



## HOUSE OF REPRESENTATIVES

H. No. 4275

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BY REPRESENTATIVES RODRIGUEZ (R.), RODRIGUEZ (M.), GOLEZ (R.),  
APOSTOL, DEFENSOR, EVARDONE, CALIMBAS-VILLAROSA, AGLIPAY,  
HERRERA-DY, TEODORO AND GUANLAO, PER COMMITTEE REPORT  
No. 672

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AN ACT FURTHER STRENGTHENING THE ANTI-MONEY  
LAUNDERING LAW, AMENDING FOR THE PURPOSE  
REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE  
“ANTI-MONEY LAUNDERING ACT OF 2001”, AS AMENDED

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

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

3 “(a) ‘Covered institution OR INDIVIDUAL’ refers to:

4 “(1) banks, non-banks, quasi-banks, trust entities,  
5 PAWNSHOPS, FOREIGN EXCHANGE CORPORATIONS, MONEY  
6 CHANGERS, MONEY PAYMENT, REMITTANCE AND TRANSFER  
7 COMPANIES AND OTHER SIMILAR ENTITIES and all other  
8 institutions and their subsidiaries and affiliates supervised or  
9 regulated by the Bangko Sentral ng Pilipinas (BSP);

10 “(2) insurance companies and all other institutions  
11 supervised or regulated by the Insurance Commission (IC); [and]

1           “(3)(i) securities dealers, brokers, salesmen, investment  
2 houses and other similar entities managing securities or rendering  
3 services as investment agent, advisor, or consultant, (ii) mutual  
4 funds, close-end investment companies, common trust funds,  
5 [pre-need companies] and other similar entities, [(iii) foreign  
6 exchange corporations, money changers, money payment,  
7 remittance, and transfer companies and other similar entities,] and  
8 [(iv)] (iii) other entities administering or otherwise dealing in  
9 currency, commodities or financial derivatives based thereon,  
10 valuable objects, cash substitutes and other similar monetary  
11 instruments or property supervised or regulated by THE Securities  
12 and Exchange Commission (SEC);

13           “(4) CASINOS, INCLUDING INTERNET CASINOS;

14           “(5) REAL ESTATE AGENTS;

15           “(6) DEALERS IN PRECIOUS METALS;

16           “(7) DEALERS IN PRECIOUS STONES;

17           “(8) TRUST AND COMPANY SERVICE PROVIDERS WHICH, AS  
18 A BUSINESS, PROVIDE ANY OF THE FOLLOWING SERVICES TO  
19 THIRD PARTIES: (I) ACTING AS A FORMATION AGENT OF  
20 JURIDICAL PERSONS; (II) ACTING AS (OR ARRANGING FOR  
21 ANOTHER PERSON TO ACT AS) A DIRECTOR OR CORPORATE  
22 SECRETARY OF A COMPANY, A PARTNER OF A PARTNERSHIP, OR  
23 A SIMILAR POSITION IN RELATION TO OTHER JURIDICAL  
24 PERSONS; (III) PROVIDING A REGISTERED OFFICE, BUSINESS  
25 ADDRESS OR ACCOMMODATION, CORRESPONDENCE OR  
26 ADMINISTRATIVE ADDRESS FOR A COMPANY, A PARTNERSHIP OR  
27 ANY OTHER JURIDICAL PERSON OR ARRANGEMENT; (IV) ACTING  
28 AS (OR ARRANGING FOR ANOTHER PERSON TO ACT AS) A

1 TRUSTEE OF AN EXPRESS TRUST; AND (V) ACTING AS (OR  
2 ARRANGING FOR ANOTHER PERSON TO ACT AS) A NOMINEE  
3 SHAREHOLDER FOR ANOTHER PERSON; AND

4 “(9) PERSONS WHO PROVIDE ANY OF THE FOLLOWING  
5 SERVICES: (I) BUYING AND SELLING OF REAL ESTATE; (II)  
6 MANAGING OF CLIENT MONEY, SECURITIES OR OTHER ASSETS;  
7 (III) MANAGEMENT OF BANK, SAVINGS OR SECURITIES  
8 ACCOUNTS; (IV) ORGANIZATION OF CONTRIBUTIONS FOR THE  
9 CREATION, OPERATION OR MANAGEMENT OF COMPANIES; AND  
10 (V) CREATION, OPERATION OR MANAGEMENT OF JURIDICAL  
11 PERSONS OR ARRANGEMENTS, AND BUYING AND SELLING  
12 BUSINESS ENTITIES.”

13 SEC. 2. Section 3(i) of the same Act, as amended, is hereby further  
14 amended to read as follows:

15 “(i) ‘Unlawful activity’ refers to any act or omission or  
16 series or combination thereof involving or having direct relation to  
17 the following:

18 “(1) Kidnapping for ransom under Article 267 of Act  
19 No. 3815, otherwise known as the Revised Penal Code, as  
20 amended;

21 “(2) Sections 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, and 16 of  
22 Republic Act No. 9165, otherwise known as the Comprehensive  
23 Dangerous Drugs Act of 2002;

24 “(3) Section 3 paragraphs B, C, E, G, H and I of Republic  
25 Act No. 3019, as amended, otherwise known as the Anti-Graft and  
26 Corrupt Practices Act;

27 “(4) Plunder under Republic Act No. 7080, as amended;

28 “(5) Robbery and extortion under Articles 294, 295, 296,  
29 299, 300, 301 and 302 of the Revised Penal Code, as amended;

1           “(6) Jueteng and Masiao punished as illegal gambling under  
2 Presidential Decree No. 1602;

3           “(7) Piracy on the high seas under the Revised Penal Code,  
4 as amended and Presidential Decree No. 532;

5           “(8) Qualified theft under Article 310 of the Revised Penal  
6 Code, as amended;

7           “(9) Swindling under Article 315 of the Revised Penal Code,  
8 as amended;

9           “(10) Smuggling under Republic Act Nos. 455 and 1937;

10          “(11) Violations under Republic Act No. 8792, otherwise  
11 known as the *Electronic Commerce Act of 2000*;

12          “(12) Hijacking and other violations under Republic Act No.  
13 6235; destructive arson and murder, as defined under the Revised  
14 Penal Code, as amended[, including those perpetrated by terrorists  
15 against non-combatant persons and similar targets];

16          “(13) **TERRORISM AND CONSPIRACY TO COMMIT**  
17 **TERRORISM AS DEFINED AND PENALIZED UNDER REPUBLIC ACT**  
18 **NO. 9372;**

19          “(14) **FINANCING OF TERRORISM AS DEFINED AND**  
20 **PENALIZED BY LAW;**

21          “(15) **BRIBERY UNDER ARTICLES 210, 211, 211-A OF THE**  
22 **REVISED PENAL CODE, AS AMENDED, AND CORRUPTION OF**  
23 **PUBLIC OFFICERS UNDER ARTICLE 212 OF THE REVISED PENAL**  
24 **CODE, AS AMENDED;**

25          “(16) **FRAUDS AND ILLEGAL EXACTIONS AND**  
26 **TRANSACTIONS UNDER ARTICLES 213, 214, 215 AND 216 OF THE**  
27 **REVISED PENAL CODE, AS AMENDED;**

1                   “(17) MALVERSATION OF PUBLIC FUNDS AND PROPERTY  
2 UNDER ARTICLES 217 AND 222 OF THE REVISED PENAL CODE,  
3 AS AMENDED;

4                   “(18) FORGERIES AND COUNTERFEITING UNDER ARTICLES  
5 163, 166, 167, 168, 169 AND 176 OF THE REVISED PENAL CODE,  
6 AS AMENDED;

7                   “(19) VIOLATIONS OF SECTIONS 4 TO 6 OF REPUBLIC ACT  
8 NO. 9208, OTHERWISE KNOWN AS THE ANTI-TRAFFICKING IN  
9 PERSONS ACT OF 2003;

10                  “(20) VIOLATIONS OF SECTIONS 68 TO 79 OF CHAPTER IV  
11 OF PRESIDENTIAL DECREE NO. 705, OTHERWISE KNOWN AS THE  
12 REVISED FORESTRY CODE OF THE PHILIPPINES, AS AMENDED;

13                  “(21) VIOLATIONS OF SECTIONS 101 TO 107, AND 110 OF  
14 REPUBLIC ACT NO. 7942, OTHERWISE KNOWN AS THE  
15 PHILIPPINE MINING ACT OF 1995;

16                  “(22) VIOLATION OF REPUBLIC ACT NO. 6539,  
17 OTHERWISE KNOWN AS THE ANTI-CARNAPPING ACT OF 2002, AS  
18 AMENDED;

19                  “(23) VIOLATIONS OF SECTIONS 1, 3 AND 5 OF  
20 PRESIDENTIAL DECREE NO. 1866, AS AMENDED, OTHERWISE  
21 KNOWN AS THE DECREE CODIFYING THE LAWS ON  
22 ILLEGAL/UNLAWFUL POSSESSION, MANUFACTURE, DEALING IN,  
23 ACQUISITION OR DISPOSITION, OF FIREARMS, AMMUNITION OR  
24 EXPLOSIVES;

25                  “(24) VIOLATION OF PRESIDENTIAL DECREE NO. 1612,  
26 OTHERWISE KNOWN AS THE ANTI-FENCING LAW;

27                  “[13](25) Fraudulent practices and other violations under  
28 Republic Act No. 8799, otherwise known as the Securities  
29 Regulation Code of 2000; AND

1           “[14](26) Felonies or offenses of a similar nature that are  
2           punishable under the penal laws of other countries.”

3           SEC. 3. Section 4 of the same Act, as amended, is hereby further  
4           amended to read as follows:

5           “SEC. 4. *Money Laundering Offense.* – Money laundering is  
6           a crime whereby the proceeds of an unlawful activity as  
7           herein defined are transacted, CONVERTED, TRANSFERRED,  
8           DISPOSED OF, MOVED, ACQUIRED, POSSESSED, USED,  
9           CONCEALED OR DISGUISED, thereby making them appear to have  
10          originated from legitimate sources. [It is committed by the  
11          following:]

12          “(a) Any person knowing that any monetary instrument or  
13          property represents, involves, or relates to, the proceeds of any  
14          unlawful activity, transacts or attempts to transact said monetary  
15          instrument or property.

16          “(b) Any person knowing that any monetary instrument or  
17          property involves the proceeds of any unlawful activity, performs  
18          or fails to perform any act as a result of which he facilitates the  
19          offense of money laundering referred to in paragraph (a) above.

20          “(c) Any person knowing that any monetary instrument or  
21          property is required under this Act to be disclosed and filed with  
22          the Anti-Money Laundering Council (AMLC), fails to do so”.]

23          “IT IS COMMITTED BY ANY PERSON WHO, KNOWING THAT  
24          ANY MONETARY INSTRUMENT OR PROPERTY REPRESENTS,  
25          INVOLVES, OR RELATES TO THE PROCEEDS OF ANY UNLAWFUL  
26          ACTIVITY:

27          “(A) TRANSACTS OR ATTEMPTS TO TRANSACT SAID  
28          MONETARY INSTRUMENT OR PROPERTY;

1           “(B) CONVERTS, TRANSFERS, DISPOSES OF, MOVES,  
2           ACQUIRES, POSSESSES OR USES, OR ATTEMPTS TO CONVERT,  
3           TRANSFER, DISPOSE OF, MOVE, ACQUIRE, POSSESS OR USE SAID  
4           MONETARY INSTRUMENT OR PROPERTY;

5           “(C) CONCEALS OR DISGUISES OR ATTEMPTS TO CONCEAL  
6           OR DISGUISE THE TRUE NATURE, SOURCE, LOCATION,  
7           DISPOSITION, MOVEMENT OR OWNERSHIP OF OR RIGHTS WITH  
8           RESPECT TO SAID MONETARY INSTRUMENT OR PROPERTY; AND

9           “(D) PERFORMS OR FAILS TO PERFORM ANY ACT AS A  
10          RESULT OF WHICH HE FACILITATES THE OFFENSE OF MONEY  
11          LAUNDERING REFERRED TO IN PARAGRAPHS (A), (B) OR (C)  
12          ABOVE.

13          “MONEY LAUNDERING IS ALSO COMMITTED BY ANY  
14          PERSON WHO, KNOWING THAT ANY MONETARY INSTRUMENT OR  
15          PROPERTY IS REQUIRED UNDER THIS ACT TO BE DISCLOSED AND  
16          FILED WITH THE ANTI-MONEY LAUNDERING COUNCIL (AMLC),  
17          FAILS TO DO SO.”

18          SEC. 4. Section 7 of the same Act, as amended, is hereby further  
19          amended to read as follows:

20                 “SEC. 7. *Creation of Anti-Money Laundering Council*  
21                 (AMLC). – The Anti-Money Laundering Council is hereby created  
22                 and shall be composed of the Governor of the Bangko Sentral ng  
23                 Pilipinas as chairman, the Commissioner of the Insurance  
24                 Commission and the Chairman of the Securities and Exchange  
25                 Commission as members. The AMLC shall act unanimously in the  
26                 discharge of its functions as defined hereunder:

27                 “x x x

28                 “(6) to apply before the Court of Appeals, *ex parte*, for the  
29                 freezing of any monetary instrument or property alleged to be [the

1 proceeds of] RELATED IN ANY WAY TO any unlawful activity as  
2 defined in Section 3(i) hereof;

3 "x x x."

4 SEC. 5. Section 9(c), paragraphs 1 and 4 of the same Act, as amended,  
5 are hereby further amended to read as follows:

6 "SEC. 9. *Prevention of Money Laundering; Customer*  
7 *Identification Requirements and Record Keeping.* – (a) x x x

8 "(b) x x x

9 "(c) Reporting of Covered and Suspicious Transactions. –  
10 Covered institutions shall report to the AMLC all covered  
11 transactions and suspicious transactions within five (5) working  
12 days from occurrence thereof, unless the [Supervising Authority]  
13 AMLC prescribes a [longer] DIFFERENT period not exceeding  
14 [ten (10)] FIFTEEN (15) working days.

15 "x x x

16 "When reporting covered or suspicious transactions to the  
17 AMLC, covered institutions and their officers and employees shall  
18 not be deemed to have violated Republic Act No. 1405, as  
19 amended, Republic Act No. 6426, as amended, Republic Act No.  
20 8791 and other similar laws, but are prohibited from  
21 communicating, directly or indirectly, in any manner or by any  
22 means, to any person OR ENTITY, THE MEDIA, the fact that a  
23 covered or suspicious transaction [report was made,] HAS BEEN  
24 REPORTED OR IS ABOUT TO BE REPORTED, the contents [thereof,]  
25 OF THE REPORT, or any other information in relation thereto. In  
26 case of violation thereof, the concerned officer and employee of the  
27 covered institution shall be criminally liable. However, no  
28 administrative, criminal or civil proceedings, shall lie against any



1 person for having made a covered or suspicious transaction report  
2 in the regular performance of his duties in good faith, whether or  
3 not such reporting results in any criminal prosecution under this  
4 Act or any other law.

5 "X X X."

6 SEC. 6. Section 11 of the same Act, as amended, is hereby further  
7 amended to read as follows:

8 "SEC. 11. *Authority to Inquire into Bank Deposits.* -  
9 Notwithstanding the provisions of Republic Act No. 1405, as  
10 amended, Republic Act No. 6426, as amended, Republic Act  
11 No. 8791, and other laws, the AMLC may inquire into or examine  
12 any particular deposit or investment with any banking institution or  
13 non-bank financial institution upon order of [any competent court]  
14 **THE COURT OF APPEALS, AFTER DUE NOTICE AND HEARING**, in  
15 cases of violation of this Act, when it has been established that  
16 *there is probable cause that the deposits or investments are related*  
17 *to an unlawful activity as defined in Section 3(i) hereof or a money*  
18 *laundering offense under Section 4 hereof; except that no court*  
19 *order shall be required in cases involving unlawful activities*  
20 *defined in Sections 3(i)(1), (2), [and] (12), (13) AND (14) HEREOF.*

21 "To ensure compliance with this Act, the Bangko Sentral ng  
22 Pilipinas (BSP) may inquire into or examine any deposit or  
23 investment with any banking institution or non-bank financial  
24 institution when the examination is made in the course of a periodic  
25 or special examination, in accordance with the rules of examination  
26 of the BSP."

27 SEC. 7. Section 12 of the same Act is hereby amended to read as  
28 follows:

1           “SEC. 12. *Forfeiture Provisions.* –

2           “(a) Civil Forfeiture. – [When there is a covered transaction  
3 report made, and the court has, in a petition filed for the purpose  
4 ordered seizure of any monetary instrument or property, in whole  
5 or in part, directly or indirectly, related to said report, the Revised  
6 Rules of Court on civil forfeiture shall apply] UPON SWORN  
7 STATEMENT OF AN AUTHORIZED OFFICIAL OR REPRESENTATIVE  
8 OF THE AMLC THAT ANY MONETARY INSTRUMENT OR  
9 PROPERTY IS FOUND TO BE RELATED IN ANY WAY TO AN  
10 UNLAWFUL ACTIVITY AS DEFINED UNDER SECTION 3(I) HEREOF  
11 OR A MONEY LAUNDERING OFFENSE UNDER SECTION 4 HEREOF,  
12 THE AMLC SHALL FILE WITH THE COURT OF APPEALS,  
13 THROUGH THE OFFICE OF THE SOLICITOR GENERAL, A  
14 PETITION FOR FORFEITURE AND THE RULES OF COURT ON CIVIL  
15 FORFEITURE SHALL APPLY.”

16           “(b) Claim on Forfeited Assets. – Where the [court] COURT  
17 OF APPEALS has issued an order of forfeiture of the monetary  
18 instrument or property in a criminal prosecution for any money  
19 laundering offense defined under Section 4 of this Act, the offender  
20 or any other person claiming an interest therein may apply, by  
21 verified petition, for a declaration that the same legitimately  
22 belongs to him and for segregation or exclusion of the monetary  
23 instrument or property corresponding thereto. The verified petition  
24 shall be filed with the [court] COURT OF APPEALS which rendered  
25 the judgment of conviction and order of forfeiture, within fifteen  
26 (15) days from the date of the order of forfeiture, in default of  
27 which the said order shall become final and executory. This  
28 provision shall apply in both civil and criminal forfeiture.

1           “(c) Payment in Lieu of Forfeiture. – Where the [court]  
2           **COURT OF APPEALS** has issued an order of forfeiture of the  
3           monetary instrument or property *subject of a money laundering*  
4           offense defined under Section 4, and said order cannot be enforced  
5           because any particular monetary instrument or property cannot,  
6           with due diligence, be located, or it has been substantially altered,  
7           destroyed, diminished in value or otherwise rendered worthless by  
8           any act or omission, directly or indirectly, attributable to the  
9           offender, or it has been concealed, removed, converted or  
10          otherwise transferred to prevent the same from being found or to  
11          avoid forfeiture thereof, or it is located outside the Philippines or  
12          has been placed or brought outside the jurisdiction of the [court]  
13          **COURT OF APPEALS**, or it has been commingled with other  
14          monetary instruments or property belonging to either the offender  
15          himself or a third person or entity, thereby rendering the same  
16          difficult to identify or be segregated for purposes of forfeiture, the  
17          [court] **COURT OF APPEALS** may, instead of enforcing the order of  
18          forfeiture of the monetary instrument or property or part thereof or  
19          interest therein, accordingly order the convicted offender to pay an  
20          amount equal to the value of said monetary instrument or property.  
21          This provision shall apply in both civil and criminal forfeiture.

22          “(D) DISPOSITION OF FORFEITED ASSETS AND RETENTION.  
23          – **AFTER DEDUCTING COST OF LITIGATION, NINETY PERCENT**  
24          **(90%) OF THE NET PROCEEDS OF THE FORFEITED ASSETS OR**  
25          **PROCEEDS THEREFROM SHALL BE TURNED OVER TO THE**  
26          **NATIONAL TREASURY AND THE REMAINING TEN PERCENT (10%)**  
27          **BUT IN NO CASE MORE THAN TWO MILLION PESOS**  
28          **(Php2,000,000.00) SHALL BE RETAINED BY THE AMLC TO**  
29          **AUGMENT THE APPROPRIATION FOR ITS OPERATIONS AND**

1           **MAINTENANCE IN THE GENERAL APPROPRIATIONS ACT. FOR**  
 2           **THIS PURPOSE, THE AMLC MAY PROMULGATE RULES ON THE**  
 3           **SALE OF FORFEITED ASSETS.”**

4           **SEC. 8. Section 14 of the same Act, as amended, is hereby further**  
 5           **amended to read as follows:**

6                   **“SEC. 14. Penal Provisions. – (a) Penalties for the Crime**  
 7                   **of Money Laundering.** The penalty of imprisonment ranging from  
 8                   seven (7) to fourteen (14) years and a fine of not less than Three  
 9                   million Philippine pesos (Php3,000,000.00) but not more than  
 10                   twice the value of the monetary instrument or property involved in  
 11                   the offense, shall be imposed upon a person convicted under  
 12                   Section 4(a), (B), AND (C) of this Act.

13                   **“The penalty of imprisonment from four (4) to seven (7)**  
 14                   **years and a fine of not less than One million five hundred thousand**  
 15                   **Philippine pesos (Php1,500,000.00) but not more than Three**  
 16                   **million Philippine pesos (Php3,000,000.00), shall be imposed upon**  
 17                   **a person convicted under Section 4[(b)](D) of this Act.**

18                   **“The penalty of imprisonment from six (6) months to four (4)**  
 19                   **years or a fine of not less than One hundred thousand Philippine**  
 20                   **pesos (Php100,000.00) but not more than Five hundred thousand**  
 21                   **Philippine pesos (Php500,000.00), or both, shall be imposed on a**  
 22                   **person convicted under THE LAST PARAGRAPH OF Section 4[(c)]**  
 23                   **of this Act.**

24                   **“(b) x x x**

25                   **“(c) x x x**

26                   **“(d) x x x**

27                   **“(E) IMPOSITION OF ADMINISTRATIVE SANCTIONS. AFTER**  
 28                   **DUE NOTICE AND HEARING, THE AMLC SHALL, AT ITS**  
 29                   **DISCRETION, IMPOSE MONETARY PENALTIES, WARNING OR**

1 REPRIMAND, UPON ANY COVERED INSTITUTION, ITS DIRECTORS,  
2 OFFICERS, EMPLOYEES OR ANY OTHER PERSON FOR VIOLATIONS  
3 OF THIS ACT, ITS IMPLEMENTING RULES AND REGULATIONS, OR  
4 FOR FAILURE OR REFUSAL TO COMPLY WITH AMLC ORDERS,  
5 RESOLUTIONS AND OTHER ISSUANCES. SUCH MONETARY  
6 PENALTIES SHALL BE IN AMOUNTS AS MAY BE DETERMINED BY  
7 THE COUNCIL TO BE APPROPRIATE, WHICH SHALL BE NOT MORE  
8 THAN ONE HUNDRED THOUSAND PESOS (PHP100,000.00) PER  
9 VIOLATION, WHICH AMOUNT SHALL BE REMITTED TO THE  
10 NATIONAL TREASURY. THE AMLC MAY PROMULGATE RULES  
11 ON FINES AND PENALTIES TAKING INTO CONSIDERATION THE  
12 ATTENDANT CIRCUMSTANCES, SUCH AS THE NATURE AND  
13 GRAVITY OF THE VIOLATION OR IRREGULARITY, THE SIZE,  
14 FUNCTIONS AND RESOURCES OF THE COVERED INSTITUTION. THE  
15 IMPOSITION OF THE ADMINISTRATIVE SANCTIONS SHALL BE  
16 WITHOUT PREJUDICE TO THE FILING OF CRIMINAL CHARGES  
17 AGAINST THE PERSONS RESPONSIBLE FOR THE VIOLATION.”

18 SEC. 9. *Separability Clause.* – If any provision of this Act is  
19 declared unconstitutional, the same shall not affect the validity and effectivity  
20 of the other provisions hereof.

21 SEC. 10. *Repealing Clause.* – All laws, decrees, orders and issuances  
22 or portions thereof which are inconsistent with the provisions of this Act are  
23 hereby repealed or modified accordingly.

24 SEC. 11. *Effectivity.* – This Act shall take effect fifteen (15) days  
25 following its publication in at least two (2) national newspapers of general  
26 circulation.

Approved,