

FATF,
from SI/1

According to Mr. David, if a country is placed on the FATF's blacklist of countries with high risk of money laundering and terrorism financing, countermeasures may be imposed.

Financial institutions from other jurisdictions may be prohibited from establishing subsidiaries, branches, or offices in the country. These institutions will not be able to rely on third parties located in the blacklisted country as well.

Financial institutions would be required to review, amend, or terminate any correspondent relationships with banks and other financial firms in the blacklisted country, Mr. David said.

Other countries would also increase its supervisory examination and external audit requirements for branches and subsidiaries of financial institutions.

Asked if there is a possibility that the Philippines will be blacklisted, Mr. David said the AMLC is optimistic the country will be able to address all deficiencies identified by the FATF within the year.

He said all measures needed to strengthen the country's anti-money laundering/countering the financing of terrorism (AML/CFT) system are producing good results.

"All agencies should continue this momentum to eventually exit the gray list. What is crucial now is the support from the private sector," he said.

The Paris-based FATF re-included the Philippines in the gray list in June 2021 after the country failed a mutual evaluation by the Asia Pacific Group on Money Laundering.

The body earlier identified 18 deficiencies in the country's measures against money laundering and terrorist and proliferation financing. The AMLC said eight are still outstanding.

To avoid being blacklisted, a whole-of-nation approach is needed to address the eight strategic deficiencies identified by the FATF, which are clustered into five action plans, Mr. David said.

First, relevant government agencies should demonstrate effective risk-based supervision of designated nonfinancial businesses and professions (DNFBPs), he said.

"This includes the registration as covered persons by lawyers, accountants, company service providers, jewelry dealers and real estate developers and brokers with the AMLC," he said.

"Corporations should also increasingly submit their beneficial ownership declarations to the Securities and Exchange Commission (SEC) to further enhance the country's beneficial ownership database."

He said all registered DNFBPs are subjected to risk profiling and compliance examinations. These nonfinancial firms should also increase the filing of transaction reports to the AMLC.

Meanwhile, designated authorities or nonpublic bodies should use the proper AML/CFT controls to mitigate risks in casino junkets.

"The Philippine Amusement and Gaming Corp. should ensure that casinos are able to apply fit and proper rules and conduct customer due diligence on both the junket operator and the individual junket players. The appropriate sanctions should be implemented on casinos who fail to do so," he said.

The Philippines should also increase its money laundering and terrorism financing investigations and prosecutions, he said.

Aside from the AMLC, relevant law enforcement agencies should file more ML/TF financing criminal cases with the Department of Justice and courts.

Cross-border measures should also be applied to all main sea or airports of the country, Mr. David said.

"The Bureau of Customs should continue to enhance implementation of cross-border declaration measures across all international air and seaports. This should include increasing capacity for the detection of false declarations and corresponding confiscation actions should be made," he said.

All AML/CTF stakeholders such as supervisors, regulators, law enforcement agencies, prosecutors, other government agencies, and covered persons in the private sectors should address the deficiencies wherever applicable, he added.

In October 2023, Mr. Marcos required the urgent implementation of the government's National Anti-Money Laundering, Counter-Terrorism Financing and Counter-Proliferation Financing Strategy 2023-2027 and ordered concerned agencies to support efforts against money laundering and terrorism financing.

Only three countries are currently in the FATF's blacklist — North Korea, Iran and Myanmar.

In 2002, the FATF blacklisted the Philippines for having no legal anti-money laundering framework.

The Philippines was removed from the blacklist in 2003 after the passage of Republic Act (RA) No. 9160 or the Anti-Money Laundering Act of 2001 as well as its amendments through RA 9194.

Flag carrier to focus on expanding route network and fleet this year

FLAG carrier Philippine Airlines (PAL) said it remains focused on expansion initiatives to meet market demand and contribute to the tourism industry's development.

"We are aware of potential economic headwinds in global markets but we remain focused on growing our route network and our fleet progressively to meet market demand and support the tourism industry," the airline said in a statement to *BusinessWorld* on Saturday.

PAL is confident about its long-term growth prospects, the airline also said, adding that this trajectory will be supported by its growing route network and an additional fleet.

"PAL and PAL Express are committed to continually improving passenger service and operational efficiency through digital transformation and greater connectivity in our existing hubs in Manila, Cebu and Davao."

The company is preparing for the arrival of its new aircraft next year,

which will include long-range Airbus A350-1000s.

The attributable net income of PAL Holdings, Inc., the listed operator of flag carrier Philippine Airlines (PAL), increased by 33.3% to P4.28 billion in the third quarter from a year earlier. Consolidated revenue rose by 16.7% to P47.13 billion.

Its nine-month attributable net income more than doubled to P15.16 billion.

Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks,

Inc. said that airlines are projected to witness "enhanced" profitability in 2024 mainly by passenger revenues.

"Passenger revenues are anticipated to grow in 2024, potentially exceeding double the pre-pandemic growth trend," Mr. Arce said in a Viber message.

The Philippines recorded 5.45-million international visitors in 2023, surpassing its 4.8-million target, the Tourism department said. This year, the agency is targeting 7.7-million visitors.

— **Ashley Erika O. Jose**

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