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The Philippines has moved closer to exiting the Financial Action Task Force^[1] (FATF) grey list^[2] after addressing items in its International Co-operation Review Group^[3] (ICRG) action plan.

In its statement on June 28, 2024, the FATF recognized that the Philippines has made significant progress in enhancing its anti-money laundering and counter-terrorism financing (AML/CTF) regime.

The statement highlights that since June 2021, when the Philippines made a high-level political commitment to work with the FATF and the Asia/Pacific Group on Money Laundering (APG) to strengthen the effectiveness of its AML/CTF regime, the country has taken substantial steps forward. These steps include “demonstrating an increase in ML investigations and prosecutions in line with risk; enforcement of beneficial ownership transparency obligations and law enforcement access to those beneficial ownership data records; and that risk-based supervision of Designated Non-Financial Businesses and Professions (DNFBPs) is occurring.”

On 2 January 2024, President Ferdinand R. Marcos Jr. directed all government agencies concerned to address all the remaining action plan items within the year to trigger the exit process.

In view of this, the National Anti-Money Laundering, Counter-Terrorism Financing, and Counter-Proliferation Financing Coordinating Committee (NACC) and all agencies concerned have been exhausting all measures in line with the President’s directive. The Executive Secretary heads the NACC.

In the recent FATF Working Group and Plenary meeting, Executive Secretary Lucas P. Bersamin reaffirmed the nation's commitment to combating money laundering, terrorism financing, and proliferation financing of weapons of mass destruction.

Aside from citing the progress made, he emphasized the comprehensive, whole-of-nation approach, the high-level commitment, and continuous efforts of the Philippines to improve its financial security regime.

The Philippines will continue to work on implementing its action plan to address remaining deficiencies, which includes demonstrating that supervisors are using AML/CTF controls to mitigate risks associated with casino junkets; implementing cross-border measure across main air/seaports, including detection of false declaration of currency and resulting confiscations; and demonstrating an increase in the prosecutions of terrorism financing cases.

“We welcome FATF’s recognition of the country’s progress in strengthening its position in the global fight against financial crimes, even as we remain focused on addressing remaining action plan items,” said Executive Director Matthew M. David of the Anti-Money Laundering Council.

President Marcos has again demonstrated a stronger political commitment to addressing the remaining ICRG action plan items, ensuring that the Philippines remains steadfast in its efforts to exit the FATF grey list.

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^[1] An international standard-setting body, the FATF develops and promotes policies to protect the global financial system against money laundering, terrorism financing, and the proliferation financing of weapons of mass destruction.

[2] The FATF list of “Jurisdictions under Increased Monitoring” is otherwise known as the “grey list.” It is a list of jurisdictions with strategic deficiencies in its AML/CTF regime. Grey-listed jurisdictions, such as the Philippines, must swiftly resolve all identified deficiencies within a timeframe and must report its progress to the FATF frequently, thus, the term “increased monitoring.”

[3] The ICRG analyzes high-risk jurisdictions and recommends specific actions to deal with the money laundering and terrorism financing risks.