

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

EIGHTEENTH CONGRESS  
First Regular Session

House Bill No. 6516



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**Introduced by Representatives JOEY SARTE SALCEDA, ESTRELLITA B. SUANSING, SHARON S. GARIN, HORACIO P. SUANSING JR., ROZZANO RUFINO B. BIAZON, and STELLA LUZ A. QUIMBO**

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**AN ACT  
PENALIZING BULK CASH SMUGGLING INTO OR OUT OF THE PHILIPPINES  
AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

Bulk cash smuggling is a serious national security risk as much as it is a risk to the country's institutions. Bulk cash smuggling suspected to be in the billions of pesos are enough to shift political fortunes and corrupt institutions in the country, facilitating crime and other illegal activities.

In 2019, only about 1,015 tourists declared to have brought in more than \$10,000 out of the 19.4 million foreign arrivals from Jan 2019-Feb 2020. Among these declared bulk foreign currency imports, about P28.6 billion were brought in by four groups – Rodriguez group, Philippine Offshore Gaming Operation (POGO), Singaporean and Chinese groups – and yet, authorities were unable to obtain sufficient information about the source, purpose, or destination of these funds.

The more the country's financial authorities, including the Department of Finance, the Bangko Sentral ng Pilipinas, and the Anti-Money Laundering Council are unable to respond to bulk cash smuggling decisively, the greater becomes the risk that the country gets delisted from the Financial Action Task Force (FATF) for being a high risk base for terrorism financing and money laundering.

This delisting would have serious implications on the ability of our financial institutions to expand and do business transnationally. This would also carry broader dangers to our credit standing internationally, making the country a riskier borrower of funds.

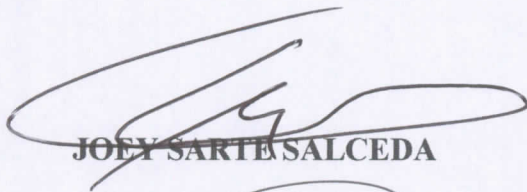
This Act expands the coverage of the Anti Money Laundering Act of 2001 to include one-time cash transports of more than Php 500,000 at any one time. This Act also empowers the AMLC to define a cumulation of closely-related events that would constitute "one time."

The Act likewise includes the Bureau of Treasury, through the Treasurer of the Philippines, in the AMLC to facilitate counterpart-to-counterpart cooperation, as many countries' anti-money laundering efforts are spearheaded by their Secretaries or Ministers of the Treasury.

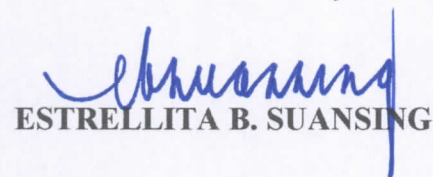
The Act also criminalizes bulk cash smuggling, ensuring that the evasion of a paper trail for cash transfers is not tolerated under the law.

It also provides for the forfeiture in favor of the Philippines of assets related to cash smuggling.

In view of the urgency of the need for a response to the currently unmitigated influx of bulk cash into the Philippines, and given the critical importance of a policy response to the threats that bulk cash smuggling pose to peace and order, national security, and institutional and financial integrity, the immediate enactment of this bill is urgently sought.



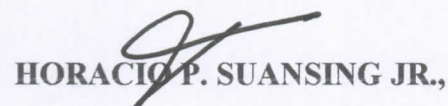
JOEY SARTE SALCEDA



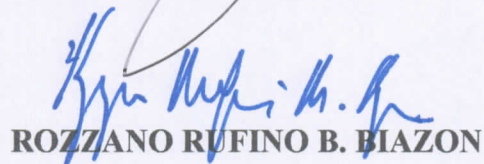
ESTRELLITA B. SUANSING



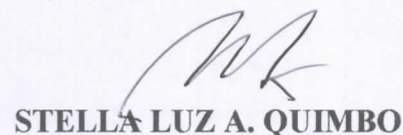
SHARON S. GARIN



HORACIO P. SUANSING JR.,



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**AN ACT  
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AND FOR OTHER PURPOSES**

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

SECTION 1. *Short Title.* – This Act shall be known as the “Anti-Bulk Cash Smuggling Act.”

SEC. 2. *Declaration of Principles.* – It is hereby declared the policy of the State to protect and preserve the integrity of the country’s financial system, and to ensure that the Philippines shall not be used as a conduit point or a destination for the proceeds of any unlawful activity. Towards this end, the State shall ensure that large transports of cash and monetary instruments are properly documented and traced.

SEC. 3. *Reportorial Requirement for Cash Transport.* A person or an agent or bailee of the person shall file a report under Section 4 of this Act when the person, agent, or bailee knowingly—

(1) transports, is about to transport, or has transported, monetary instruments of more than Five Hundred Thousand Pesos (Php 500,000.00) or the equivalent in foreign currency at one time from a place in the Philippines to or through a place outside the Philippines; or to a place in the Philippines from or through a place outside the Philippines; or

(2) receives monetary instruments of more than Five Hundred Thousand Pesos (Php 500,000.00) at one time transported into the Philippines from or through a place outside the Philippines.

SEC. 4. *Specifications of the Report.* A report under shall be filed at the time and place the Anti-Money Laundering Council (AMLC) prescribes. The report shall contain the following information to the extent the AMLC prescribes:

- (1) the legal capacity in which the person filing the report is acting.
- (2) the origin, destination, and route of the monetary instruments.

(3) when the monetary instruments are not legally and beneficially owned by the person transporting the instruments, or if the person transporting the instruments personally is not going to use them, the identity of the person that gave the instruments to the person transporting them, the identity of the person who is to receive them, or both.

(4) the amount and kind of monetary instruments transported.

(5) additional information as may be required by the AMLC or any of its members.

SEC. 5. *Cumulation of Closely Related Events.*— Notwithstanding the provisions of Republic Act No. 9160, or the Anti-Money Laundering Act of 2001, the AMLC may prescribe regulations under this section defining the term “at one time” for purposes of Section 3. Such regulations may permit the cumulation of closely related events in order that such events may collectively be considered to occur at one time for the purposes of Section 3.

SEC. 6. *Criminalization of Bulk Cash Smuggling* – Whoever, with the intent to evade a currency reporting requirement under Sections 3,4, and 5, knowingly conceals more than Five Hundred Thousand Pesos (Php 500,000.00) in currency or other monetary instruments on the person of such individual or in any conveyance, article of luggage, merchandise, or other container, and transports or transfers or attempts to transport or transfer such currency or monetary instruments from a place within the Philippines to a place outside of the Philippines, or from a place outside the Philippines to a place within the Philippines, shall be guilty of a currency smuggling offense and subject to punishment pursuant to Section 6 of this Act.

For purposes of this section, the concealment of currency on the person of any individual includes concealment in any article of clothing worn by the individual or in any luggage, backpack, or other container worn or carried by such individual.

Whoever aids and abets an act of currency smuggling as defined in this Section shall be guilty of conspiracy to commit a currency smuggling offense, punishable under Section 7 of this Act.

Notwithstanding existing rules and regulations, law enforcement officers and government employees who aid and abet currency smuggling shall, in addition to being held criminally liable, also be held administratively liable. The Civil Service Commission and the AMLC shall jointly issue the necessary rules and regulations for the implementation of this paragraph.

SEC. 7. *Penalty* – (1) Term of imprisonment. — A person convicted of a currency smuggling offense under Section 6 or a conspiracy to commit such offense, shall be imprisoned for not less than seven (7) years and not more than fourteen (14) years.

(2) Forfeiture. — In addition, the court, in imposing sentence under paragraph (1), shall order that the defendant forfeit to the Republic of the Philippines, any property, real or personal, involved in the offense, and any property traceable to such property.

(3) Procedure. — The seizure, restraint, and forfeiture of property under this section shall be governed by Anti-Money Laundering Act of 2001, as amended.

(4) Personal money judgment. — If the property subject to forfeiture under paragraph (2) is unavailable, and the defendant has insufficient substitute property that may be forfeited pursuant to the Anti Money Laundering Act of 2001 as amended, the court shall enter a



personal money judgment against the defendant for the amount that would be subject to forfeiture.

SEC. 8. *Amendment to Covered Persons under Anti-Money Laundering Act.* Section 3 (b) of Republic Act. No. 9160 is hereby amended to read as follows:

“(b) Covered Transaction” x x x .

**TRANSPORT OF MONETARY INSTRUMENTS OF MORE THAN FIVE HUNDRED THOUSAND PESOS (PHP 500,000.00) OR THE EQUIVALENT IN FOREIGN CURRENCY AT ONE TIME FROM A PLACE IN THE PHILIPPINES TO OR THROUGH A PLACE OUTSIDE THE PHILIPPINES; OR TO A PLACE IN THE PHILIPPINES FROM OR THROUGH A PLACE OUTSIDE THE PHILIPPINES;**

**RECEIPT OF MONETARY INSTRUMENTS OF MORE THAN FIVE HUNDRED THOUSAND PESOS (PHP 500,000.00) AT ONE TIME TRANSPORTED INTO THE PHILIPPINES FROM OR THROUGH A PLACE OUTSIDE THE PHILIPPINES.**

**THE AMLC MAY PRESCRIBE REGULATIONS UNDER THIS SECTION DEFINING THE TERM “AT ONE TIME” FOR PURPOSES OF SECTION SUCH REGULATIONS MAY PERMIT THE CUMULATION OF CLOSELY RELATED EVENTS IN ORDER THAT SUCH EVENTS MAY COLLECTIVELY BE CONSIDERED TO OCCUR AT ONE TIME FOR THE PURPOSES OF THIS SECTION.**

SEC. 9. Section 7 of Republic Act No. 9160 is hereby amended to read as follows:

Section 7. Creation of Anti-Money Laundering Council (AMLC). – The Anti-Money Laundering Council is hereby created and shall be composed of the Governor of the Bangko Sentral ng Pilipinas as chairman, the Commissioner of the Insurance Commission, **THE TREASURER OF THE PHILIPPINES**, and the Chairman of the Securities and Exchange Commission as members.

x x x

SEC. 10. *Implementing Rules and Regulations.* – Within thirty (30) days from the effectivity of this Act, the Bangko Sentral ng Pilipinas, the Insurance Commission, the Bureau of Treasury, and the Securities and Exchange Commission shall promulgate the rules and regulations to implement effectivity the provisions of this Act.

SEC 11. *Separability Clause.* – If any provision or section of this Act or the application thereof to any person or circumstance is held to be invalid, the other provisions or sections of this Act, and the application of such provision or section to other persons or circumstances, shall not be affected thereby.

SEC. 12. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations or parts thereof, including the relevant provisions of Republic Act No. 9160 as amended and other similar laws, as are inconsistent with this Act, are hereby repealed, amended or modified accordingly.

SEC. 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation.