

# Money 'mule' incidents in 2021 spike as digital banking surges

MONEY "mules" generated 732,392 suspicious-transaction reports (STRs) in 2021, up 1,277.09%, the Anti-Money Laundering Council (AMLC) reported.

The AMLC said the STRs spiked with the accelerated adoption of digital banking and electronic wallets.

Suspected money "mule" offenses in 2021 were up 50.50% from a year earlier.

"The sharp increase in the number of submitted STRs in 2021 can be attributed to the emergence and accelerated adoption of digital banking and electronic wallets, which did not only provide alternative payment methods but also made financial transactions easier and safer in the midst and in the wake of the COVID-19 (coronavirus disease 2019) pandemic," the AMLC said.

"This is consistent with the reported volume of PESONet and InstaPay transactions, which posted 164% and 223% growth, respectively, in the first half of 2021," it added.

PESONet and InstaPay are automated clearing houses

launched in December 2015 under the central bank's National Retail Payment System.

PESONet caters to high-value transactions and may be considered an electronic alternative to the paper-based check system.

On the other hand, InstaPay is a real-time, low-value electronic fund transfer facility for transactions up to P50,000 and is most useful for remittances and e-commerce.

"The annual values of STRs related to money mules likewise spiked in 2021, reaching P505.99 billion or 99.18% of the total value of the captured STRs," the AMLC said.

It added that the sudden increase in the value of STRs in 2021 was due to an attempted bank account opening with an initial deposit of \$10 billion.

According to the report, most of the STRs were triggered by suspicious circumstances defined by Republic Act (RA) 9160, accounting for 99.77% of the total volume of STRs.

About 45.89% of the STRs were deemed suspicious because there was no underlying legal or trade

obligation, purpose, or economic justification.

Suspected money mules utilize three main modes of withdrawing funds: electronic cash cards, automated teller machines, and over the counter transactions.

"Using the available addresses of the reporting branches as proxy for the location of the cash-out facilities used by suspected money mules, it was observed that 54.91% of the withdrawal transactions were performed in Metro Manila. This was followed by Cavite (38.08%), Negros Occidental (2.80%), Laguna (2.10%), Pampanga (1.64%), and Tarlac (0.47%)," according to the report.

"Within Metro Manila, the withdrawal transactions by suspected money mules were done in Makati City (76.60% of total transactions in Metro Manila), Parañaque City (17.45%), City of Manila (2.98%), Quezon City (2.55%), and Pasay City (0.43%)."

"Given the seemingly rampantcy of money mules in the country, the report highlights the need to raise awareness among the covered persons so that they may

prevent money mules from taking advantage of the existing financial infrastructure," the AMLC said.

"Likewise, the study finds value in educating the general public about the suspicious activities and notable typologies of money mules, so they may protect themselves from being victimized. Thus, the dissemination of this report to law enforcement agencies, supervising authorities, other government agencies, covered persons with Public-Private Partnership Agreement with the AMLC, other financial intelligence units, and the general public is recommended."

According to the AMLC, a money mule is someone who, either intentionally or unintentionally, uses his or her bank account to transfer money on behalf of someone else, usually a cybercriminal.

Cybercriminals use these bank accounts for crimes such as money laundering or for transferring stolen money, which are prohibited under Republic Act 9160 or the Anti-Money Laundering Act of 2001. — **Keisha B. Ta-asan**

## ALLEGATIONS IN SUPPORT OF THE ISSUANCE OF PROVISIONAL AUTHORITY

- PSALM acknowledges that the continued operation of the DUs subject of this Application is indispensable to the economic efficiency of the franchise area they service, not to mention the ripple effect of that efficiency on the economic growth of the entire country. In order for these DUs to continue drawing electricity from the grid, it is imperative that they enter into agreement/s with PSALM as Supplier for the supply of electricity, through a contract of sale for electricity, hence the respective CSEE and LOA.
- A grant of Provisional Authority ("PA") to execute the PSALM-DASURECO and PSALM-ZAMCELCO CSEEs as well as the PSALM-SIARELCO LOA will ultimately redound to the benefit of end-users/consumers.
- The Judicial Affidavit of Engr. James Marvin A. Mamaradlo, the Corporate Staff Officer B of the Electricity Trading Department under PSALM's Privatization and Asset Management Group, attesting to the truth of the above matters is attached as Annex "H" hereto.
- Pursuant to the ERC Rules of Practice and Procedure, this Honorable Commission may exercise its discretion by granting a PA or an Interim Relief prior to a final decision.
- It is understood that the PA or Interim Relief sought by PSALM shall be subject to adjustments and other conditions that the Honorable Commission may impose.

### PRAYER

WHEREFORE, PSALM most respectfully prays that this Honorable Commission APPROVE the PSALM-DASURECO and PSALM-ZAMCELCO Contracts for the Supply of Electric Energy as well as the PSALM-SIARELCO Letter of Agreement. It is likewise prayed that the Honorable Commission ISSUE a Provisional Authority authorizing PSALM to implement the said CSEEs and LOA.

Other reliefs just and equitable under the premises are likewise prayed for.

The Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platforms for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>1</sup> dated 24 September 2020, and Resolution No. 01, Series of 2021 dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):<sup>2</sup>

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Date	Platform	Activity
24 February 2023 (Friday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams or Zoom Application	Determination of compliance with the jurisdictional requirements and expository presentation
03 March 2023 (Friday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams or Zoom Application	Pre-trial Conference and presentation of evidence

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via electronic mail (e-mail) at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph). The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, all persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- The petitioner's name, mailing address, and e-mail address;
- The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- A statement of the relief desired.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may likewise file through e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

- The name, mailing address, and e-mail address of such person;
- A concise statement of the Opposition or Comment; and
- The grounds relied upon.

Any of the persons mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at [www.erc.gov.ph](http://www.erc.gov.ph).

Finally, all interested persons may be allowed to join the scheduled initial virtual hearings by providing the Commission, thru [legal.virtualhearings@erc.ph](mailto:legal.virtualhearings@erc.ph), with their respective e-mail addresses and indicating therein the case number of the instant *Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearings.

WITNESS, the Honorable Commissioners<sup>3</sup> CATHERINE P. MACEDA, and MARKO ROMEO L. FUENTES, Energy Regulatory Commission, this 6<sup>th</sup> day of January 2023 in Pasig City.

*Medusa*  
MONALISA C. DIMALANTA  
Chairperson and CEO



<sup>1</sup> Hereinafter referred to as the "PSALM-DASURECO CSEE".

<sup>2</sup> Hereinafter referred to as the "PSALM-ZAMCELCO CSEE".

<sup>3</sup> Hereinafter referred to as the "PSALM-SIARELCO LOA".

<sup>4</sup> Please see 6.10.a. to 6.10.h. of the PSALM-DASURECO CSEE.

<sup>5</sup> Please see the detailed list of terms and conditions under 6.17.1 to 6.17.12 of the PSALM-DASURECO CSEE.

<sup>6</sup> The PSALM-SIARELCO CSEE is Annex B-12 of the Application.

<sup>7</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

<sup>8</sup> Dated 24 October 2017.

<sup>9</sup> Dated 21 July 2021.

<sup>10</sup> Entitled "Adopting and Prescribing the Policy for the Competitive Selection Process in the Procurement By the Distribution Utilities of Power Supply Agreement for the Captive Market".

<sup>11</sup> A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

<sup>12</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

<sup>13</sup> Commissioners Alexis M. Lumbatan and Floresinda G. Baldo-Digal were on leave on 06 January 2023.

## AmCham hoping for more regular SRP bulletin releases

THE American Chamber of Commerce of the Philippines (AmCham) said it is counting on the Department of Trade and Industry (DTI) to more regularly publish its updated suggested retail price (SRP) bulletins, following the latest edition issued on Feb. 8.

"We have a good working relationship with them (the DTI), so I am certain they will be more regular in issuing the SRP. Maybe not on the exact frequency but certainly more regular," AmCham Executive Director Ebb Hinchliffe told *BusinessWorld* via Viber.

In January, AmCham urged the DTI to publish SRP bulletins for basic necessities and prime commodities (BNPCs) on a regular basis, saying that it would help the business chamber's member companies plan their operations and finances.

"This will ultimately help businesses stay afloat and continue to provide jobs and quality products," the group said.

Mr. Hinchliffe said that the DTI's new SRP bulletin will likely have an impact on inflation.

"I am glad to see the DTI releasing a new bulletin. With (the) January 8.7% inflation rate, most of the (price) increases (in SRP bulletin) can be justified. However, it may fuel inflation even further," Mr. Hinchliffe said.

"Employees will expect high wages to offset the higher cost but higher wages without increases in production are inflationary. (It's a) vicious cycle," he added.

The Philippine Statistics Authority reported on Feb. 7 that headline inflation rose to 8.7% in January against year-earlier level of 3%, on the back of higher prices of rent, electricity, water, vegetables, milk, eggs, fruit, and nuts.

On Feb. 8, the DTI's new SRP bulletin authorized price hikes of between 45 centavos and P7 for 76 stock keeping units (SKUs), while holding steady the recommended prices for 141 SKUs. The last SRP bulletin was issued in August.

The SKUs allowed to raise prices include canned sardines in tomato sauce, processed milk, coffee 3-in-1 original, noodles, bread, detergent soap, canned meat, candles, and condiments.

According to Trade Undersecretary Ruth B. Castelo, price increases in the new SRP bulletin were justified by external factors such as the high cost of raw materials, packaging materials, logistics, and transportation.

"The DTI assures the public that price adjustments were carefully studied and kept to a minimum to ensure that affordable goods are still available in the market. Further, we also regularly monitor the price movements of raw materials of these BNPCs, and continuously monitor retailers to ensure that the prices of BNPCs are reasonable," Ms. Castelo said. — **Revin Mikhael D. Ochave**

## Bigger role for MSMEs urged as FDI flows into larger companies

By Beatriz Marie D. Cruz

MICRO, small, and medium enterprises (MSMEs) can survive within an "ecosystem" making them part of a broader supply chain as larger companies take in more foreign direct investment (FDI), economists said.

"The big fish can thrive with the small fish in a healthy ecosystem where they can exist symbiotically," Ser Percival K. Peña-Reyes, director of the Ateneo Center for Economic Research and Development, said in a Viber message.

Mr. Peña-Reyes was referring to Marikina Rep. Stella Luz A. Quimbo's contention that more FDI could point to a market opportunity for MSMEs.

"That is the aspiration... MSMEs will eventually find a particular market niche, in which they can become competitive in an ecosystem that will be created by your foreign firms," Ms. Quimbo told legislators, academics, and the private sector during a public consultation to amend the Constitution in Cagayan De Oro City on Friday.

Ms. Quimbo said, for instance, that makers of household goods could supply multinational home furnishing retailers.

"If you are, for example, a basket maker in Bicol, now that IKEA is here, you can actually supply baskets to IKEA," she added.

Rogelio Alicor L. Panoa, an associate professor of political science at the University of the Philippines, said that amending the Constitution is not a prerequisite to ensure MSMEs can be part of the supply chain.

"It is not about a flawed charter," he said via Messenger. "Issues with our present Constitution are minuscule compared to the lack of a national economic vision."

Marinduque Rep. Lord Allan Jay Q. Velasco and Parañaque Rep. Gus S. Tambunting both filed a Resolution of Both Houses to include the phrase "unless otherwise provided by law" in several economic provisions of the Constitution, with the

intent of creating a "suitable business environment to secure foreign investment and foster economic cooperation among contracting nations," according to Mr. Tambunting's resolution.

Mr. Panoa said that lawmakers should craft separate policies ensuring that MSMEs are self-sufficient; otherwise, they will be overshadowed by foreign businesses.

"Without mechanisms that will ensure the growth and survival of MSMEs with the onslaught of foreign investment, it would be difficult for us to take advantage of foreign investment spillovers," Mr. Panoa said.

"Small firms will need access to inputs, technology, credit, and markets in order to survive and thrive," Mr. Peña-Reyes added.

According to Mr. Panoa, legislators need to be more creative in drafting policy to support MSMEs. These could include direct financial assistance, microinsurance, and "developing a supportive regulatory environment" through faster government transactions like paying taxes and obtaining business licenses.

Mr. Panoa also called for the strengthening of domestic demand by enhancing productivity. He cited the central bank's business expectations survey report for the fourth quarter of 2022, which found a "less optimistic" business outlook due to concerns about demand and sales, high inflation and interest rates, and a weak peso.

"This implies the need to improve product offerings and local productivity... we cannot even bring our farmers' produce to market and lack a mechanism to check unscrupulous middlemen," he said.

Mr. Panoa added that more support is needed to improve entrepreneurial skills and social protections, especially for informal economy workers.

Some 99.58% of Philippines' business establishments are MSMEs, in industries like wholesale and retail trade, motor vehicle repair, accommodation and food services, and manufacturing, according to a 2021 report by the Department of Trade and Industry.

## LANDBANK distributes payouts via card to Ilocos region crop insurance claimants

SEVEN FARMER-beneficiaries from Region I received a combined P46,400 worth of insurance payouts through their LANDBANK (Land Bank of the Philippines) prepaid cards.

LANDBANK said in a statement on Sunday that the disbursements represent payouts from the Philippine Crop Insurance Corp. (PCIC), following calamities that affected farmers' crops.

The bank added that it employed digital solutions in disbursing the claims.

"Through our partnership with PCIC, we aim to enhance

the delivery of insurance claims and make our banking services more accessible to farmers. This forms part of LANDBANK's digital thrust of promoting financial inclusion to make banking more convenient for every Filipino," LANDBANK President and Chief Executive Officer Cecilia C. Borromeo said.

LANDBANK Senior Vice-President Ma. Belma T. Turla and PCIC Acting Senior Vice-President Segundo H. Guerrero, Jr. led the fund distribution activity with PCIC Regional Manager Raul A. Servito and LANDBANK Urdaneta, Pan-

gasinan Branch Head Marlene M. Mendoza at the LANDBANK Pan-gasinan Corporate Center.

The PCIC on Jan. 27 asked LANDBANK to produce 52,236 prepaid cards for its farmer-beneficiaries, 34,847 of which have since been released to the PCIC, according to the statement.

LANDBANK said the PCIC will oversee card distribution, allowing farmers to receive their payouts in succeeding disbursements.

The bank added that it is also ramping up card production for 17,389 more farmer-beneficiaries endorsed by the PCIC.

LANDBANK said that it aims to provide prepaid cards and facilitate the crediting of insurance proceeds to around 1.8 million PCIC beneficiaries, in line with a Memorandum of Agreement signed in April.

Farmers can withdraw cash from 2,997 LANDBANK ATMs.

LANDBANK added that the prepaid cards can also be used to make cashless purchases via point-of-sale terminals in participating stores and transact with the bank's 1,056 agent banking partners nationwide. — **Aaron Michael C. Sy**