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AML Council Strengthens Philippines' Position Against Money Laundering

In March 2024, the Anti-Money Laundering Council ("**AMLC**") proposed regulatory actions for the implementing rules and regulations of the Anti-Money Laundering Act ("**AMLA**") and the Terrorism Financing Prevention and Suppression Act of 2012. These are intended to address the remaining strategic deficiencies noted in the Mutual Evaluation Reports ("**MER**") pertaining to the Philippines' Anti-Money Laundering and Countering the Financing of Terrorism framework and thereby remove the Philippines from the "Jurisdictions under Increased Monitoring", commonly known as the grey list of global money laundering for 2024. The Philippines has been included in the Financial Action Task Force's ("**FATF**") 'grey list' due to these deficiencies noted in the MER.

To comply with the latest FATF standards, address the operational concerns of AMLC, and further clarify the provisions of the AMLA to assist covered persons and government agencies in effectively implementing the law, AMLC has implemented changes including:

1. adopting an effective risk-based supervision of Non-Financial Businesses and professionals (NFBPs);
2. mitigating risk associated with casino junkets;
3. enhancing and streamlining access to beneficial ownership information;
4. demonstrating an increase in the money laundering and terrorism financing investigations and prosecutions; and
5. ensuring cross-border measures in all entry points across the country, including seaports and airports.

We covered this development in our Q1 2024 Regional Round-Up write-up titled "AML Council Proposes Two Actions to Have Philippines Removed from Global Money Laundering 'Grey List'". Click [here](#) to view the write-up.

These efforts were followed by the issuance of Circular No. 1193 ("**Circular**") by the Bangko Sentral ng Pilipinas ("**BSP**") which amended Section 911 of the Manual of Regulations for Banks and Section 911-Q of the Manual of Regulations for Non-Bank Financial Institutions on risk reporting and notification requirements.

Under this new regime, all covered BSP-supervised financial institutions are now required to submit an "ML/TF/PF Risk Event Report" ("**Risk Report**") which covers data and information on significant risks arising from money laundering ("**ML**"), terrorist financing ("**TF**"), and proliferation financing ("**PF**"). The

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Risk Report shall be submitted to BSP within 24 hours from the date of knowledge or discovery of occurrence, which, as specified in the Circular, refers to the time the event has been known or should have been known to the covered person. This Risk Report, as further explained in the Circular, is intended to facilitate BSP in identifying emerging ML/TF/PF risks and other supervisory concerns.

Non-compliance with the Risk Report requirements is subject to applicable monetary penalties and other corrective actions to be enforced by BSP. The Circular took effect from 24 May 2024.

If you have any queries on the above, please feel free to contact our team members below who will be happy to assist.

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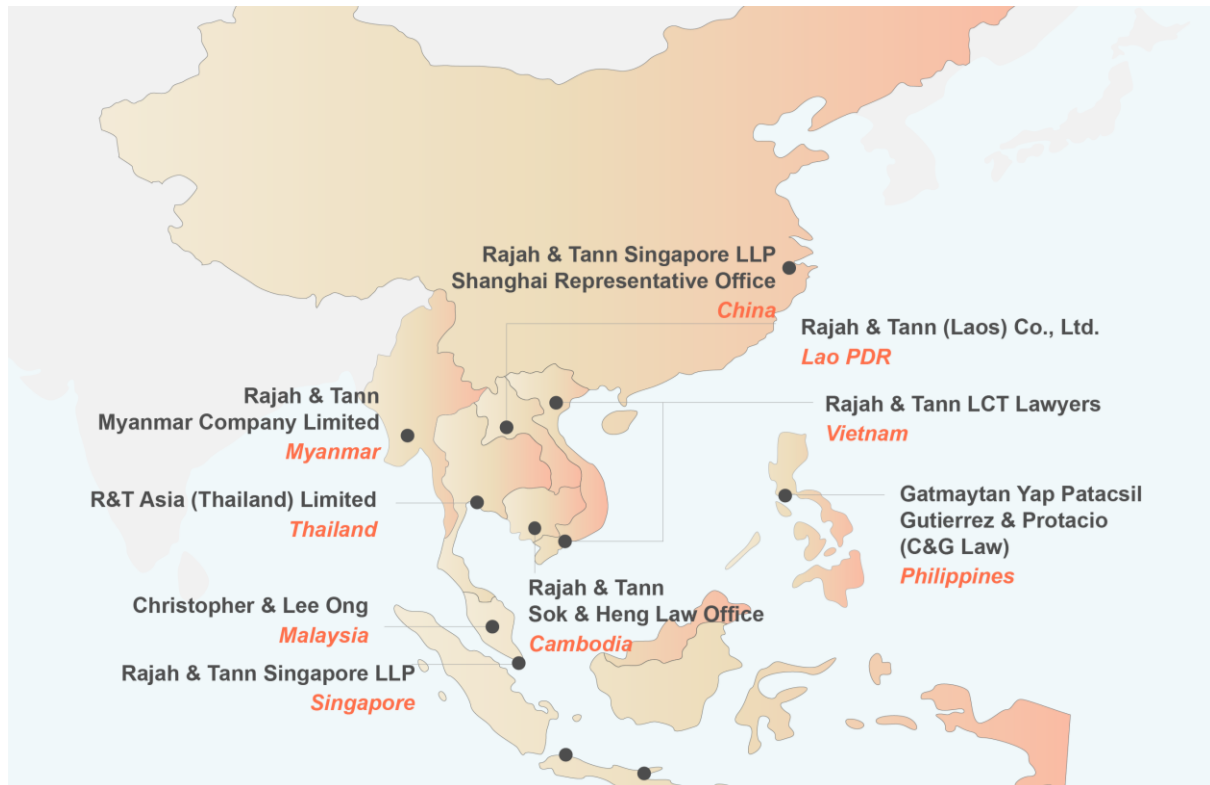
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