

Benjamin E Diokno: Keynote message - 18th AMLC Anniversary

Keynote message by Mr Benjamin E Diokno, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), at the 18th AMLC Anniversary, Kuala Lumpur, 23 October 2019.

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Atty. Jorge S. Brania, head of AML Desk of Insurance Commission, Anti-Money Laundering Council Member and Insurance Commissioner, Atty. Dennis B. Funa.

Securities and Exchange Commissioner Javey Paul D. Francisco, who is attending on behalf of AMLC Member and SEC Chairperson, Atty. Emilio B. Aquino.

AMLC Secretariat Executive Director, Atty. Mel Georgie B. Racela.

Men and women of the AMLC Secretariat, good afternoon and welcome to the 18th Anniversary of the AMLC.

Eighteen is a significant number. In the Philippines, like in most countries, the age of majority is 18. It is a coming of age, a transition into adulthood. And this is very fitting for the AMLC as we are also undergoing a transformation.

We are doing so by introducing improvements in our policies and operations with the hope that they will be beneficial to our country long after our terms have ended.

To be honest, the year has gone by fast, but it has been a productive and exciting one for the AMLC.

First. The AMLC adopted the 2018 Implementing Rules and Regulations of the AMLA, as amended. The new rules ensure that covered persons will be held accountable for their violations of the AMLA. It also requires covered persons to adopt robust anti-money laundering and terrorism financing prevention programs.

The AMLC also issued the Guidelines on Identifying Beneficial Ownership which seeks to promote transparency in the use of legal persons, legal arrangements, and nominee arrangements. This is to ensure that these types of arrangements will be legitimately used and not for the purpose of distancing one's identity from the proceeds of crime.

Second. The AMLC has strengthened its cooperation and coordination with partner law enforcement agencies in the drive against money laundering and terrorism financing. The AMLC has conducted various workshops with its partners as means to widen their awareness of different money laundering typologies, and to capacitate them in detecting and preventing such activities. In turn, the AMLC continues to benefit from having established relationships with law enforcement partners in the area of development of money laundering and terrorism financing cases.

Third. From January 2018 to July 2019, the AMLC was able to produce tangible results of its investigation efforts and cause the freezing of assets with an estimated value of over one billion pesos. It also actively caused the forfeiture of assets with an estimated value of 600 million pesos. All these investigation efforts helped in the development of 11 money laundering complaints, two terrorism financing complaints, 23 applications for bank inquiry for money laundering, and three applications for bank inquiry for terrorism financing.

These are only possible through the unrelenting efforts of the competent men and women of the AMLCs.

Fourth. The AMLC conducted risk assessment and strategic studies, the latest of which

assessed the Philippines' exposure to threats linked to child pornography. It was an example of a study that made use of the rich information contained in AMLC's database based on the submissions of covered persons.

Fifth. The Philippines is in the latter stage of the Mutual Evaluation (ME) which gauges the country's levels of technical compliance with international anti-money laundering/counter-terrorism financing or AML/CTF standards as well as effectiveness of the country's existing AML/CTF system.

Prior to the ME Report (MER), the AMLC conducted a self-assessment based on the existing legal framework, operations of competent authorities, and statistics to forecast the evaluation results.

On effectiveness, the assessment reflected accurate ratings for seven out of the 11 Immediate Outcomes (IOs), while on technical compliance, the assessment reflected accurate ratings for 34 out of the 40 Financial Action Task Force (FATF) Recommendations.

Following the adoption of the MER, the Philippines has entered a 12-month observation period, the completion of which requires the country to submit a comprehensive progress report to the Asia/Pacific Group on Money Laundering (APG) focused on the implementation of its recommended actions. This 12-month observation period gives us an opportunity for the country to remedy identified shortcomings in the MER.

As such, I enjoin everyone to work even harder to ensure that the Philippines is able to successfully exit the 12-month observation period. We cannot afford to have the Philippines in the Financial Action Task Force's list of high risk and non-cooperative jurisdictions. Hence, we should be very strategic in our focus for the next 12 months.

With perseverance, a reinforced Secretariat and a closer link with partner agencies, I am confident that we will be able to address the country's weak AML/CFT areas.

As the world continues to evolve, the AMLC and its Secretariat should expect more challenges ahead. We should all heed the call to be better, bolder, and more committed in ensuring that the Philippines will not be used as a money laundering site or a haven for terrorist groups.

Today, as we mark 18 years of fighting money laundering and terrorism financing, we acknowledge and celebrate all the hard work that has come to fruition. Allow me to thank everyone for the steadfast support you continue to give the Council. The work before us may be daunting, but with able and spirited people behind the AMLC, I am confident that we can remain agile in the pursuit of our mandate.

Thank you and happy anniversary to all