

FAQs ON THE PH'S INCLUSION IN THE FATF'S GREY LIST WITH UPGRADES

1. What is the Financial Action Task Force (FATF)?

The Financial Action Task Force (FATF) is an inter-governmental body that sets international standards against money laundering and terrorist financing. It was established in 1989 and is based in Paris.

2. What is the FATF's "grey list"?

The grey list is a list of countries which are actively working with the FATF to improve their anti-money laundering and combatting the financing of terrorism (AML/CFT) regimes. As of October 2023, there are twenty-three (23) countries in the list, including the Philippines.

3. What are the implications of a country's inclusion in the grey list?

While the FATF does not call for the application of enhanced due diligence measures, its members and other jurisdictions may consider a country's greylisting in their risk analysis when dealing with the country and/or its nationals.

In the case of the Philippines, while still in the grey list, FATF's latest recognition of the country's progress in accomplishing the recommended action plans sends a positive signal to the international community on the country's commitment to enhance its AML/CFT regimes.

4. What does the Philippines need to accomplish to exit the grey list?

The Philippines needs to enhance its AML/CFT activities through actions involving the following areas and sectors: designated non-financial businesses and professions (DNFBPs), casino junkets, beneficial ownership information, money laundering and terrorism financing prosecution, and cross border declaration measures.

A whole-of-nation approach has been adopted, involving various government agencies, local government units and the private sector.

5. Is the Philippine government doing something for the country to exit the grey list? If so, when does it expect the country to exit the grey list?

President Ferdinand Marcos, Jr. has directed all concerned government agencies to complete within 2024 all their respective deliverables for the country's exit from the grey list.

All the deliverables are reflected in the government's National Anti-Money Laundering, Counter-Terrorism Financing, and Counter-Proliferation Financing Strategy 2023-2027.

The Strategy's ongoing implementation is meant to strengthen the country's AML/CTF regime and, therefore, pave the way for the Philippines' exit from the grey list.

Meantime, the FATF has recognized the high-level political commitment of the Philippine government and the country's progress toward completing all its deliverables to exit the grey list.

7. Will the private sector be involved in this undertaking?

The private sector's support and compliance are crucial in the collective effort to strengthen the country's AML/CFT regime. This includes registration of DNFBPs with the Anti-Money Laundering Council (AMLC), increased compliance with AML/CFT obligations, including filing of covered and suspicious transaction reports. Likewise, corporations should submit beneficial ownership declarations with the Securities and Exchange Commission.
