitor General (OSG)

- File complaints with the Department of Justice (DOJ) or the Office of the Ombudsman (OMB) for the prosecution of ML/TF offenses
- Apply before the Court of Appeals, ex parte, for the freezing of any monetary instrument or property alleged to be the proceeds of any unlawful activity as defined in the AMLA, as amended
- Apply for bank inquiry and/or examination

Asset Management

- Preserve, manage, or dispose assets pursuant to a freeze order, asset preservation order, and judgment of forfeiture

Supervision

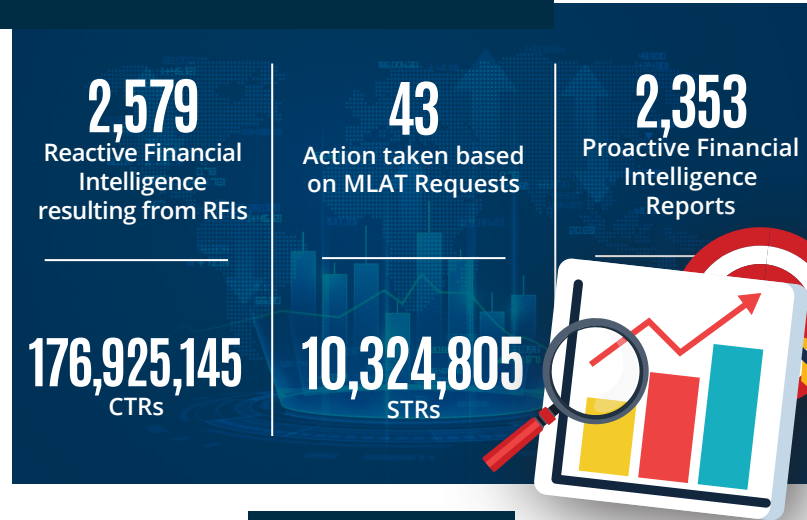
- Implement AML/CTF measures
- Ensure compliance of covered persons with AML/CTF laws, regulations, and issuances
- Handle the disposition of administrative cases
- Develop AML/CTF training programs

AN OVERVIEW OF A HYBRID FIU

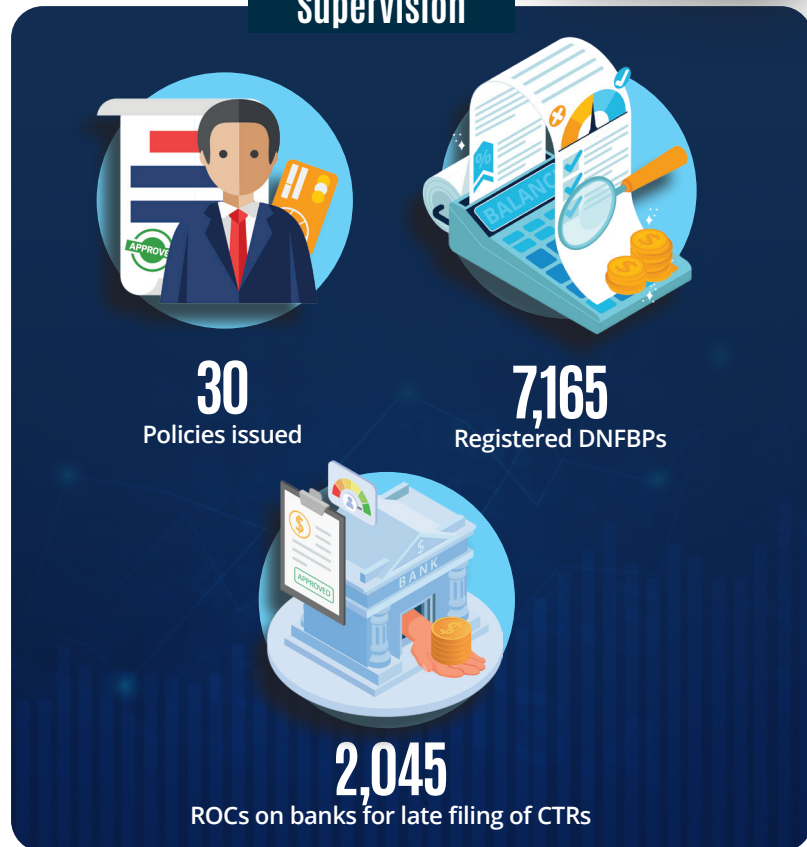


2019-2022 BY THE NUMBERS

Financial Intelligence Analysis



Supervision



Investigation and Prosecution



Capacity Building



THE SECRETARIAT

The AMLA, as amended, authorized the AMLC to create a Secretariat to assist it in fulfilling its vision and mission and in undertaking its AML/CTF operations.

All members of the Secretariat hold full-time permanent positions at the BSP. Also, they must have served for at least five years at the IC, SEC, or BSP.

The AMLC shall appoint an Executive Director to head the Secretariat for a term of five years. The Executive Director must be a member of the Philippine Bar, at least 35 years of age, and of good moral character, unquestionable integrity, and known probity.

All members of the Secretariat hold full-time permanent positions at the BSP. Also, they must have served for at least five years at the IC, SEC, or BSP.

To further strengthen a hybrid-type organizational structure, the Secretariat underwent a

reorganization in 2021, integrating all information technology (IT) units into the Enterprise Technology Management Group to streamline IT support, applications development, security governance, and security operations; and constituting the Asset Management Group in view of RA 11521 that expands the asset management function of the AMLC.

As of 31 December 2022, the agency has 202 personnel, employing more analysts, certified public accountants (CPA), investigators, and lawyers.

THE 2019 TO 2022 ORGANIZATIONAL CHART



Office of the Executive Director

- Exercises general supervision and control of the operations and functions of the Secretariat
- Enforces and implements decisions made by the AMLC

Enterprise Audit Staff

- Analyzes and assesses the AMLC's information and communications technology (ICT) infrastructure regarding its compliance to internal and government-issued ICT policies and guidelines
- Performs risk analysis on ICT matters
- Recommends mitigation on issues resulting from audit findings

Counseling, Adjudication, and Mutual Legal Assistance Unit

- Renders legal opinion and legal advisory services, relating to the interpretation of the provisions of the AMLA, TFPISA, and other relevant laws and rules
- Handles mutual legal assistance requests to and from foreign jurisdictions
- Adjudicates administrative/compliance cases against covered persons

Commitments and Policy Group

- Maintains and monitors the country's compliance with international AML/CTF standards
- Facilitates the execution and monitors the implementation of memoranda of understanding (MOUs) with foreign FIUs
- Manages the conduct of national risk assessments and monitors the status of the resulting action plans
- Develops and adopts AML/CTF policies, procedures, and guidance based on ML/TF trends and standards
- Conducts and manages AML/CTF public information and awareness programs

Enterprise Technology Management Group

- Designs, recommends, establishes, monitors, and maintains the information technology (IT) infrastructure and office productivity peripherals
- Manages the integrity, capacity, performance, availability, administration, preventive maintenance, and utilization of data center and network infrastructure for its main and backup site, including necessary backup, recovery, and archiving procedures
- Manages the research and development, implementation, and maintenance of software solutions, modules, and programs
- Issues and enforces ICT security policies and programs
- Identifies threats and vulnerabilities through periodic vulnerability assessment and penetration testing

Administrative and Financial Services Group

- Ensures compliance with relevant legislation, regulatory requirements, and internal policies on personnel, facilities, property, and supplies management
- Records, monitors, and controls the utilization of the approved annual AMLC budget
- Manages and monitors centralized receiving and releasing of documents from and to various stakeholders and the general public

Asset Management Group

- Preserves, manages, and disposes assets that have been turned over to the AMLC possession for temporary custody and control
- Assists the AMLC in planning for asset freezing and/or asset preservation; planning for preservation of assets upon issuance of freeze order or asset preservation order; and preparation of valuation and appraisal reports
- Coordinates with and assists the sheriff in the conduct of the sale of forfeited assets and turns over assets, as indicated in forfeiture orders in civil and criminal cases, to any of the following: Bureau of the Treasury (BTr), or any government agency that may be designated by law, or any foreign government agency as allowed by mutual legal assistance treaties or conventions or under the principle of reciprocity, as determined by the Department of Foreign Affairs, or to such other claimants as may be ordered by the court
- Accounts for all expenses related to the preservation, management, and disposition of assets subject of freeze order and asset preservation order for deduction prior to official turnover to the BTr

Investigation and Enforcement Department

- Investigates suspicious and covered transactions deemed suspicious
- Acts on requests for investigation and assistance
- Gathers evidence
- Institutes the filing of freeze order; bank inquiry; civil forfeiture; and ML/TF cases
- Prosecutes ML/TF
- Manages and monitors frozen and forfeited assets

Detection and Prevention Department

- Collects, evaluates, and analyzes financial information on potential ML/TF; and disseminates the same to authorized end-users
- Provides financial intelligence to law enforcement agencies (LEAs), foreign FIUs, and other AMLC units to support and assist investigations
- Ensures compliance of covered persons with the AMLA, as amended, by conducting regular onsite examination of covered persons not under other supervising authorities; targeted onsite examination of covered persons with possible compliance violations; and offsite supervision of covered persons
- Supervises designated non-financial businesses and professions (DNFBPs)

Quality Management System

The Quality Management System (QMS) serves as a platform for the implementation of the AMLC's core processes to deliver its mandate pursuant to the AMLA, as amended.

The AMLC QMS is a knowledge-based system that outlines the policies and procedures necessary to improve and control various processes of AMLC that will ultimately lead to better operational performance. The QMS ensures consistency and improvement of working practices, which, in turn, provides services that satisfy customer requirements.

The approved QMS is in accordance with the requirements of the international standard on QMS, ISO 9001, approved policies, and other pertinent laws, rules, and regulations.

Gender and Development

Through its Gender and Development (GAD) Focal Point System (GFPS), the AMLC takes on gender mainstreaming as a strategy to promote gender equality and sensitivity in its processes, systems, policies, operations, and procedures.

The Philippine Constitution recognizes the fundamental equality before the law of women and men, as enshrined in the Magna Carta of Women (MCW) or RA 9710 and in the provisions of the United Nations (UN) Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), to which the Philippines subscribed.

Executive Order No. (EO) 273 (Approving and Adopting the Philippine Plan for Gender-Responsive Development [PPGD 1995-2025]) mandates agencies to incorporate and reflect

GAD concerns in their agency performance commitment contracts, annual budget proposals, and work and financial plans.

The AMLC then formulates its annual GAD Plan and Budget (GPB) within the context of its mandates and allots at least five percent of its national budget for the GPB implementation, pursuant to the MCW and the General Appropriations Act (GAA).

The GFPS prepares the GPB, monitors its implementation, and reports its results.

Budget Utilization

	2019	2020	2021	2022
GAA	63,475,000.00	130,965,997.00	185,150,000.00	147,342,000.00
Subscriptions (periodicals, internet)	170,690.15	3,161,786.22	7,901,435.65	6,501,511.20
Training	1,587,751.66	5,107,208.88	1,322,736.42	2,751,995.06
Advertising	240,144.40	228,300.64	826,129.92	670,023.70
ICT	22,253,325.81	29,327,224.70	45,831,657.40	63,315,988.24
Others (legal services, office equipment, utilities, etc.)	19,472,181.28	48,634,881.49	43,365,011.29	40,810,852.67
Unutilized	19,750,906.70	44,506,595.07	85,903,029.32	33,291,629.13



A FULLY FUNCTIONAL FINANCIAL INTELLIGENCE UNIT

The AMLC collects, evaluates, and analyzes financial information on potential ML/TF; and disseminates financial intelligence reports to LEAs, foreign FIUs, and other AMLC units to support and assist investigations.

As an FIU, the AMLC requires and receives CTRs and STRs from covered persons. The AMLC collects, evaluates, and analyzes financial information on potential

ML/TF; and disseminates financial intelligence reports to LEAs, foreign FIUs, and other AMLC units to support and assist investigations.

Transaction Report Collection

Covered persons submit CTRs and STRs to the AMLC electronically. Files are encrypted and uploaded through a secure portal. Then the files are decrypted, checked, and validated before being saved in the AMLC database.

Transaction Report Collection

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Covered Persons



CTRs and STRs



Encryption



AMLC Portal



AMLC Database

Document Management System

The document management and tracking system with a case management system stores and tracks electronic documents and images of paper-based information. Documents of the AMLC are organized into electronic folders for intelligence, investigation, and litigation cases. The system also enables collaboration among users.

Security System

The AMLC leverages on ICT to improve operational efficiency, transparency, and security. Confidentiality, integrity, and availability of AMLC information are checked, controlled, and maintained through security controls and policies.

To ensure protection against security attacks that occur beyond office hours, the AMLC security team operates 24 hours, seven days a week. This enables immediate response to security threats and guarantees continuous optimal performance of the security system.

The AMLC also monitors its compliance with various government regulations on ICT security and privacy, especially those issued by the Department of Information and Communications Technology (DICT) and the National Privacy Commission (NPC).

Financial Intelligence Analysis Group Standard Operating Procedure Guidelines

The manual provides guidance to analysts for the execution of their duties in accordance with AML/CTF laws and outlines the process for operational and strategic analysis, dealing with the receipt of reports; case prioritization; data collection and analysis; and sharing of intelligence reports.

Know-Your-Customer Documents Upload Facility

Covered persons upload know-your-customer (KYC) documents electronically for use by intelligence analysts as well as handling lawyers and investigators of the AMLC.

Financial Intelligence Analysis



1,530

Requests for Information (LEAs and GAs)



Sources of Financial Transaction Information

Year	Total CTRs	Total STRs
2019	46,381,173	623,021
2020	38,226,800	1,021,633
2021	42,963,080	4,227,234
2022	49,354,092	4,452,917
Total	176,925,145	10,324,805

Financial Intelligence Reports Produced

Reactive	Proactive
2,579	2,353

Memorandum of Agreement

As of 31 December 2022, the AMLC has 42 memoranda of agreement (MOAs) with domestic LEAs and government agencies (GAs). The MOA outlines the conditions in the sharing of intelligence.

Information-Sharing Portal

The AMLC has portals for sharing documents with LEAs and appropriate government agencies (AGAs); and with covered persons for intelligence purposes. The portals have facilities to provide feedback on shared information. The portals are accessible to LEAs with existing MOAs with the AMLC; and to covered persons with existing Information-Sharing Protocol (ISP) agreement with the AMLC.

AMLC Public-Private Partnership Program

The AMLC Public-Private Partnership Program (PPPP) allows the AMLC and the private sector to work within a framework that encourages coordination and collaboration in the areas of information-exchange and capacity-building to enhance each other's abilities to address money laundering, terrorism, and terrorism financing concerns. Through the PPPP, both parties are able to institutionalize an effective documentation mechanism that performs targeted suspicious transaction monitoring and reporting; and develops valuable or breakthrough investigative leads.

As of 31 December 2022, the AMLC has signed 22 ISP agreements signed with 10 banks, six money service businesses (MSBs), 3 electronic money issuers (EMIs), and three other entities.

Memorandum of Understanding

As of 31 December 2022, the AMLC has 53 MOUs with foreign FIUs and counterparts. The MOU conforms with the model MOU of the Egmont Group and is consistent with its Principles for Information Exchange between FIUs.



INTERNATIONAL REQUESTS FOR INFORMATION

Mutual Legal Assistance

Mutual legal assistance (MLA) refers to the formal method of cooperation between two jurisdictions for purposes of seeking assistance in the production of documents, asset freezing and forfeiture, extradition, enforcement of foreign judgment, and other kinds of legal assistance in criminal matters.

The AMLC enlists the assistance of any branch, department, bureau, office, agency, or instrumentality of the government, including government-owned and -controlled corporations, in undertaking AML/CTF operations.

Egmont Secure Web Requests for Information

The Egmont Secure Web (ESW) of the Egmont Group is a secure communication system that allows encrypted sharing of, among member FIUs, financial intelligence and other information of interest to members. The ESW system allows Egmont members to access documents, contact information, and case typologies.

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Action taken based on MLAT Request

Year	No. of Action taken based on MLAT Requests
2019	2
2020	1
2021	7
2022	33
Total	43

265

ESW RFIs received by AMLC

Year	No. of ESW RFIs released by AMLC
2019	19
2020	79
2021	57
2022	110
Total	265

RISK ASSESSMENTS AND STUDIES

A Risk Assessment on the Philippines' Exposure to External Threats based on Submitted Suspicious Transaction Reports (2019)

The study measures the exposure of the country to threats originating within and outside the Philippine jurisdiction; and to provide information on the generation, movement, and behavior of illicit funds related to the top predicate crimes in the country. It performs a descriptive analysis on STRs received by the AMLC from January 2013 to December 2017 and submitted by BSP-supervised institutions, such as banks and MSBs.

The study shows that the Philippines has become a destination of illicit funds from violations of environmental laws; human trafficking; kidnapping for ransom; and terrorism and conspiracy to commit terrorism. Commercial banks and MSBs are the preferred financial channels of perpetrators for most of said predicate crimes.

Child Pornography in the Philippines: An Evaluation using Suspicious Transaction Report Data (2019)

The child pornography industry in the Philippines generates an estimated USD1 billion of proceeds per year. Operations in the country range from small-scale local enterprises to large-scale international organized networks inside and outside of the Philippines. The study assesses child pornography cases in the country, using data from STRs received from banks and MSBs that cover the period 2015 to 2018. It identifies the origin of funds, persons of interest (POIs), names of beneficiaries of fund transfers, and their locations in the Philippines.

The study shows an increase in child pornography cases from 2015 to 2017 and identifies common indicators of transactions, involving child pornography. Majority of the senders of funds are from western countries, such as the United States of America, Australia, Canada, and the United Kingdom. Top locations of beneficiaries of the funds are in Metro Manila, Cavite, Pampanga, Cebu, and Cagayan De Oro.

Combatting Online Child Sexual Abuse and Exploitation, Egmont Information Exchange Working Group

During the July 2019 Egmont Group Plenary meetings in The Hague, Netherlands, the Egmont Information Exchange Working Group (IEWG) endorsed a project concerning how financial intelligence could be harnessed to combat online streaming of child sexual abuse and exploitation (CSAE). In the plenary, the AMLC presented its analytical work and key findings from its study, "Child Pornography in the Philippines: An Evaluation using STR data (STR data from 2015 to 2018)." Said study paved the way and was used as a starting reference for the Egmont IEWG project on online streaming of CSAE.

The project sought to develop and consolidate the strategic intelligence picture associated with payments relating to the online streaming of child sexual abuse and exploitation. The data from the member FIUs of the Egmont Group and other sources, including private sector entities, provided the project team with an understanding of financial transactions suspected to be linked to online streaming of child sexual abuse and exploitation.

The resulting financial indicators and keywords produced within the CSAE project can be used to proactively identify financial transactions likely to be linked to the online streaming of child sexual abuse and exploitation.

Child Pornography in the Philippines: Post-2019 Study using Suspicious Transaction Report Data (Suspicious Transaction Report Data from 2019 to the First Semester of 2020) (2020)

The study determines the impact of the 2019 child pornography study on the filing of STRs from 1 January 2019 to 30 June 2020; channels used by offenders to send money to facilitators; modus operandi; senders and beneficiaries; and amounts of remittances related to child pornography.

The study shows a significant increase in the number of child pornography-related STRs, which may be a result of a heightened awareness of the crime. Most funds are still channeled through MSBs. There are, however, a few instances when EMIs and virtual currency exchanges (VCEs) were used to transfer funds, which may indicate an emerging threat.

Also, the number of international remittances related to child pornography is higher than the number of domestic remittances. Some countries identified in the 2019 study remain in the list of top senders of funds. Pampanga is the top beneficiary for international remittances, while Cebu is the top beneficiary for domestic remittances associated with child pornography.

Sectoral Risk Assessment on Internet-Based Casinos (2019/2020) Using Financial Flow Analysis (Phase 1); and Understanding the Internet-Based Casino Sector in the Philippines: A Risk Assessment (Phase 2)

The study comprises two phases. Conducted with the BSP in 2019, the first phase considers the transaction reports of offshore gaming operators (OGOs) or Internet-based casinos, including their respective service providers (SPs) and covering the period 1 January to 28 August 2019. The second phase considers the ML/TF sector risk by assessing CTRs and STRs filed on Philippine offshore gaming operators (POGOs), SPs, interactive gaming licensees, and interactive gaming support SPs.

The findings of the study include a low level of AML/CTF awareness and regulation; an increasing level of threat to ML and other fraudulent activities; a high number of unregulated or unsupervised SPs; and a low level of beneficial ownership identification.

Online Sexual Exploitation of Children: A Crime with a Global Impact and an Evolving Transnational Threat (2020)

The study examines the risk exposure of the Philippines to the online sexual exploitation of children (OSEC); the extent of ML/TF risks; and the impact of the coronavirus disease (COVID-19) pandemic. It identifies and assesses the factors behind the rapid increase of local OSEC cases and the evolution of these factors.

The study notes that OSEC poses a high risk to ML due to the high global and domestic threats; vulnerabilities that continue to exploit the financial system; and insufficient regulatory controls to reduce the inherent risk, among other findings. It also discloses OSEC-related financial indicators, suspicious triggers, and case typologies to assist covered persons and LEAs in detecting financial transactions possibly associated with OSEC.

COVID-19 Financial Crime Trend Analysis Typologies Brief (2020)

The brief aims to inform stakeholders on pervasive and emerging ML/TF threats posed by the COVID-19 pandemic. It covers transactions between 1 January 2020 and 24 April 2020 that are related or suspected to be related to unlawful activities.

Among the reasons for filing these STRs are fraud-related, such as possible money mule or pass-through accounts; and unauthorized transactions (i.e., phishing, card-skimming, and other violations of the Electronic Commerce Act of 2000) with a combined estimated value of PHP341 million; and OSEC with an estimated value of PHP11.93 million. Returned checks due to insufficient funds and/or business closures because of the lockdown accounts for 2% of the sample with an estimated value of PHP148 million. The sample also yields an estimated value of PHP6.2 million, mostly involving fake or bogus selling and overpricing of medical items, such as surgical masks, thermal scanners, and alcohol, among others.

Updated COVID-19 Financial Crime Trend Analysis Typologies Brief: Series 1 and 2 (2020)

The second brief updates the first, expanding the data set and introducing typologies and red flags. Case narratives explicitly cite COVID-19-related schemes and red flags, such as sending/receiving large funds allegedly for pandemic relief efforts; and continuously receiving cash transactions, despite business closures due to lockdowns.

The vulnerabilities of e-money to smurfing schemes, using money mules and pass-through accounts, have become more apparent as two leading EMIs have reported suspicious transactions exhibiting these schemes.

Risk Information-Sharing and Typologies: Use of Filipinos and Philippine-Registered Businesses by Foreign Nationals to Facilitate Illegal Activities (2020)

The report details the modus operandi, POIs, and other relevant information on how foreign nationals used Filipinos and domestic retail businesses, including their accounts, to facilitate illegal drug activities. It also includes red flag indicators and suspicious behaviors of possible ML activities associated with the illegal drug trade.

A Money Laundering and Terrorism Financing Risk Assessment on Legal Persons and Other Business Entities (2020)

With support from the SEC and members of the National AML/CTF Coordinating Committee's (NACC) Supervision of Financial Institutions Subcommittee (SFISC), the study assesses how legal persons and other business entities facilitate concealing illegally obtained proceeds and assets. Data analysis from STRs, cases and investigations, and trend analysis from published reports show that sole proprietorships and corporations, primarily those engaged in wholesale/retail and general trade, are among those being utilized for ML activities.

Considering the threat/vulnerability and consequential impact, the overall risk of legal persons and business entities to ML is rated as medium high. A moderately high-level of risk is noted for sole proprietorships and corporations, compared with partnerships and cooperatives. For TF, there appears to be a potential level of threat to certain types of businesses (i.e., construction, petroleum/gas) and non-stock corporations.

Terrorism and Terrorism Financing Risk Assessment (2021)

With the support of the NACC Terrorism Financing/Proliferation Financing Subcommittee, the risk assessment is an update to the Second National Risk Assessment (NRA), specifically on the understanding and assessment of terrorism and TF risks in the Philippines. It also presents suspicious financial indicators and triggers and case typologies to aid in detecting and investigating possible financial transactions linked to terrorism and TF.

The overall risk of the Philippines to terrorism and TF is high. Mitigation efforts include the enhanced collaboration among the AMLC, LEAs, intelligence agencies, and covered persons to match the high TF vulnerability.

Money Service Business: 2021 Money Laundering and Terrorism Financing Sector Risk Assessment (2021)

With support from the Australian Transaction Reports and Analysis Centre (AUSTRAC) and BSP, the study assesses stand-alone MSBs, EMLs, and pawnshops relative to MSB transactions. The study reveals that remittance services and cash transactions, including money-changing facilities, are the primary means of moving illegal proceeds.

An Assessment of the Philippines' Exposure to External and Internal Threats based on Suspicious Transaction Reports for 2018 to 2020 (2021)

The study updates the previous external threats study, covering the years 2013 to 2017. It involves a descriptive analysis of selected STRs submitted by BSP-supervised financial institutions and non-bank financial institutions, covering the period 1 January 2018 to 31 December 2020.

The study shows that STR subjects of predicate crimes, such as illegal drugs, plunder and corruption, investment scams and estafa, smuggling, Intellectual Property Rights violations, illegal manufacture and possession of firearms, and web-related crimes use commercial banks, while subjects of other predicate crimes use MSBs in moving illicit funds.

Real Estate Sector: A Money Laundering/Terrorism Financing/Proliferation Financing Assessment (2021)

Considering that real estate brokers and developers have been designated as covered persons under the AMLA, as amended by RA 11521, the study determines the exposure of the real estate sector to ML, TF, and proliferation financing of weapons of mass destruction (PF).

Results show that the overall threat of the real estate sector is medium as the sector is exposed to illegal drugs, corruption and fraud, and terrorism threats. Further, the limited AML/CTF regulation of the sector at the time of the assessment has exposed the sector to medium-high vulnerability to ML/TF.

Designated Non-Financial Businesses and Professions: 2021 Risk Review on AMLC-Registered Designated Non-Financial Businesses and Professions and an Overview of the Risk-Based Supervisory Framework (2021)

The study covers the period 2019 to 2021 and updates the risk and vulnerability assessment of the DNFBP sector, particularly those registered with the AMLC as of 25 May 2021. It also presents the risk-based supervisory framework adopted by the AMLC in response to the Financial Action Task Force (FATF) Recommendation 1 (Assessing Risks and Applying a Risk-Based Approach).

Respondents include jewelry dealers and dealers in precious metals and precious stones; company SPs, providing the services enumerated in RA 10365; lawyers and accountants, providing the services enumerated in RA 10365; and OGO – SPs, supervised, accredited, or regulated by the Philippine Amusement and Gaming Corporation (PAGCOR) or other appropriate government agencies (AGAs). Considering the threat and inherent vulnerability, the overall average risk of AMLC-registered DNFBPs is medium.

Suspicious Transaction Report Quality Review: 2017 to 2020 Data Discovery (Phase 1) (2021)

The three-part assessment covers 2.4 million STRs that the AMLC received from 2017 to 2020 from covered persons. It aims to provide a trend analysis; assess the technical compliance and investigative value of the STRs; and identify the reporting gaps and challenges of covered persons to provide guidance on how to improve the quality of STRs.

Phase 1 observes that from 2017 to 2020, Suspicious Indicator (SI) 6 (The transaction is similar, analogous, or identical to any of the foregoing,) has been the top reason for filing. SI6 serves as a catchall category that the covered persons can use if none of the listed predicate crimes and suspicious indicators are applicable. Using SI6, however, may downplay the risk and prioritization of STRs. Also, covered persons

that use SI6 with high-risk crimes as additional reason circumvents the requirement of uploading KYC documents for predicate crimes, such as kidnapping for ransom; drug trafficking and other related offenses; hijacking, destructive arson, and murder, including those perpetrated by terrorists against non-combatant persons and similar targets; terrorism and conspiracy to commit terrorism; and TF.

An Analysis of Suspicious Transaction Reports with Possible Links to Tax Crimes (2021)

Considering the recent inclusion of tax evasion as a predicate offense under the AMLA as amended by RA 11521, the study assesses selected STRs to determine the potential exposure of the Philippines to tax crimes, prior to the inclusion of tax evasion as a predicate offense.

The study reveals that banks, investment houses, and insurance companies are the preferred channels in moving high-value proceeds with possible links to tax crimes. For proceeds of lesser value, EMIs, pawnshops, and MSBs are generally used.

A Review of the Performance of Law Enforcement Agencies and Government Agencies, and Covered Persons in Virtual-assisted Trainings (2022)

The study assesses the overall performance of LEAs/GAs and covered persons, particularly DNFBPs, in AML/CTF virtual-assisted trainings of the AMLC by probing the statistical mean values of the pre- and post-tests.

Analysis of variances of test results indicates evidence of webinars' significant contribution to the learning ability of LEAs and GAs. The study also shows that the DNFBP sector demonstrated a moderate understanding of the AML/CTF concepts.

Capacity Building Assessment for the Casino Sector (2022)

The study assesses the effectiveness of the webinar, AML/CTF Supervision and Regulation of the Casino Gaming Sector, conducted by the AMLC in partnership with AUSTRAC. It aims to provide guidance on maximizing resources and creating policies for capacity building initiatives for casinos.

The statistical summary report used data and information from the pre-test and post-test assessment questionnaires and evaluation forms accomplished by the participants. Results show that the webinar contributed to the increase in knowledge of the casino participants.

Capacity Building Assessment on AML/CTF Webinar on Shell and Shelf Companies (2022)

The study assesses the effectiveness of the webinar on the use and abuse of shell and shelf companies for ML/TF; and ML/TF risk exposure of shell and shelf companies, conducted by the AMLC and AUSTRAC. It aims to guide regulators to maximize their supervisory resources and create policies to prevent and mitigate risks posed by ML/TF to shell and shelf companies.

The statistical summary report used data and information from the pre-test and post-test assessment questionnaires and evaluation forms accomplished by the participants. Results show that the webinar contributed to the increase in knowledge of the participants.

Suspicious Transaction Report Quality Review: Technical Compliance (Phase 2); and Investigative Value (Phase 3) (2022)

The three-part assessment aims to identify the reporting gaps and challenges of covered persons and evaluate the technical compliance and investigative value of STRs filed with the AMLC from 2017 to 2020.

Phase 2 reviews the completeness of mandatory fields and adherence of the STRs to the AMLC Registration and Reporting Guidelines (ARRG). Phase 3, on the other hand, assesses the investigative value of the STRs.

Analysis of the Usefulness of Foreign Currency Declarations in Detecting Possible Cross-Border Transportation of Illicit Funds (2022)

The study assesses the information provided in the foreign currency declaration form; and identify possible bulk cash-smuggling perpetrated by declarants transiting the Philippines. It also presents specific cases involving Filipinos and foreign nationals with suspicious financial transactions and those with alleged participation in bulk-cash smuggling.

While the study has yet to be established with certainty the ML/TF risks associated with the physical transfer of foreign currencies, there is an indication that the Philippines faces a higher risk of being a recipient rather than a source of possible illicit funds.

A Detailed Analysis of Suspicious Transaction Reports Captured in the AMLC's Year 2020 Internet-Based Casino Sector Risk Assessment (2022)

The study contains an analysis of STRs amounting to PHP14.02 billion captured in the AMLC Internet-Based Casino Sector Risk Assessment (2020), specifically the reasons for tagging, the corresponding AMLA provisions, and other pertinent details.

The assessment shows that nearly all Internet-based casino sector categories, such as interactive gaming licensees, interactive gaming support service provider, POGO, and SP) are exposed to possible suspicious activities with most involving the SP category. Majority of the transactions are domestic in nature, largely involving cash deposits/withdrawals, check deposits, and incoming/outgoing remittances. This raises a significant concern as cash tends to obscure the audit trail and the substantial flow of cash is a likely deviation from the business model of said sector that uses online technology as its platform.

Typologies Brief: Phishing/Hacking (2022)

Covering 50,521 STRs filed by covered persons for the period January 2011 to February 2022, the study provides an analysis of the trends and presents typologies.

The study shows an increasing trend in the STRs involving phishing/hacking, except in 2020, where a considerable drop is observed. Majority of the STRs are domestic transactions. Among the typologies include account holders receiving calls from people pretending to be employees of banks or third-party callers who gather information on the client's account; and a group of people, who are possibly related to each other, receiving international inward remittance transactions on behalf of another person.

Environmental Scanning: Cybercrime Threats and Perpetrators (2022)

The study evaluates the prevalence of Nigerian-related crimes in the Philippines, using data from sources, such as STRs filed by covered persons between 1 January 2009 and 31 December 2021; RFIs and financial intelligence reports; Nigerian listings from a covered person's investigation; and travel histories from the Bureau of Immigration.

Analysis shows that commercial/non-expanded commercial banks are the main channels for the delivery of big-ticket proceeds likely related to Nigerian-related crimes. For moderate amount transactions, EMIs, MSBs, and pawnshops are generally used. Typologies include inconsistent transactional activities with the subject's business profile; package, romance, lottery scams with pass-through accounts; deposits from unverified sources; involvement in illegal drugs as well as African drug syndicates; association with bank hacking incidents; and recruitment of money mules.

COOPERATION AND COLLABORATION

Financial Intelligence Consultative Group

The Financial Intelligence Consultative Group (FICG) aims to develop a mechanism for regional financial intelligence analyst exchanges among the ASEAN and close partner FIUs by providing regular and informal means of communication for FIU heads; facilitating proactive information-sharing and alignment of operational AML/CTF; and assisting FIU critical incident responses for timely information-sharing. The FICG has several working groups, including the NPO Red Flags Assessment Project, International Community of Experts, and Southeast Asia Counter-Terrorism Financing Working Group.

Multi-Intelligence Program

In 2021, the AMLC, Australian Transaction Reports and Analysis Centre (AUSTRAC), and Indonesian Financial Transaction Reports and Analysis Center (PPATK), in partnership with their respective law enforcement partners, conducted independent intelligence assessments of a foreign charity organization possibly involved in terrorism financing. AMLC representatives to said program are analysts and investigators who attend meeting with PPATK and AUSTRAC and shared intelligence reports to the other participating FIUs. To date, this program is at its investigation stage.



CAPACITY BUILDING

Multilateral Analyst Exchange Program

The Multilateral Analyst Exchange Program – Analyst Hubbing Exercise (MAEP-AHE) is a shared approach to building financial intelligence skills and capability to enhance information exchange by using spontaneous disclosures focusing on unregistered/suspicious remittance activities operating across the region. The MAEP-AHE aims to increase the flow of intelligence and build collaboration and cooperation among various countries, especially in combating transnational crime.

MAEP-AHE participants shared their respective countries' AML/CTF experiences, with AMLC analysts delivering presentations, covering an overview of the AMLC as an FIU and of the Philippine remittance sector as well as selected STR/case studies involving international remittance transactions with possible TF links.

Trilateral Analyst Exchange Program (Trilateral Financial Intelligence Partnership Program - Partnership In Combating Child Exploitation)

The Trilateral Analyst Exchange Program (TAEP) among the AMLC, AUSTRAC, and United Kingdom National Crime Agency is part of the Trilateral Financial Intelligence Partnership Program in Combating Child Exploitation. One of the main objectives of the TAEP is the identification of leads for further investigation by the parties and their respective LEAs. It also aims to develop intelligence on live distance child abuse and proactively exchange said intelligence among the participating FIUs and with their respective domestic LEAs.

A RELIABLE PARTNER IN LAW ENFORCEMENT, PROSECUTION, AND ASSET FORFEITURE

The AMLC also gathers evidence to establish probable cause required in the filing of applications for bank inquiry, petitions for freeze orders, civil forfeiture cases, and criminal complaints for ML. The AMLC also adjudicates administrative and compliance cases against covered persons.

The AMLC investigates suspicious transactions, covered transactions deemed suspicious, ML/TF activities, and violations of the AMLA, as amended, and the TFPSA. It acts on requests for investigation from domestic law enforcement and other agencies of the government, and requests for assistance from other jurisdictions and international organizations. The AMLC also gathers evidence to establish probable cause required in the filing of applications for bank inquiry, petitions for freeze orders, civil forfeiture cases, and criminal complaints for ML. The AMLC also adjudicates administrative and compliance cases against covered persons.

The AMLC also adopts a system on the management and preservation

of assets and properties that are subject of asset preservation order and judgment of forfeiture. This allows the AMLC to ensure that during the pendency of cases and after their forfeiture, the assets do not diminish in value, including perishable assets converted into cash before remittance to the National Treasury or, in appropriate cases, to the requesting State. Through timely use of provisional and confiscation measures, criminals are deprived of the proceeds and instrumentalities of their illegal activities. Ultimately, this makes lawlessness unprofitable and reduces both predicate crimes and ML.

FINANCIAL INVESTIGATION



Financial Intelligence Reports

No. of Financial Intelligence Reports Used

Year	Reactive	Proactive
2019	332	184
2020	600	508
2021	854	862
2022	793	854
Total	2,579	2,353

No. of Investigation Reports Developed

Year	Reactive	Proactive
2019	148	39
2020	202	76
2021	136	862
2022	137	774
Total	623	1,751

Investigation and Disruption Tools

Year	No. of Applications for Bank Inquiry	Freeze Order	
		No. of Petitions for Freeze Order	Estimated Value of Frozen Assets (PHP) As of 31 December 2022
2019	23	11	
2020	31	26	
2021	23	25	
2022	23	17	
Total	100	79	3,813,799,268

Civil Forfeiture

Year	No. of Civil Forfeiture Cases	Estimated Value of Forfeited Assets (PHP) As of 31 December 2022
2019	7	
2020	4	
2021	25	
2022	11	
Total	47	1,017,306,239

Prosecution

Year	ML/TF Complaints	ML Cases
2019	3	0
2020	6	0
2021	7	34
2022	22	4
Total	38	38

eReturns Upload Facility

Registered covered persons upload returns (in compliance with the freeze order) electronically for the use of intelligence analysts as well as handling lawyers and investigators of the AMLC.

Financial Crimes Investigation Manual

Financial investigation is an inquiry into a subject's financial matters, money, property, expenditure, business, and finance of any kind. Because it is important to have a tool in detecting ML, TF, and other related serious offenses, the AMLC standardized its operations in financial investigation. It revolves around the collection, collation, and analysis of a variety of financial documents, which include, but not limited to, bank and other financial account information and records, investments, commercial documents, real estate, and motor vehicle records. The collected data are used to identify associations and links to subjects as well as evidence and leads to the discovery of assets for forfeiture.

Litigation and Evaluation Group Manual

The manual ensures quality and timely performance by the legal officers of the AMLC as well as the consistent and professional decision-making in evaluating investigation reports and reports of compliance. It also directs observance of high professional standards in prosecuting civil, criminal, and administrative cases.

DOMESTIC MEMBERSHIPS

NATIONAL LAW ENFORCEMENT COORDINATING COMMITTEE (NALECC)

Created on 11 September 1982 by virtue of EO 29 and reorganized by EO 41 and 41-A, the NALECC serves as a forum for dialogue and coordination among GAs/entities engaged in the enforcement of general and special laws.

Functions

- Coordinates policies/procedures to facilitate cooperation and integration of efforts among member-agencies and ensure a unified direction in the suppression of activities
- Identifies priority areas for coordinated/joint law enforcement activities
- Prepares and submits to the committee chairman for consideration/implementation of basic strategies/plans, which outline the law enforcement facet of the peace and order campaign
- Delineates policies and thrusts in the effective implementation of law enforcement functions

The AMLC is a regular member and participates in the following NALECC sub-committees:

- Dangerous Drugs and Controlled Chemicals
- Intelligence Coordination
- International Law Enforcement Cooperation
- Organized Crime

NALECC Sub-Committee on AML/CFT (NALECC SCAML/CFT)

Created by virtue of NALECC Resolution No.10-2003 on 15 August 2003, the NALECC SCAML/CFT serves as an effective coordinating mechanism for LEAs and GAs, performing vital roles in combating ML/TF.

The Executive Director of the AMLC serves as the Chairperson of the NALECC SCAML/CFT. During the meetings, results of AMLC strategic and intelligence studies are shared with relevant participating LEAs, and AML/CTF matters, including latest developments, typologies, and actions, are discussed.

Joint Terrorism Financial Investigation Group (JTFIG)

JTFIG is an inter-agency coordination composed of law enforcement units that work on providing intelligence and information to probe and uncover terrorist financial networks. The AMLC is a member along with the Anti-Terrorism Council-Program Management Center (ATC-PMC), Armed Forces of the Philippines (AFP), Bureau of Immigration (BI), National Bureau of Investigation (NBI), Philippine Center on Transnational Crime (PCTC), Philippine National Police (PNP) Anti-Cybercrime Group, PNP Anti-Kidnapping Group, PNP Aviation Security Group, PNP Directorate for Intelligence, PNP Special Action Force, PNP Intelligence Group, and the US Federal Bureau of Investigation (FBI).

Inter-Agency Committee against Drugs (ICAD)

ICAD ensures that each member agency shall implement and comply with all policies, laws, and issuances pertaining to the government's anti-illegal drug campaign in an integrated and synchronized manner.

Inter-Agency Council against Trafficking (IACAT)

Section 140 of the Revised Rules and Regulations Implementing RA 9208, as amended by RA 10364 imposes obligations on relevant government agencies to integrate human trafficking issues in their strategy and program formulation. The AMLC, as participating agency, is required to:

- Assist IACAT and LEAs in the financial investigation of trafficking-in-persons cases as an ML predicate offense
- Act on requests of IACAT and LEAs for issuance of freeze orders and institution of civil forfeiture proceedings against the assets of the traffickers

F

Anti-Terrorism Council (ATC)

Section 53 of the RA 9372 created the ATC, responsible for the proper and effective implementation of the anti-terrorism policy of the country. The National Intelligence Coordinating Agency (NICA) serves as the ATC Secretariat, while the AMLC, NBI, BI, Office of Civil Defense, the Intelligence Service of the Armed Forces of the Philippines (ISAFP), PCTC, and PNP intelligence and investigative groups serve as support agencies for the ATC.

Presidential Legislative Liaison Office (PLLO)

PLLO is tasked to orchestrate the formulation of the Executive-Legislative Agenda and all other concerns of the Executive Department having to do with legislation and see these concerns through the various processes. It is mandated to promote the presidential legislative initiatives and other administration-sponsored priority policy reforms and development programs through a strategic information dissemination campaign and sustained day-to-day collaboration with the two Chambers of Congress (at both personal and institutional levels), as well as with other interest groups and generate maximum support for the President.

The AMLC participates in the following PLLO clusters:

- Security, Justice, and Peace
- Economic Development
- Good Governance Cluster

In the past, the AMLC has utilized the PLLO in pushing the prioritization of bills, including casinos as covered persons under the AMLA, as amended.

Philippine Anti-Drugs Strategy (PADS)

On 29 October 2018, EO 66 institutionalized the implementation of PADS by all government agencies. The strategy envisions that by 2022, Filipino communities will be drug-free “through supply reduction efforts, involving strong law enforcement with consistent and adherence to and observance of human rights, coupled with comprehensive demand reduction initiatives and supported by strong international ties.”

AMLC action plans

- Strengthen the implementation of drug-free policies and programs in the workplace (Workplace Preventive Drug Education Program)
- Provide access for employees to various drug prevention services and programs in the workplace (Workplace Preventive Drug Education Program)
- Heighten community awareness on the government’s drug supply and reduction programs and policies through:
 - Expansion of outreach activities to different sectors
 - Development of AML/CTF training modules, which will include the government’s drug supply and reduction programs and policies
- Amend legislation, policies, and programs on drug supply and demand reduction
- Strengthen intelligence and investigation in ML activities predicated on drug trafficking

Targeted Intelligence Packaging Workshops

Targeted intelligence packaging workshops (TIPs) promote proactive intelligence exchanges and parallel investigations. Apart from information-sharing under an existing MOA, the TIP is intelligence- and investigation-driven with the end view of filing civil and criminal ML/TF cases.

As of 31 December 2022, the AMLC has conducted over 20 TIP workshops with relevant agencies.

lega
trad

United Nations Convention Against Corruption (UNCAC)

The UNCAC, of which the AMLC is one of its respondents, is the only legally binding universal anti-corruption instrument, which covers five main areas: preventive measures, criminalization and law enforcement, international cooperation, asset recovery, and technical assistance and information exchange. The UNCAC includes a chapter on asset recovery aimed at returning assets to their rightful owners, including countries from which assets have been taken illicitly.



ASSET MANAGEMENT

The AMLC is mandated to preserve, manage, or dispose assets pursuant to a freeze order, asset preservation order, and judgment of forfeiture, pursuant to Section 7(16) of the AMLA, as amended. In line with this undertaking, the AMLC ensures that all frozen, preserved, and forfeited assets are monitored, maintained, and preserved, disposed of, if necessary, and transferred to the National Government.

Frozen Assets

As of 31 December 2022, frozen assets have amounted to over PHP1.01 billion, comprising mostly of funds from bank accounts and other monetary instruments. Included in this value are eight real properties and 42 motor vehicles.

Assets with Judgment of Forfeiture

As of 31 December 2022, forfeiture cases were decided with assets amounting to over PHP1 billion.

For 2022, the AMLC was able to facilitate the turnover to BTr forfeited bank deposits, amounting to over PHP700,000.00.

CAPACITY BUILDING

AML/CTF Awareness Programs

As part of the continuing effort to raise awareness and to enhance the quality of financial investigation, the AMLC regularly provides lectures to various law enforcement agencies.

Deputized AMLC Financial Investigator (DAFI) Program

In 2020, the AMLC launched the deputation program to increase ML/TF investigators; and to designate LEAs to conduct independent ML/TF investigations with appropriate integrity controls. To equip DAFIs with adequate knowledge and skills, deputation workshops are regularly conducted nationwide.

As of 22 December 2022, there are over 800 DAFIs from various LEAs.

AN EFFICIENT SUPERVISOR

The AMLC also ensures compliance of covered persons with the AMLA, as amended, and its other rules and regulations by conducting regular and targeted onsite examination; and offsite supervision of covered persons.

The AMLC undertakes studies on ML/TF/PF trends and standards for the adoption of necessary policies, procedures, and guidance. The AMLC also ensures compliance of covered persons with the AMLA, as amended, and its other rules and regulations by conducting regular and targeted onsite examination; and offsite supervision of covered persons.

RA 11479 or “An Act to Prevent, Prohibit and Penalize Terrorism, Thereby Repealing RA 9372, otherwise known as the Human Security Act of 2007”

Signed into law on 3 July 2020, the Anti-Terrorism Act of 2020 (ATA) addresses deficiencies noted in the Philippines Mutual Evaluation (ME) Report, particularly on the designation of terrorists, that is, identifying individuals, groups of persons, organizations, or associations as terrorists.

United Nations Security Council Resolution (UNSCR) No. 1373 directs member-states, such as the Philippines, to prohibit their nationals from making funds, financial services, or economic resources available to those who commit terrorist acts.

Thus, Section 25 (Designation of terrorist individual, groups of persons, organizations, or associations) of ATA provides that pursuant to UNSCR 1373, the ATC will automatically adopt the UNSC Consolidated List of all individuals and entities subject to measures imposed by the UNSC, which includes those identified as terrorists or terrorist financiers.

Further, the ATC may designate individuals, groups of persons, organizations, or associations, whether domestic or foreign, upon a finding of probable cause that these individuals, groups of persons, organizations, or associations

AML/CTF POLICIES AND REGULATIONS

Rules of Procedure in Administrative Cases under RA 9160 or the AMLA, as amended, and its IRR, and Guidelines and Other Issuances of the AMLC, and the Imposition of Administrative Sanctions (RPAC)

AMLC Procedural Issuance A, B, and C No. 1, Series of 2019

Salient features of the RPAC, which supersedes the Rules on Imposition of Administrative Sanctions (RIAS), are as follows:

- The RPAC is intended to apply to administrative cases for non-compliance with, or violations of the AMLA, as amended, and its IRR as well as guidelines and issuances of the AMLC.
- The RPAC covers not only administrative cases against covered persons, but also those against its individual officers, directors, and employees of the covered person.
- Monetary sanctions under the RPAC are based on the covered person’s asset size, and gravity of the violation/non-compliance, based on a graduated scale of the proportion or amount involved. For light violations of compliance with transaction reporting requirements, the minimum penalty that may be assessed is PHP1,500.00 for non-compliance with covered transaction reporting requirements for covered persons with small asset sizes, on a per account basis.
- Unlike the RIAS, the RPAC identifies the type of covered person subject of administrative cases.

Amendments to Certain Provisions of the 2018 IRR of RA 9160, as amended

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

Salient amendments include:

- STRs shall cover all transactions, whether completed or attempted.
- STRs shall be promptly filed within the next working day from the occurrence thereof, which for purposes of said rule, shall be

the date of establishment of suspicion or determination of the suspicious nature of the transaction.

- Covered persons shall ensure that beneficial ownership information is updated in case of any changes.

Amendments to the ARRG, the Inclusion of No/Low Risk Transactions for MSBs

AMLC Regulatory Issuance A No. 3, Series of 2020

The list of no/low risk transactions, which shall be deferred for reporting for CTRs, are as follows:

1. Pre-fund deposit and replenishment to process remittance transactions.
2. Payment of commission, charges, or other operating income expenses for services rendered.
3. Foreign exchange transactions between a parent and its subsidiaries and affiliates, however limited to subsidiaries and affiliates who are also covered persons.
4. Internal operating and capital expenses.
5. Payment of MSB taxes, such as corporate income tax, value added tax, and percentage tax.

Extension of the Deadline for Compliance with the Guidelines on Digitization of Customer Records (DIGICUR)

AMLC Regulatory Issuance No. 2, Series of 2020

Under the DIGICUR, covered persons are given the following obligations and periods to comply with the requirements of the DIGICUR:

1. Update the Money Laundering/Terrorism Financing Prevention Program (MTPP) within six months from effectivity of the DIGICUR.
2. Develop a central database of customer records to be maintained in their respective head offices or main branches of foreign banks operating in the Philippines immediately upon effectivity of the updated MTPP, which in no case shall exceed six months from effectivity of the DIGICUR.
3. Start the digitization of all customer records to be received, created, or opened immediately upon effectivity of the updated MTPP, which in no case shall exceed six months from effectivity of the DIGICUR.
4. Complete the digitization of all existing customer records within two years from the expiration of the six-month period to update the MTPP.

continue from RA 11479 ...

commit, or attempt to commit, or conspire in the commission of the acts defined and penalized under the ATA.

The assets of these designated individuals, groups of persons, organizations, or associations are subject to targeted financial sanctions (TFS), that is, asset-freezing and prohibitions to prevent funds or other assets from being made available, directly or indirectly, for the benefit of designated persons and entities.

RA 11521

Signed into law on 29 January 2021, RA 11521 further amends the AMLA, notably on the inclusion of two new types of covered persons:

1. Real estate developers and brokers
2. OGOs, as well as their SPs, supervised, accredited, or regulated by PAGCOR or any government agency

Further, two new predicate offenses were created:

1. Violation of Section 19 (a) (3) of RA 10697, otherwise known as the “Strategic Trade Management Act,” in relation to the proliferation of weapons of mass destruction and its financing pursuant to UNSCR 1718 of 2006 and 2231 of 2015
2. Violation of Section 254 of Chapter II, Title X of the National Internal Revenue Code of 1997, as amended, where the deficiency basic tax due in the final assessment is in excess of PHP25,000,000 per

continue from RA 11521...

taxable year, for each tax type covered and there has been a finding of probable cause by the competent authority: Provided, further that there must be a finding of fraud, willful misrepresentation, or malicious intent on the part of the taxpayer: Provided, finally, that in no case shall the AMLC institute forfeiture proceedings to recover monetary instruments, property or proceeds representing, involving, or relating to a tax crime, if the same has already been recovered or collected by the Bureau of Internal Revenue in a separate proceeding.

The DIGICUR took effect on 13 October 2018 and covered persons were required to update their MTPPs accordingly by 13 April 2019. Corollary to such requirement, covered persons had until 13 April 2021 to complete the digitization of all existing customer records.

AMLC Regulatory Issuance No. 2, Series of 2020, however, extended the deadline for compliance with the requirements of the DIGICUR until 30 September 2021.

Enforcement Action Guidelines

AMLC Regulatory Issuance A, B, and C No. 5, Series of 2020

The guidelines provide procedures for the resolution of administrative cases at the level of the Compliance and Supervision Group of the AMLC, prior to the filing of a formal charge under the RPAC.

Enforcement actions are measures that are used when circumstances surrounding the non-compliance warrant a less severe form of supervisory action and the covered persons exhibit willingness to voluntarily address compliance issues within a reasonable period of time and without the necessity of filing a formal charge under the RPAC. These enforcement actions include, but are not limited to, the following:

1. Warning
2. Compliance letter
3. Notarized compliance commitment
4. Look back
5. Compliance-testing
6. Audit by an independent external auditor
7. Restitution of funds or property
8. Public advisory

The guidelines provide the option for the covered person to choose a reduced assessment, thereby paying an assessment lower than what would otherwise be computed pursuant to the RPAC if a formal charge is filed. A covered person may opt to settle for a reduced assessment during the assessment process and pay only 25% of the supposed penalty under Section 2, Rule IV of the RPAC.

Further, the guidelines encourage voluntary disclosures by covered persons of possible violation/s to ascertain the root cause of the issues involved and resolve them at the earliest possible time. A covered person voluntarily disclosing possible violation/s may be given only a warning or reprimand or may be eligible for an

exemption from monetary penalty, or significantly reduced assessment (reduction in assessment of up to 90% of the supposed penalty under Section 2, Rule IV of the RPAC), provided that the covered person took steps to immediately correct the possible violation/s and shows that the root cause had been effectively addressed.

Amendments to Certain Provisions of the 2018 IRR of RA 9160, as amended

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

Amendments to the 2018 IRR of the AMLA, as amended, include the following:

- Expansion of the list of covered persons to include real estate developers and brokers as well as the OGOs and their SPs.
- Inclusion in the list of unlawful activities the violations of Section 19 (A)(3) of RA 10697, otherwise known as the "Strategic Trade Management Act," in relation to the proliferation of weapons of mass destruction and its financing, and violations of Section 254 of Chapter II, Title X of the National Internal Revenue Code of 1997, as amended.
- Additional authority of the AMLC to apply for the issuance of a search and seizure order or a subpoena ad testificandum and/or subpoena duces tecum with any competent court in the conduct of its investigation, and to implement TFS in relation to the proliferation of weapons of mass destruction and its financing, including ex parte freeze.

2021 AML/CTF Guidelines for DNFBPs

AMLC Regulatory Issuance No. 3, Series of 2021

As covered persons, DNFBPs are to be regulated for AML/CTF proportionate to the nature, scale, and complexity of their operations to prevent criminals from exploiting them. DNFBPs must therefore apply the following principles throughout their businesses:

1. Conform with high ethical standards and observe good corporate governance consistent with the guidelines to protect the integrity of DNFBPs.
2. Know sufficiently their customers and clients to prevent criminal elements and suspicious individuals or entities from transacting with, or establishing or maintaining relationship with the DNFBPs.
3. Adopt and effectively implement an appropriate AML/CTF risk management system that identifies, understand, assesses, monitors, and controls risks associated with ML/TF.
4. Comply fully with existing laws and regulations aimed at combating ML/TF by making sure that their officers and employees are aware of their respective responsibilities and that they carry them out in accordance with a superior and principled culture of compliance.
5. Cooperate fully with the AMLC for the effective implementation of the AMLA, TFPISA, their respective IRRs, their amendments, and directives and guidance from the AMLC and relevant government agencies.

2021 ARRG**AMLC Regulatory Issuance No. 4, Series of 2021**

In view of the issuance of AMLC Regulatory Issuance No. 1, series of 2020, amending certain provisions of the 2018 IRR of the AMLA, as amended; and AMLC Regulatory Issuance No. 3, series of 2020, approving the deferment of reporting of specific transactions identified as low risk transactions for MSBs, the ARRG amendments include the following:

- Comprehensive definition of “covered persons” to include certain types of DNFBPs
- Definition of “covered transaction” for real estate developers and brokers
- Delegated authority to the Executive Director of the AMLC to require submission of all covered transactions, including low risk, of persons subject of AMLC investigation
- Requirement to include specific details of the covered person’s reporting chain/process in its MTPP
- Clarification of rules on the timing of submission of STRs, specifically the identification of applicable reporting and determination periods
- Clarification on non-working and non-reporting days in terms of the counting of the prescribed reporting period, including automatic suspension thereof
- Removal of loan payment as a low-risk transaction
- Provision of a list of low-risk covered transactions, involving Operators of Payment System
- Incorporation of previously approved low-risk covered transactions involving MSBs
- Renaming of “no/low risk” covered transactions to “low-risk” covered transactions
- Introduction of new provisions on compliance-checking and administrative sanctions
- Updated online registration guidelines
- Inclusion of STR trigger in the reporting of STRs
- Updating of the reason for suspicion to include two new predicate crimes
- Guidelines in the reporting of loan availment and sale of real and other properties acquired
- Addition of new transaction codes
- Updating of country and currency codes
- Provision of guidelines in the suspicious transaction reporting on a per account basis
- Provision of a list of “red flags” and transaction codes involving real estate transactions and those concerning virtual asset service providers

Final Extension of the Deadline for Compliance with AMLC Regulatory Issuance A, B, and C, No. 2, Series of 2018, also known as DIGICUR

AMLC Regulatory Issuance No. 6, Series of 2021

All concerned covered persons are:

1. Granted a final extension of the deadline for compliance with the DIGICUR to a non-extendable period of one year from 30 September 2021 or until 30 September 2022.
2. Required to submit to the AMLC, through e-mail/AMLC portal, a Quarterly DIGICUR Status Report of Compliance (QUADSREC) to be certified correct by the Chief Compliance Officer and attested by the President or Chief Executive Officer or its equivalent.

3. Warned that failure to submit the QUADSREC shall constitute a Serious Violation (that is, penalty between PHP15,000 to PHP150,000 per account) under Item C.25, Table A, Section 2, Rule IV of the RPAC for violation of orders, resolutions, and issuances of the AMLC.

4. Reminded that non-compliance with the DIGICUR is a Grave Violation (that is, penalty between PHP37,500.00 to PHP375,000.00 per customer) under Item A.4, Table A., Section 2, Rule IV of the RPAC.

Assessments on Late submission of Action Plans and/or Updates on Actions Taken on AMLC Directives

AMLC Regulatory Issuance No. 7, Series of 2021

The issuance includes the following provisions:

1. Action plans and/or updates in actions taken by covered persons, pursuant to a directive by the AMLC in an AMLC resolution approving the compliance checking reports, shall be submitted within the approved timelines. Delay in the submission of such action plans and/or updates shall be subject to an assessment for every day of delay, starting from PHP2,500.00 per day of delay, based on the provided schedule. The assessment shall be counted from the first day of delay until such time that the action plan or updates are submitted to the AMLC, but in no case shall the total assessment exceed PHP120,000.00 or PHP240,000.00, whichever is applicable.
2. Failure or late submission of action plans and/or updates on actions for a period of one year shall be considered a serious violation under Section 2.A, Table A. C.25 of the RPAC, carrying a penalty ranging from PHP10,000 to PHP200,000 per violation, but not exceeding PHP5 million. Other enforcement actions may be considered as may be warranted under the circumstances, including revocation of the AMLC registration of the covered person concerned and a negative public advisory.

Guidelines on the Preservation, Management, and Disposal of Assets Subject of a Freeze Order, Asset Preservation Order, and Judgment of Forfeiture

AMLC Regulatory Issuance No. 8, Series of 2021

Also referred to as the Management and Preservation Guidelines (MAP), the guidelines are adopted to supplement the details of implementation provided under Rule 6(F) of the 2018 IRR, in relation to the AMLC’s power under Section 7(16) of the AMLA, to wit:

“The AMLC shall preserve, manage, or dispose assets subject of a freeze order, asset preservation order, and judgment of forfeiture. Pending the turnover to the National Government, all expenses incurred in relation to the duties herein mentioned shall be deducted from the amount to be turned over to the National Government.

For this purpose, the AMLC shall account for all expenses incurred that are related to the preservation of the value, management of funds, properties or monetary instruments, and disposition of the same, and deduct these expenses from the gross value of the assets prior to turnover of the net value to the National Government in accordance with acceptable accounting standards.”

The MAP applies to the relevant operating units of the AMLC, covered persons, relevant government agencies, suppliers, service providers, and other third parties that may be involved in the preservation, management, and disposal of frozen, preserved, and forfeited assets.

Extension of the Deadline for the 4th Quarter 2021 QUADSREC

AMLC Regulatory Issuance No. 1, Series of 2022

The issuance extends the deadline for the submission of the 4th Quarter 2021 QUADSREC to 15 February 2022, subject to the following conditions:

1. The final deadline for compliance with the DIGICUR is still 30 September 2022, as prescribed under AMLC Regulatory Issuance No. 6, Series of 2021.
2. Covered persons, to whom the DIGICUR apply, shall continue to submit to the AMLC quarterly updates on the status of their compliance with the DIGICUR until such time that they have completed and fully complied with all the requirements of the DIGICUR.
3. Failure to submit the QUADSREC on or before the deadline of 15 February 2022 shall subject the non-compliant covered person to enforcement action under the Enforcement Action Guidelines, and/or administrative proceedings and sanctions under the RPAC.

Extension of Six (6) Months to Comply with the MTPP Requirement under the 2021 AML/CTF Guidelines for DNFbps, from the 21 December 2021 Deadline to 21 June 2022

AMLC Regulatory Issuance No. 2, Series of 2022

The issuance extends the deadline for the formulation of the MTPP to 21 June 2022. Failure to formulate an MTPP by the deadline shall subject the non-compliant covered person to enforcement actions under the Enforcement Action Guidelines, and/or administrative proceedings and administrative sanctions under the RPAC.

Amendment to Section 50 of the 2021 AML/CTF Guidelines for DNFbps

AMLC Regulatory Issuance No. 3, Series of 2022

Among the amendments, the AMLC shall issue a certificate of registration upon the complete submission of the documentary requirements that include the following:

- Proof of attendance of the proprietor, partners, directors, and principal officers in an AML seminar.
- For DNFbps whose directors or officers are also directors/officers of a covered person supervised by the BSP, IC, and SEC, in lieu of the NBI Clearance, the Chief Executive Officer/President/officer of equivalent rank of the DNFbp may execute a sworn statement that the institution has conducted a fit and proper test on the director/officer concerned and is taking full responsibility in ensuring that such director/officer complies with the provisions of the AMLA, as amended, the TFPsa, their respective IRRs, said guidelines, and other relevant regulations and issuances.

Rules And Regulations Implementing (RRI) Section 9(D) of RA 9208, as amended by RA 11862, otherwise known as the Expanded Anti-Trafficking in Persons (ATIP) Act of 2022

AMLC Regulatory Issuance No. 4, Series of 2022

Section 9(d) of the Expanded ATIP Act of 2022 directed the AMLC to promulgate rules and regulations for the implementation of said provision within 90 days or until 13 October 2022.

Salient Features of the RRI are as follows:

- To ensure that the new reportorial obligations and rules on bank inquiry would not give covered persons undue compliance burden, relevant provisions were aligned with the existing STR framework and procedure on bank inquiry under the AMLA, as amended. Even reportorial obligations to LEAs were aligned with reportorial obligations with the AMLC. Similarly, access to financial information not covered by bank deposit secrecy laws was aligned with the requirements on bank inquiry.
- The set of rules focuses on the reporting of suspicious activities and transactions, and bank inquiry and access to non-bank financial records.
- As to the reportorial requirements, it is divided to three portions: reporting of suspicious activities to LEAs, reporting of STRs to the AMLC, and suspicious circumstances and red flag indicators.

TFS ISSUANCES

Sanctions Guidelines

AMLC Resolution No. TF-25, Series of 2020

The AMLC approves the 2020 Sanctions Guidelines and its dissemination to all covered persons and other stakeholders.

2020 Sanctions Guidelines

Pursuant to Section 11 of the TFPSA and the implementing resolutions under AMLC Resolution No. TF-01 and TF-02, the guidelines aim to assist covered persons in the implementation of the freezing mechanisms and outline their TFS obligations.

Freeze Order for Potential Target Matches under the UNSC Consolidated Lists (Targeted Financial Sanctions)

AMLC Regulatory Issuance No. 4, Series of 2020

The issuance was promulgated in accordance with Section 11 of the TFPSA and AMLC Resolution No. TF-01 and TF-02, Series of 2012, to assist covered persons in the implementation of the TFS requirements. TFS refers to both asset freezing and prohibitions to prevent funds or other assets from being made available, directly or indirectly, for the benefit of designated persons. "Target match" refers to an individual or entity whose identity matches all the identifier information and is identified to be the designated person in the UNSC Consolidated List, which is the integrated list of individuals and entities designated under UNSCR 1267/1989 (Al Qaeda Sanctions List) and UNSCR 1988 (Taliban Sanctions List).

Freeze Order for Potential Target Matches under the United Nations Security Council Resolutions Consolidated Lists

AMLC Resolution No. TF-26 Series of 2020

Pursuant to Section 11 of the TFPSA, the AMLC reminds covered persons of their obligations to comply with AMLC Resolution Nos. TF-01 and TF-02, Series of 2012.

Sanctions Freeze Order in Relation to Domestic Designations by ATC under Resolution No. 12, Series of 2020

AMLC Resolution No. TF-33, Series of 2020

The resolution is issued pursuant to the third paragraph of Section 36, in relation to Section 25, of the ATA, stating that the AMLC, consistent with the Philippines' international obligations, shall

be authorized to issue a freeze order with respect to property or funds of a designated organization, association, group or any individual to comply with binding terrorism-related resolutions, including UNSCR 373, pursuant to Article 41 of the Charter of the UN. This type of freeze order is a Sanctions Freeze Order.

In ATC Resolution No. 12, Series of 2020, the ATC found probable cause that the Communist Party of the Philippines and the New People's Army (CPP/NPA) committed or conspired to commit acts defined and penalized under Section 4 of the ATA and designated the CPP/NPA as terrorist organizations, associations, or group of persons.

Covered persons and relevant government agencies shall:

1. Freeze and preserve, without delay, the properties or funds, including related accounts, belonging to persons, organizations, associations, or group of persons named in said ATC resolution; and
2. Submit to the AMLC, within 24 hours from notice, a written return, pursuant to, and containing details required under Rule 16.c of the IRR of the TFPSA.

Sanctions Freeze Order in Relation to ATC Resolution No. 13, Series of 2020

AMLC Resolution No. TF- 34, Series of 2020

The resolution is issued pursuant to the third paragraph of Section 36, in relation to Section 25, of the ATA, stating that the AMLC, consistent with the Philippines' international obligations, shall be authorized to issue a freeze order with respect to property or funds of a designated organization, association, group or any individual to comply with binding terrorism-related resolutions, including UNSCR 373, pursuant to Article 41 of the Charter of the UN. This type of freeze order is a Sanctions Freeze Order.

In ATC Resolution No. 13, Series of 2020, the ATC, upon finding probable cause pursuant to the third paragraph of Section 25 of the ATA based on the evidence submitted by the AFP and the PNP, and the designation as terrorist organizations by other jurisdictions, designated the following groups as terrorists:

1. Islamic State in Iraq and Syria (ISIS) in South-East Asia;
2. Dawlatul Islamiyah Waliyatul Masrik;
3. Dawlatul Islamiyyah Waliyatul Mashriq;
4. IS East Asia Division;
5. Maute Group;
6. Islamic State East Asia;
7. Maute ISIS;
8. Grupong ISIS;
9. Grupo ISIS;
10. Khilafah Islamiyah;
11. Khilafah Islamiyah Mindanao;
12. Ansharul Khilafah;
13. Bangsamoro Islamic Freedom Fighters-Bungo;
14. Bangsamoro Islamic Freedom Fighters-Abubakar;

15. Jama'atu al-Muhajirin wal Ansar fil Filibin;
16. Daulah Islamiyah; and
17. Other Daesh-affiliated groups in the Philippines.

Covered persons and relevant government agencies shall:

1. Freeze and preserve, without delay, the properties or funds, including related accounts, belonging to persons, organizations, associations, or group of persons named in said ATC resolution; and
2. Submit to the AMLC, within 24 hours from notice, a written return, pursuant to, and containing details required under Rule 16.c of the IRR of the TFP SA.

Amendments to Certain Provisions of AMLC Regulatory Issuance No. 4, Series of 2020

AMLC Regulatory Issuance No. 2, Series of 2021

Amendments include incorporating provisions relating to the implementation of TFS for PF, such as the legal basis of TFS related to terrorism and terrorism financing, list of AMLC resolutions/ freeze orders to implement TFS, directive and coverage of those who need to comply with the TFS, and filing of detailed return before the AMLC. It also provides new chapters to cover administrative remedies, authorized dealings and exemptions, TFS related to PF, and sanctions.

ATC Resolution No. 10 (s.2020) Designation by Adoption of the Consolidated Lists under UNSCR 1267 (1999), 1989 (2011), 2253 (2015) and their Successor Resolutions

AMLC Resolution No. TF- 35, Series of 2021

The resolution immediately repeals AMLC Resolution Nos. TF-01 and TF-02, Series of 2012. Previous freeze orders will continue but will now be based on the ATA and ATC Resolution No. 10. Moreover, the AMLC resolution:

1. Directs all covered persons and relevant government agencies to freeze without delay any funds and other assets that are owned or controlled, directly or indirectly, including funds and assets derived or generated therefrom, by the designated individuals, groups, undertaking, and entities included in the UN Consolidated List under UNSCR 1267 (1999), 1989 (2011), 2253 (2015) and 1988 (2011), and all successor resolutions, including those acting on their behalf, appearing in and which were previously covered by AMLC Resolution No. TF-01 and TF-02, Series of 2012, and relevant AMLC resolutions; and
2. Reminds all covered persons and the public that any person who:
 - a. Deals directly or indirectly, in any way and by any means, with any property or funds that he knows or has reasonable ground to believe is owned or controlled by a designated person, organization, association, or group of persons, including funds derived or generated from property or funds owned or controlled, directly or indirectly, by a designated person, organization, association, or group of persons; or
 - b. Makes available any property or funds, or financial services or other related services to a designated person, organization, association, or group of persons will be criminally charged for dealing with a designated person or entity under Section 8 of the TFP SA.

AMLC Resolution No. TF-39, Series of 2021

The resolution directs the issuance of sanctions freeze order to take effect immediately against individuals affiliated with local terrorist groups, pursuant to their designations as terrorists by the ATC in its Resolution No. 16, Series of 2021.

Covered persons and relevant government agencies shall:

1. Freeze without delay the following property or funds, including related accounts:
 - a. Property or funds that are owned or controlled by the subjects of designation, and is not limited to those that are directly related or can be tied to a particular terrorist act, plot, or threat;
 - b. Property or funds that are wholly or jointly owned or controlled, directly or indirectly, by the subject of designation;
 - c. Property or funds derived or generated from funds or other assets owned or controlled, directly or indirectly, by the subject of designation; and
 - d. Property or funds of persons and entities acting on behalf or at the direction of the subject of designation; and
2. Submit to the AMLC a written return, pursuant to, and containing details required under, Rule 16.c of the IRR of TFP SA, and submit as STR all previous transactions of the designated persons within five days from effectivity of the sanctions freeze order.

Any person, whether natural or juridical, who:

1. Deals directly or indirectly, in any way and by any means, with any property or funds that he knows or has reasonable ground to believe is owned or controlled by a designated person, organization, association, or group of persons, including funds derived or generated from property or funds owned or controlled, directly or indirectly, by a designated person, organization, association, or group of persons; or
2. Makes available any property or funds, or financial services or other related services to a designated person, organization, association, or group of persons will be criminally charged for dealing with a designated person or entity under Section 8 of the TFP SA.

AMLC Resolution No. TF-40, Series of 2021

The resolution directs the issuance of sanctions freeze order to take effect immediately against the Central Committee Members of the CPP/NPA also known as Bagong Hukbong Bayan, pursuant to their designations as terrorists by the ATC in its Resolution No. 17, Series of 2021.

Covered persons and relevant government agencies shall:

1. Freeze without delay the following property or funds, including related accounts:
 - a. Property or funds that are owned or controlled by the subjects of designation, and is not limited to those that are directly related or can be tied to a particular terrorist act, plot, or threat;
 - b. Property or funds that are wholly or jointly owned or controlled, directly or indirectly, by the subject of designation;

- c. Property or funds derived or generated from funds or other assets owned or controlled, directly or indirectly, by the subject of designation; and
 - d. Property or funds of persons and entities acting on behalf or at the direction of the subject of designation; and
2. Submit to the AMLC a written return, pursuant to, and containing details required under, Rule 16.c of the IRR of TFPISA, and submit as STR all previous transactions of the designated persons within five days from effectivity of the sanctions freeze order.

Any person, whether natural or juridical, who:

- 1. Deals directly or indirectly, in any way and by any means, with any property or funds that he knows or has reasonable ground to believe is owned or controlled by a designated person, organization, association, or group of persons, including funds derived or generated from property or funds owned or controlled, directly or indirectly, by a designated person, organization, association, or group of persons; or
- 2. Makes available any property or funds, or financial services or other related services to a designated person, organization, association, or group of persons will be criminally charged for dealing with a designated person or entity under Section 8 of the TFPISA.

AMLC Resolution No. TF- 41, Series of 2021

The resolution directs the issuance of sanctions freeze order to take effect immediately against individuals affiliated with local terrorist groups, pursuant to their designations as terrorists by the ATC in its Resolution No. 20, Series of 2021.

Covered persons and relevant government agencies shall:

- 1. Freeze without delay the following property or funds, including related accounts:
 - a. Property or funds that are owned or controlled by the subjects of designation, and is not limited to those that are directly related or can be tied to a particular terrorist act, plot, or threat;
 - b. Property or funds that are wholly or jointly owned or controlled, directly or indirectly, by the subject of designation;
 - c. Property or funds derived or generated from funds or other assets owned or controlled, directly or indirectly, by the subject of designation; and
 - d. Property or funds of persons and entities acting on behalf or at the direction of the subject of designation; and
- 2. Submit to the AMLC a written return, pursuant to, and containing details required under, Rule 16.c of the IRR of TFPISA, and submit as STR all previous transactions of the designated persons within five days from effectivity of the sanctions freeze order.

Any person, whether natural or juridical, who:

- 1. Deals directly or indirectly, in any way and by any means, with any property or funds that he knows or has reasonable ground to believe is owned or controlled by a designated person, organization, association, or group of persons, including funds derived or generated from property or funds owned or controlled, directly or indirectly, by a designated person, organization, association, or group of persons; or

- 2. Makes available any property or funds, or financial services or other related services to a designated person, organization, association, or group of persons will be criminally charged for dealing with a designated person or entity under Section 8 of the TFPISA.

AMLC Resolution No. TF- 42, Series of 2021

The resolution directs the issuance of sanctions freeze order to take effect immediately against the National Democratic Front (NDF), also known as the National Democratic Front of the Philippines (NDFP), pursuant to their designation as terrorists by the ATC in its Resolution No. 21, Series of 2021.

Covered persons and relevant government agencies shall:

- 1. Freeze without delay the following property or funds, including related accounts:
 - a. Property or funds that are owned or controlled by the subjects of designation, and is not limited to those that are directly related or can be tied to a particular terrorist act, plot, or threat;
 - b. Property or funds that are wholly or jointly owned or controlled, directly or indirectly, by the subject of designation;
 - c. Property or funds derived or generated from funds or other assets owned or controlled, directly or indirectly, by the subject of designation; and
 - d. Property or funds of persons and entities acting on behalf or at the direction of the subject of designation; and
- 2. Submit to the AMLC a written return, pursuant to, and containing details required under, Rule 16.c of the IRR of TFPISA, and submit as STR all previous transactions of the designated persons within five days from effectivity of the sanctions freeze order.

Any person, whether natural or juridical, who:

- 1. Deals directly or indirectly, in any way and by any means, with any property or funds that he knows or has reasonable ground to believe is owned or controlled by a designated person, organization, association, or group of persons, including funds derived or generated from property or funds owned or controlled, directly or indirectly, by a designated person, organization, association, or group of persons; or
- 2. Makes available any property or funds, or financial services or other related services to a designated person, organization, association, or group of persons will be criminally charged for dealing with a designated person or entity under Section 8 of the TFPISA.

Guidance for De-Listing and Unfreezing Procedures

AMLC Regulatory Issuance No. 5, Series of 2021

The issuance is promulgated to assist covered persons, government entities, and the public on the implementation of TFS requirements, particularly on how to access funds subject of a TFS, what the procedure is on de-listing from the sanctions list, and what to do when delisting occurs or when a TFS is lifted.

2021 Sanctions Guidelines: TFS Related to Terrorism, TF, and PF

The enactment of the ATA and RA 11521 prompted the revision of the 2020 Sanctions Guidelines. Specifically, the TFS coverage has been expanded to include PF and a chapter on de-listing from ATC designations has been included.

TFS (Related to Proliferation of Weapons of Mass Destruction and PF) (2021)

The policy requires all covered persons to implement TFS, relative to the proliferation of weapons of mass destructions and its financing against all funds and assets that are owned or controlled, directly or indirectly, including those derived or generated therefrom by individuals or entities designed and listed under UNSCR 1718 (2006) on the Democratic People's Republic of Korea, UNSCR 2231 (2015) on the Islamic Republic of Iran, and their successor resolutions under the UNSC Consolidated List.

The AMLC directs covered persons to:

1. Incorporate UNSCR 1718 (2005), UNSCR 2231 (2015), and their successor resolutions in their CDD/Risk Profiling policies and procedures;
2. Freeze the properties or funds of designated persons or entities or those whose identities match with all the information in the Consolidated List (target match); and freeze or put on hold (for a period not exceeding 36 hours) property or funds owned or controlled by persons or entities whose identity matches most, but not all, of the identifier information in said list (potential target match);
3. Submit a return to the AMLC within 24 hours from effecting the TFS;
4. Prohibit from dealing with properties or funds of designated persons or entities;
5. File STRs for attempted transactions or dealings;
6. Immediately inform the AMLC of any temporary freeze or hold against a potential target match in addition to the filing of an STR; and
7. Permit addition to the accounts frozen of interest or other earnings due on those accounts or payments due under contracts, agreements or obligations that arose prior to the date on which those accounts became subject to the TFS, provided that any such interest, other earnings and payments continue to be frozen.

AMLC Resolution No. TF-50, Series of 2022

The resolution directs the issuance of sanctions freeze order to take effect immediately against underground organizations of the CPP/NPA/NDF also known as NDFP, pursuant to their designation as terrorists by the ATC in its Resolution No. 28, Series of 2022.

Covered persons and relevant government agencies shall:

1. Freeze without delay the following property or funds, including related accounts:
 - a. Property or funds that are owned or controlled by the subjects of designation, and is not limited to those that are directly related or can be tied to a particular terrorist act, plot, or threat;

- b. Property or funds that are wholly or jointly owned or controlled, directly or indirectly, by the subject of designation;
 - c. Property or funds derived or generated from funds or other assets owned or controlled, directly or indirectly, by the subject of designation; and
 - d. Property or funds of persons and entities acting on behalf or at the direction of the subject of designation; and
2. Submit to the AMLC a written return, pursuant to, and containing details required under, Rule 16.c of the IRR of TFPSPA, and submit as STR all previous transactions of the designated persons within five days from effectivity of the sanctions freeze order.

Any person, whether natural or juridical, who:

1. Deals directly or indirectly, in any way and by any means, with any property or funds that he knows or has reasonable ground to believe is owned or controlled by a designated person, organization, association, or group of persons, including funds derived or generated from property or funds owned or controlled, directly or indirectly, by a designated person, organization, association, or group of persons; or
2. Makes available any property or funds, or financial services or other related services to a designated person, organization, association, or group of persons will be criminally charged for dealing with a designated person or entity under Section 8 of the TFPSPA.

AMLC Resolution No. TF-55, Series of 2022

The resolution directs the issuance of sanctions freeze order to take effect immediately against individuals affiliated with Communist Terrorist Groups, previously designated as terrorist organizations, associations, or groups, pursuant to their designation as terrorists by the ATC in its Resolution No. 31, Series of 2022.

Covered persons and relevant government agencies shall:

1. Freeze without delay the following property or funds, including related accounts:
 - a. Property or funds that are owned or controlled by the subjects of designation, and is not limited to those that are directly related or can be tied to a particular terrorist act, plot, or threat;
 - b. Property or funds that are wholly or jointly owned or controlled, directly or indirectly, by the subject of designation;
 - c. Property or funds derived or generated from funds or other assets owned or controlled, directly or indirectly, by the subject of designation; and
 - d. Property or funds of persons and entities acting on behalf or at the direction of the subject of designation; and
2. Submit to the AMLC a written return, pursuant to, and containing details required under, Rule 16.c of the IRR of TFPSPA, and submit as STR all previous transactions of the designated persons within five days from effectivity of the sanctions freeze order.

Any person, whether natural or juridical, who:

1. Deals directly or indirectly, in any way and by any means, with any property or funds that he knows or has reasonable ground to believe is owned or controlled by a designated person, organization, association, or group of persons, including funds derived or generated from property or funds owned or controlled, directly or indirectly, by a designated person, organization, association, or group of persons; or
2. Makes available any property or funds, or financial services or other related services to a designated person, organization, association, or group of persons will be criminally charged for dealing with a designated person or entity under Section 8 of the TFPSA.

AMLC Resolution No. TF-56, Series of 2022

The resolution directs the issuance of sanctions freeze order to take effect immediately against individuals affiliated with Communist Terrorist Groups, previously designated as terrorist organizations, associations, or groups, pursuant to their designation as terrorists by the ATC in its Resolution No. 32, Series of 2022.

Covered persons and relevant government agencies shall:

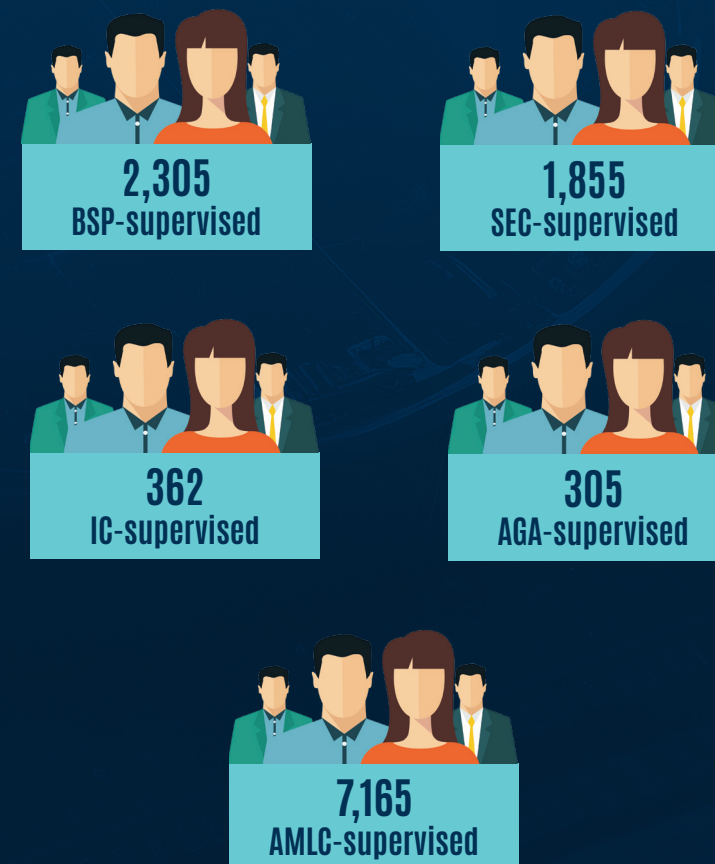
1. Freeze without delay the following property or funds, including related accounts:
 - a. Property or funds that are owned or controlled by the subjects of designation, and is not limited to those that are directly related or can be tied to a particular terrorist act, plot, or threat;
 - b. Property or funds that are wholly or jointly owned or controlled, directly or indirectly, by the subject of designation;
 - c. Property or funds derived or generated from funds or other assets owned or controlled, directly or indirectly, by the subject of designation; and
 - d. Property or funds of persons and entities acting on behalf or at the direction of the subject of designation; and
2. Submit to the AMLC a written return, pursuant to, and containing details required under, Rule 16.c of the IRR of TFPSA, and submit as STR all previous transactions of the designated persons within five days from effectivity of the sanctions freeze order.

Any person, whether natural or juridical, who:

1. Deals directly or indirectly, in any way and by any means, with any property or funds that he knows or has reasonable ground to believe is owned or controlled by a designated person, organization, association, or group of persons, including funds derived or generated from property or funds owned or controlled, directly or indirectly, by a designated person, organization, association, or group of persons; or
2. Makes available any property or funds, or financial services or other related services to a designated person, organization, association, or group of persons will be criminally charged for dealing with a designated person or entity under Section 8 of the TFPSA.



AMLC-Registered Covered Persons (as of 31 December 2022)



Compliance and Supervision Manual (CSM)

The CSM is a systematic approach in conducting a risk-based assessment of covered persons. Its procedures are based on acceptable standards and international best practices that are consistent with relevant domestic laws and regulations.

The CSM is divided into five sections that evaluate the overall compliance of covered persons with their respective AML/CTF frameworks:

- Registration and reporting
- Onsite Assessment
- Offsite Assessment
- Special Assessments
- DNFBPs Risk Rating System

Adjudication Manual

The manual serves to assist hearing officers in adjudicating administrative cases and in the day-to-day performance of their duties. The manual aims to show how the adjudication process can be conducted in a fair and professional manner in accordance with administrative due process. It also sets working processes that will strengthen the integrity of the hearing officer's function. The manual is a developing document, and it is designed to be revised and updated as the need arises.

Litigation and Evaluation Group Manual

The manual ensures quality and timely performance by the legal officers of the AMLC as well as the consistent and professional decision-making in evaluating investigation reports and reports of compliance. It also directs observance of high professional standards in prosecuting civil, criminal, and administrative cases.

ENFORCEMENT OF AML/CTF RULES AND REGULATIONS

Off-site examinations and compliance-checking

In 2019, the AMLC filed formal charges against the universal (UBs) and commercial banks (KBs) for the submission of late CTRs for the first semester of 2017. To date, the AMLC has resolved said cases and has prompted said banks to upgrade their transaction monitoring systems, resulting in a significant decrease in late CTRs within Calendar Year (CY) 2021. Further, the percentage of late CTRs has significantly been reduced not only among UBs and KBs, but also for the other covered persons as well.

The AMLC also conducted compliance-checking of DNFBPs, including the four biggest integrated resorts in the country and inspection of OGOs and their service providers from November 2019 to December 2021, as part of the baseline-checking/inspection of these entities that have never been subjected to AML/CTF risk-based supervision.

To warn other covered persons from dealing with covered persons who have not been cooperating with the compliance-checking conducted by the AMLC, the AMLC regularly publishes the list of uncooperative POGOs on its official website.

Enforcement actions

Enforcement actions are imposed on covered persons to address AML/CTF findings found in the course of AMLC's compliance-checking.

This resulted in the imposition against covered persons of enforcement actions (i.e., warnings, compliance letters, and notarized compliance commitments) as well as collection of reduced assessments.

Administrative sanctions

Administrative sanctions are imposed on covered persons and/or their responsible directors, officers, and employees in the course of formal administrative cases. Although the ultimate purpose is to encourage a culture of compliance, the imposition of administrative sanctions usually results in an increased reputational risk on the part of covered persons, unless the administrative cases are settled upon showing of good causes, which generally revolves around the implementation of corrective measures.

COOPERATION AND COLLABORATION

Quarterly meetings with the Association of Bank Compliance Officers, Inc. (ABCOMP) and representatives of MSBs

Through regular meetings, the AMLC glean insights from the ABCOMP and of MSBs that could help enhance policies, rules, and regulations, which would further prevent the country from becoming a covert for laundering proceeds from unlawful activities and for terrorist financing.

In turn, policy compliance and awareness are encouraged as issuances by the AMLC and other supervising agencies are discussed and clarified during these meetings.

CAPACITY BUILDING

AML/CTF Awareness Programs

The AMLC provides regular trainings on AML/CTF fundamentals, ARRG, TFS, and other relevant AML/CTF matters for covered persons, including real-estate brokers and DNFBPs; LEAs; and other government agencies.

From in-person lectures, the AMLC shifted to online sessions in 2021 via multiple online platforms, reaching more stakeholders. As of 31 December 2022, the AMLC has conducted over 70 webinars for covered persons attended by over 26,000 participants.

In 2022, the AMLC launched its Learning Management System (LMS) with the generous support of the US Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) and International Development Law Organization (IDLO). A software application that automates the administration, tracking, and reporting of training events, the LMS facilitates and hosts all distance learning AML/CTF courses of the AMLC.

Guidelines for Accreditation of Institutional Training Providers on the AMLA, as amended, its IRR, TFPSA, and other issuances of the AMLC

Pursuant to Rule 6, Section 1.5.3 of the 2018 IRR of the AMLA, which states that “the AMLC shall develop a mechanism for accreditation of subject matter experts to assist in the continuing training program of covered persons, and their responsible directors, officers, and employees,” the guidelines govern the accreditation of the process for trainers, institutional training providers, and e-learning providers to be accredited by the AMLC.

As of 31 December 2022, the AMLC has accredited nine trainers, five institutional training providers, and two e-learning providers.

AML/CTF Summits

Awareness on these legislative initiatives, together with the relevant implementing rules and international developments on ML/TF are done through various capacity building initiatives, notable of which are the AML/CTF Summits.

In 2019, the AMLC in partnership with the AUSTRAC and PPATK hosted the 5th CTF Summit in person from 12 to 14 November 2019 in Taguig City, Philippines. With the theme “Together United—Strengthening Our Region,” participants reflected on the growth and substantial achievements of the summit and its working groups, since its establishment in 2015. The summit was attended by over 350 representatives from 29 countries, consisting of officials and experts from FIUs, senior representatives from the policy, regulatory, law enforcement and national security agencies, the FinTech/RegTech industry, multi-lateral bodies, think tank organizations and from the academe.

In 2020, the AMLC, in partnership with Fintelekt, hosted the 2020 Annual AML/CTF Summit held virtually from 23 to 27 November 2020. The summit provided strategic capacity building and encouraged knowledge-sharing at the national level, including sessions on 30 diverse topics given by 27 notable speakers and attended by 1,015 unique registrants.

In 2021, the AMLC partnered again with Fintelekt in hosting the 2021 AML/CTF Summit held virtually from 22 to 26 November 2021. At the national level, the Summit provided practical mechanisms for stakeholders to progress strategic priorities and coordinate actions and efforts to operationalize work to combat ML/TF. Moreover, the summit reintegrated AML/CTF capacity building initiatives and efforts across stakeholders, addressing a breadth of concerns relative to the Philippines’ exit from the grey list. A total of 894 attendees participated in the summit coming from government agencies, particularly members of the National Law Enforcement Coordinating Committee, NACC, AML/CTF supervisors, and other stakeholders from the government and law enforcement.

In 2022, the AMLC partnered with INL, IDLO, and AUSTRAC to hold the virtual 2022 AML/CTF Summit from 23 to 25 November 2022 via the AMLC LMS. The Summit was attended by 1,090 participants.

POST-MUTUAL EVALUATION OF THE PHILIPPINES

In 2018, the Philippines underwent its Third Mutual Evaluation (ME), where the country was assessed on its levels of technical compliance with international AML/CTF standards; and effectiveness of its existing AML/CTF mechanisms. The country’s First and Second MEs only involved technical compliance.

The technical assessment considers the specific requirements of the FATF 40 Recommendations relative to the existence of a relevant legal and institutional framework of the country; and the powers and procedures of the competent authorities. In other words, the technical compliance assessment checks whether the country’s existing laws, regulations, legal issuances, and enforceable means comply with the FATF standards and its criteria.

With the passage of RA 11479 or the ATA; the passage of RA 11521, which further amends the RA 9160 or the AMLA; and the issuance of necessary implementing rules and regulations, the Philippines was able to address the technical deficiencies.

Adopting compliant laws and regulations, however, is not sufficient.

The effectiveness assessment seeks to evaluate the adequacy of the implementation of the laws, rules, and regulations vis-à-vis the FATF 40 Recommendations. There are 11 immediate outcomes (IOs) or key goals that an effective AML/CTF framework should achieve. Each country must enforce these measures and ensure that the operational, law enforcement, and legal components of an AML/CTF system work together effectively to achieve a passing rate of “Substantial” for each of the 11 IOs. It must be noted that this AML/CTF system includes law enforcement, security, intelligence, prosecutorial, supervisory/regulatory, and other government agencies; and the private sector. Simply put, the focus of the effectiveness assessment is on the extent to which the legal and institutional framework is producing the expected results over a sustained period.

Thus, in 2021, the country has been identified as a “jurisdiction under increased monitoring” generally because the Philippines would need time to implement its recent AML/CTF laws, regulations, and other relevant issuances to demonstrate their effectiveness.

Particularly, the Philippines must address all International Co-operation Review Group (ICRG) action plan items within the timelines provided by the FATF.

These ICRG action plan items pertain to various IOs to assess if a country is effectively implementing their AML/CTF laws and regulations. The National AML/CTF Strategy (NACS) has been updated to incorporate the ICRG action plan.

In its public statement, the FATF notes the Philippines’ continued progress across its action plan and encourages the Philippines to continue to implement its action plan to address its strategic deficiencies as soon as possible. It must be emphasized that the ICRG action plan is the concern of the whole nation. All AML/CTF players, such as supervisors, regulators, law enforcement, prosecutors, other government agencies, and covered persons, are required to demonstrate progress on all action plan items, wherever applicable.

The technical assessment considers the specific requirements of the FATF 40 Recommendations relative to the existence of a relevant legal and institutional framework of the country; and the powers and procedures of the competent authorities.

Third Mutual Evaluation of the Philippines

The ME is one of the Philippines' commitments pursuant to the Terms of Reference of the APG. The Philippines, along with 12 other jurisdictions, is a founding member of the APG, created in 1997 in Bangkok, Thailand. According to APG rules, members mutually evaluate their peers to assess compliance with international AML/CTF standards, particularly the FATF 40 Recommendations, which is a complete set of countermeasures against ML/TF, covering the criminal justice system and law enforcement, the financial system and its regulation, and international cooperation.

In a Memorandum dated 22 February 2018, the Executive Secretary, Office of the President of the Philippines, designated the AMLC, as the lead agency for the Third ME and enjoined all departments, bureaus, offices, and agencies of the Executive Branch, including government financial institutions and government-owned or -controlled corporations, to be identified by the AMLC to actively participate in the conduct of the ME.

A Chronology of the Philippines' AML/CTF Technical and Effectiveness Compliance

In 2000, prior to the AMLA, the Philippines lacked the basic legal AML framework. The country was then placed in the FATF's list of Non-Cooperative Countries and Territories (NCCT), otherwise known as the "blacklist."

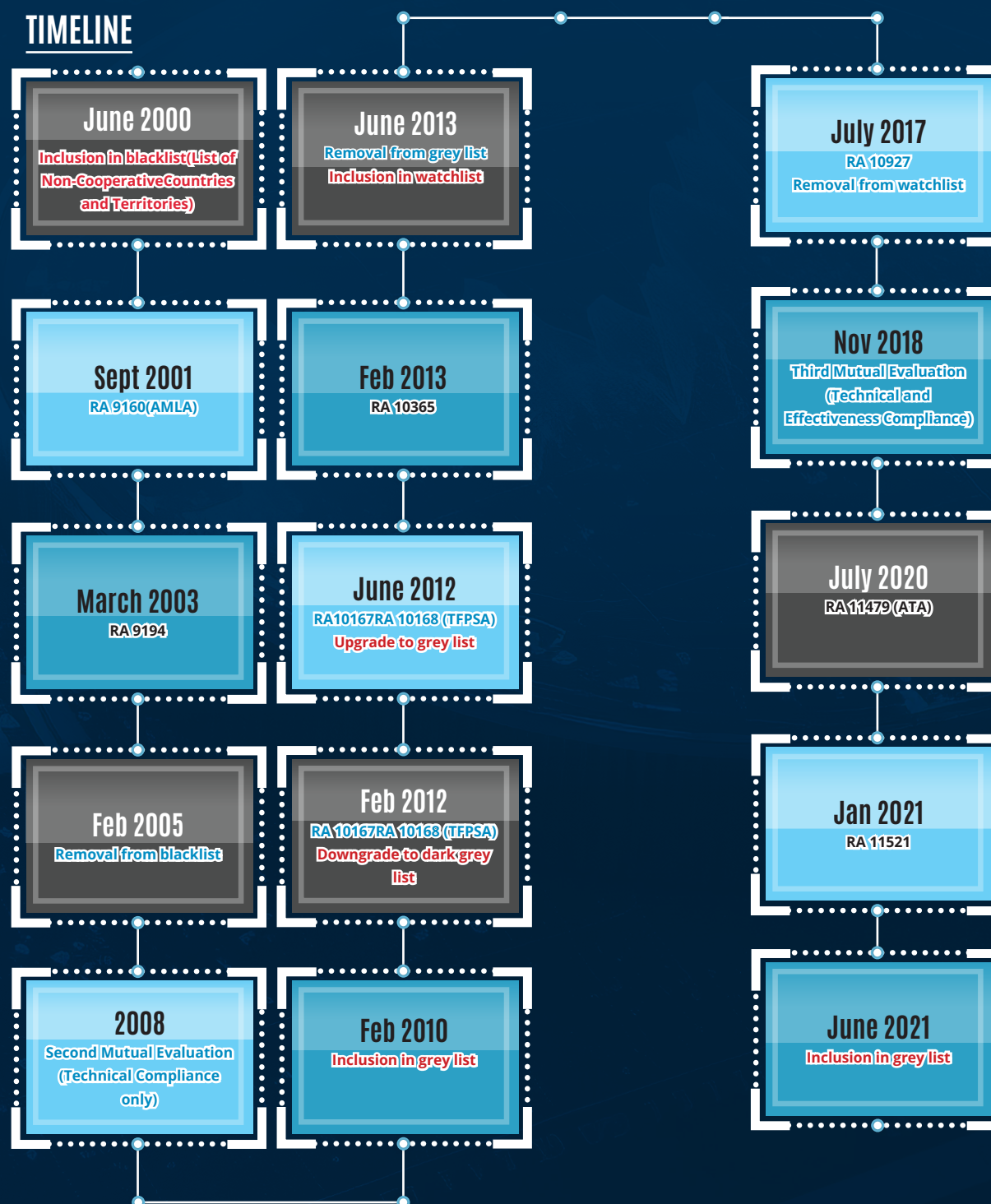
Even with the enactment of the AMLA in September 2001, however, the Philippines remained on the NCCT list as there were still deficiencies in the law.

In March 2003, RA 9194 was signed into law, amending the AMLA. After the APG Review Group confirmed that the country was effectively implementing AML measures, the Philippines was removed from the NCCT list in February 2005.

In 2008, the Philippines underwent its Second ME, conducted by the World Bank and APG. Due to technical deficiencies, such as the lack of CTF laws and other required regulations, the Philippines was placed on the grey list in February 2010 and had until December 2011 to address these identified deficiencies.

A Chronology of the Philippines' Anti-Money Laundering and Counter-Terrorism Financing Technical and Effectiveness Compliance

TIMELINE



continue from A Chronology ...

The Philippines, however, failed to meet the deadline. Thus, in February 2012, the country was downgraded to the "dark grey list."

With the passage of RA 10167 and RA 10168 or the TFPSA in June 2012, the Philippines returned to the grey list and was urged to fully address its remaining deficiencies.

In February 2013, RA 10365, which further amended the AMLA, was signed into law. The country exited the grey list in June 2013 but remained on the watchlist.

It was only in July 2017, when the Philippines was removed from the watchlist with the passage of RA 10927 or commonly known as the Casino Law.

Today, the Philippines is back in the grey list generally because the country would need time to implement its new AML/CTF laws, regulations, and other relevant issuances to demonstrate their effectiveness.

Technical Assistance and Training

As part of capacity building strategic initiatives, the AMLC regularly participates in programs provided by international donor countries and organizations to secure much needed skills enhancement and tools improvement. Several technical assistance and training (TA&T) partners have expressed support in addressing training needs and in helping the Philippines achieve its target of exiting the grey list. Among the AMLC's TA&T partners are:

- AUSTRAC
- FBI
- Government of the United Kingdom
- INL
- IDLO
- International Law Enforcement Academy
- King's College London
- The Consortium
- The World Bank Group
- United Nations Office on Drugs and Crime
- United States Department of Justice (USDOJ) International Criminal Investigative Training Assistance Program
- USDOJ Office of Overseas Prosecutorial Development Assistance and Training
- US Department of State's Bureau of International Narcotics and Law Enforcement Affairs

NATIONAL AML/CTF STRATEGY

The NACS is a coordinated approach for the government and the private sector in combating ML/TF/PF in the country. It has seven strategic objectives to address the risks identified under the NRA.

On 12 November 2018, the Office of the President issued EO 68, approving the National AML/CTF Strategy (NACS), a result of collaborative efforts of key AML/CTF agencies, including those who participated in the first and second National Risk Assessment (NRA). The NACS is a coordinated approach for the government and the private sector in combating ML/TF/PF in the country. It has seven strategic objectives to address the risks identified under the NRA.

National AML/CFT Coordinating Committee (NACC)

EO 68 provides for the creation of the NACC, a body tasked to oversee the implementation of the NACS and its action plans. The AMLC is designated as the committee's Secretariat, responsible for monitoring the duties and responsibilities of the NACC and the sub-committees, which will be the primary implementers of the strategic objectives and action plans of the NACS.

Basis of the NACS

Recommendation 2 of the FATF 40 Recommendations

National Cooperation and Coordination, where countries should have national AML/CTF policies, designate an authority, and have coordination mechanisms for effective coordination and cooperation among policymakers, FIUs, LEAs, supervisors, and other competent authorities.

Immediate Outcome 1 of the FATF Methodology

ML/TF Risk and Understanding, where countries should have understood their ML/TF risks and have domestically coordinated actions to combat ML, TF, and proliferation financing.

2018 to 2022 AML/CTF Capacity Building Roadmap (ACBR)

In line with strategic objectives 2, 3, 6, and 7 of the NACS, the ACBR aims to develop AML/CTF regulators and practitioners and to strengthen covered persons and institutions tasked to ensure that the country is not used as an ML, TF, and PF site.

Training Needs Analysis

To identify potential training interventions for the AMLC's investigators, intelligence officers, and compliance personnel to address gaps noted in the NRA, which require immediate attention.

Multi-Pronged Approach

Manpower Complement + Skills Enhancement + Tools Reinforcement = Improved AML/CTF Capacity.

Financial Intelligence, Law Enforcement, and Prosecution Subcommittee

- Enhance the identification, investigation, and prosecution of ML cases
- Streamline the use of criminal forfeiture, ensuring that money obtained through illegal means is confiscated

Supervision of Financial Institutions Subcommittee

- Emphasize risk-based supervision that promotes TFS awareness
- Ensure that MSBs are registered in compliance with regulations while proportionately and dissuasively sanctioning illegally operating MSBs.

Supervision of DNFBPs Subcommittee

- Mitigate risks associated with junket operations in the casino sector
- Reinforce the regulations to ensure the legitimacy of junket operations

TF and PF Subcommittee

- Enhance the identification, investigation, and prosecution of TF cases

AML/CFT Awareness Subcommittee

- Implement training programs among LEAs, judiciary, legal professionals, financial institutions, and DNFBPs

AFP	Armed Forces of the Philippines
AGA	Appropriate Government Agency
AMLA	Anti-Money Laundering Act of 2001
AMLC	Anti-Money Laundering Council
AML	Anti-Money Laundering
APG	Asia/Pacific Group on Money Laundering
ARRG	AMLC Registration and Reporting Guidelines
ASEAN	Association of Southeast Asian Nations
ATA	Anti-Terrorism Act of 2020
ATC	Anti-Terrorism Council
ATC-PMC	Anti-Terrorism Council-Program Management Center
ATIP	Anti-Trafficking in Persons
AUSTRAC	Australian Transaction Reports and Analysis Centre
BI	Bureau of Immigration
BSP	Bangko Sentral ng Pilipinas
BTr	Bureau of the Treasury
CDD	Customer Due Diligence
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
COVID-19	Coronavirus Disease
CPP/NPA	Communist Party of the Philippines and the New People's Army
CSAE	Child Sexual Abuse and Exploitation
CTF	Counter-Terrorism Financing
CTR	Covered Transaction Report
DAFI	Deputized AMLC Financial Investigator
DIGICUR	Guidelines on Digitization of Customer Records
DNFBPs	Designated Non-Financial Businesses and Professions
DOJ	Department of Justice
EMI	Electronic Money Issuer
EO	Executive Order No.
ESW	Egmont Secure Web
FATF	Financial Action Task Force
FBI	Federal Bureau of Investigation
FICG	Financial Intelligence Consultative Group
FIU	Financial Intelligence Unit
GA	Government Agency
GAD	Gender and Development
GFPS	GAD Focal Point System
GPB	GAD Plan and Budget
IACAT	Inter-Agency Council against Trafficking
IC	Insurance Commission

ICAD	Inter-Agency Committee against Drugs
ICT	Information and Communication Technology
ICRG	International Co-operation Review Group
IEWG	Information Exchange Working Group
IO	Immediate Outcome
IRR	Implementing Rules and Regulations
ISAFP	Intelligence Service of the Armed Forces of the Philippines
ISIS	Islamic State in Iraq and Syria
ISP	Information-Sharing Protocol
IT	Information Technology
JTFIG	Joint Terrorism Financial Investigation Group
KB	Commercial Bank
KYC	Know Your Customer
LEA	Law Enforcement Agency
LMS	Learning Management System
MAP	Management and Preservation Guidelines
MCW	Magna Carta of Women
ME	Mutual Evaluation
ML	Money Laundering
MLA	Mutual Legal Assistance
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MSB	Money Service Business
MTPP	Money Laundering/Terrorism Financing Prevention Program
NACC	National AML/CTF Coordinating Committee
NACS	National AML/CTF Strategy
NALECC	National Law Enforcement Coordinating Committee
NALECC SCAML/CFT	NALECC Sub-Committee on AML/CFT
NBI	National Bureau of Investigation
NDF	National Democratic Front
NDFP	National Democratic Front of the Philippines
NCCT	Non-Cooperative Countries and Territories
NICA	National Intelligence Coordinating Agency
NRA	National Risk Assessment
OGO	Offshore Gaming Operator
OMB	Office of the Ombudsman
OSEC	Online Sexual Exploitation of Children
OSG	Office of the Solicitor General
PADS	Philippine Anti-Drugs Strategy
PAGCOR	Philippine Amusement and Gaming Corporation

ACRONYMS

PCTC	Philippine Center on Transnational Crime
PF	Proliferation Financing of Weapons of Mass Destruction
PLLO	Presidential Legislative Liaison Office
PNP	Philippine National Police
POGO	Philippine Offshore Gaming Operator
POI	Person of Interest
PPATK	Indonesian Financial Transaction Reports and Analysis Center
PPPP	Public-Private Partnership Program
QMS	Quality Management System
QUADSREC	Quarterly DIGICUR Status Report of Compliance
RA	Republic Act No.
RFI	Request for Information
RIAS	Rules on Imposition of Administrative Sanctions
ROC	Report of Compliance
RPAC	Rules of Procedure in Administrative Cases under RA 9160 or the AMLA, as amended, and its IRR, and Guidelines and Other Issuances of the AMLC, and the Imposition of Administrative Sanctions
RRI	Rules And Regulations Implementing
RTC	Regional Trial Court
SEC	Securities and Exchange Commission
SFISC	Supervision of Financial Institutions Subcommittee
SI	Suspicious Indicator
SP	Service Provider
STR	Suspicious Transaction Report
TA&T	Technical Assistance and Training
TAEP	Trilateral Analyst Exchange Program
TF	Terrorism Financing
TFPSA	Terrorism Financing Prevention and Suppression Act of 2012
TFS	Targeted Financial Sanctions
TIP	Targeted Intelligence Packaging Workshops
UB	Universal Bank
UN	United Nations
UNCAC	United Nations Convention Against Corruption
UNSC	United Nations Security Council
UNSCR	United Nations Security Council Resolution
USDOJ	United States Department of Justice
VCE	Virtual Currency Exchange

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