

## Pending Legislative Measures on Money Laundering

Briefing by:  
BSP Governor Rafael B. Buenaventura

On June 2000, the Philippines, together with 14 other nations, was identified by the FATF as being non-cooperative in the fight against money laundering.



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### The inclusion was due to:

- Bank secrecy laws
- Absence of legislation criminalizing money laundering



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Philippines - a "country of concern" to a "country of primary concern".

International Narcotics Control Strategy Report  
US Department of State



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In the absence of anti-money laundering legislation, the BSP issued a number of administrative measures to show its commitment and support in the global fight against money laundering.



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### BSP Measures:

- Banks with FOREX corporations are required to report details of all forex transactions (*BSP Circular Letter dated 20 June 2000*)
- Banks and non-banks are required to establish and record the true identity of their clients (*Circular No. 251 dated 7 July 2000*)



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### **BSP Measures:**

- Banks and non-bank are required to report suspicious transactions (*Circular No. 253 dated 31 July 2000*)
- Banks are prohibited from issuing cashier's, manager's or certified checks payable to cash or numbered account (*Circular No. 259 dated September 2000*)



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### **BSP Measures:**

- FOREX corporations that are subsidiaries or affiliates of banks, quasi-banks and non-bank financial intermediaries are required to demand supporting documents from resident buyers of forex in amounts of \$10,000 or more (*Circular No. 264 dated 27 October 2000*)



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In addition to these circulars, the MB approved on 27 October 2000 the formation of a **SPECIAL COMMITTEE** which will be in charge of the evaluation and investigation as well as the maintenance of the database of suspicious transactions reported by banks and non-bank financial institutions



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The BSP is also currently working with the BAP to come up with guidelines for the proposal that will give banks and regulators the right to examine FCDU accounts under certain conditions.



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### **Proposed/Pending Legislation:**

- Amendment to the BSP Charter: Relaxation of the deposit secrecy provision (HB No. 9427) – allows the MB to look into deposits of more than P50 million in an individual account



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### **Other Pending Legislations:**

- An Act Curtailing the Illegal Activities of Racketeers and Powerful Syndicates in the Philippines (HB No. 5216)
- The Eradication of Racketeers and Professional Syndicates Act of 1998 (SB No. 1323)
- Comprehensive Dangerous Drugs Act of 2000 (SB No. 2170)
- The Anti-Money Laundering Act (Unnumbered SB)



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