

# PHL obtains \$624 million from WB for literacy, food programs

THE PHILIPPINES obtained \$624.5 million in World Bank (WB) funding to address low student literacy and its climate-exposed food supply, the bank said.

In separate disclosures issued on Tuesday, the bank said that it signed agreements with the Philippines authorizing funding for the departments of Education and Agriculture.

The agreements were finalized by Finance Secretary Frederick D. Go and World Bank Division Director Zafer Mustafaoglu.

The bulk of funding — \$600 million — will support the Project for Learning Upgrade Support and Decentralization, which aims to reverse years of lagging learning outcomes.

It seeks to improve the “foundational literacy and numeracy of primary education learners, as well as the learning outcomes in reading and mathematics of lower secondary education learners in public schools.”

Key pillars of the overhaul include the Academic Recovery and Accessible Learning program, global benchmarking, and teacher empowerment.

It will be divided into three parts: system-level interventions, targeted interventions, and monitoring and evaluation and project management.

Meanwhile, a \$24.5-million grant will be extended for the Technical Assistance for Sustainable Agriculture Transformation Proj-

ect. It will be funded by the Food Systems 2030 Multi-Donor Trust Fund and the Livable Planet Fund.

This grant serves as a technical bridge for the broader Philippines Sustainable Agriculture Transformation Program.

The strategy will focus on climate-smart agriculture, subsidy reform, and export growth.

It has four parts: improving efficiency of rice-based farming systems and enhancing climate resilience; enhancing crop diversification and regional exports through intensification of high-value cropping; institutional strengthening in support of the agri-food transformation agenda; and project management, monitoring, evaluation and learning. — **Justine Irish D. Tabile**

## Australian AI training company projected to create 1,100 PHL jobs

THE Philippine Economic Zone Authority (PEZA) said an Australian artificial intelligence (AI) training company is expected to generate 1,100 jobs in the Philippines.

In a statement on Wednesday, PEZA said Appen Butler Hill Pty Ltd., is hoping to address growing demand for AI support services.

Appen specializes in image labeling and annotation for automated image classification systems.

Since opening in the Philippines in 2007, the company has grown its Philippine workforce to over 2,500 employees with a P140-million investment.

PEZA also noted that A.S. White, an Australian international staffing company, proj-

ects to grow to over more than 300 new jobs per year in the next few years as it expands in new cities in the Philippines.

The company operates out of E-Square IT Park in Taguig City, and has grown to 1,308 employees.

PEZA also noted that Financial Advice Association Australia, a professional group for financial advisors, is set to conduct a study tour in Cebu in August 2026, with PEZA expected to assist in meeting its requirements.

Meanwhile, Haute Kitchens, which specializes in kitchen, bathrooms, wardrobes, and living room design, is considering the Philippines as a possible manufacturing site. — **Beatriz Marie D. Cruz**

### OPINION

## When the rains return, will accountability follow?

Every year, the first sustained downpour does more than test the drainage systems — it tests governance. It presents the quality of planning, the integrity of procurement, and the effectiveness of project execution that should have been firmly in place long before the clouds gather.

With only a few weeks before the rainy season officially begins once again, communities across the Philippines brace for a familiar reality: flooded streets, submerged homes, and disrupted livelihoods. Alongside these scenes come equally familiar questions: How long will it take for the truth to come out and for those who misused flood control funds to be held accountable for stealing?

Yet, unfortunately, public attention can ebb and flow. While the government moves forward to pursue accountability from the alleged perpetrators, new issues and developments compete to shift the public's focus. What was once a high-profile issue may completely slip into the background, overtaken by newer controversies. The challenge now is to keep the public discourse alive and the necessary legal processes to continue with rigor. The risk is not merely forgetfulness, but complacency. When scrutiny fades, accountability often follows. Without sustained scrutiny, the cycle can create space for the previous lapses to quietly resurface and happen again.

It is in these moments, when controls weaken, that institutional safeguards must hold firm.

Over the past year, the Bangko Sentral ng Pilipinas (BSP) has taken deliberate steps to strengthen these safeguards, sharpening and recalibrating its framework governing large-value cash transactions.

#### BSP CIRCULAR NO. 1218: CASH MOVEMENTS

In prior years, there was no regulatory

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limit or default prohibition on large-value payouts. Banks and other covered persons were only required to report all covered and suspicious transactions to the Anti-Money Laundering Council.

In 2025, the BSP's sectoral risk assessment and surveillance monitoring identified persistent risks of money laundering, terrorism financing, and proliferation financing arising from cash transactions conducted through banks and other BSP-supervised financial institutions (BSFIs). These disclosed the use and abuse of cash-based transactions to move illicit funds into and out of the financial system. In response, the BSP issued Circular No. 1218 to introduce a more structured and risk-sensitive framework for handling cash transactions. The regulation was further explained under BSP Memorandum No. M-2025-036.

Under the Circular, large-value cash payouts (e.g., withdrawals) of more than P500,000, or its equivalent in foreign currency, shall only be made, facilitated, or transacted through non-cash channels. These include check payments, fund transfers, direct credit to deposit accounts, and/or other forms using the digital payment platform of the BSFIs. The payout threshold applies to a single transaction, or an aggregate of cash payout transactions conducted by a customer within one banking day. In other words, the threshold covers all aggregated cash payout transactions of the customer within a banking day. In this case, if a customer needs to withdraw more than P500,000 in cash, the

customer should present documents to support the transaction and/or its legitimate purpose.

#### BSP CIRCULAR NO. 1230: A RISK-BASED APPROACH

On Feb. 27, the BSP issued Circular No. 1230 as a calibrated refinement of its regulatory approach to large-value cash transactions. It revised the threshold that triggers enhanced due diligence (EDD), raising it from the previous P500,000 benchmark under Circular 1218 to P1,000,000 per customer per banking day, whether undertaken through a single transaction or a series of transactions within the same day.

According to reports, the BSP explained that this move is based on its latest national risk assessments, surveillance monitoring, and consultations with industry stakeholders. These reviews revealed that a significant number of legitimate transactions, including payroll disbursements, loan releases, and project-related payments, frequently exceed the original P500,000 threshold. In effect, the original threshold, while well-intentioned, risked capturing routine commercial activity and creating operational friction for businesses without necessarily improving risk detection.

Beyond adjusting the threshold, Circular No. 1230 signals a broader shift towards “risk-based” rather than “threshold-based” control. Under this approach, once the threshold is met, EDD shall be performed at the customer level. Where a customer has already been subjected to appropriate EDD measures, repeating the process for each subsequent transaction is no longer required. This recognizes that customers, particularly businesses, often engage in recurring high-value

transactions that are consistent with their normal operations, making repetitive full due diligence both redundant and inefficient.

Despite the higher threshold, Circular 1230 does not dilute the BSP's stance on oversight. On the contrary, it reinforces several layers of safeguards:

1. Proportionate (risk-based) EDD  
Financial institutions are expressly required to apply EDD measures commensurate with the customer's risk profile, business nature, and transaction patterns. This ensures that high-risk sectors or unusual transactions continue to receive heightened scrutiny, even if they fall below or near the threshold.

2. Institutional discretion to impose stricter limits  
BSFIs retain the authority to set lower internal thresholds based on their own risk assessments. This flexibility is particularly important in industries or geographies where cash usage is more susceptible to misuse.

3. Mandatory escalation through filing a suspicious transaction report (STR)

Where a bank fails to satisfactorily complete EDD, or where performing due diligence may “tip off” the client, the institution is required to file an STR and closely monitor the account. This underscores that the framework is not purely procedural; it carries clear escalation pathways for potential misconduct.

4. Focus on red flags and typologies  
Financial institutions are further expected to consider alerts, red flags, and known typologies identified by regulators and law enforcement in assessing large or unusual cash activity.

Taken together, these elements reinforce that Circular No. 1230 is not a loosening of vigilance, but a strategic recalibration to redirect regulatory at-

tention toward higher-risk transactions while reducing unnecessary friction for legitimate economic activity.

#### SUSTAINING ACCOUNTABILITY WHEN SCRUTINY FADES

Ultimately, BSP Circulars 1218 and 1230, together with Memorandum No. M-2025-036, send a clear and consistent message: while business realities may evolve and regulatory thresholds may be recalibrated, the expectation for transparency, accountability, and proper documentation remains constant.

As the rains return and familiar questions resurface, these safeguards hold greater significance. They help ensure that large flows of funds, whether for infrastructure, emergency response, or other public or private purposes, remain traceable and defensible. In an environment where scrutiny is often fleeting, robust financial controls serve as a more enduring line of accountability. The challenge to the public, businesses, and government officials, is no longer simply to comply, but to demonstrate that every significant transaction, particularly those moved in cash, can withstand scrutiny that arises when the floods do; even when the headlines have moved on.

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## First CentralHub warehouse and logistics complex in Mindanao

The 6.2 hectare CentralHub-Davao is currently on full swing construction

CentralHub-Davao is designed to support a range of uses including warehousing, cold storage, commissaries, light manufacturing, and other related services. Strategically located along the Pan-Philippine Highway near the Lasang Public Market, the site provides convenient access to key logistics gateways such as Sasa Port, Davao International Container Terminal Inc., and Francisco Bangoy International Airport, enabling faster and more efficient movement of goods across Mindanao.

CentralHub-Davao is a joint venture of DoubleDragon Corporation and the Alsons Development and Investment Corporation.

## Budget utilization hits 91.3% at end of April

GOVERNMENT AGENCIES posted a budget utilization rate of 91.3% in April, running behind the 92% year-earlier pace, the Department of Budget and Management (DBM) said.

According to the Notice of Cash Allocations (NCAs) Utilization Report, the DBM said that the National Government, local governments, and state-owned companies used P1.63 trillion out of the P1.78 trillion in NCAs issued by the end of April.

Unused NCAs amounted to P154.92 billion, the DBM said.

NCAs are quarterly disbursement authorities issued by the DBM to agencies, allowing them to withdraw funds from the Bureau of the Treasury for their spending needs.

In April, line departments used P980.53 billion, or 86.5%, of their allotments, while P152.81 billion remained unused.

At the end of April, the Department of Foreign Affairs posted the highest utilization rate of the line departments at 99.3%.

It was followed by the Office of the Vice-President (98.7%), the Department of Energy (98.7%), the Department of Migrant Workers (98.5%), and the Commission on Human Rights (98.3%).

The other departments with over 95% utilization were the Interior and Local Government (96.5%),

Tourism (96.5%), Justice (96.3%), and Trade and Industry (95.1%), as well as State Universities and Colleges (95.1%).

The Department of Agriculture posted the lowest utilization rate of 44.2% at the end of April.

The other agencies with the low utilization rates were the Commission on Elections (51%), Other Executive Offices (54.9%), the Civil Service Commission (60.6%), the Presidential Communications Office (61%), and the Department of Transportation (67.3%).

About 99.2% or P153.79 billion of the budgetary support to government-owned and -controlled corporations had been utilized by the end of April.

Meanwhile, allocations to the local government units (LGUs) were 99.8% utilized, while NCAs issued to the Metropolitan Manila Development Authority were 92.5% used.

Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., said the utilization rate still reflects some under-spending since late 2025.

“The lower utilization may have to do with more caution about corruption since the flood control scandal,” he said.

“Going forward, catch up government spending for the coming months ... could lead to higher budget utilization,” Mr. Ricafort added. — **Justine Irish D. Tabile**