



Circular Letter (CL) No.:	2021 - 012
Date:	24 February 2021
Supersedes:	

CIRCULAR LETTER

TO : All Insurance/Reinsurance Companies, Insurance and Reinsurance Brokers, Mutual Benefit Associations, Trusts for Charitable Uses, Pre-Need Companies, Health Maintenance Organizations and other Insurance Commission Regulated Entities

SUBJECT : Dissemination of the Republic Act No. 11521 entitled "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."

Attached herewith is a certified copy of Republic Act No. 11521 which was approved on January 29, 2021 entitled "**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.**"

For your information and guidance.

A blue ink handwritten signature of Dennis B. Funa.

DENNIS B. FUNA
Insurance Commissioner



Encl: A/S

H. No. 7904
S. No. 1945

Republic of the Philippines
Congress of the Philippines
Metro Manila
Eighteenth Congress
Second Regular Session

Begun and held in Metro Manila, on Monday, the twenty-seventh day of July, two thousand twenty.

[REPUBLIC ACT NO. 11521]

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:

SECTION 1. Section 2 of Republic Act No. 9160, as amended, is hereby amended to read as follows:

"SEC. 2. *Declaration of Policy.* - It is hereby declared 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 site for the proceeds of any unlawful activity. Consistent

with its foreign policy, the State shall extend cooperation in transnational investigations and prosecutions of persons involved in money laundering activities wherever committed, as well as in the implementation of targeted financial sanctions related to the financing of the proliferation of weapons of mass destruction, terrorism, and financing of terrorism, pursuant to the resolutions of the United Nations Security Council.”

SEC. 2. Section 3 of the same Act is hereby amended as follows:

“SEC. 3. *Definitions.* – For purposes of this Act, the following terms are hereby defined as follows:

“(a) ‘Covered persons’, natural or juridical refer to:

“(1) x x x;

“(9) Real estate developers and brokers;

“(10) Offshore gaming operators, as well as their service providers, supervised, accredited or regulated by the Philippine Amusement and Gaming Corporation (PAGCOR) or any government agency;

“(b) ‘Covered transaction’ is a transaction in cash or other equivalent monetary instrument involving a total amount in excess of Five hundred thousand pesos (P500,000.00) within one (1) banking day; for covered persons under Section 3(a)(8), a single casino cash transaction involving an amount in excess of Five million pesos (P5,000,000.00) or its equivalent in any other currency.

“For covered persons under Section 3(a)(9) herein, a single cash transaction involving an amount in excess of Seven million five hundred

thousand pesos (P7,500,000.00) or its equivalent in any other currency.

“(b-1) ‘Suspicious transactions’ are transactions with covered persons, regardless of the amounts involved, where any of the following circumstances exist:

“1. There is no underlying legal or trade obligation, purpose or economic justification;

“2. The client is not properly identified;

“3. The amount involved is not commensurate with the business or financial capacity of the client;

“4. Taking into account all known circumstances, it may be perceived that the client’s transaction is structured in order to avoid being the subject of reporting requirements under the Act;

“5. Any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client’s past transactions with the covered person;

“6. The transaction is in any way related to an unlawful activity or offense under this Act that is about to be, is being or has been committed; or

“7. Any transaction that is similar or analogous to any of the foregoing.

“x x x.

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

“(1) x x x;

“(33) Fraudulent practices and other violations under Republic Act No. 8799, otherwise known as ‘The Securities Regulation Code of 2000’;

“(34) Violation of Section 19 (a)(3) of Republic Act No. 10697, otherwise known as the ‘Strategic Trade Management Act’, in relation to the proliferation of weapons of mass destruction and its financing pursuant to United Nations Security Council Resolution Numbers 1718 of 2006 and 2231 of 2015”;

“(35) Violations 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 Twenty-five million pesos (P25,000,000.00) per 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 (BIR) in a separate proceeding; and

“(36) Felonies and offenses of a similar nature that are punishable under the penal laws of other countries.”

“x x x.

“(1) For purposes of covered persons under Section 3(a)(8), the following terms are hereby defined as follows:

“x x x

“(4) ‘Offshore gaming operator’ refers to an entity engaged in offering online games of chance or sporting events via the internet using a network and software program, by themselves or through local service providers.

“(5) ‘Service providers’ refer to duly constituted business corporations who provide components of offshore gaming operations to offshore gaming operators.

“x x x

“(m) ‘Real estate developer’ refers to any natural or juridical person engaged in the business of developing real estate development project for the account of the developer and offering them for sale or lease.

“(n) ‘Real estate broker’ refers to a duly registered and licensed natural person who, for a professional fee, commission or other valuable consideration, acts as an agent of a party in a real estate transaction to offer, advertise, solicit, list, promote, mediate, negotiate or effect the meeting of the minds on the sale, purchase, exchange, mortgage, lease or joint venture, or other similar transactions on real estate or any interest therein.

“(o) ‘Targeted financial sanctions’ refer to both asset freezing and prohibition to prevent funds or other assets from being made available, directly or indirectly, for the benefit of any individual, natural or legal persons or entity designated pursuant to relevant United Nations Security Council resolutions and its designation processes.

“(p) ‘Proliferation financing’ refers when a person:

“(1) Makes available an asset; or

“(2) Provides a financial service; or

“(3) Conducts a financial transaction; and the person knows that, or is reckless as to whether, the asset, financial service or financial transaction is intended to, in whole or in part, facilitate proliferation of weapons of mass destruction in relation to UN Security Council

Resolution Numbers 1718 of 2006 and 2231 of 2015.”

SEC. 3. Section 7 of the same Act is hereby amended to read as follows:

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

“(1) to require, receive and analyze covered or suspicious transactions reports from covered persons;

“x x x;

“(5) to investigate suspicious transactions and covered transactions deemed suspicious after determination by AMLC, money laundering activities, and other violations of this Act.

“x x x;

“(13) in the conduct of its investigation, the AMLC shall apply for the issuance of a search and seizure order with any competent court;

“(14) in the conduct of its investigation, the AMLC shall apply for the issuance of *subpoena ad testificandum* and/or *subpoena duces tecum* with any competent court;

“(15) to implement targeted financial sanctions in relation to proliferation of weapons of mass destruction and its financing, including *ex parte* freeze, without delay, against all funds and other assets that are owned and controlled,

directly or indirectly, including funds and assets derived or generated therefrom, by individuals or entities designated and listed under United Nations Security Council Resolution Numbers 1718 of 2006 and 2231 of 2015 and their successor resolutions as well as any binding resolution of the Security Council; and

“(16) to preserve, manage or dispose assets pursuant to a freeze order, asset preservation order, or judgment of forfeiture: *Provided, however,* That pending their 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.”

SEC. 4. A new Section 8-A is hereby inserted after Section 8 (Creation of a Secretariat) of Republic Act No. 9160, as amended to read as follows:

“SEC. 8-A. *Information Security and Confidentiality.* – The AMLC and its Secretariat shall securely protect information received or processed and shall not reveal, in any manner, any information known to them by reason of their office. This prohibition shall apply even after their separation from the AMLC.

“The AMLC shall formulate rules governing information exchange and dissemination, the security and confidentiality of such information, including procedures for handling, storage, and protection of, as well as access to such information.”

SEC. 5. Section 10 of the same Act is hereby further amended by inserting a new paragraph to read as follows:

“SEC. 10. *Freezing Monetary Instrument or Property.* –

“(a) Upon a verified *ex parte* petition by the AMLC and after determination that probable

cause exists that any monetary instrument or property is in any way related to an unlawful activity as defined in Section 3(i) hereof, the Court of Appeals may issue a freeze order which shall be effective immediately, for a period of twenty (20) days. Within the twenty (20)-day period, the Court of Appeals shall conduct a summary hearing, with notice to the parties, to determine whether or not to modify or lift the freeze order, or extend its effectivity. The total period of the freeze order issued by the Court of Appeals under this provision shall not exceed six (6) months. This is without prejudice to an asset preservation order that the Regional Trial Court having jurisdiction over the appropriate anti-money laundering case or civil forfeiture case may issue on the same account depending on the circumstances of the case, where the Court of Appeals will remand the case and its records: *Provided*, That if there is no case filed against a person whose account has been frozen within the period determined by the Court of Appeals, not exceeding six (6) months, the freeze order shall be deemed *ipso facto* lifted: *Provided, further*, That this new rule shall not apply to pending cases in the courts. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a nonworking day, the computation of the twenty-four (24)-hour period shall exclude the nonworking days.

“The freeze order or asset preservation order issued under this Act shall be limited only to the amount of cash or monetary instrument or value of property that court finds there is probable cause to be considered as proceeds of a predicate offense, and the freeze order or asset preservation order shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense.

“A person whose account has been frozen may file a motion to lift the freeze order and the

court must resolve this motion before the expiration of the freeze order.

“No court shall issue a temporary restraining order or a writ of injunction against any freeze order, except the Supreme Court.

“(b) For purposes of implementing targeted financial sanctions in relation to proliferation of weapons of mass destruction and its financing, as provided under Section 3(15), the AMLC shall have the power to issue, *ex parte*, an order to freeze without delay.

“The freeze order shall be effective until the basis for its issuance shall have been lifted. During the effectivity of the freeze order, the aggrieved party may, within twenty (20) days from issuance, file with the Court of Appeals a petition to determine the basis of the freeze order according to the principle of effective judicial protection: *Provided*, That the person whose property or funds have been frozen may withdraw such sums as the AMLC determines to be reasonably needed for monthly family needs and sustenance including the services of counsel and the family medical needs of such person.

“The AMLC, if circumstances warrant, may initiate civil forfeiture proceedings to preserve the assets and to protect it from dissipation. No court shall issue a temporary restraining order or a writ of injunction against the freeze order, except the Court of Appeals or the Supreme Court.”

SEC. 6. Section 12 of the same Act is hereby amended by inserting a new paragraph to read as follows:

“SEC. 12. (a) Civil Forfeiture. – x x x.

“(d) No court shall issue a temporary restraining order (TRO) or a writ of injunction against any provisional asset preservation order

or asset preservation order, except the Court of Appeals or the Supreme Court.”

SEC. 7. Section 14, paragraph (d) of Republic Act No. 9160, as amended, is hereby further amended to read as follows:

“SEC. 14. *Penal Provisions.* –

“x x x

“(d) Breach of Information Security and Confidentiality. The punishment of imprisonment ranging from three (3) to eight (8) years and a fine of not less than Five hundred thousand Philippine pesos (Php500,000.00) but not more than One million Philippine pesos (Php1,000,000.00), shall be imposed on a person convicted for a violation under Section 9(c) or Section 8-A on information security and confidentiality of this Act. If the offender is a public official or employee, he shall, in addition to the penalties prescribed herein, suffer the penalty of perpetual or temporary absolute disqualification from public office, as the case may be. In the case of a breach of confidentiality that is published or reported by media, the responsible reporter, writer, president, publisher, manager and editor-in-chief shall be liable under this Act.”

SEC. 8. Section 20 of the same Act is hereby amended to read as follows:

“SEC. 20. *Non-intervention in the Bureau of Internal Revenue (BIR) Operations.* – Nothing contained in this Act nor in related antecedent laws or existing agreements shall be construed to allow the AMLC to participate in any manner in the operations of the BIR. The AMLC may, however, coordinate with the BIR on investigations in relation to violations of Section 254 of the NIRC, as amended, as a predicate offense to money laundering.”

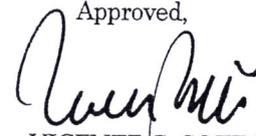
SEC. 9. *Implementing Rules and Regulations.* – The AMLC shall, within ninety (90) days from the effectivity of this Act, issue the necessary rules and regulations.

SEC. 10. *Separability Clause.* – If any provision or section of this Act is held to be unconstitutional or invalid, the other provisions or sections hereof, which are not affected thereby shall continue to be in full force and effect.

SEC. 11. *Repealing Clause.* – All provisions of existing laws, orders, rules and regulations, or parts thereof which are in conflict or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly: *Provided*, That all provisions of Republic Act No. 9160, as amended, which are not inconsistent with this Act are hereby adopted.

SEC. 12. *Effectivity.* – This Act shall take effect immediately after the completion of its publication in the *Official Gazette* or in a newspaper of general circulation.

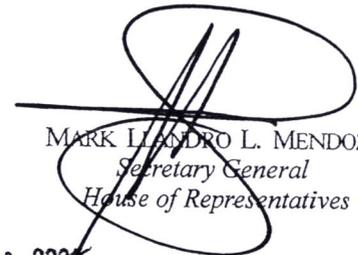
Approved,


VICENTE C. SOTTO III
President of the Senate


LORD ALLAN JAY Q. VELASCO
Speaker of the House of Representatives

This Act which is a consolidation of House Bill No. 7904 and Senate Bill No. 1945 was passed by the House of Representatives and the Senate of the Philippines on January 20, 2021.


MYRA MARIE D. VILLARICA
Secretary of the Senate


MARK ILANDRO L. MENDOZA
Secretary General House of Representatives

Approved: JAN 29 2021

