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EG Memo No. 01-2025

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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MEMORANDUM

(BOC-06-09887)

FOR : ASSISTANT COMMISSIONER, PCAG
DEPUTY COMMISSIONER, AOCG
DEPUTY COMMISSIONER, IG
DEPUTY COMMISSIONER, RCMG
ALL DISTRICT COLLECTORS
DIRECTOR, LEGAL SERVICE
DIRECTOR, CIIS
CHIEFS, LAW DIVISION OR EQUIVALENT UNIT
CHIEF, SAD
CHIEF, RMO
CHIEF, EPCD

FROM :  **ATTY. TEDDY S. RAVAL**
Deputy Commissioner, EG

SUBJECT : REQUEST FOR DATA FOR THE THIRD NATIONAL RISK
ASSESSMENT ON MONEY LAUNDERING AND TERRORISM
FINANCING

DATE : 20 February 2025

This has reference to the **Third Working Group Meeting for the National Risk Assessment (NRA) on Money Laundering and Terrorism Financing Working Group Meeting on 3-5 March 2025** at the Bangko Sentral ng Pilipinas, Manila.

To provide context, Recommendation 1 of the Financial Action Task Force (FATF) Forty Recommendations requires countries to identify, assess and understand the ML/TF risks, and take actions in mitigating the risks effectively. The FATF is the global money laundering and terrorist financing watchdog. It sets international standards that aim to prevent these illegal activities and the harm they cause to society.

The activity is crucial in preparation for the Philippine's next round of Mutual Evaluation (ME) in 2027. The ME process is a peer review that assesses a country's compliance with anti-money laundering and combating the financing of terrorism (AML/CFT) standards



On 16 October 2023, the Office of the President also issued Memorandum Circular No. 37 (MC)¹ mandating agencies, including the Bureau of Customs, to extend support and participation in the conduct of the NRA.

Relative thereto, the Bureau of Customs is part of the following Working Groups and is requested to provide the following relevant data covering the period **1 January 2021 to 31 December 2024**, to be submitted **on or before 28 February 2025**:

- **GROUP 1** – Money Laundering (ML) Threat Assessment
- **GROUP 2** – National Money Laundering Vulnerability
- **GROUP 8** – Terrorism Financing Threat and Vulnerability
- **GROUP 10** – Legal Persons and Arrangements
- **GROUP 11** – Natural Resources and Environmental Crimes

GROUP 1: MONEY LAUNDERING THREAT ASSESSMENT	
Data Requirement	Office Concerned
1. Summary and details of seized goods from 2021-2024 (Annex B)	Customs Intelligence and Investigation Service (CIIS)
2. Summary and details of forfeited goods from 2021-2024 (Annex C)	Chiefs, Law Division or equivalent unit
3. Summary and details of cases filed and convicted from 2021-2024 (Annex D)	Chiefs, Law Division or equivalent unit Legal Service
4. Copies of five (5) complaints or cases that can be used as case study. This case may be significant in terms of value, commodity (i.e. currency, jewelry, wildlife, drugs or dual use goods), violation (i.e., falsification, fraudulent misdeclaration)	Legal Service
5. Types of typologies, fraudulent trade practices, schemes, common red flags, volume and value per type, indicate if coursed through banks and other financial institutions (BSFIs) (Annex E) (e.g., over- and under-invoicing of goods and services, multiple invoicing of goods and services, over- and under-shipments of goods and services, and falsely describing goods and services)	CIIS Risk Management Office (RMO) Post Clearance Audit Group (PCAG)

¹ https://customs.gov.ph/wp-content/uploads/2023/01/cmc_236-2019-Memorandum_Circular_No_67.pdf

<p>6. Programs being implemented on the suppression of Trade-Based Money Laundering (TBML). TBML is defined as the process of disguising the proceeds of crime and moving value through the use of trade transactions in an attempt to legitimize their illicit origins. In practice, this can be achieved through the misrepresentation of the price, quantity or quality of imports or exports.</p>	<p>Assessment and Operations Coordinating Group (AOCG) PCAG</p>
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GROUP 2: MONEY LAUNDERING THREAT ASSESSMENT WORKING GROUP

Input Variable and Description	Data Requirement	Office Concerned
<p>4.3 Comprehensiveness of Asset Forfeiture Laws</p> <p>This variable assesses whether the country has comprehensive laws to seize, freeze and forfeit proceeds and instrumentalities of crime.</p>	<ul style="list-style-type: none"> Legal Framework, rules and regulations on asset forfeiture framework No. of seizure and forfeiture cases with equivalent value of assets seized/forfeited 	<p>Legal Service</p>
<p>4.4. Quality of FIU Intelligence Gathering and Processing</p> <p>This variable assesses the Financial Intelligence Unit's (FIU) effectiveness in triggering and supporting money laundering and asset forfeiture investigations. It assesses whether the FIU collects, stores, analyzes and disseminates suspicious transaction reports as well as threshold transaction reports (where required) effectively and efficiently</p>	<ul style="list-style-type: none"> Information and statistics on the FIU's capacity to detect cross-border activities. Information and statistics on the FIU's information and intelligence-sharing with foreign counterparts and other relevant authorities, including whether it is a member of the Egmont Group. 	<p>Legal Service CIIS Enforcement and Security Service (ESS)</p>
<p>4.5 Capacity and Resources for Financial Crime Investigations (including Asset Forfeiture)</p> <p>This variable assesses whether the country has adequate capacity and resources to effectively investigate money laundering offenses, associated predicate offenses and the proceeds of foreign predicate offenses, including deliberately aiding or facilitating all such offenses.</p>	<ul style="list-style-type: none"> A brief explanation of which unit or agency handles the ML investigations. No. of Deputized AMLC Financial Investigators (DAFIs) No. of Trainings attended by DAFIs 	<p>Legal Service Enforcement Group</p>



<p>Capacity here includes the skills, experience, and powers required to investigate these offenses effectively.</p>		
<p>4.11 Quality of Border Controls</p> <p>This variable assesses whether the geographical circumstances and border control mechanisms of the country renders the country secure against any attempts to smuggle bulk cash, precious stones, etc., into or out of the country.</p>	<ul style="list-style-type: none"> • Statistics on cross-border cash smuggling from 2021-2024 	<p>Enforcement Group</p> <p>CIIS</p>
<p>4.12 Comprehensiveness of Customs Regime on Cash and Similar Instruments</p> <p>This variable assesses whether the country has a comprehensive and well-designed legal and regulatory framework that effectively informs all travelers entering and leaving the country about their AML/CFT related declaration or disclosure obligations and the consequences of any wrongdoing and allows the authorities to effectively detect and deter any unauthorized physical cross-border transportation of cash, bearer negotiable instruments and precious metals and stones.</p>	<ul style="list-style-type: none"> • Relevant Customs laws and regulations • Previous assessments or studies 	<p>Enforcement Group</p>



<p>4.13 Effectiveness of Customs Controls on Cash and Similar Instruments</p> <p>This variable assesses whether the country enforces the customs laws and regulations effectively, and is able to actually detect and deter any attempt for unauthorized transportation of cash, negotiable instruments and precious metal and stones.</p>	<ul style="list-style-type: none"> • Statistics on declarations of cash (and similar instruments). • Statistics on sanctions applied for failures to declare transportation of cash • Statistics on bulk cash smuggling cases and detected amounts • Statistics on sanctions applied to smuggling of cash (and similar instruments). 	<p>Enforcement Group</p>
<p>4.14. Effectiveness of Domestic Cooperation</p> <p>This variable assesses whether, when required, the country's relevant AML agencies cooperate effectively and coordinate domestically with each other to combat money laundering.</p>	<ul style="list-style-type: none"> • Information on any operational coordination and cooperation issues among law enforcement, the FIU, prosecutors, judicial authorities, and supervisory agencies, • Information on cooperation between relevant AML agencies and reporting institutions 	<p>Legal Service Enforcement Group CIIS</p>
<p>4.15. Effectiveness of International Cooperation</p> <p>This variable assesses whether the country actively and effectively renders and requests international cooperation in relation to money laundering, associated predicate offenses, related financial crime investigations and prosecutions, and asset forfeiture matters. Please consider international cooperation not just by law enforcement authorities but also by supervisory, customs, and other relevant authorities.</p>	<ul style="list-style-type: none"> • Information on the legal basis for the country's international cooperation (including on the basis of reciprocity) • Statistics on ML/AF-related international cooperation requests made by the jurisdiction and responses from other jurisdictions. • Data on number of requests for basic and beneficial ownership information of legal entities formed or 	<p>Enforcement Group Legal Service</p>



	administered in or from the country (if possible, by form of entity).	
<p>4.17. Level of Financial Integrity</p> <p>This variable assesses whether the country's tax framework provides for (1) transparency of financial matters of citizens and residents, and (2) the sharing of information by the tax authorities and law enforcement agencies, where appropriate.</p>	<p>Statistics on number of cases where sanctions were given for false tax declarations, false financial records, and failure to adhere to the codes of conduct, etc.</p>	PCAG
<p>4.18. Effectiveness of Tax Enforcement</p> <p>This variable assesses the effectiveness and efficiency of tax enforcement in the country. It assesses whether the tax laws are enforced fully, fairly, and consistently, through regulatory enforcement such as tax inspection and criminal and civil litigation, in order to promote voluntary compliance with the tax laws and to maintain public confidence in the integrity of the tax system. Audit inspections by tax authorities are a major tool for tackling noncompliance with the tax laws.</p>	<ul style="list-style-type: none"> • Briefly describe the legal tax framework (especially in relation to the powers of tax authorities and sanctions for noncompliance with the tax laws). • Briefly describe the organization, structure, and management of tax audit programs. • Number of staff that is involved in tax audit • Educational and professional qualifications staff involved in tax audit • No. of trainings undertaken • Statistics measuring taxpayers' compliance behavior following an audit via a post-assessment audit review. 	PCAG
<p>4.22. Availability and Access to Beneficial Ownership Information</p>	<ul style="list-style-type: none"> • The relevant regulatory framework and the effectiveness of beneficial ownership 	Legal Service



<p>This variable assesses whether it is easy for criminals to hide their beneficial ownership in corporations, trusts or similar structures registered in or administered from within the country.</p>	<p>information Customer Due Diligence requirements (pertaining to natural persons and legal entities and legal arrangements)</p> <ul style="list-style-type: none"> Statistics or information on crimes (including money laundering involving the use of shell companies or other opaque structures) and whether accurate, adequate, and current beneficial ownership can be accessed in a timely manner by competent authorities 	
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GROUP 8 – Terrorism Financing Threat and Vulnerability
(Dependent on result of response for Group 2)

GROUP 10 – Legal Persons and Arrangements

Data Requirement	Concerned Office
1. Total number of registered legal structures (i.e. importers, exporters) from 2021-2024	Accounts Management Office (AMO)
2. Annual breakdown of financial inflows and outflows in USD from 2021-2024	Statistical Analysis Division (SAD)
<p>3. Total no. of importers, exporters and annual import and export value in USD from 2021-2024 to and from the following high-risk jurisdictions:</p> <ol style="list-style-type: none"> 1. Myanmar 2. Haiti 3. Democratic Republic of Congo 4. Chad 5. Venezuela 6. Lao PDR 7. Central African Republic 8. Gabon 9. Republic of Congo 10. Guinea-Bissau 11. China 12. Mozambique 13. Liberia 14. Algeria 15. Vietnam 	Statistical Analysis Division (SAD)



4. Top 10 locations of business operations of the identified importers and exporters in Item 3.	Statistical Analysis Division (SAD) Accounts Management Office (AMO)
GROUP 11 – Natural Resources and Environmental Crimes	
No. of Seizures pertaining to wildlife resources or relating to environmental crimes from 2021-2024	Environmental Protection and Compliance Division (EPCD) CIIS

Further, we respectfully request the following offices to **nominate one (1) primary and one (1) alternate representative** to the aforementioned NRA Working Groups. The representative is preferably at the technical level, has knowledge relative to the Working Group assignment and has access to relevant data and information that may be necessary for the study:

1. Post Clearance Audit Group
2. Assessment and Operations Coordinating Group
3. Legal Service
4. Risk Management Office
5. Accounts Management Office
6. Statistical Analysis Division
7. Environmental Protection and Compliance Division (EPCD)

The representatives shall form part of the BOC NRA Technical Working Group and are requested to attend the **Third Working Group Meeting for the National Risk Assessment on Money Laundering on 3-5 March 2025 at the Bangko Sentral ng Pilipinas.**

In view of the foregoing, we respectfully request the submission to this Office of the attached nomination form (**Annex A**) and the responses to the above requested data **on or before 28 February 2025** via email at odc.eg@customs.gov.ph.

For further clarifications, you may contact Ms. Genilyn D. Minardo thru Viber at 0905-449-5543 or thru email at genilyn.minardo@customs.gov.ph.

We hope for your usual prompt and favorable attention.





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Annex A

REPUBLIC OF THE PHILIPPINES
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NOMINATION FORM
NATIONAL RISK ASSESSMENT WORKING GROUPS

OFFICE: _____

	Name	Designation	Viber Number	Email
Primary:				
Alternate:				

Approved and Indorsed by:

(Head of Office)





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SUMMARY AND DETAILS OF SEIZED GOODS FROM 2021-2024

SUMMARY OF SEIZURES (2021-2024)				
YEAR	COMMODITY	VIOLATION	NO. OF SEIZURES	ESTIMATED VALUE
(ex. 2021)	General Merchandise	(ex. Section 1400 of the CMTA)	(ex. 5)	
	Wildlife	(ex. Sec. 27(c) of RA 9147 (Wildlife Resources Conservation and Protection Act))	(ex. 2)	
	Dual-use Goods		
		...		
		...		

DETAILS OF SEIZURES (2021-2024)						
DATE OF APPREHENSION	CONSIGNEE	COMMODITY	VIOLATION	ORIGIN, if applicable	TYOLOGIES	ESTIMATED VALUE
(ex. 2021)	(ex. ABC Co.)	General Merchandise	(ex. Section 1400 of the CMTA)	(ex. China)	(ex. Concealment, non-declaration, misdeclaration, misclassification, etc.)	





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SUMMARY AND DETAILS OF FORFEITED GOODS FROM 2021-2024

SUMMARY OF FORFEITED GOODS (2021-2024)				
YEAR	COMMODITY	VIOLATION	NO. OF SEIZURES	ESTIMATED VALUE
(ex. 2021)	General Merchandise	(ex. Section 1400 of the CMTA)	(ex. 5)	
	Wildlife	(ex. Sec. 27(c) of RA 9147 (Wildlife Resources Conservation and Protection Act))	(ex. 2)	
			
		...		
		...		

DETAILS OF FORFEITED GOODS (2021-2024)						
DATE OF FORFEITURE	CONSIGNEE	COMMODITY	VIOLATION	ORIGIN, if applicable	TYPOLOGIES	ESTIMATED VALUE
(ex. 1 Jan 2021)	(ex. ABC Co.)	General Merchandise	(ex. Section 1400 of the CMTA)	(ex. China)	(ex. Concealment, non-declaration, misdeclaration, misclassification, etc.)	





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SUMMARY AND DETAILS OF CASES FILED AND CONVICTED FROM 2021-2024

SUMMARY OF CASES PROSECUTED AND CONVICTED (2021-2024)							
YEAR	COMMODITY	VIOLATION	Number of cases prosecuted	Number of convictions (cases)	Number of persons convicted	Dutiable Value	Duties and Taxes
(ex. 2021)	General Merchandise	(ex. Section 1400 of the CMTA)	(ex. 5)	(ex. 3)	(ex. 3)		
	Wildlife	(ex. Sec. 27(c) of RA 9147 (Wildlife Resources Conservation and Protection Act))	(ex. 2)	(ex. 1)	(ex. 1)		
						

DETAILS OF CASES PROSECUTED AND CONVICTED (2021-2024)										
DATE FILED	CONSIGNEE	COMMODITY	VIOLATION	ORIGIN, if applicable	TYOLOGIES	DUTIABLE VALUE	DUTIES AND TAXES	COURSED THROUGH BANKS?	NO. OF RESPONDENTS	STATUS
(ex. 1 Jan 2021)	(ex. ABC Co.)	General Merchandise	(ex. Section 1400 of the CMTA)	(ex. China)	(ex. Concealment, non-declaration, misdeclaration, misclassification, etc.)			(ex. Yes/No)		(ex. Prosecuted, convicted)





Annex E

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**SUMMARY OF TYPOLOGIES FOUND IN SEIZURES/AUDIT/EXAMINATION
FROM 2021-2024**

SUMMARY OF TYPOLOGIES (2021-2024)					
YEAR	TYPOTOLOGIES, as applicable	NO. OF OCCURENCE	DUTIES AND TAXES	PENALTIES AND FINES	ACTION
(ex. 2021)	Over-invoicing				
	Under-invoicing				
	Misclassification			
	Misdeclaration	...			
	Multiple invoicing	...			

DETAILS OF TYPOLOGIES IDENTIFIED FROM SEIZURES/AUDIT FINDINGS/EXAMINER'S REPORT, AS APPLICABLE (2021-2024)					
REPORT DATE	CONSIGNEE	COMMODITY	TYPOTOLOGIES	DUTIES AND TAXES	PENALTIES AND FINES
(ex. 1 Jan 2021)	(ex. ABC Co.)	(ex. General Merchandise)	(ex. over- and under-invoicing, misclassification, misdeclaration, etc.)		

