

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
First Regular Session

HOUSE BILL NO. 14

HOUSE OF REPRESENTATIVES

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Introduced by **REP. FELICIANO BELMONTE, JR.**

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**EXPLANATORY NOTE**

Republic Act 9160, otherwise known as the Anti-Money Laundering Act of 2001 (AMLA) was enacted on 17 October 2001 to address the growing concerns over money laundering. In the succeeding years, in order to further strengthen the law, the AMLA was amended by R.A. 9194, R.A. 10167, and R.A. 10365.

RA No. 10365, the most recent amendment to the AMLA, sought to address the country's legal framework on anti-money laundering by making it fully compliant with the international standards set up by the Financial Action Task Force (FATF), an inter-governmental body established during the 1989 G7 Summit in Paris to combat the growing problem of money laundering. The FATF had previously included the Philippines in its monitoring list of vulnerable jurisdictions: those with strategic or serious deficiencies in their anti-money laundering and combating the financing of terrorism (AML/CFT) regime. While the country was able to respond and enact legislation that removed the Philippines from the monitoring list, the FATF has directed the Philippines to work on the inclusion of the casino sector in the AML/CFT coverage.

The significance of including the casino sector under the coverage of the AMLA is underscored by Bangladesh Bank heist that occurred in 2016, in which eighty one million dollars were stolen from the Bank's account with the Federal Reserve Bank of New York. The funds entered the Philippine banking system and made its way to local casinos and junket operators, where the money was reportedly laundered and transferred overseas. Attempts to trace and recover the money encountered several setbacks, as casinos are excluded from the coverage of the country's present anti-money laundering laws. do not require

This bill seeks to address this deficiency and introduce the necessary amendments to discourage the use of the casinos as avenues of illicit activity. Among others, the bill mandates casinos to report covered and suspicious transactions to the Anti-Money Laundering Council, provides for stricter customer identification requirements and record keeping systems, and prohibits casinos from

engaging in any transaction involving the conversion of money from one form to another without being used for gaming.

The provisions of this bill will help ensure the integrity of financial and banking institutions and transactions in the country, and is a crucial step towards making the Philippines' anti-money laundering laws fully compliant with the international standards set by FATF, and

In view of the foregoing, the immediate passage of this bill is earnestly sought.

  
FELICIANO BELMONTE, JR.

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

SEVENTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 20 14

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Introduced by Representative Feliciano Belmonte, Jr.

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**AN ACT DESIGNATING CASINO OPERATORS AS COVERED PERSONS  
UNDER REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE 'ANTI-  
MONEY LAUNDERING ACT OF 2001', AS AMENDED**

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

1       Section 1. *Short Title.*—This Act shall be known as the "CASINO ANTI-MONEY  
2 LAUNDERING/COMBATING THE FINANCING OF TERRORIS (AML/CFT)  
3 ACT."

4       Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to  
5 ensure that the Philippines shall not be used as a site for the laundering of proceeds  
6 of any unlawful activity and for the financing of terrorism. To this end, it shall  
7 protect and preserve the integrity of the casino industry with a strong and efficient  
8 Anti-Money Laundering / Combating the Financing of Terrorism (AML/CFT)  
9 regime. Consistent with its foreign policy, the State shall extend cooperation in  
10 transnational investigations and prosecutions of persons involved in money  
11 laundering and terrorist financing activities wherever committed.

12       Sec. 3. *Designation of Casino Operators.*— Casino operators, with respect to their  
13 gaming operations, are hereby designated as covered persons under Republic Act  
14 No. 9160, otherwise known as the Anti-Money Laundering Act of 2001, as amended.  
15

16       Sec. 4. *Definition of Terms.* – As used in this Act:

17       a. *Account* refers to membership account, customer's credit account, check  
18 cashing account, deposit account or any other account opened with a casino by or on  
19 behalf of a customer;

20       b. *Aggregation* refers to multiple or series of transactions that are treated as a  
21 single cash transaction if done by or on behalf of a specific customer involving an  
22 amount exceeding the designated threshold in one (1) trading day;

1 c. *Cash* refers to currency notes and coins considered as legal tender in the  
2 country of issue.

3  
4 d. *Check in* refers to transactions involving the receipt of cash by a casino paid  
5 by or on behalf of a customer. These include the following:

- 6 1. Purchases of chips, tokens, and other gaming instruments;
- 7 2. Front money deposits;
- 8 3. Safekeeping deposits;
- 9 4. Payments on any form of credit, including markers and counter checks;
- 10 5. Currency received by a casino for transmittal of funds through wire
- 11 transfer for a customer;
- 12 6. Purchases of a casino's check;
- 13 7. Exchanges of currency for another currency, and
- 14 8. Bills inserted into electronic gaming devices;

15 e. *Check-out* refers to transactions involving the payout of cash by a casino to  
16 a customer or to any person in his behalf. These include, but are not limited to the  
17 following:

- 18 1. Redemptions of chips, tokens, tickets, and other gaming instruments;
- 19 2. Front money withdrawals;
- 20 3. Safekeeping withdrawals;
- 21 4. Advances on any form of credit, including markers and counter checks;
- 22 5. Payments by a casino to a customer based on receipt of funds through
- 23 wire transfers;
- 24 6. Cashing of checks or other negotiable instruments;
- 25 7. Exchanges of currency for another currency;
- 26 8. Travel and complimentary expenses and gaming incentives; and
- 27 9. Payment for tournament, contests, and other promotions;

28 f. *Casino* refers to gambling casinos where the building, room or space is  
29 used for social amusements; specifically, one used for gambling through games of  
30 chance, games of cards and games of numbers and are being regulated and  
31 supervised by the Philippine Amusement and Gaming Corporation (PAGCOR), the

1 Cagayan Economic Zone Authority (CEZA) or any other appropriate supervising  
2 authority. For purposes of this Act, it also includes internet- and ship-based casinos.

3  
4 1. *Internet-Based Casino* refers to gambling casinos in which persons  
5 participate by the use of remote communication facilities such as, but  
6 not limited to, internet, telephone, television, radio or any other kind of  
7 electronic or other technology for facilitating communication.

8  
9 2. *Ship-Based Casino* refers to gambling casinos, the operation of which is  
10 undertaken on board a vessel, ship, boat or any other water-based craft  
11 wholly or partly intended for gambling;

12  
13 g. *Covered Transaction* – Notwithstanding the provision of Section 3(b) of  
14 Republic Act No. 9160, as amended, for purposes of casino-related transactions,  
15 covered transaction shall refer to a single transaction undertaken by any individual  
16 per day with the casino involving an amount in excess of Four million pesos (Php4,  
17 000,000.00).

18  
19 h. *Customer* refers to any person who transacts or attempts to transact with a  
20 casino, whether or not that person participates, or intends to participate, in the  
21 gaming activities offered by the casino;

22  
23 i. *Monetary Instrument* refers to:

24  
25 1. Coins or currency of legal tender in the Philippines, or in any other  
26 country;

27  
28 2. Casino Value instruments such as casino chips, casino reward cards,  
29 Ticket in/Ticket out, markers, cashier's order, chip purchase order,  
30 chip check, gift certificates, casino draft;

31  
32 3. Negotiable checks such as casino check, personal check, bank draft;  
33 and

34  
35 4. Other similar instruments where title thereto passes to another by  
36 endorsement, assignment or delivery;

37  
38 j. *Money Laundering* refers to acts punished under Section 4 of Republic Act  
39 No. 9160, as amended;

40  
41 k. *Offender* refers to any person who commits money laundering offense  
42 and/or terrorist financing;

43  
44 l. *Person* refers to any natural or juridical person.  
45

1 m. *Proceeds* refers to an amount derived or realized from an unlawful activity.  
2 It includes:

- 3  
4 1. All material results, profits, effects and any amount realized from any  
5 unlawful activity;
- 6  
7 2. All monetary, financial or economic means, devices, documents,  
8 papers or things used in, or having any relation to, any unlawful  
9 activity; and
- 10  
11 3. All moneys, expenditures, payments, disbursements, costs, outlays,  
12 charges, accounts, refunds and other similar items for the financing,  
13 operations, and maintenance of any unlawful activity;
- 14

15 n. *Property* refers to anything or item of value, real or personal, movable or  
16 immovable, tangible or intangible, or any interest therein or any benefit, privilege,  
17 claim or right with respect thereto.

18  
19 o. *Supervising authority* refers to the PAGCOR, CEZA or any other  
20 appropriate agency, as may be determined by law;

21  
22 p. *Suspicious transaction* is a transaction, regardless of the amount involved,  
23 where any of the following circumstances exists:

- 24  
25 1. the casino operator or any of its employees knows, suspects, has  
26 reason to suspect, or should have known, by the exercise of due  
27 diligence, that the transaction:
  - 28  
29 i. involves funds derived from an unlawful activity or from a  
30 money laundering offense;
  - 31  
32 ii. is designed to evade any of the requirements under this Act or  
33 Republic Act No. 9160, as amended;
  - 34  
35 iii. has no business or apparent lawful purpose or is not the sort in  
36 which the particular customer would normally be expected to  
37 engage, and the casino operator or any of its employees knows of  
38 no reasonable explanation for the transaction after examining the  
39 available facts, including the background and possible purpose of  
40 the transaction; or
  - 41  
42 iv. involves the use of casinos to facilitate unlawful activity, money  
43 laundering and terrorist financing;
  - 44
- 45 2. any of the circumstances for the filing of a suspicious transaction report  
46 under Section 3 (b-1) of Republic Act No. 9160, as amended; and



3. any other circumstances that may be determined suspicious by the Anti-Money Laundering Council (AMLC).

q. *Terrorist financing* refers to acts defined and punished under Sections 4, 5, 6, 7 and 8 of Republic Act No. 10168;

r. *Trading day* refers to the normal business day of a casino. If the casino offers 24-hour gaming, the term shall mean that 24-hour period by which the casino keeps its books and records for business and accounting purposes;

s. *Transaction* refers to purchase or redemption of casino chips or tokens, or other gaming instruments or any other payment, transfer, or delivery by, through, or to a casino, by whatever means effected;

For purposes of reporting covered transactions, cash transaction shall mean the physical transfer of cash from one person to another. A non-cash transaction, on the other hand, shall mean the transfer of funds by means of bank check, bank draft, wire transfer, or other written order;

t. *Unlawful activities* refers to the crimes or offenses listed under Section 3 (i) of Republic Act No. 9160, as amended.

Sec. 5. *Prevention of Money Laundering; Customer Identification Requirements and Record Keeping.* -

a. Customer Identification. - Casino operators shall:

1. establish and record based on official documents the true and full identity of their customers engaging in a single or an aggregate transaction in excess of Two hundred thousand pesos (Php200,000.00);
2. maintain a system of verifying the true and full identity of their customers and, in case of corporate customers, require a system of verifying their legal existence and organizational or control structure, as well as the authority and identification of all persons purporting to act on their behalf;
3. take reasonable measures to obtain information sufficient to identify and verify the identity of every beneficial owner of the customer's account;
4. develop clear, written and graduated customer acceptance policies and procedures including a set of criteria for customers that are likely to pose different levels of risk to their operations, as well as the standards in applying the appropriate degree of due diligence, including a set of conditions for the denial of account opening;

5. based on the assessment of risk, endeavor to identify politically-exposed persons (PEPs) and shall apply enhanced customer due diligence;
6. based on the assessment of risk, continually monitor the transactions in each of its customer's accounts to ascertain whether the transactions are consistent with the casino operator's knowledge of the customer, his income profile and his source or sources of funds; and
7. periodically review the adequacy of information they have obtained in respect of customers and beneficial owners of customer's account and ensure that the information is kept current, particularly for categories of customers that the casinos may assess to present higher risk of money laundering and terrorism financing.

The provisions of existing laws to the contrary notwithstanding, anonymous accounts, accounts under fictitious names, and all other similar accounts shall be absolutely prohibited.

b. Record Keeping - All records of all transactions of customers shall be maintained and safely stored for at least five (5) years from the date of the last transaction, unless the casino operator is required in writing by the AMLC to retain the records for a longer period, due to a pending judicial action relevant to the records.

c. Reporting of Covered and Suspicious Transactions -

1. Casino operators shall report all covered transactions and suspicious transactions to the AMLC in a manner and within the period prescribed under Republic Act No. 9160, as amended.
2. Should a transaction be determined to be both a covered transaction and a suspicious transaction, it shall be reported as a suspicious transaction.
3. Notwithstanding the preceding paragraphs, casino operators are exempted from reporting the following covered transactions -
  - i. Check-out transactions to the extent the currency is won in a money play and is the same currency the customer wagered in the money play, or check in transactions to the extent the currency is the same currency the customer previously wagered in a money play on the same table game without leaving the table;
  - ii. Jackpot winnings from slot machine; and
  - iii. Other covered transactions that may be determined by the AMLC.



1 d. Confidentiality of Reports – When reporting covered or suspicious  
2 transactions to the AMLC, casino operators and their officers and employees are  
3 prohibited from communicating, directly or indirectly, in any manner or by any  
4 means, to any person or entity, including the media, the fact that a covered or  
5 suspicious transaction has been reported or is about to be reported, the contents of  
6 the report, or any other information in relation thereto. Neither may such reporting  
7 be published or aired in any manner or form by the mass media, electronic mail, or  
8 other similar devices. In case of violation thereof, the concerned officer and  
9 employee of the casinos and media shall be held criminally liable.

10 Casino operators, including any of its officers and employees, may not be  
11 compelled, by subpoena or otherwise, to disclose a Suspicious Transaction Report, or  
12 disclose the fact that a Suspicious Transaction Report was filed or is about to be filed,  
13 or disclose any information contained in or in relation to a Suspicious Transaction  
14 Report. This, however, is without prejudice to the exercise of the supervising  
15 authority of its supervisory or regulatory powers under its charter.

16 The AMLC, PAGCOR, CEZA, or any government or prosecutorial agency  
17 shall not be compelled to identify or name, in any manner or in any venue, any  
18 casino as the source of information about any person or entity that probably  
19 committed a money laundering offense, terrorist financing or any other offense or  
20 violation under this Act or Republic Act No. 9160, as amended.

21 e. Safe Harbor Provision -

22 No administrative, criminal or civil proceeding shall lie against any person for  
23 having made a covered or suspicious transaction report in the regular performance  
24 of his/her duties in good faith, whether or not such reporting results in any criminal  
25 prosecution under this Act or any other law.

26 Sec. 6. *Prohibited Transactions* – Casino operators shall be prohibited from  
27 engaging in the following transactions or activities:

- 28 1. any transaction involving the conversion of money from one form to  
29 another without being used for gaming, including –
  - 30 i. The receipt of cash for transmittal of all or part thereof through wire  
31 or telegraphic transfer for or on behalf of a customer;
  - 32 ii. Payments in cash of funds received through wire or telegraphic  
33 transfer;
  - 34 iii. The cashing of checks or other negotiable instruments; and
- 35 2. receiving money, the purpose or ownership of which cannot be  
36 ascertained within a period of at least seven (7) days from the date of the  
37 receipt.

1        *Sec. 7. Authority to Inquire into Customer Accounts*–The AMLC may inquire into  
2 or examine any particular account, including related accounts, with any casino  
3 operator that is deemed related to any unlawful activity or money laundering  
4 offense as defined under Republic Act No. 9160, as amended, or financing of  
5 terrorism as defined under Republic Act No. 10168.

6        For purposes of this section, ‘related accounts’ shall refer to accounts, the  
7 funds and sources of which originated from and/or are materially linked to the  
8 accounts subject of a freeze order(s) issued by a competent authority or subject of an  
9 inquiry under the preceding paragraph.

10        *Sec. 8. Freezing and Forfeiture of Monetary Instruments or Properties*– The  
11 freezing and forfeiture of monetary instruments or properties shall be governed by  
12 Republic Act No. 9160, as amended. Casino operators shall not lift the effects of any  
13 freeze order without seeking official confirmation from the AMLC: *Provided, That*  
14 freeze or forfeiture orders shall not apply against the general funds of casinos, in the  
15 event that the monetary instruments or properties of the customer have been  
16 commingled with other funds or properties of the casino, rendering the same  
17 difficult to be identified or segregated, for purposes of enforcing the freeze or  
18 forfeiture order.

19        *Sec. 9. AML/CFT Program Requirements for Casinos*– Casino operators are  
20 hereby given one (1) year, from the effectivity of the Implementing Rules and  
21 Regulations of this Act, to formulate their respective money laundering and  
22 terrorism financing prevention programs (ML/TF Prevention Programs) in  
23 accordance with this Act including information dissemination on money laundering  
24 and terrorism financing activities and its prevention, detection and reporting, and  
25 the relevant training of responsible officers and personnel of casinos. The program  
26 must be approved by their respective Board of Directors.

27        The ML/TF Prevention Program should be designed to ensure and monitor  
28 compliance with the requirements set forth in this Act. A system of internal control  
29 as well as internal testing for compliance must be in place to ensure ongoing  
30 compliance.

31        Casino operators should designate a compliance officer, to monitor the  
32 compliance with the policies and procedures under its own ML/TF Prevention  
33 Programs, and to conduct the necessary coordination to ensure compliance with the  
34 requirements set forth in this Act.

35        *Sec. 10. On-site inspection*– To ensure compliance of casino operators with this  
36 Act and Republic Act No. 9160, as amended, the AMLC may conduct on-site  
37 inspection of relevant casino records and documents.

38        *Sec. 11. Penal and Administrative Sanctions* – Non-compliance with any of the  
39 provisions of this Act shall be punished with penalties and sanctions provided for  
40 under Republic Act No. 9160, as amended.

1       Sec. 12. *Implementing Rules and Regulations.* – Within one hundred twenty  
2 (120) days from the effectivity of this Act, the AMLC and the Supervising  
3 Authorities shall promulgate the rules and regulations to implement its provisions.

4       Sec. 13. *Separability Clause.* – If any provision of this Act is declared  
5 unconstitutional, the same shall not affect the validity and effectivity of other  
6 provisions thereof.

7       Sec. 14. *Repealing Clause.*– All laws, decrees, orders, and issuances or portions  
8 thereof, which are inconsistent with the provisions of this Act, are hereby repealed,  
9 amended or modified accordingly: *Provided*, That all provisions of Republic Act No.  
10 9160, as amended, that are not inconsistent with this Act are hereby adopted.

11       Sec. 15. *Effectivity.*–This Act shall take effect fifteen (15) days following its  
12 publication in the Official Gazette at least two (2) newspapers of general circulation.

13       Approved,