REPUBLIC OF THE PHILIPPINES
TO THE CALL FOR INPUTS ON THE OHCHR STUDY RELATING TO
THE FIGHT AGAINST CORRUPTION
(A/HRC/RES/41/9)

In response to OHCHR Note Verbale ACHR/2019/1 dated 19 July 2019 seeking inputs on the challenges faced and best practices applied by States in integrating human rights in national strategies and policies to fight against corruption, including those addressing non-State actors such as the private sector, the Philippines provides the initial information from the Anti-Money Laundering Council (AMLC) of the Philippines on the best practices and the challenges that it encountered in coming up with a National Strategy on Anti -Money Laundering and Countering the Financing of Terrorism, which likewise addresses the prevention of predicate offenses to money laundering, including the fight against corruption.

I.   Conduct of National Risk Assessment

As part of its mandate of maintaining an internationally compliant and effective Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) regime by ensuring that the Philippines shall not be used as a money laundering, terrorism financing and proliferation financing site, the AMLC spearheaded the conduct of the National Risk Assessment (NRA) on Money Laundering and Terrorism Financing (ML/TF).

The NRA assessed the overall exposure of the country to money laundering and its related predicate offenses, including graft and corruption. The comprehensive process also identified and analyzed the ML/TF risks of the different sectors and entities covered under Republic Act No. 9160 or The Anti-Money Laundering Act of 2001 (AMLA), as amended. The NRA process was participated in by supervisory authorities (SAs), law enforcement agencies (LEAs), relevant government agencies, industry associations and private stakeholders.

The Philippines has conducted two (2) NRAs - the first covering the period 2011-2014, and the second covering the period 2015-2016. It was noted that for both 1st and 2nd NRAs, graft and corruption was rated high in relation to its threat to money laundering and terrorist financing.

While conducting the risk assessment, the following were the challenges faced:
- Data and statistics available with some agencies are not updated.
- Dissemination of data and information sharing. Some government agencies require official clearances before the data can be released.
- There is no centralized database system. Many government institutions still maintain data manually.

II.   Establishment of a National Policy Based on the Risks Identified in the NRA

Following the two NRAs, the National AML/CFT Coordinating Committee (NACC) and the National Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Strategy (NACS) were established.

The NACS is a strategic and collective response in the form of action plans to the risks identified, gaps and problem areas noted under the NRA on Money Laundering and Terrorism Financing (ML/TF). As part of the implementation of the National AML/CFT Strategy, key government agencies will integrate the identified action plans within their respective agency and come up with their own action plans, consistent with the identified strategic objectives.

The National Anti-Money Laundering and Countering the Financing of Terrorism Strategy 2018-2022 (NACS) contains the country's priority policies consistent with international standards, defined targets, action plans, and insights harvested during the dynamic involvement of all departments, bureaus, offices, and agencies of the Executive Branch, including government financial institutions and government-owned or –controlled corporations. It aims to provide a whole of government approach in AML/CFT efforts. It shall enable the government and the private sector to have a coordinated and strategic approach towards combating money laundering and terrorism financing, and its related predicate offenses, including graft and corruption.

One of the strategic objectives of NACS is the improvement of capacity and collaboration among the AMLC, law enforcement agencies and prosecutors for the effective investigation and prosecution of money laundering, including the predicate offenses of graft and corruption, violation of Anti-trafficking in Person Act of 2003 and the Special Protection of Children Against Abuse, Exploitation and Discrimination Act.

Through the identified action plans under this national strategy, the AMLC has established a platform for its continuing efforts towards achieving its mandate while at the same time, it has taken a coherent structure for the promotion of awareness for certain high risk predicate offenses, including graft and corruption. In particular, programs designed to enhance deeper understanding of the role and accountability of public servants can effectively prevent and reduce corruption in government. As corruption is inextricably linked to money laundering and other crimes, anti-corruption education can also have an impact on the enjoyment of human rights considering the fact that corruption can have devastating impacts on the availability, quality and accessibility - on the basis of equality of human rights-related goods and services.