



HOUSE OF REPRESENTATIVES

H. No. 5015

BY REPRESENTATIVES ANTONINO, NOGRALES, TUPAS, FARIÑAS, FUA,
FERRER (J.), ARNAIZ AND LAGDAMEO (A.), PER COMMITTEE REPORT
NO. 1272

AN ACT DEFINING THE CRIME OF FINANCING OF TERRORISM,
PROVIDING PENALTIES THEREFOR AND FOR OTHER
PURPOSES

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

1 SECTION 1. *Short Title.* – This Act shall be known as “The Terrorism
2 Financing Prevention and Suppression Act of 2012”.

3 SEC. 2. *Declaration of Policy.* – It is the policy of the State to protect
4 life, liberty and property from acts of terrorism and to condemn terrorism and
5 those who support and finance it and to recognize it as inimical and dangerous
6 to national security and the welfare of the people, and to make the financing of
7 terrorism a crime against the Filipino people, against humanity and against the
8 law of nations.

9 The State, likewise, recognizes and adheres to international
10 commitments to combat the financing of terrorism, specifically to the
11 International Convention for the Suppression of the Financing of Terrorism, as
12 well as other binding terrorism-related Resolutions of the United Nations
13 Security Council pursuant to Chapter 7 of the Charter of the United Nations
14 (UN).

1 Toward this end, the State shall reinforce its fight against terrorism by
2 criminalizing the financing of terrorism and related offenses, and by preventing
3 and suppressing the commission of said offenses through freezing and
4 forfeiture of properties or funds while protecting human rights.

5 SEC. 3. *Definition of Terms.* – As used in this Act:

6 (a) *Anti-Money Laundering Council (AMLC)* refers to the Council
7 created by virtue of Republic Act No. 9160, as amended, otherwise known as
8 the “Anti-Money Laundering Act of 2001”, as amended.

9 (b) *Anti-Terrorism Council (ATC)* refers to the Council created by
10 virtue of Republic Act No. 9372, otherwise known as the “Human Security Act
11 of 2007”.

12 (c) *Covered institutions* refer to or shall have the same meaning as
13 defined under the Anti-Money Laundering Act (AMLA), as amended.

14 (d) *Dealing, with regard to property or funds*, refers to receipt,
15 acquisition, transacting, representing, concealing, disposing or converting,
16 transferring or moving, use as security of or providing financial services.

17 (e) *Designated persons* refer to any person or entity included in the
18 Consolidated List maintained by a Committee established by United Nations
19 Security Council Resolution No. 1267.

20 (f) *Forfeiture* refers to a court order transferring in favor of the
21 government, after due process, ownership of property or funds representing,
22 involving or relating to financing of terrorism as defined in Section 4 or an
23 offense under Sections 5, 6, 7, 8 or 9 of this Act.

24 (g) *Freeze* refers to the blocking or restraining of specific property or
25 funds from being transacted, converted, concealed, moved or disposed without
26 affecting the ownership thereof.

27 (h) *Property or funds* refer to financial assets, property of every kind,
28 whether tangible or intangible, movable or immovable, however acquired, and

1 legal documents or instruments in any form, including electronic or digital,
2 evidencing title to, or interest in, such funds or other assets including, but not
3 limited to, bank credits, travelers cheques, bank cheques, money orders, shares,
4 securities, bonds, drafts or letters of credit, and any interest, dividends or other
5 income on or value accruing from or generated by such funds or other assets.

6 (i) The provisions of Section 3 of Republic Act No. 9372 to the
7 contrary notwithstanding, for purposes of this Act, *terrorist* refers to any
8 natural person who:

9 (1) Commits, or attempts, or conspires to commit terrorist acts by any
10 means, directly or indirectly, unlawfully and willfully;

11 (2) Participates, as a principal or as an accomplice, in terrorist acts;

12 (3) Organizes or directs others to commit terrorist acts; or

13 (4) Contributes to the commission of terrorist acts by a group of
14 persons acting with a common purpose where the contribution is made
15 intentionally and with the aim of furthering the terrorist act or with the
16 knowledge of the intention of the group to commit a terrorist act.

17 (j) *Terrorist acts* refer to the following:

18 (1) Any act in violation of Section 3 or Section 4 of the Human
19 Security Act of 2007;

20 (a) The provisions of the second paragraph of Section 3 of Republic
21 Act No. 9372 to the contrary notwithstanding, for purposes of this Act, any act
22 intended to cause death or serious bodily injury to a civilian, or to any other
23 person not taking an active part in the hostilities in a situation of armed
24 conflict, when the purpose of such act, by its nature or context, is to intimidate
25 a population, or to compel a government or an international organization to do
26 or to abstain from doing any act; and

1 (b) Any act which constitutes an offense under this Act, or under the
2 law of a foreign State, that is within the scope of any of the following treaties
3 of which the Republic of the Philippines is a State party:

4 (i) Convention for the Suppression of Unlawful Seizure of Aircraft,
5 done at The Hague on 16 December 1970;

6 (ii) Convention for the Suppression of Unlawful Acts against the Safety
7 of Civil Aviation, done at Montreal on 23 September 1971;

8 (iii) Convention on the Prevention and Punishment of Crimes against
9 Internationally Protected Persons, including Diplomatic Agents, adopted by the
10 General Assembly of the United Nations on 14 December 1973;

11 (iv) International Convention against the Taking of Hostages, adopted
12 by the General Assembly of the United Nations on 17 December 1979;

13 (v) Convention on the Physical Protection of Nuclear Material, adopted
14 at Vienna on 3 March 1980;

15 (vi) Protocol for the Suppression of Unlawful Acts of Violence at
16 Airports Serving International Civil Aviation, supplementary to the Convention
17 for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done
18 at Montreal on 24 February 1988;

19 (vii) Convention for the Suppression of Unlawful Acts against the
20 Safety of Maritime Navigation, done at Rome on 10 March 1988;

21 (viii) Protocol for the Suppression of Unlawful Acts against the Safety
22 of Fixed Platforms located on the Continental Shelf, done at Rome on 10
23 March 1988; and

24 (ix) International Convention for the Suppression of Terrorist
25 Bombings, adopted by the General Assembly of the United Nations on
26 15 December 1997.

1 (k) The provisions of Section 17 of Republic Act No. 9372 to the
2 contrary notwithstanding, for purposes of this Act, *terrorist organization,*
3 *association or a group of persons* refers to any entity owned or controlled by
4 any terrorist or group of terrorists that:

5 (1) Commits, or attempts to commit, terrorist acts by any means,
6 directly or indirectly, unlawfully and willfully;

7 (2) Participates as an accomplice in terrorist acts;

8 (3) Organizes or directs others to commit terrorist acts; or

9 (4) Contributes to the commission of terrorist acts by a group of
10 persons acting with common purpose of furthering the terrorist act where the
11 contribution is made intentionally and with the aim of furthering the terrorist
12 act or with the knowledge of the intention of the group to commit a terrorist
13 act.

14 SEC. 4. *Financing of Terrorism.* – Any person who, directly or
15 indirectly, willfully and without lawful excuse, possesses, provides, collects or
16 uses property or funds or makes available property, funds or financial service
17 or other related services, by any means, with the unlawful and willful intention
18 that they should be used or with the knowledge that they are to be used, in full
19 or in part:

20 (a) To carry out or facilitate the commission of any terrorist act;

21 (b) By a terrorist organization, association or group; or

22 (c) By an individual terrorist, shall be guilty of the crime of financing
23 of terrorism and shall suffer the penalty of *reclusion temporal* in its maximum
24 period to *reclusion perpetua* and a fine of not less than Five hundred thousand
25 pesos (P500,000.00) nor more than One million pesos (P1,000,000.00).

1 Any person who organizes or directs others to commit the crime of
2 financing of terrorism under the immediately preceding paragraph shall
3 likewise be guilty of an offense and shall suffer the same penalty as herein
4 prescribed.

5 For purposes of this Act, knowledge or intent may be established by
6 direct evidence or inferred from the attendant circumstances.

7 For an act to constitute a crime under this Act, it shall not be
8 necessary that the funds were actually used to carry out a crime referred to
9 in Section 3(j) of this Act.

10 *SEC. 5. Attempt or Conspiracy to Commit the Crimes of Financing of*
11 *Terrorism and Dealing with Property or Funds of Designated Persons. –*
12 Any attempt to commit any crime under Section 4 or Section 8 of this Act shall
13 be penalized by a penalty two (2) degrees lower than that prescribed for the
14 commission of the same as provided under this Act.

15 Any conspiracy to commit any crime under Section 4 or Section 8 of
16 this Act shall be penalized by a maximum of *reclusion temporal* with a
17 corresponding fine of Five hundred thousand pesos (P500,000.00) but not
18 more than One million pesos (P1,000,000.00).

19 There is conspiracy to commit the offenses punishable under Sections 4
20 and 8 of this Act when two (2) or more persons come to an agreement
21 concerning the commission of such offenses and decided to commit it.

22 *SEC. 6. Accomplice. –* Any person who, not being a principal under
23 Article 17 of the Revised Penal Code or a conspirator as defined in Section 5
24 hereof, cooperates in the execution of either the crime of financing of terrorism
25 or conspiracy to commit the crime of financing of terrorism by previous or
26 simultaneous acts shall suffer the penalty one (1) degree lower than that
27 prescribed for the conspirator.

1 SEC. 7. *Accessory.* – Any person who, having knowledge of the
2 commission of the crime of financing of terrorism but without having
3 participated therein as a principal, takes part subsequent to its commission, by
4 profiting from it or by assisting the principal or principals to profit by the
5 effects of the crime, or by concealing or destroying the effects of the crime in
6 order to prevent its discovery, or by harboring, concealing or assisting in the
7 escape of a principal of the crime shall be guilty as an accessory to the crime of
8 financing of terrorism and shall be imposed a penalty two (2) degrees lower
9 than that prescribed for principals in the crime of financing terrorism.

10 SEC. 8. *Prohibition Against Dealing with Property or Funds of*
11 *Designated Persons.* – Any person who, not being an accomplice under
12 Section 6 or an accessory under Section 7 in relation to any property or fund,
13 deals directly or indirectly, in any way and by any means, with any property or
14 fund that he knows or has reasonable ground to believe is owned or controlled
15 by a designated person, organization, association or group of persons,
16 including funds derived or generated from property or funds owned or
17 controlled, directly or indirectly, by a designated person, organization,
18 association or group of persons, shall suffer the penalty of *reclusion temporal*
19 in its maximum period to *reclusion perpetua* and a fine of not less than Five
20 hundred thousand pesos (P500,000.00) nor more than One million pesos
21 (P1,000,000.00): *Provided,* That any person who takes reasonable steps to
22 ascertain that the property being dealt with was not owned or controlled by or
23 on behalf of any terrorist or terrorist entity or organization shall not be liable
24 under this section.

25 SEC. 9. *Offense by a Juridical Person, Corporate Body or Alien.* – If
26 the offender is a corporation, association, partnership or any juridical person,
27 the penalty shall be imposed upon the responsible officers, as the case may be,

1 who participated in, or allowed by their gross negligence, the commission of
2 the crime or who shall have knowingly permitted or failed to prevent its
3 commission. If the offender is a juridical person, the court may suspend or
4 revoke its license. If the offender is an alien, the alien shall, in addition to the
5 penalties herein prescribed, be deported without further proceedings after
6 serving the penalties herein prescribed.

7 SEC. 10. *Authority to Investigate Financing of Terrorism.* -- The
8 AMLC, either upon its own initiative or at the request of the ATC, is hereby
9 authorized to investigate:

10 (a) Any property or funds that are in any way related to financing of
11 terrorism or acts of terrorism; and

12 (b) Property or funds of any person or persons in relation to whom
13 there is probable cause to believe that such person or persons are committing
14 or attempting or conspiring to commit, or participating in or facilitating the
15 financing of terrorism or acts of terrorism as defined herein.

16 The AMLC may also enlist the assistance of any branch, department,
17 bureau, office, agency or instrumentality of the government, including
18 government-owned and -controlled corporations in undertaking measures to
19 counter the financing of terrorism, which may include the use of its personnel,
20 facilities and resources.

21 For purposes of this section and consistent with the provisions of
22 Republic Act No. 1405, otherwise known as the "Law on Secrecy of Bank
23 Deposits", as amended; Republic Act No. 6426, otherwise known as the
24 "Foreign Currency Deposit Act of the Philippines", as amended; Republic Act
25 No. 8791, otherwise known as "The General Banking Law of 2000"; and other
26 laws, the AMLC is hereby authorized to inquire into or examine deposits and
27 investments with any banking institution or nonbank financial institution and

1 their subsidiaries and affiliates without prejudice to the provisions of the
2 Anti-Money Laundering Act of 2001 and any subsequent amendments.

3 SEC. 11. *Authority to Freeze.* – The AMLC, either upon its own
4 initiative or at the request of the ATC, is hereby authorized to issue an *ex parte*
5 order to freeze without delay:

6 (a) Property or funds that are in any way related to financing of
7 terrorism or acts of terrorism; or

8 (b) Property or funds of any person, group of persons, terrorist
9 organization or association, in relation to whom there is probable cause to
10 believe that they are committing, or attempting or conspiring to commit, or
11 participating in or facilitating the commission of financing of terrorism or acts
12 of terrorism as defined herein.

13 The freeze order shall be effective for a period not exceeding five (5)
14 working days without prejudice to the adverse party or parties seeking judicial
15 review before the Court of Appeals or the Supreme Court. Upon a petition
16 filed by the AMLC before the expiration of the period, the effectivity of the
17 freeze order may be extended up to a period not exceeding six (6) months upon
18 order of the Court of Appeals: *Provided*, That the five (5)-working day period
19 shall be tolled upon filing of a petition to extend the effectivity of the freeze
20 order.

21 Notwithstanding the preceding paragraphs, the AMLC, consistent with
22 the Philippines' international obligations, shall be authorized to issue a freeze
23 order with respect to property or funds of a designated organization,
24 association, group or any individual to comply with binding terrorism-related
25 Resolutions of the UN Security Council pursuant to Article 41 of the Charter
26 of the UN. Said freeze order shall be effective until the basis for the issuance
27 thereof shall have been lifted. During the effectivity of the freeze order, an
28 aggrieved party may, within five (5) working days from issuance, file with the

1 Court of Appeals a petition to determine the basis of the freeze order according
2 to the principle of effective judicial protection.

3 The person whose property or funds have been frozen under the first
4 paragraph of this section may withdraw such sums as the court determines to
5 be reasonably needed for monthly family needs and sustenance, including the
6 services of counsel and the family medical needs of such person.

7 The person whose property or funds have been frozen under the third
8 paragraph of this section may withdraw such sums as the AMLC determines to
9 be reasonably needed for monthly family needs, including the services of
10 counsel and the family medical needs of such person.

11 However, if the property or funds subject of the freeze order are found
12 to be in any way related to financing of terrorism or acts of terrorism
13 committed within the jurisdiction of the Philippines, the said property or funds
14 shall be the subject of civil forfeiture proceedings as hereinafter provided.

15 SEC. 12. *Appropriation and Use of Funds of Public Attorney's Office*
16 *(PAO)*. – Any appropriation and use of funds of the PAO to provide free legal
17 assistance or services to persons charged of the offenses defined and penalized
18 herein shall not be construed as a violation of this Act, thereby exempting the
19 PAO from any liability.

20 SEC. 13. *Publication of Designation*. – The Department of Foreign
21 Affairs (DFA), with respect to designation under Section 3(e) of this Act and
22 Section 11 of this Act, shall establish, publish, review and amend a list of the
23 designated persons to which this Act or the Human Security Act applies. The
24 concerned agencies shall ensure that an electronic version of the document is
25 made available to the public in their respective website.

1 Each respective agency or authority shall ensure that information on
2 *procedures* established in the rules and regulations issued pursuant to this Act
3 for delisting, unfreezing and exemptions for basic and extraordinary expenses
4 shall likewise be made available in their respective website.

5 SEC. 14. *Duty of the Covered Institutions and/or Relevant Government*
6 *Agencies upon Receipt of the Freeze Order.* – Upon receipt of the notice of a
7 freeze order, the covered institutions and/or relevant government agencies shall
8 immediately preserve the subject property or funds in accordance with the
9 order of the AMLC and shall forthwith serve a copy of the notice of the freeze
10 order upon the owner or holder of the property or funds. Any responsible
11 officer or other person who fails to comply with a freeze order shall suffer the
12 penalty of imprisonment from six (6) months to four (4) years and a fine of not
13 less than One hundred thousand pesos (P100,000.00) nor more than Five
14 hundred thousand pesos (P500,000.00), at the discretion of the court, without
15 prejudice to the administrative sanctions that the AMLC may impose on the
16 erring covered institution.

17 SEC. 15. *Predicate Offense to Money Laundering.* – Financing of
18 terrorism under Section 4 and offenses punishable under Sections 5, 6 and 7 of
19 this Act shall be predicate offenses to money laundering as defined in Republic
20 Act No. 9160, otherwise known as the “Anti-Money Laundering Act of 2001”,
21 as amended, and subject to its suspicious transaction reporting requirement.

22 SEC. 16. *Civil Forfeiture.* – The procedure for the civil forfeiture of
23 property or funds found to be in any way related to financing of terrorism
24 under Section 4 and other offenses punishable under Sections 5, 6 and 7 of this
25 Act shall be made in accordance with the AMLA, as amended, its Revised
26 Implementing Rules and Regulations and the Rules of Procedure promulgated
27 by the Supreme Court.

1 SEC. 17. *Damages for Unproven Charge of Financing Terrorism.* – A
2 penalty of Five hundred thousand pesos (P500,000.00) shall be imposed on
3 any prosecuting agency or agencies that may have caused the filing of charges
4 to an accused who is acquitted on the basis of the grant to a motion of
5 demurrer to evidence by the accused.

6 SEC. 18. *Extra-Territorial Application of this Act.* – Subject to the
7 provision of an existing treaty, including the International Convention for the
8 Suppression of the Financing of Terrorism of which the Philippines is a State
9 Party, and to any contrary provision of any law of preferential application, the
10 criminal provisions of this Act shall apply:

11 (a) To individual persons who commit any of the crimes defined and
12 punished under this Act within the terrestrial domain, interior waters, maritime
13 zones and airspace of the Philippines;

14 (b) To individual persons who, although physically outside the
15 territorial limits of the Philippines, commit, conspire or plot to commit any of
16 the crimes defined and punished under this Act inside the territorial limits of
17 the Philippines;

18 (c) To individual persons who, although physically outside the
19 territorial limits of the Philippines, commit any of the said crimes on board
20 Philippine ship or Philippine airship;

21 (d) To individual persons who commit any of the said crimes within
22 any embassy, consulate or diplomatic premises belonging to or occupied by the
23 Philippine government in an official capacity;

24 (e) To individual persons who, although physically outside the
25 territorial limits of the Philippines, commit said crimes against Philippine
26 citizens or persons of Philippine descent, where their citizenship or ethnicity
27 was a factor in the commission of the crime; and

1 (f) To individual persons who, although physically outside the
2 territorial limits of the Philippines, commit said crimes directly against the
3 *Philippine government*.

4 The provisions of this Act shall likewise apply to a Filipino national
5 who, although outside the territorial jurisdiction of the Philippines, commit,
6 conspire or plot to commit any of the crimes defined and punished under this
7 Act.

8 In case of an alien whose extradition is requested pursuant to the
9 International Convention for the Suppression of the Financing of Terrorism,
10 and that alien is not extradited to the requesting State, the Republic of the
11 Philippines, without exception whatsoever and whether or not the offense was
12 committed in the Philippines, shall submit the case without undue delay to the
13 Department of Justice (DOJ) for the purpose of prosecution in the same
14 manner as if the act constituting the offense had been committed in the
15 Philippines, in which case, the courts of the Philippines shall have jurisdiction
16 over the offense.

17 SEC. 19. *Extradition*. – The Philippines may, at its option, subject to
18 the principle of reciprocity, consider the International Convention for the
19 *Suppression of the Financing of Terrorism* as a legal basis for requesting or
20 granting extradition in respect of the offenses set forth under this Act.

21 SEC. 20. *Applicability of the Revised Penal Code*. – The provisions of
22 Book I of the Revised Penal Code shall apply suppletorily to this Act.

23 SEC. 21. *Implementing Rules and Regulations*. – Within thirty (30)
24 days from the effectivity of this Act, the AMLC, in coordination with relevant
25 government agencies, shall promulgate rules and regulations to implement
26 effectively the provisions of this Act.

1 The rules and regulations to be promulgated may include, but not be
2 limited to, designation, delisting, notification of matters of interest of persons
3 affected by this Act, exceptions for basic and extraordinary expenses, matters
4 of evidence, definition of probable cause, interagency coordination,
5 publication of relevant information, administrative offenses and penalties,
6 procedures and forms, and other mechanisms for the implementation of this
7 Act.

8 SEC. 22. *Separability Clause.* – If, for any reason, any provision of
9 this Act is declared invalid or unconstitutional, the remaining provisions not
10 affected thereby shall continue to be in force and effect.

11 SEC. 23. *Repealing Clause.* – All laws, decrees, executive orders,
12 proclamations, rules and regulations and other issuances or parts thereof which
13 are inconsistent with the provisions of this Act are hereby repealed or modified
14 accordingly.

15 SEC. 24. *Effectivity Clause.* – This Act shall take effect fifteen (15)
16 days after its complete publication in the *Official Gazette* or in at least two (2)
17 newspapers of general circulation.

Approved,

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