



BANGKO SENTRAL NG PILIPINAS

CIRCULAR LETTER NO. CL-2021-052

OFFICE OF THE DEPUTY GOVERNOR FINANCIAL SUPERVISION SECTOR

To : **All BSP-Supervised Financial Institutions (BSFIs)**

Subject : **Anti-Money Laundering Council (AMLC) Advisory
on the Implementation of Freeze Orders (FOs)**

This is to disseminate to all BSFIs the Advisory¹ of the AMLC on the implementation of FOs. Said advisory articulates the AMLC's observation that some covered persons (CPs) submit returns on the implementation of FOs, concerning related accounts, only a few days before the expiration of the six (6)-month FO issued by the Court of Appeals against the main accounts. In addition, some CPs commence to implement the FOs a few days or weeks before the expiry of the period prescribed by the Court under the FO. Such late filing of Returns may be considered a violation of Rule 10, Section 4 (4.4), in relation to Section 4.2 (b), of the 2018 Implementing Rules and Regulations (IRR) of the Anti-Money Laundering Act (AMLA), as amended, which prescribes the periods for filing of Returns on FOs.

In view of the foregoing, all BSFIs are advised that:

1. The periods for filing Returns on FOs should be strictly observed;
2. The twenty (20)-day effectivity of FOs should be reckoned from the time the accounts are actually frozen, as indicated in the Return, which shall be submitted within twenty-four (24) hours from freezing of the related accounts;
3. The late implementation of an FO and the consequent late submission of returns, or failure to file returns within a reasonable period may constitute:

¹ Posted in the AMLC website on 02 July 2021;
<http://www.amlc.gov.ph/images/PDFs/ADVISORY%20IMPLEMENTATION%20OF%20FREEZE%20ORDERS.pdf>

- (a) A money laundering offense under Section 4 (f) of the AMLA, as amended, punishable with imprisonment of four (4) to seven (7) years, and a fine of not less than One Million Five Hundred Thousand Pesos (PhP1,500,000.00); or
 - (b) If the subject accounts were ordered frozen under the Terrorism Financing Prevention and Suppression Act of 2012 (TFPSA) or Republic Act (R.A.) No. 10168; or the Anti-Terrorism Act of 2020 or R.A. No. 11479, the same may be considered as dealing, directly or indirectly, in any way or by any means, with any property or funds of a designated person under Section 8 of TFPSA, that is punishable with reclusion temporal in its maximum period to *reclusion perpetua* and a fine of not less than Five Hundred Thousand Pesos (PhP500,000.00) and not more than One Million Pesos (PhP1,000,000.00); and
4. The late implementation of an FO and/or late submission of Returns on FOs are administrative offenses or violations under any or all of the provisions of Rule IV, Section 2 of the Rules of Procedure on Administrative Cases under R. A. No. 9160 or the AMLA, as Amended, and its IRR, and Guidelines and Other Issuances of the AMLC.

For information and strict compliance.

 Digitally signed by
Chuchi G. Fonacier
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CHUCHI G. FONACIER
Deputy Governor

14 July 2021