



<b>Circular Letter (CL) No.:</b>	<b>2021-57</b>
<b>Date:</b>	<b>6 October 2021</b>

**TO :** All Insurance/Reinsurance Companies, Insurance and Reinsurance Brokers, Mutual Benefit Associations, Trusts for Charitable Uses, Pre-Need Companies, Health Maintenance Organizations and other Covered Persons under the Regulation of the Insurance Commission

**SUBJECT :** Dissemination of Anti-Money Laundering Council (AMLC) Regulatory Issuance on the Amendments to Certain Provisions of the 2018 Implementing Rules and Regulations (IRR) of the AMLA, as amended, Targeted Financial Sanctions (Related to Proliferation of Weapons of Mass Destructions and Proliferation Financing), and Amendments to Certain Provision of ARI No. 4, Series of 2020

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Disseminating to all ICREs the following AMLC regulatory issuances (ARI) relative to the amendments to certain provisions of the 2018 IRR of the AMLC, as amended<sup>1</sup>, targeted financial sanctions (TFS) related to proliferation of weapons of mass destruction (WMD) and proliferation financing (PF), and amendments to certain provisions of ARI No. 4, series of 2020, copies attached.

**a. ARI A, B and C No. 1, Series of 2021 which contains amendments to the 2018 IRR of the AMLA , as amended<sup>2</sup>, which include the following:**

- (i) expansion of the list of covered persons to include real estate developers and brokers as well as the offshore gaming operators and their service providers;
- (ii) inclusion in the list of unlawful activities the violations 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 (WMD) and its financing and Section 254 of

<sup>1</sup> Republic Act No. 11521 further amending the Anti-Money Laundering Act, as amended.

<sup>2</sup> [http://www.amlc.gov.ph/images/PDFs/ARI%20No%201%20Amendments%20to%202018%20IRR%20final%20\(for%20publication\)%20-%20original%20signed.pdf](http://www.amlc.gov.ph/images/PDFs/ARI%20No%201%20Amendments%20to%202018%20IRR%20final%20(for%20publication)%20-%20original%20signed.pdf)

Chapter II, Title X of the National Internal Revenue Code of 1997, as amended); and

- (iii) the 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 WMD and its financing, including *ex parte* freeze.

**b. TFS related to Proliferation of WMD and PF<sup>3</sup>**

This requires all covered persons (CPs) to implement TFS relating proliferation to of WMD 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 United Nation Security Council (UNSC) Resolution Nos. 1718 (2006)<sup>4</sup> (concerning the Democratic People's Republic of Korea) and 2231 (2015) (concerning the Islamic Republic of Iran) and their successor resolutions under the UNSC Consolidated List.

The AMLC issued the TFS related to proliferation of WMD and PF specifically directing CPs to:

- (i) incorporate UNSC Resolution Nos. 1718 (2005) and 2231 (2015), and their successor resolutions in their Customer Due Diligence/Risk Profiling policies and procedures;
- (ii) 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**);
- (iii) submit a return to the AMLC within twenty-four (24) hours from effecting the TFS;
- (iv) prohibit from dealing with properties or funds of designated persons or entities;
- (v) file suspicious transaction report (STR) for attempted transactions or dealings;
- (vi) immediately inform the AMLC of any temporary freeze or hold against a potential target match in addition to the filing of an STR; and
- (vii) 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.

<sup>3</sup> <http://www.amlc.gov.ph/images/PDFs/TFS%20final.pdf>

<sup>4</sup> <https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated.xml&xslt=htdocs/resources/xsl/en/dprk.xsl>

**c. ARI No. 2 dated 31 January 2021 – Amendments to Certain Provisions of ARI No. 4, Series of 2020, also known as “Freeze Order for Potential Target Matches under the UNSC Consolidated Lists (Targeted Financial Sanctions)”<sup>5</sup>**

This amends ARI No. 4, which specifically incorporates provisions relating to the implementation of TFS for PF, such as the legal basis of TFS related to terrorism and terrorist financing, list of AMLC resolutions/freeze orders (FOs) to implement TFS, directive and coverage of the FOs, who needs to comply with the TFS, and filing of detailed return before the AMLC. It also provides new chapters to cover administrative remedies (Chapter 5), authorized dealings and exemptions (Chapter 6), TFS related to PF (Chapter 7), and sanctions (Chapter 8).

For your strict compliance.



**DENNIS B. FUNA**  
Insurance Commissioner



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<sup>5</sup> <http://www.amlc.gov.ph/images/PDFs/ARI%20TFS%20Guidelines%20.pdf>



## ANTI-MONEY LAUNDERING COUNCIL

### AMLC REGULATORY ISSUANCE (ARI) A, B, and C No. 1 Series of 2021

Subject : **Amendments to Certain Provisions of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160, as Amended**

By the authority vested in me by the Anti-Money Laundering Council (AMLC), pursuant to AMLC Resolution No. 27, Series of 2021, the following amendments to certain provisions of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160, as amended, are hereby issued.

**Section 1.** Section 2 (c) of Rule 1 of the 2018 Implementing Rules and Regulations (IRR) is hereby amended to read as follows:

#### **“RULE 1 – PURPOSE, POLICIES AND PRINCIPLES**

xxx

#### **Section 2. State Policies on AML/CTF.**

The provisions of this IRR are in line with the following State Policies:

(a) x x x

(c) To extend cooperation, consistent with Philippines’ foreign policy, 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 terrorism financing, pursuant to the resolutions of the United Nations Security Council.”

**Section 2.** Section 1 of Rule 2 is hereby amended by inserting new paragraphs and the remaining subparagraphs are alphabetically relettered accordingly:

#### **“RULE 2 – DEFINITION OF TERMS**

#### **Section 1. Definitions.**

For purposes of this IRR, the following terms are hereby defined as follows:

(a) x x x;

(w) **“Covered Transaction”** refers to:

- (1) A transaction in cash or other equivalent monetary instrument exceeding Five Hundred Thousand pesos (PHP500,000.00).

- (2) A transaction with or involving jewelry dealers, dealers in precious metals and dealers in precious stones in cash or other equivalent monetary instrument exceeding One Million pesos (Php1,000,000.00).
- (3) A casino cash transaction exceeding Five Million Pesos (PHP5,000,000.00) or its equivalent in other currency.
- (4) A cash transaction with or involving real estate developers or brokers exceeding Seven Million Five Hundred Thousand Pesos (P7,500,000.00) or its equivalent in any other currency.

x x x

(nnn) “**Offshore Gaming Operator**” (OGO) 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.

(ooo) “**Offshore Gaming Operator Service Provider**” (OGO-SP) refers to a duly constituted business corporation who provides components of offshore gaming operations to offshore gaming operators.

x x x

(eeee) “**Proliferation of Weapons of Mass Destruction**” refers to the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of weapons of mass destruction, in contravention of national laws or, where applicable, international obligations.

(ffff) “**Proliferation of Weapons of Mass Destruction Financing/Proliferation Financing**” (PF) 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 WMD in relation to UNSC Resolution Nos. 1718 of 2006 and 2231 of 2015.

x x x

(kkkk) “**Real Estate**” refers to the land and all those items which are attached to the land. It is the physical, tangible entity, together with all the additions or improvements on, above or below the ground.

(llll) “**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.

x x x

(mmmm) **“Real Estate Developer”** refers to any natural or juridical person engaged in the business of developing real estate development project for his/her or its own account and offering them for sale or lease.

x x x

(ssss) **“Strategic Trade Management Act”** (STMA) refers to Republic Act No. 10697.

(tttt) **“Strategic Trade Management Office”** (STMO) refers to the bureau under the administrative supervision of the Department of Trade and Industry (DTI) which serves as the executive and technical agency of the national government for the establishment of the management systems for the trade in strategic goods.

x x x

(vvvvv) **“Weapons of Mass Destruction”** (WMD) refers to chemical, biological, radiological, or nuclear weapons which are capable of high order of destruction or causing mass casualties. It excludes the means of transporting or propelling the weapon where such means is a separable and divisible part from the weapon.

x x x

(lllll) **“Targeted Financial Sanctions”** (TFS) 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 UNSC resolutions and its designation process.

x x x

(sssss) **“United Nations Security Council”** (UNSC) refers to the principal organ of the United Nations that has primary responsibility for the maintenance of international peace and security.

x x x”

**Section 3.** Section 1 of Rule 3 of the 2018 IRR is hereby amended to read as follows:

**“RULE 3 – UNLAWFUL ACTIVITIES**

**Section 1. Unlawful Activities.**

Unlawful activities refer to any act or omission, or series or combination thereof, involving or having direct relation, to the following:

(a) x x x

(hh) Violation of Section 19 (A)(3) of Republic Act No. 10697, otherwise known as “The Strategic Trade Management Act”, in relation to Proliferation of WMD and PF pursuant to UNSC Resolution Nos. 1718 of 2006 and 2231 of 2015;

(ii) 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;

(jj) Felonies and Offenses of a similar nature that are punishable under the penal laws of other countries.

x x x”

**Section 4.** Section 1 (b) of Rule 4 of the 2018 IRR is hereby amended to read as follows:

**“RULE 4 – COVERED PERSONS**

Section 1. Covered Persons.

The following are the covered persons under the AMLA:

(a) The following financial institutions:

x x x

(b) The following DNFBPs:

(1) xxx

(6) Real Estate Brokers and Developers

(7) Offshore Gaming Operators, as well as their service providers, supervised, accredited or regulated by the Philippine Amusement and Gaming Corporation (PAGCOR) or any AGA, as herein defined.”

**Section 5.** Section 1.3, Rule 5 of the IRR is hereby amended to read as follows:

**“RULE 5 – ANTI-MONEY LAUNDERING COUNCIL**

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*1.3. Confidentiality and Security of Records and Premises.*

1.3.1 The Council and the officers and staff of the AMLC 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.

1.3.2 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, office premises, records and information technology systems.”

**Section 6.** Section 1, Rule 6 of the 2018 IRR is hereby amended to read as follows:

**“RULE 6 – POWERS AND FUNCTIONS OF THE AMLC**

**A. Central AML/CTF Authority.**

x x x

**B. Financial Intelligence Unit.**

***1.6. National Center for Receipt and Analysis of CTRs and STRs.***

1.6.1. The AMLC shall require, receive and analyze CTRs and STRs from covered persons, in accordance with Rule 22 (Transaction Reporting) hereof.”

x x x

**C. ML/TF Investigator.**

***1.9. Financial Investigator.***

1.9.1. The AMLC shall investigate the following:

- (a) Suspicious transactions and covered transactions deemed suspicious after determination by the AMLC;
- (b) ML/TF activities;
- (c) Any property or funds that are in any way related to TF pursuant to the TFPISA;
- (d) Any property or funds that are in any way related to violations of Sections 4 (Terrorism), 5 (Threats to Commit Terrorism), 6 (Planning, Training, Preparing, and Facilitating the Commission of Terrorism), 7 (Conspiracy to Commit Terrorism), 8 (Proposal to Commit Terrorism), 9 (Inciting to Commit Terrorism), 10 (Recruitment to and Membership in a Terrorist Organization), 11 (Foreign Terrorist), or 12 (Providing Material Support to Terrorists) of the ATA;
- (e) Properties or funds of any person in relation to whom there is probable cause to believe that such person or persons are committing or attempting to commit or conspiring to commit, or participating in or facilitating TF and violations of Sections 4, 6, 7, 10, 11, or 12 of the ATA;



- (f) Other violations of the AMLA and TFPISA, their respective IRR, and other AMLC issuances.

x x x

1.9.4. In the exercise of its investigative functions, the AMLC may:

(a) xxx;

(e) apply for the issuance of a search and seizure order with any competent court; and

(f) apply for the issuance of subpoena ad testificandum and/or subpoena duces tecum with any competent court.

x x x

D. Government Representative in ML/TF Cases.

x x x

E. Implementor of Targeted Financial Sanctions.

1.13. *TFS Related to Proliferation of WMD and PF.*

The AMLC shall implement TFS in relation to proliferation of WMD and PF, 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 UNSC Resolution Nos. 1718 of 2006 and 2231 of 2015, and their successor resolutions, as well as any binding resolution of the UNSC.

F. Asset Management Unit.

1.14. *Asset Manager*

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.”

**Section 7.** Rule 10 of the 2018 IRR is hereby amended to read as follows:

**“RULE 10 – FREEZE ORDER AND TARGETED FINANCIAL SANCTIONS**

## **Section 5. TFS Related to PF.**

### *5.1. Targeted Financial Sanctions.*

The Council shall issue TFS to implement the relevant UNSC Resolution relating to the prevention, suppression and disruption of proliferation of WMD and PF.

### *5.2. Effect and Coverage of TFS.*

#### *5.2.1. Ex Parte Freeze without Delay.*

The TFS shall require all persons and entities to freeze the following within a matter of hours from the time that the designation and the freeze order is published in the AMLC website:

(i) all funds or other assets that are owned or controlled by the designated person or entity, and not just those that can be tied to a particular act, plot or threat of proliferation of WMD and PF;

(ii) those funds or other assets that are wholly or jointly owned or controlled, directly or indirectly, by designated persons or entities;

(iii) the funds or other assets derived or generated from funds or other assets owned or controlled directly or indirectly by designated persons or entities; and

(iv) funds or other assets of persons and entities acting on behalf of, or at the direction of designated persons or entities.

#### *5.2.2. Prohibition against Dealing.*

The TFS shall prohibit any person or entity from making any funds or other assets available for the benefit of designated persons or entities, unless licensed, authorized or otherwise notified in accordance with the relevant UNSC Resolutions.

### *5.3. Effectivity of the TFS.*

The TFS shall be effective until the basis for its issuance has been lifted.

### *5.4. Duties of Covered Persons and Other Individuals or Entities relating to TFS.*

#### *5.4.1 For covered persons and concerned government agencies:*

(a) Immediately upon receipt or knowledge of the TFS issued by the AMLC, the relevant provisions of Rule 10, Section 4 (Duties of Covered Persons and Concerned Government Agencies) hereof shall be observed.

- (b) To report to the AMLC any assets frozen or actions taken in compliance with the prohibition requirements of the relevant UNSC Resolutions, including attempted transactions.

5.4.2. For covered persons and other individuals or entities:

To permit the addition to the accounts frozen pursuant to UNSC Resolution Nos. 1718 (2006) or 2231 (2015) 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 provisions of said resolutions. Provided, that any such interest, other earnings and payments continue to be subject to these provisions and are frozen.

*5.5. Authorizations to Make Payments Due Under Prior Contracts.*

5.5.1. Designated persons or entities may apply to the AMLC for an authorization to make payment due under a contract entered into prior to the listing of such person or entity.

5.5.2. The Council may grant an authorization to the designated persons or entities subject to the following conditions:

- (a) The STMO has determined that the contract is not related to any of the prohibited items, materials, equipment, goods, technologies, assistance, training, financial assistance, investment, brokering or services referred to in UNSC Resolution No. 2231 (2015) and any future successor resolutions;
- (b) The STMO has determined that the payment is not directly or indirectly received by a person or entity subject to the measures in paragraph 6 of Annex B (Statement) to UNSC Resolution No. 2231 (2015); and
- (c) The AMLC has submitted prior notification to the UNSC of the intention to make or receive such payments or to authorize, where appropriate, the unfreezing of funds, other financial assets or economic resources for this purpose, ten (10) working days prior to such authorization.

*5.6. Remedy of the Aggrieved Party.*

During the effectivity of the TFS, the aggrieved party may, within twenty (20) days from issuance, file, before the Court of Appeals, a petition to determine the basis of the TFS, 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 Council determines to be reasonably needed for monthly family needs and sustenance, including the services of counsel and the family medical needs of such person, and in compliance with the conditions set out in UNSC Resolution Nos. 1718 (2006) and 2231 (2015).

*5.7. Lifting of the TFS Based on Mistaken Identity.*

Any person whose property or funds have been subject of the TFS by reason of having a similar name as the subject of designation may apply for the lifting of the TFS with the AMLC by submitting relevant government-issued identification documents or other relevant documents that would show the true identity of the aggrieved party.

*5.8. Civil Forfeiture of Assets related to PF.*

The AMLC, if circumstances warrant, may initiate a civil forfeiture proceeding, in accordance with Rule 12 (Civil Forfeiture) hereof, to preserve the assets related to PF and to protect it from dissipation.

*5.9. No Injunction against TFS.*

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

**Section 6. Notice of Designation and De-listing Mechanism.**

**6.1. Request for Delisting.**

6.1.1. The AMLC may motu proprio or upon request of a designated person file a petition for delisting with the appropriate UNSC committee.

6.1.2. The AMLC shall post the updated UNSC procedures for delisting and access to frozen funds setting forth the web links and addresses of the relevant UNSC Committee responsible for acting on delisting requests and access to frozen funds.

6.1.3. The petition for delisting may also be filed directly by the designated person pursuant to the rules established by the appropriate UNSC Committee.

**6.2. Notice of Delisting.**

Where persons, organizations, associations, or groups of persons are delisted by the UNSC or its appropriate sanctions committee, the AMLC shall post in its website a notice that the person, organization, association, or group of persons has been delisted.

**6.3. Posting, Publication, Dissemination, and Notice of Designation**

6.3.1. The AMLC shall publish and/or post a link to the specific list of designated persons or entities under UNSC Resolution Nos. 1718 (2006) and 2231 (2015) and their successor resolutions in the official website of the AMLC.

6.3.2. The AMLC shall adopt a mechanism for immediately communicating designations and provide clear guidance, to the

covered persons and other persons or entities that may be holding targeted funds or other assets, on their obligations in taking action under the TFS.

**Section 7. Safe Harbor.**

No administrative, criminal, or civil proceedings shall lie against any person or entity for acting in good faith when implementing the TFS as provided under pertinent UNSC Resolutions.

**Section 8. TFS Guidelines.**

The AMLC shall update or formulate the TFS guidelines to assist covered persons and other persons in implementing TFS related to proliferation of WMD and PF.”

**Section 8.** Section 1 of Rule 12 of the 2018 IRR is hereby amended to read as follows:

**“Rule 12 - ASSET FORFEITURE**

**Section 1. General Rules on Asset Forfeiture.**

The following rules shall be observed in asset forfeiture proceedings:

(a) xxx

(c) No court shall issue a temporary restraining order or a writ of injunction against any provisional asset preservation order or asset preservation order, except the Court of Appeals or the Supreme Court.”

**Section 9.** Section 6.5 of Rule 19 of the 2018 IRR is hereby amended to read as follows:

**“Rule 19 - PREVENTIVE MEASURES FOR SPECIFIC TRANSACTIONS AND ACTIVITIES**

**Section 6. Wire Transfers.**

6.1 x x x

*6.5 Implementation of Targeted Financial Sanctions.*

Covered persons shall comply with the obligations set out in the relevant United Nations Security Council Resolutions relating to the prevention and suppression of terrorism and TF, including the freezing and unfreezing actions as well as prohibitions from conducting transactions with designated persons and entities.”

**Section 10.** Section 5 of Rule 25 of the 2018 IRR is hereby amended to read as follows:

**“Rule 25 - CRIMINAL SANCTIONS**

**Section 5. Penalties for Breach of Information Security and Confidentiality.**

5.1. The punishment of imprisonment ranging from three (3) to eight (8) years and a fine of not less than five hundred thousand pesos (PHP500,000.00) but not more than one million 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 the AMLA. In case of a breach of confidentiality that is published or reported by the media, the responsible reporter, writer, president, publisher, manager and editor-in-chief shall be liable under the AMLA.

5.2. 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.”

**Section 11.** Section 1.1 of Rule 31 of the 2018 IRR is hereby amended to read as follows:

**“Rule 31 - OTHER FORMS OF INTERNATIONAL COOPERATION**

**Section 1. Assistance to International Organizations.**

1.1. The AMLC shall cooperate and act in respect of conventions, resolutions and other directives, including the implementation of targeted financial sanctions, of the United Nations, United Nations Security Council, and other international organizations of which the Philippines is a member, that has relation to the following:

- (a) ML/TF and associated unlawful activities, and
- (b) Financing of proliferation of weapons of mass destruction.”

**Section 12.** Rule 33 of the 2018 IRR is hereby amended to read as follows:

**“RULE 33 – NON-INTERVENTION IN THE OPERATIONS OF THE BUREAU OF INTERNAL REVENUE**

**Section 1. Non-intervention with BIR Operations.**

The AMLC shall not intervene or participate in the operations of the Bureau of Internal Revenue.

**Section 2. Coordination with BIR.**

The AMLC may 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.”

**Section 13.** Effectivity. – This Regulatory Issuance shall take effect immediately after the completion of its publication in a newspaper of general circulation.

Except as provided herein, all the other provisions of the 2018 IRR shall remain in full force and effect.

FOR THE AMLC:

ORIGINAL SIGNED  
**MEL GEORGIE B. RACELA**  
Executive Director  
AMLC Secretariat

30 January 2021



Republic of the Philippines  
**ANTI-MONEY LAUNDERING COUNCIL**

**TARGETED FINANCIAL SANCTIONS**  
(RELATED TO PROLIFERATION OF WEAPONS OF MASS DESTRUCTION  
AND PROLIFERATION FINANCING)

*WHEREAS*, Section 1 of Republic Act No. 9160, also known as the Anti-Money Laundering Act of 2001, as amended (AMLA), states that, 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 (WMD), terrorism, and terrorism financing, pursuant to the resolutions of the United Nations Security Council.

*WHEREAS*, Section 7(15) of the AMLA states that the Anti-Money Laundering Council (AMLC) shall implement targeted financial sanctions relating to proliferation of mass destruction and its financing, including *ex parte* freeze, without delay, against all funds and assets that are owned or controlled, directly or indirectly, including funds and assets derived or generated therefrom, by individuals or entities designated and listed under United Nations Security Council (UNSC) Resolution Nos. 1718 (2006) (concerning the *Democratic People's Republic of Korea*) and 2231 (2015) (concerning the *Islamic Republic of Iran*), and their successor resolutions, as well as any binding resolution of the UNSC.

*WHEREAS*, Rule 2, Section 1 (IIIII) of the 2018 Implementing Rules and Regulations of the AMLA, as amended by AMLC Regulatory Issuance No. 1, Series of 2021 (IRR), in relation to Section 3(o) of the AMLA, defines "Targeted Financial Sanctions" (TFS) to 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 UNSC resolutions and its designation process.

*WHEREAS*, Rule 2, Section 1 (fffff) of the 2018 IRR, in relation to Section 3(p) of the AMLA, defines "Proliferation Financing" (short for "Proliferation of Weapons of Mass Destruction Financing") (PF) to refer to an action or circumstance 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 UNSC Resolution Nos. 1718 (2006) and 2231 (2015).

*WHEREAS*, Rule 10, Section 5.2, of the 2018 IRR of the AMLA, states that Targeted Financial Sanctions shall have the following effects and coverage:



5.2.1. *Ex Parte Freeze without Delay.*

The TFS shall require all persons and entities to freeze the following within a matter of hours from the time that the designation and the freeze order is published in the AMLC website:

- (i) all funds or other assets that are owned or controlled by the designated person or entity, and not just those that can be tied to a particular act, plot or threat of proliferation of WMD and PF;
- (ii) those funds or other assets that are wholly or jointly owned or controlled, directly or indirectly, by designated persons or entities;
- (iii) the funds or other assets derived or generated from funds or other assets owned or controlled directly or indirectly by designated persons or entities; and
- (iv) funds or other assets of persons and entities acting on behalf of, or at the direction of designated persons or entities.

5.2.2. *Prohibition against Dealing.*

The TFS shall prohibit any person or entity from making any funds or other assets available for the benefit of designated persons or entities, unless licensed, authorized or otherwise notified in accordance with the relevant UNSC Resolutions.

*WHEREAS*, Rule 10, Section 5.3, of the 2018 IRR, in relation to Section 10 (b) of the AMLA, states that Targeted Financial Sanctions shall be effective until the basis for its issuance has been lifted.

*WHEREAS*, Rule 10, Section 5.4, of the 2018 IRR, states that immediately upon receipt or knowledge of the TFS issued by the AMLC, covered persons and concerned government agencies shall observed the provisions of Rule 10, Section 4 (Duties of Covered Persons and Concerned Government Agencies) and to report to the AMLC actions taken in compliance with the prohibition requirements of the relevant UNSC Resolutions, including attempted transactions (both actions shall be referred to as return).

*WHEREAS*, Rule 10, Section 5.4.2, of the 2018 IRR, states that covered persons and other individuals or entities shall permit the addition to the accounts frozen pursuant to UNSC Resolution Nos. 1718 (2006) or 2231 (2015) 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 provisions of said resolutions. Provided, that any such interest, other earnings and payments continue to be subject to these provisions and are frozen.

**WHEREFORE**, the Council resolved to issue Targeted Financial Sanctions related to Proliferation of Weapons of Mass Destruction and Proliferation Financing:

1. **DIRECTING** covered persons to incorporate the United Nations Security Council (UNSC) Resolution Nos. 1718 (2005) and 2231 (2015), and successor resolutions under the United Nations Security Council Consolidated List in their Customer Due Diligence/Risk Profiling policies and procedures;
2. **DIRECTING** all persons, including private individuals, and entities, such as, but not limited to covered persons and concerned government agencies, to **FREEZE** the properties or funds of designated persons or entities or those whose identities match with all the information provided in the Consolidated List (**Target Match**).
3. **DIRECTING** all covered persons and concerned government agencies to submit a return to the AMLC within twenty-four (24) hours from effecting the TFS;
4. **DIRECTING** all persons, including private individuals, and entities, such as, but not limited to covered persons and concerned government agencies, to permit the 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.
5. **PROHIBITING** all persons, including private individuals, and entities, such as, but not limited to covered persons and concerned government agencies from dealing with properties or funds of designated persons or entities;
6. **REQUIRING** covered persons to file a suspicious transaction report for attempted transactions or dealings.

7. DIRECTING all persons, including private individuals, and entities, such as, but not limited to covered persons and concerned government agencies, to 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 provided in the Consolidated List (**Potential Target Match**);
8. REQUIRE covered persons and stakeholders to immediately inform the AMLC of any temporary freeze or hold against a potential target match in addition to the filing of a suspicious transaction report;

The Targeted Financial Sanctions related to PF is effective immediately upon publication in the AMLC website.

31 January 2021, Manila, Philippines.

For the AMLC:

ORIGINAL SIGNED  
**MEL GEORGIE B. RACELA**  
Executive Director



# ANTI-MONEY LAUNDERING COUNCIL

## REGULATORY ISSUANCE NO. 2

Series of 2021

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

By the authority vested in me by the Anti-Money Laundering Council (AMLC), pursuant to AMLC Resolution No. 31, Series of 2021, the following amendments to certain provisions of AMLC Regulatory Issuance (ARI) No. 4, Series of 2020, also known as “Freeze Order for Potential Target Matches under the United Nations Security Council Consolidated Lists (Targeted Financial Sanctions)”, are hereby issued.

**Section 1.** Chapter 1 (*General Provisions*), Sections 1 and 2 of ARI No. 4, Series of 2020 is hereby amended to read as follows:

**“Section 1. Title and Purpose.**

- 1.1. This set of guidelines shall be known as the “Targeted Financial Sanctions Guidelines”.
- 1.2. This Regulatory Issuance is promulgated to assist covered persons and the public in the implementation of the targeted financial sanctions requirements.

x x x.

**Section 2. State Policies.**

This Issuance is pursuant to the following State Policies under the TFPSA:

- (a) x x x.
- (d) To extend cooperation, consistent with Philippines’ foreign policy, 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 terrorism financing, pursuant to the resolutions of the United Nations Security Council.”

**Section 2.** Chapter 1 (*General Provisions*), Section 2 of ARI No. 4, Series of 2020 is hereby amended by inserting new paragraphs and the remaining paragraphs are alphabetically relettered accordingly:

**“Section 2. Definition of Terms.**

For purposes of this Issuance, the following terms are hereby defined as follows:

- (a) x x x.
- (c) **“Anti-Terrorism Act of 2020”** (ATA) refers to Republic Act No. 11479 and its Implementing Rules and Regulations (IRR).
- (d) **“Anti-Terrorism Council”** (ATC) refers to the Council created under Section 45 of the ATA of 2020.

x x x

- (g) **“Designated Persons”** refers to:
  - (1) x x x;
  - (2) Any person, organization, association, or group of persons designated under paragraph 3, Section 25 of the ATA; and
  - (3) Any person or entity designated under United Nations Security Council Resolution Nos. 1718 (2006) and 2231 (2015).
- (h) **“Freeze Order”** (FO) refers to x x x.

Examples of such freeze orders are AMLC Resolution Nos. TF-01 and TF-02 issued in 2012 and TF-33 and 34 issued in 2020.

x x x

- (j) **“Name Match”** refers to an individual or entity whose name matches with a name in the *UNSC Consolidated List* and any list of designations made by the ATC under Section 25 of the ATA.

x x x

- (m) **“Potential Target Match”** refers to an individual or entity whose identity matches most, but not all, of the identifier information provided in the *UNSC Consolidated List* and any list of designations made by the ATC under Section 25 of the ATA.
- (n) **“Proliferation of Weapons of Mass Destruction”** refers to the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of weapons of mass destruction, in contravention of national laws or, where applicable, international obligations.
- (o) **“Proliferation of Weapons of Mass Destruction Financing/Proliferation Financing” (PF)** refers to an action or circumstances 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 WMD in relation to UNSC Resolution Nos. 1718 of 2006 and 2231 of 2015.
- (p) **“Strategic Trade Management Act” (STMA)** refers to Republic Act No. 10697.
- (q) **“Strategic Trade Management Office” (STMO)** refers to the bureau under the administrative supervision of the Department of Trade and Industry (DTI) which serves as the executive and technical agency of the national government for the establishment of the management systems for the trade in strategic goods.
- (r) **“Targeted Financial Sanctions” (TFS)** refers to:
  - (1) *For TFS related to terrorism and TF:* both asset freezing and prohibition to prevent funds or other assets from being made available, directly or indirectly, for the benefit of *designated persons* and those proscribed under Section 26 of the ATA.
  - (2) *For TFS related to PF:* 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 UNSC resolutions and its designation process

- (s) **“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* and any list of designations made by the ATC under Section 25 of the ATA.
- (t) **“United Nations Security Council”** (UNSC) refers to the principal organ of the United Nations that has primary responsibility for the maintenance of international peace and security.
- (u) **“UNSC Consolidated List”** refers to the integrated list of individuals and entities designated under UNSC Resolutions Nos. 1267/1989/2253 (*Al Qaeda/Daesh/ISIL Sanctions List*), 1988 (*Taliban Sanctions List*), 1718 (2005) (*Democratic People’s Republic of Korea*) and 2231 (2015) (*Islamic Republic of Iran*).
- (v) **“Weapons of Mass Destruction”** (WMD) refers to chemical, biological, radiological, or nuclear weapons which are capable of high order of destruction or causing mass casualties. It excludes the means of transporting or propelling the weapon where such means is a separable and divisible part from the weapon.”

**Section 3.** Chapter 2 (*Targeted Financial Sanctions*), Section 4 of ARI No. 4, Series of 2020 is hereby amended to read as follows:

**“Chapter 2  
TARGETED FINANCIAL SANCTIONS RELATED TO TERRORISM AND TF**

**Section 1.** x x x.

**Section 4. Legal Basis.**

4.1. Implementation of TFS is mandated under paragraph 3, Section 11 (*Authority to Freeze*) of the TFP SA, which provides:

x x x

4.2 Further, in the implementation of Section 36 of the ATA, Rules 7.8, 8.8 and 8.9 of the ATA IRR provide as follows:

**Rule 7.8. Effects of permanent order of proscription**

Membership of an individual in a proscribed or outlawed group of persons, organization, or association is punishable under Section 10 of the Act. The proscribed group of persons, organization, or association shall likewise be subject to targeted financial sanctions as herein provided.

[...]

**Rule 8.8. Sanctions Freeze Order or Targeted Financial Sanctions Based on International Obligations.**

x x x [T]he AMLC, consistent with the Philippines' international obligations, shall be authorized to issue a sanctions freeze order with respect to property or funds of a designated organization, association, group or any individual, to comply with the binding terrorism-related resolutions, including UNSC Resolution No. 1373 pursuant to Article 41 of the UN Charter.

The property or funds referred to in the immediately preceding paragraph shall include all property or funds:

- (a) That are owned or controlled by the subject of designation and is not limited to those that are directly related or tied to a particular terrorist act, plot or threat.
- (b) That are wholly or jointly owned or controlled, directly or indirectly by the subject of designation.
- (c) Derived or generated from funds or other assets owned or controlled, directly or indirectly by the subject of designation.
- (d) Of persons or entities acting on behalf or at the direction of the subject of designation.

**Rule 8.9. Effectivity of the Sanctions Freeze Order**

The sanctions freeze order shall take effect immediately upon publication in the AMLC website and shall remain in effect until the basis for issuance thereof shall have been lifted.



- 4.3. The AMLC shall adopt a mechanism for immediately communicating the sanctions freeze order to the public, the financial sector, and the designated non-financial businesses and professions.”

**Section 4.** Chapter 2 (*Targeted Financial Sanctions*), Section 6 of ARI No. 4, Series of 2020 is hereby amended to read as follows:

**“Section 6. Types of TFS.**

TFS come in many forms as they are developed in response to a given situation. There are two (2) types of TFS:

- (a) *Targeted Asset Freeze.* x x x.
- (b) *Prohibition against Dealing.* x x x:”

**Section 5.** Chapter 2 (*Targeted Financial Sanctions*), Section 7 of ARI No. 4, Series of 2020 is hereby amended to read as follows:

**“Section 7. AMLC Resolutions/Freeze Orders to Implement TFS.**

The Council has issued the following freeze orders to implement the TFS against individuals and entities listed in the *UNSC Consolidated List* and those designated by the ATC.

- (a) AMLC Resolution No. TF 01, Series of 2012 (*for Al-Qaeda Sanctions List*);
- (b) AMLC Resolution No. TF-02, Series of 2012 (*for Taliban Sanctions List*);
- (c) AMLC Resolution No. TF-25, Series of 2020 (*Sanctions Guidelines*);
- (d) AMLC Resolution No. TF-26, Series of 2020 (*for Potential Target matches under the UNSCR Consolidated List*);
- (e) AMLC Resolution No. TF-33, Series of 2020 (*for CPP/NPA*); and
- (f) AMLC Resolution No. TF-34, Series of 2020 (*for Islamic State in Iraq and Syria in South-East Asia et al.*)”

**Section 6.** Chapter 2 (*Targeted Financial Sanctions*), Section 8 of ARI No. 4, Series of 2020 is hereby amended to read as follows:

**“Section 8. Directive and Coverage of the Freeze Orders.**

- 8.1. The freeze orders direct all covered persons and relevant government agencies to freeze without prior notice and preserve without delay property or funds, including related accounts, that are maintained or registered with, possessed or controlled by them, if any, which belong to any of the persons, organizations, associations or group of persons mentioned in the *UNSC Consolidated List*, those designated by the ATC under Section 25 and proscribed by the Court of Appeals under Section 26 of the ATA.
- 8.2. The freeze orders also cover those persons or entities included in the subsequent updates, modifications and amendments to the *UNSC Consolidated List*, as well as those designated by the ATC under Section 25 and those proscribed by the Court of Appeals under Section 26 of the ATA.”

**Section 7.** Chapter 2 (*Targeted Financial Sanctions*), Section 9 of ARI No. 4, Series of 2020 is hereby amended to read as follows:

**“Section 9. Who Needs to Comply with the TFS.**

The following are directed to comply with the TFS (freeze order and prohibition against dealing) imposed on the individuals and entities under the *UNSC Consolidated List* and any list of designations made by the ATC under Section 25 and proscriptions made by the Court of Appeals under Section 26 of the ATA:

x x x

**Section 8.** Chapter 3 (*Subjects of Targeted Financial Sanctions*), Section 11 of ARI No. 4, Series of 2020 is hereby amended to read as follows:

**“Section 11. Using the UNSC Consolidated List.**

- 11.1. x x x.

11.2. **Name and Target Matches**

Situation	Assessment
x x x	x x x
x x x	x x x
<p>You have a close name match for a person, whose identifier information <b>matches most</b> of those either in the UNSC Consolidated List, ATC designated list or proscribed by the Court of Appeals, subject to a terrorist financing or proliferation financing asset freeze.</p>	<p><i>Potential <b>target match</b>.</i></p> <p>You may have identified a new <i>alias</i> being used to circumvent financial sanctions.</p> <p>Subject to Section 11.3 of this regulatory issuance, funds actually received or in the possession of the covered person shall be frozen.</p>

11.3. x x x.

11.4. **Scope of the asset freeze.** The assets freeze applies to all property or funds owned or controlled by designated individuals, groups, undertakings and entities, including those wholly or jointly owned or controlled, directly or indirectly by the designee. It also applies to the funds derived from property that they own or control, directly or indirectly, or that are owned or controlled by persons acting on their behalf or at their direction.

**Section 9.** Chapter 4 (*Filing of Detailed Return Before the AMLC*), Section 12 of ARI No. 4, Series of 2020 is hereby amended to read as follows:

**“Section 12. Filing of Detailed Return; Contents**

There are three (3) instances wherein covered persons are required to file a return:

- (a) When there is a target match, i.e., the subject person or entity fully matches the description in the Consolidated List, list of designation or proscription, covered persons shall file a detailed electronic return within 24 hours from effecting the freeze.
- (b) x x x.
- (c) For cases where the AMLC directs the freeze of the funds and other assets of a person or entity who, although not specifically included in the Consolidated List, was nevertheless found to be acting for and in behalf of or under the direction of those designated under the

Consolidated List, list of designation or proscription, covered persons shall file the detailed electronic return within 24 hours upon discovery.

x x x

**Section 10.** A new Chapter 5 (*Administrative Remedies*) is hereby inserted to read as follows:

**“Chapter 5  
ADMINISTRATIVE REMEDIES**

**Section 13. Lifting of the freeze order; Mistaken Identity.** Any person whose property or funds have been subject of a sanctions freeze order by reason of having a similar name as the subject of designation may apply for the lifting of the sanctions freeze with the AMLC by submitting relevant government-issued identification documents or other relevant documents that would show the true identity of the aggrieved party. The procedure shall be published in the AMLC website.

**Section 14. Request for Delisting from the Consolidated List.** The AMLC may motu proprio or upon request of a designated person file a petition for delisting with the appropriate committee of the UNSC. The petition for delisting may also be filed directly by the designated person pursuant to the Guidelines<sup>1</sup> and procedures<sup>2</sup> established by the appropriate UNSC committee.

**Section 15. Request for Delisting from ATC Designations.**

- 15.1. A designated party or its assigns or successors-in-interest may file a verified request for delisting before the ATC within fifteen (15) days from publication of the designation.
- 15.2. A request for delisting may be filed as often as the grounds therefor exist. However, no request for delisting may be filed within six (6) months from the time of denial of a prior request for delisting.
- 15.3. The request shall set forth the grounds for delisting, as follows:
  - (a) mistaken identity;
  - (b) relevant and significant change of facts or circumstance;
  - (c) newly discovered evidence;
  - (d) death of a designated person;
  - (e) dissolution or liquidation of designated organizations, associations, or groups of persons; or

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<sup>1</sup> <https://www.un.org/securitycouncil/sanctions/1267/committee-guidelines>.

<sup>2</sup> <https://www.un.org/securitycouncil/sanctions/1718/materials/procedures-delisting> and <https://www.un.org/securitycouncil/sanctions/delisting/procedures-0/de-listing-requests>.

- (f) any other circumstance which would show that the basis for designation no longer exists.

15.4. For designations made upon request of a foreign jurisdiction or supranational jurisdiction, the request for delisting shall be accompanied by proof of delisting by the foreign jurisdiction or supranational jurisdiction.”

**Section 11.** A new Chapter 6 (*Authorized Dealings and Exemptions*) is hereby inserted to read as follows:

**“Chapter 6  
AUTHORIZED DEALINGS AND EXEMPTIONS**

**Section 16. Authorized Dealings.** The effect of a freeze order is to block or restrain a specific property or funds from being transacted, converted, concealed, moved, or disposed of without affecting the ownership thereof. Once a freeze order is effected, persons are prohibited from dealing with the subject property or funds unless the transactions would qualify as “authorized dealings” such as the following:

- (a) Payments falling under humanitarian exemptions, as provided herein; or
- (b) Payments necessary to satisfy a judicial, administrative or arbitral judgment rendered or lien encumbered, prior to the date of designation or listing of the designated persons, organizations, associations or groups of persons.

**Section 17. Crediting Frozen Accounts.** Crediting frozen accounts generally permits a person to make the following payments into a frozen account without the need for a prior authorization, so long as the funds involved are payments of:

- (a) interest or other earnings due on frozen deposit accounts or other assets, provided that, interest or other earnings due thereon shall similarly be frozen once received; or
- (b) obligations under a valid contract entered into before the accounts or other assets were frozen by reason of the account holder's designation.

The provision on authorized dealings is interpreted to allow a relevant institution to credit a frozen account with payments from a third party, provided that the incoming funds are also frozen and that it informs the AMLC is informed of the transaction without delay.

**Section 18. Humanitarian Exemptions from Asset Freeze.** A designated person or entity may file with the appropriate UNSC Committee, directly or through the AMLC, a request for basic and extraordinary expenses exemptions Guidelines<sup>3</sup> and procedures<sup>4</sup> established by the appropriate UNSC committee.

**Section 19. Humanitarian Exemptions under the ATA.** The person whose property or funds have been frozen under any freeze order may, upon a verified request before the ATC, withdraw such sums as the ATC determines to be reasonably necessary for monthly family needs and sustenance, including for the services of counsel and the medical needs of such person and his/her immediate family.<sup>5</sup>

**Section 12.** A new Chapter 5 (*Targeted Financial Sanctions Related to PF*) is hereby inserted to read as follows:

**“Chapter 7  
TARGETED FINANCIAL SANCTIONS RELATED TO PF**

**Section 20. TFS related to PF.**

20.1. The Council shall issue TFS to implement the relevant UNSC Resolution relating to the prevention, suppression and disruption of proliferation of WMD and PF:

- (a) UNSC Resolution No. 1718 (2006);
- (b) UNSC Resolution No. 2231 (2015); and
- (c) Successor resolutions and other UNSC Resolutions related to proliferation of WMD and PF.

20.2. The relevant provisions of the preceding Chapters, including, but not limited to, the *Use of the Consolidated List* and *Request for Delisting*, related to implementation of TFS related to terrorism and TF shall apply to the implementation of TFS related to PF insofar as they are not inconsistent with this Chapter.

**Section 21. Effect and Coverage of TFS.**

21.1. *Ex Parte Freeze without Delay.*

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<sup>3</sup> <https://www.un.org/securitycouncil/sanctions/1267/committee-guidelines>.

<sup>4</sup> <https://www.un.org/securitycouncil/sanctions/1718/exemptions-measures/humanitarian-exemption-requests> and <https://www.un.org/securitycouncil/content/2231/assets-freeze-exemptions>.

<sup>5</sup> Rule 8.12, ATA-IRR.

The TFS shall require all persons, including private individuals and entities, to freeze the following within a matter of hours from the time that the designation and the freeze order is published in the AMLC website:

- (a) all funds or other assets that are owned or controlled by the designated person or entity, and not just those that can be tied to a particular act, plot or threat of proliferation of WMD and PF;
- (b) those funds or other assets that are wholly or jointly owned or controlled, directly or indirectly, by designated persons or entities;
- (c) the funds or other assets derived or generated from funds or other assets owned or controlled directly or indirectly by designated persons or entities; and
- (iv) funds or other assets of persons and entities acting on behalf of, or at the direction of designated persons or entities.

All persons shall block or restrain specific properties or funds that are owned or controlled by a designated person from being transacted, converted, concealed, moved, or disposed.

#### 21.2. *Prohibition against Dealing.*

The TFS shall prohibit any person or entity from making any funds or other assets available for the benefit of designated persons or entities, unless licensed, authorized or otherwise notified in accordance with the relevant UNSC Resolutions.

### **Section 22. Effectivity of the TFS.**

The TFS shall be effective until the basis for its issuance has been lifted.

### **Section 23. Duties of Covered Persons and Other Individuals or Entities relating to TFS.**

23.1 For covered persons and concerned government agencies:

- (a) To immediately upon receipt or knowledge of the TFS issued by the AMLC, implement *ex parte* freeze without delay consistent with Section 21.1 hereof, and submit detailed return in accordance with Section 12 hereof.

- (b) To report to the AMLC any assets frozen or actions taken in compliance with the prohibition requirements of the relevant UNSC Resolutions, including attempted transactions.

23.2. For covered persons and other individuals or entities:

In addition to the duties under Section 24.1 hereof, to permit the addition to the accounts frozen pursuant to UNSC Resolution Nos. 1718 (2006) or 2231 (2015) 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 provisions of said resolutions. Provided, that any such interest, other earnings and payments continue to be subject to these provisions and are frozen.

**Section 24. Authorizations to Make Payments Due Under Prior Contracts.**

24.1. Designated persons or entities may apply to the AMLC for an authorization to make payment due under a contract entered into prior to the listing of such person or entity.

24.2. The Council may grant an authorization to the designated persons or entities subject to the following conditions:

- (a) The STMO has determined that the contract is not related to any of the prohibited items, materials, equipment, goods, technologies, assistance, training, financial assistance, investment, brokering or services referred to in UNSC Resolution No. 2231 (2015) and any future successor resolutions;
- (b) The STMO has determined that the payment is not directly or indirectly received by a person or entity subject to the measures in paragraph 6 of Annex B (*Statement*) to UNSC Resolution No. 2231 (2015); and
- (c) The AMLC has submitted prior notification to the UNSC of the intention to make or receive such payments or to authorize, where appropriate, the unfreezing of funds, other financial assets or economic resources for this purpose, ten (10) working days prior to such authorization.

24.3. The designated persons or entities shall file a verified application, together with the required clearances or certifications, in accordance with Section 25.2



(a) and (b) hereof, to the AMLC for an authorization to make payment due under prior contracts. The application shall be filed at:

***Anti-Money Laundering Council***  
*5/F EDPC Building, Bangko Sentral ng Pilipinas Complex*  
*A. Mabini Street, Malate*  
*Manila*

**Section 25. Remedy of the Aggrieved Party.**

During the effectivity of the TFS, the aggrieved party may, within twenty (20) days from issuance, file, before the Court of Appeals, a petition to determine the basis of the TFS, 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 Council determines to be reasonably needed for monthly family needs and sustenance, including the services of counsel and the family medical needs of such person, and in compliance with the conditions set out in UNSC Resolution Nos. 1718 (2006) and 2231 (2015).

**Section 26. Lifting of the TFS Based on Mistaken Identity.**

Any person whose property or funds have been subject of the TFS by reason of having a similar name as the subject of designation may apply for the lifting of the TFS with the AMLC by submitting relevant government-issued identification documents or other relevant documents that would show the true identity of the aggrieved party.

**Section 27. Civil Forfeiture of Assets related to PF.**

The AMLC, if circumstances warrant, may initiate a civil forfeiture proceeding, in accordance with Rule 12 (Civil Forfeiture) hereof, to preserve the assets related to PF and to protect it from dissipation.

**Section 28. No Injunction against TFS.**

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

**Section 29. Notice of Designation and Delisting Mechanism.**

29.1. *Request for Delisting.*

- 29.1.1. The AMLC may motu proprio or upon request of a designated person file a petition for delisting with the appropriate UNSC committee.

- 29.1.2. The AMLC shall post the updated UNSC procedures for delisting and access to frozen funds setting forth the web links and addresses of the relevant UNSC Committee responsible for acting on delisting requests and access to frozen funds.
- 29.1.3. The petition for delisting may also be filed directly by the designated person pursuant to the rules established by the appropriate UNSC Committee.

29.2. *Notice of Delisting.*

Where persons, organizations, associations, or groups of persons are delisted by the UNSC or its appropriate sanctions committee, the AMLC shall post in its website a notice that that the person, organization, association, or group of persons has been delisted.

29.3. *Posting, Publication, Dissemination, and Notice of Designation.*

- 30.3.1. The AMLC shall publish and/or post a link to the specific list of designated persons or entities under UNSC Resolution Nos. 1718 (2006) and 2231 (2015) and their successor resolutions in the official website of the AMLC.
- 30.3.2. The AMLC shall adopt a mechanism for immediately communicating designations and provide clear guidance, to the covered persons and other persons or entities that may be holding targeted funds or other assets, on their obligations in taking action under the TFS.

**Section 30. Safe Harbor.**

No administrative, criminal, or civil proceedings shall lie against any person or entity for acting in good faith when implementing the TFS as provided under pertinent UNSC Resolutions.”

**Section 13.** A new Chapter 8 (*Sanctions*) is hereby inserted to read as follows:

**“Chapter 8  
SANCTIONS**

**Section 31. Administrative Sanctions.** Any violation of this Issuance and Guidelines issued pursuant thereto shall be subject to administrative sanctions pursuant to Section 1, Rule 26 of the AMLA IRR. The institution of

administrative proceedings is without prejudice to the filing of criminal complaints, if warranted.

**Section 14.** The remaining chapters, sections, and paragraphs are renumbered accordingly.

**Section 15. Effectivity Clause.**

This Regulatory Issuance shall take effect immediately after the completion of its publication in a newspaper of general circulation.

For the AMLC:

ORIGINAL SIGNED  
**MEL GEORGIE B. RACELA**  
Executive Director

31 January 2021.