



Republic of the Philippines

Supreme Court

Manila

EN BANC

SUPREME COURT OF THE PHILIPPINES
P. I. O. / COMMUNICATIONS OFFICE

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MELISSA GAY CASTAÑEDA
LIMLINGAN MANGANIP,
BEATRICE EMILIA L.
MANGANIP, PATRICIA GRACE
LIMLINGAN PADUA, JOSE
JERICHO PADUA III, GERARDO
MARTIN C. LIMLINGAN,
CELESTE MAYA RECTO
LIMLINGAN, and MANUELITA
LIMLINGAN,

Petitioners,

G.R. No. 222312

- versus -

REPUBLIC OF THE
PHILIPPINES, REPRESENTED
BY THE ANTI-MONEY
LAUNDERING COUNCIL,

Respondent.

X-----X

POWERLINK.COM CORP.,

Petitioner,

G.R. No. 222313

- versus -

REPUBLIC OF THE
PHILIPPINES, REPRESENTED
BY THE ANTI-MONEY
LAUNDERING COUNCIL,

Respondent.

X-----X

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CODEWORKS.PH, INC.,
Petitioner,

G.R. No. 222314

- versus -

REPUBLIC OF THE PHILIPPINES,
REPRESENTED BY THE ANTI-
MONEY LAUNDERING COUNCIL,
Respondent.

X-----X

OMNI SECURITY
INVESTIGATION, INC., VIVE
HOTEL INC., CORPORATE
SOLUTIONS MANPOWER &
GENERAL SERVICES, INC., AND
UNANIMOUS HOLDINGS, INC.
Petitioners,

G.R. No. 222315

Present:

Present:

GESMUNDO, C.J.,
LEONEN,
CAGUIOA,*
HERNANDO,**
LAZARO-JAVIER,
INTING,**
ZALAMEDA,
LOPEZ, M.,
GAERLAN,***
ROSARIO,****
LOPEZ, J.,***
DIMAAMPAO,
MARQUEZ,*****
KHO, JR., and
SINGH,***** JJ.

- versus -

REPUBLIC OF THE PHILIPPINES,
REPRESENTED BY THE ANTI-
MONEY LAUNDERING COUNCIL,
Respondent.

Promulgated:

May 20, 2025

X-----X

- * With separate opinion.
- ** On official business.
- *** Concurring and on official business.
- **** No part and on official leave.
- ***** On official leave.
- ***** Concurring and on leave.

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DECISION**DIMAAMPAO, J.:**

The Anti-Money Laundering Act (AMLA) was legislated to combat criminality as succinctly laid down in Section 2 thereof, viz.:

SECTION. 2. Declaration of Policy. — It is hereby declared the policy of the State to protect and preserve the integrity and confidentiality of bank accounts and to ensure that the Philippines shall not be used as a money laundering site for the proceeds of any unlawful activity. Consistent with its foreign policy, the State shall extend cooperation in transnational investigations and prosecutions of persons involved in money laundering activities wherever committed, as well as in the implementation of targeted financial sanctions related to the financing of the proliferation of weapons of mass destruction, terrorism, and financing of terrorism, pursuant to the resolutions of the United Nations Security Council.¹

Like all the other laws, the provisions of the AMLA should be construed in a manner that breathes life into the spirit behind its enactment, lest it be rendered toothless.

Embroided in the present controversy are parties whose bank or financial accounts were put on hold or frozen in view of the Freeze Order² dated May 11, 2015 issued by the Court of Appeals (CA) in the case of *Republic of the Philippines, represented by the Anti-Money Laundering Council v. Jejomar C. Binay, et al.* docketed as CA-G.R. AMLA No. 00134.

The prevenient facts follow.

A Complaint-Affidavit³ was filed by Nicolas Enciso VI and Renato Bondal before the Office of the Ombudsman, charging former Vice-President Jejomar C. Binay (Binay), Jejomar Erwin S. Binay, certain Members of the *Sangguniang Panlungsod* of Makati City, and the Commission on Audit (COA) Resident Auditor for Makati City, with Violations of the Anti-Graft and Corrupt Practices Act⁴ in relation to the Anti-Plunder Act.⁵ The case emanated from the purported overpricing of the New Makati City Parking II Building,

¹ Amendment to Republic Act No. 9160, the Anti-Money Laundering Law, Republic Act No. 11521. Approved on January 29, 2021.

² *Rollo* (G.R. No. 222312), vol. II, pp. 576–608; *See also rollo*, (G.R. No. 222313), vol. I, pp. 402–434; *rollo* (G.R. No. 222314), vol. I, pp. 404–437; *rollo* (G.R. No. 222315), vol. I, pp. 422–454. The Freeze Order dated May 11, 2015 was issued by Associate Justice Ricardo R. Rosario (now a member of this Court) with the concurrence of Associate Justices Andres B. Reyes, Jr. (a retired member of this Court) and Edwin D. Sorongon.

³ *Rollo* (G.R. No. 222312), vol. II, pp. 837–845.

⁴ Republic Act No. 3019. Approved on August 17, 1960.

⁵ Republic Act No. 7080. Approved on July 12, 1991.

among others. Consequently, the Office of the Ombudsman requested the Anti-Money Laundering Council (AMLC) Secretariat to investigate Binay, some members of his immediate family, and his close associates,⁶ for possible violation of Republic Act (RA) No. 9160,⁷ as amended, otherwise known as the AMLA.

Finding probable cause that certain bank accounts, insurance policies, and securities of the aforesaid persons were related to unlawful activities and money laundering schemes, the AMLC issued Resolution No. 23, Series of 2015,⁸ authorizing the Anti-Money Laundering Secretariat to file with the CA an *Ex Parte* Petition for the Issuance of Freeze Order.

Subsequently, on May 7, 2015, the Republic of the Philippines, represented by the AMLC and through the Office of the Solicitor General, lodged before the CA an *Ex Parte* Petition for Issuance of Freeze Order⁹ against the bank accounts, insurance policies, and securities, including all related accounts in the names of the following parties: Jejomar C. Binay, Jejomar Erwin S. Binay, Gerardo S. Limlingan, Jr., Eduviges D. Baloloy, Ernesto S. Mercado, Greenenergy Holdings, Inc., Sunchamp Real Estate Development Corp., Earthright Holdings, Inc., Antonio L. Tiu, Millennium Food Chains Corp., BDO Unibank, Inc., BDO Private Bank, Inc., Land Bank of the Philippines, Metropolitan Bank and Trust Co., Ltd., Philippine National Bank, Security Bank Corp., Rizal Commercial Banking Corp., Philippine Bank of Communications, Inc., RCBC Savings Bank, Inc., Philippine Business Bank, Inc., Agricultural Bank of the Philippines, Inc. Sterling Bank of Asia, Inc., Union Bank of the Philippines, Inc., Bank of the Philippine Islands, Asia United Bank Corp., Bankard, Inc., CLSA Philippines Inc., SB Equities, Inc., Grepalife Financial, Inc., BDO Securities, Inc., First Metro Investment Corp., Philequity Management Inc., RCBC Securities, Inc., Philippine AXA Life Insurance Corp., Elenita S. Binay, Lily Hernandez Crystal, Carmelita Palo Galvan, Francisco Balaguer Baloloy, Bernadette Cezar Portollano, Mitzi Ouano Sedillo, Marguerite Lichnock, Melissa Gay Castañeda Limlingan,¹⁰ Victor S. Limlingan, Patricia Grace Limlingan Padua, Gerardo Martin Castañeda Limlingan, James Lee Tiu, Pei Feng Lee, Ann Loraine Buencamino Tiu, Frederick Dueñas Baloloy, Jennifer V. Baloloy, Mario Alejo Oreta, Jose Orillaza, Daniel C. Subido, Man Bun Chong, Erlinda S. Chong, April Joy Pascual Mercado, and Omni Security Investigation and General Services, Inc.¹¹ The case was docketed as CA-G.R. AMLA No. 00134.

⁶ *Rollo* (G.R. No. 222312), vol. II, pp. 835–836.

⁷ Approved on September 29, 2001.

⁸ *Rollo* (G.R. No. 222312), vol. II, pp. 903–1027.

⁹ *Rollo* (G.R. No. 222312), vol. I, pp. 446–575.

¹⁰ *Id.* at 169, 170. Melissa Gay Castañeda Limlingan Manganip was impleaded under her maiden name.

¹¹ Former name of Petitioner Omni Security Investigation, Inc.

Thereafter, the CA granted the aforesaid Petition and issued the Freeze Order, ruling in the following wise—

WHEREFORE, the *Ex Parte* Petition for the Issuance of a Freeze Order is **GRANTED**. A Freeze Order is hereby issued, valid, and effective immediately for a period of six (6) months. Respondent banks, insurance and securities companies are **ORDERED** to **FREEZE** the following accounts, including all related accounts wherever they may be found:

COVERED INSTITUTION	ACCOUNT NAME	ACCOUNT NUMBER
BDO UNIBANK INC.	JEJOMAR CABAUTAN BINAY	IC-16260017382 IC- 66268003607 IC-6006268003607
	GERARDO SIMPAO LIMLINGAN, JR, JEJOMAR CABAUTAN BINAY	IC-1100140089918 IC-10140089918 10140090002
	EDUVIGES DUENAS BALOLOY	OT-004110527CNCIMA03168377 OT-004110527CNIIMA03168377 OT-004110527CNPIMA03168377
	EDUVIGES D. BALOLOY GERARDO S. LIMLINGAN	60668028659/ IC-60668028659/ IC-6000668028659
	EDUVIGES DUENAS BALOLOY	OT-0000676992 TD-301407208665 TD-301407208666 TD-301407208669
	GERARDO LIMLINGAN &/OR EDUVIGES BALOLOY	GP-322637 GP-326333
	GERARDO S. LIMLINGAN, JR.	GP-360676
	GERARDO SIMPAO LIMLINGAN, JR. EDUVIGES DUENAS BALOLOY	OT-000345512MCPIMA0566625 OT-000345513MCPIMA0566625 OT-000345514MCPIMA0566625
	GERARDO SIMPAO LIMLINGAN, JR.	OT-0006411321MPIMA0166639

		OT- 0006411321R31MA0166 639 OT- 0006424341MPIMA011 89103 OT- 0006424341NCIMA0118 9103 OT- 0006424341NIIMA0118 9103 OT- 0006608811NCIMA0118 9103 OT- 0006608811NIIMA0118 9103 OT- 0006608831NCIMA0166 639 OT- 0006608831NIIMA0166 639
	GERARDO LIMLINGAN, JR. &/OR EDUVIGES BALOLOY	140-01351-6 150-02537-9 160-00222-4
	GERARDO LIMLINGAN EDUVIGES BALOLOY	140-000009-0
	GERARDO SIMPAO LIMLINGAN, JR.	IC-17010000333
	EARTHRIGHT HOLDINGS, INC.	IC-1005390131127
	SUNCHAMP REAL ESTATE DEVELOPMENT CORP.	IC-1005390131062
	ANTONIO LEE TIU	IC-6000048033952 IC-60048033952
	JAMES LEE TIU, PEI FENG LEE, ANTONIO LEE TIU, ANN LORAIN BUENCAMINO TIU	IC-1002230043273
	ANTONIO LEE TIU, PEI FENG LEE, ANN LORAIN BUENCAMINO TIU	IC-1003920016380
	ANTONIO LEE TIU	IC-1102230044083



		EE-0223001131- 20121004
	JEJOMAR ERWIN SOMBILLO BINAY, JR.	IC-1000140193987
	GERARDO S. LIMLINGAN, JR.	410218472 GP-293764
	GERARDO LIMLINGAN &/OR EDUVIGES BALOLOY	GP-293771
	EDUVIGES DUENAS BALOLOY	GP-294021
	LILY H. CRYSTAL OR EDUVIGES D. BALOLOY	IC-6000148020773 145-35664-8 301402507823 401402029666 401402030122 401402737175
	LILY HERNANDEZ CRYSTAL, EDUVIGES DUENAS BALOLOY	IC-60148019198 IC-10140173498 TD-301402507823 TD-301407208625 TD-301407208626
	EDUVIGES D. BALOLOY OR CARMELITA PALO GALVAN	GP-396802
	EDUVIGES DUENAS BALOLOY, CARMELITA PALO GALVAN	IC-1000140191836
	EDUVIGES DUENAS BALOLOY, FRANCISCO BALAGUER BALOLOY	IC-1000140223894
	BERNADETTE CEZAR PORTOLLANO, MITZI OUANO SEDILLO	OT- 0006608821NCIMA0118 4149 OT- 0006608821NIIMA0118 4149
	GERARDO SIMPAO LIMLINGAN, JR. LILY HERNANDEZ CRYSTAL	10140060529
	GERARDO LIMLINGAN, JR. LILY HERNANDEZ, CRYSTAL, MITZI OUANO SEDILLO	10410139890
	GERARDO S. LIMLINGAN, JR.	140-01058-8



	AND/OR MARGUIRITE LICHNOCK	
	GERARDO S. LIMLINGAN, JR. AND/OR MARGUERITE LICHNOCK	150-00830-4 150-02538-8
	GERARDO S. LIMLINGAN, JR. &/OR MELISSA GAY CASTAÑEDA LIMLINGAN	150-03881-3
	GERARDO S. LIMLINGAN, JR. AND/OR MARGUERITE LICHNOCK	160-01331-7
	GERARDO S. LIMLINGAN, JR. AND/OR BERNADETTE CEZAR PORTOLLANO	460036521
	GERARDO S. LIMLINGAN, JR. &/OR MELISSA GAY CASTAÑEDA LIMLINGAN	GP-293924
	GERARDO S. LIMLINGAN, JR. AND/OR MARGUERITE LICHNOCK	GP-319627 GP-326334 GP-354208
	GERARDO S. [LIMLINGAN] &/OR MELISSA GAY CASTAÑEDA LIMLINGAN	GP-386131
	GERARDO S. LIMLINGAN, JR. AND MITZI QUANO SEDILLO	GP-393501
	BERNADETTE CEZAR PORTOLLANO, GERARDO S. LIMLINGAN, JR.	IC-10410337285 IC-1000410337285
	MITZI QUANO SEDILLO, GERARDO S. LIMLINGAN, JR.	IC-1000410337293

	BERNADETTE CEZAR PORTOLLANO	
	LILY HERNANDEZ CRYSTAL, GERARDO S. LIMLINGAN, JR. MITZI QUANO SEDILLO	10410218472 / IC- 10410218472 IC-10410236829
	GERARDO SIMPAO LIMLINGAN, JR., PATRICIA GRACE LIMLINGAN PADUA, GERARDO MARTIN CASTAÑEDA LIMLINGNAN	IC-6000148020935
	GERARDO SIMPAO LIMLINGAN, JR., DANIEL CERTEZA SUBIDO, BERNADETTE CEZAR PORTOLLANO	IC-6000148020943
	MITZI QUANO SEDILLO, BERNADETTE CEZAR PORTOLLANO, GERARDO S. LIMLINGAN, JR., GERARDO SIMPAO LIMLINGAN, JR.	IC-60418024648 / IC-6000418024648 IC-60418024656 / IC-6000418024656
	MELISSA GAY CASTAÑEDA LIMLINGAN, GERARDI SIMPAO LIMLINGAN, JR., LILY HERNANDEZ CRYSTAL	148012274 / IC- 60148012274
	GERARDO S. LIMLINGAN, LILY HERNANDEZ CRYSTAL, MITZI QUANO SEDILLO	60418020820 / IC- 60418020820
	LILY HERNANDEZ CRYSTAL, GERARDO S. LIMLINGAN, MITZI QUANO SEDILLO	IC-6041802890
	GERARDO SIMPAO LIMLINGAN, JR., MELISSA GAY CASTAÑEDA LIMLINGAN, EDUVIGES DUENAS BALOLOY	OT-0001734628

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	GERARDO SIMPAO LIMLINGAN, JR., VICTOR S. LIMLINGAN	OT- 0006608811MPIMA011 89103
	GERARDO SIMPAO LIMLINGAN, JR., MITZI QUANO SEDILLO, BERNADETTE CEZAR PORTOLLANO	OT- 0006608821MPIMA011 84149
	GERARDO SIMPAO LIMLINGAN, JR., MELISSA GAY CASTAÑEDA LIMLINGAN	OT- 0006608831MPIMA016 6639
	GERARDO SIMPAO LIMLINGAN, JR., VICTOR S. LIMLINGAN	OT- 0007036481RPIMA0118 9103
	GERARDO S. LIMLINGAN, JR., AND/OR BERNADETTE CEZAR PORTOLLANO	RD4B0511129
	GERARDO S. LIMLINGAN, JR., BERNADETTE CEZAR PORTOLLANO, DANIEL CERTEZA SUBIDO	UI-0001734628
	DANIEL CERTEZA SUBIDO, BERNADETTE CEZAR PORTOLLANO, GERARDO SIMPAO LIMLINGAN, JR.	IC-6000148020943
	DANIEL CERTEZA SUBIBO, GERARDO SIMPAO LIMLINGAN, JR., BERNADETTE CEZAR PORTOLLANO	IC-6000148023780
	ERNESTO SALVADOR MERCADO	FE-0417001076- 20120605 FE-0417001567- 20121108 FE-0417002157- 20130618 FE-0417002865- 20140404 FE-0417003410- 20141113

		FE-0417003422-20141117 IC-1004170164108 64178004280 / IC-641780004280 IC-6004178014405
LANDBANK OF THE PHILIPPINES	JEJOMAR C. BINAY	3451009213 3451003975
	GERARDO S. LIMLINGAN, JR.	3452001550
	ERNESTO S. MERCADO	0001831015124 1835002183
	GERARDO S. LIMLINGAN, JR., LILY H. CRYSTAL	3452000520
	GERARDO S. LIMLINGAN, JR., LILY J. CRYSTAL, MITZI QUANO SEDILLO	3452001364
METROPOLITAN BANK & TRUST CO., STA. ANA	JEJOMAR CABAUTAN BINAY	7231515620
	EDUVIGES DUENAS BALOLOY	3641093077 7234512460 B000291934601
	GERARDO S. LIMLINGAN	7231515158 2231007525 7231515948 7411002108
	GERARDO SIMPAO LIMLINGAN, JR.	7234516848 7234516988
	JEJOMAR ERWIN SOMBILLO BINAY, JR.	1227057805 3634094971
	ANTONIO TIU OR LEE PEI FENG	3016-03295-12
	GERARDO S. LIMLINGAN	0003231260957
	GERARDO SIMPAO LIMLINGAN, JR.	0007234517615 00072345516600
	EDUVIGES DUENAS BALOLOY	0001234018491 0001641038600 0003234701976 3016-09619-12
	MITZI Q. SEDILLO (Beneficiary: GERARDO S. LIMLINGAN)	1167034932
	GERARDO LIMLINGAN, LILY [CRYSTAL]	5292485752
	MITZI SEDILLO, BERNADETTE CEZAR PORTOLLAO,	72345164888

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	[GERARDO] SIMPAO LIMLINGAN, JR.	
	MITZI QUANO SEDILLO	0007234517828
SECURITY BANK CORP.	MILLENNIUM FOOD CHAINS CORP.	0611-024994-002 024994SDA
	JEJOMAR CABAUATAN BINAY	0611-384350-553 0611-384350-555 0611-384351-561
	EDUVIGES DUENAS BALOLOY	611155163001 0611-155163-200 0611-155163-205 0095041MA
	JEJOMAR CABAUATAN BINAY	0611-384350-551
	GERARDO SIMPAO LIMLINGAN, JR.	0061626645001
	EDUVIGES DUENAS BALOLOY	0611-155163-551 0611-155163-555 0611155163-561 0611-155163-567 15516GUAVA IBALEL SBEQUI
	ERNESTO SALVADOR MERCADO	0252-658715-002
RIZAL COMMERCIAL BANKING CORP.	GERARDO SIMPAO LIMLINGAN, JR.	1210113815
	GERARDO S. LIMLINGAN, JR.	1297073547 297017802 249136875 000000000000000617822 000000000000000642851
	GERARDO SIMPAO LIMLINGAN, JR.	00000000000210010408
	GERARDO LIMLINGAN, JR. / MITZI SEDILLO	00000000000000738514
BANKARD, INC.	ERNESTO S. MERCADO	XXXXXXXXXXXXX400 6 XXXXXXXXXXXXX401 4
PHILIPPINE BUSINESS BANK	GREENERGY HOLDINGS INCORPORATED	014-90-000092-9 014-01-000624-5
	SUNCHAMP REAL STATE DEVELOPMENT CORP.	014-01-001013-7
	GREENERGY HOLDINGS INCORPORATED	BNW-IBCP-2014-274

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	EARTHRIGHT HOLDINGS, INC.	014-01000729-2
	ANTONIO LEE TIU, PEI FENG LEE, JAMES LEE TIU	014-01000855-8
	ANTONIO LEE TIU, JAMES LEE TIU, PEI FENG LEE	014-80-000221-5 BNWTT12-077
	ANTONIO LEE TIU, PEI FENG LEE, JAMES LEE TIU	014-00-000655-7
AGRICULTURAL BANK OF THE PHILIPPINES	ANTONIO TIU	2.60E107 4.10E107
BANK OF THE PHILIPPINE ISLANDS	JEJOMAR ERWIN SOMBILLO BINAY, JR.	ST020013750000000375 3024262 ST020013750000000375 7014113
BANK OF THE PHILIPPINE ISLANDS	ELENIFA BINAY, JEJOMAR C. BINAY	ST020013750000000375 3031099 ST020013750000000375 3041299 ST020013750000000375 3041329 ST020013750000000375 7011734 ST020013750000000375 7012854
PHILIPPINE BANK OF COMMUNICATIONS SOUTHGATE	GERARDO SIMPAO LIMLINGAN, JR.	243100001675
PHILIPPINE NATIONAL BANK	JEJOMAR CABAUTAN BINAY	452925300013 45292534000000100000 0
	ERNESTO S. MERCADO	479723800023
UNION BANK OF THE PHILIPPINES MAKATI MEDICAL	JEJOMAY ERWIN SOMBILLO BINAY, JR.	000950010698
UNITED COCONUT PLANTERS BANK		SL000000040940019398 0 14800381837SD0014800 38183
RCBC SAVINGS BANK, INC.- J.P. RIZAL	JEJOMAR C. BINAY	101206783
	GERARDO LIMLINGAN, LILY CRYSTAL	00009043154565

	EDUVIGES DUENAS BALOLOY	0010403212
PHIL SAVINGS BANK-J.P. RIZAL	GERARDO SIMPAO LIMLINGAN OR LILY H. CRYSTAL	0111039727
	GERARDO SIMPAO LIMLINGAN, JR., LILY HERNANDEZ CRYSTAL AND BERNADETTE CEZAR PORTOLLANO	0331000914
	GERARDO SIMPAO LIMLINGAN, LILY H. CRYSTAL, MITZI O. SEDILLO	0332000061 0111046214
	GERARDO SIMPAO LIMLINGAN, JR., LILY HERNANDEZ CRYSTAL AND BERNADETTE CEZAR PORTOLLANO	0121016298
ASIA UNITED BANK CORP. – JN TOWER	GERARDO D. LIMLINGAN	001010057351
	FREDERICK DUENAS BALOLOY, JENNIFER V. BALOLOY	020190000594
BDO PRIVATE BANK, INC.	GERARDO S. LIMLINGAN, JR., MARIO ALEJO ORETA, BERNADETTE CEZAR PORTOLLANO	050008046744
	MARIO ALEJO ORETA, GERARDO SIMPAO LIMLINGAN, JR., BERNADETTE CEZAR PORTOLLANO	050008046752
	GERARDO SIMPAO LIMLINGAN, JR. BERNADETTE CEZAR PORTOLLANO, GERARDO MARTIN CASTAÑEDA LIMLINGAN	050008046922
	MARIO ALEJO ORETA, GERARDO SIMPAO LIMLINGAN, JR., BERNADETTE CEZAR PORTOLLANO	05008141062
	BERNADETTE CEZAR PORTOLLANO, MARIO ALEJO	050008141984

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	ORETA, GERARDO SIMPAAO LIMLINGAN, JR.	
	BERNADETTE CEZAR PORTOLLANO GERARDO SIMPAO LIMLINGAN, JR., MARIO ALEJO ORETA	05008142514
	MARIO A. ORETA &/OR GERARDO S. LIMLINGAN	1007531
	GERARDO S. LIMLINGAN, JR. &/OR BERNADETTE CEZAR PORTOLLANO	1007532
	GERARDO S. LIMLINGAN, JR. &/OR GERARDO MARTIN CASTAÑEDA LIMLINGAN	1007682
	BERNADETTE CEZAR PORTOLLANO, GERARDO SIMPAO LIMLINGAN, JR., MARIO ALEJO ORETA	1012372
	MARIO A. ORETA &/OR GERARDO S. LIMLINGAN	1012373
	BERNADETTE CEZAR PORTOLLANO, MARIO ALEJO ORETA, GERARDO SIMPAAO LIMLINGAN, JR.	15008332887
	GERARDO SIMPAO LIMLINGAN, JR., MARIO ALEJO ORETA, BERNADETTE CEZAR PORTOLLANO	800010069892
	BERNADETTE CEZAR PORTOLLANO, MARIO ALEJO ORETA, GERARDO SIMPAAO LIMLINGAN, JR.	800010069902
	GERARDO SIMPAO LIMLINGAN, JR. GERARDO MARTIN CASTAÑEDA LIMLINGAN,	800010070072

BERNADETTE CEZAR PORTOLLANO	
GERARDO SIMPAO LIMLINGAN, JR. &/OR BERNADETTE CEZAR PORTOLLANO	820011131941
GERARDO S. LIMLINGAN, JR. &/OR JOSE ORILLAZA	996817
GERARDO S. LIMLINGAN, JR. &/OR BERNADETTE CEZAR PORTOLLANO	996818
MARIO A. ORETA &/OR GERARDO S. LIMLINGAN	996819
MARIO ALEJO ORETA, BERNADETTE CEZAR PORTOLLANO, GERARDO SIMPAO LIMLINGAN, JR.	PP1007531
GERARDO SIMPAO LIMLINGAN, JR., BERNADETTE CEZAR PORTOLLANO	PP1007532
GERARDO SIMAPO LIMLINGAN, JR., GERARDO MARTIN CASTAÑEDA LIMLINGAN, BERNADETTE CEZAR PORTOLLANO	PP1007682
GERARDO SIMPAO LIMLINGAN, JR. &/OR BERNADETTE CEZAR PORTOALLANO	TR1012301 TR1012372
GERARDO S. LIMLINGAN, JR. &/OR JOSE ORILLAZA	TR996817
GERARDO SIMPAO LIMLINGAN, JR. &/OR BERNADETTE CEZAR PORTOLLANO	TR996818
MARIO A. ORETA &/OR GERARDO S. LIMLINGAN (Beneficiary: OMNI SECURITY INVESTIGATION AND	TR996819

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	GENERAL SERVICES, INC.)	
CLSA PHILIPPINES, INC.	GERARDO SIMPAO LIMLINGAN	C-000377 C-000792
SB EQUITIES, INC.	GERARDO SIMPAO LIMLINGAN, JR. BERNADETTE CEZAR PORTOLLANO	ILIMGIML
	EDUVIGES DUENAS BALOLOY	IBALE1
	EDUVIGES DUENAS BALOLOY, CARMELITA PALO GALVAN	IBALE2
GREPALIFE FINANCIAL, INCORPORATED	EDUVIGES D. BALOLOY	942816
BDO SECURITIES, INC.	MARIO ALEJO ORETA, GERARDO SIMPAO LIMLINGAN, JR., BERNADETTE CEZAR PORTOLLANO	1007532
	BERNADETTE CEZAR PORTOLLANO, GERARDO MARTIN CASTAÑEDA LIMLINGAN, GERARDO SIMPAO LIMLINGAN, JR.	11007682
FIRST METRO INVESTMENT CRP.	GERARDO S. LIMLINGAN, LILY H. CRYSTAL, MITZI QUANO SEDILLO	
PHILEQUITY MANAGEMENT, INC.	GERARDO S. LIMLINGAN, DANIEL C. SUBIDO	
RCBC SECURITIES, INC.	GERARDO S. LIMLINGAN, JR., BERNADETTE C. PORTOLLANO	CLIML2 1000802669
	MAN BUN CHONG, ERLINDA S. CHONG	
GREAT LIFE FINANCIAL ASSURANCE CORPORATION	ERNESTO SALVADOR MERCADO	17065 17066 17067
PHILIPPINE AXA LIFE INSURANCE CORPORATION	ERNESTO SALVADOR MERCADO, APRIL JOY PASCUAL MECADO	ST0-0227361

Respondent banking, insurance[,] and securities institutions are likewise **DIRECTED** to submit to this Court and the AMLC within twenty-four (24) hours from receipt of this Freeze Order, a detailed return specifying pertinent and relevant information on all frozen bank accounts, insurance policies, securities and investments, including all related accounts wherever they may be found, pursuant to Rules 10.c.3 to 10.d of the 2012 Revised Implementing Rules and Regulations of Republic Act No.9160, as amended.

SO ORDERED.¹²

Disputing the issuance of the Freeze Order for lack of basis, respondents therein filed their respective motions to intervene and lift the Freeze Order, from which the present petitions emerged, viz.:

G.R. No. 222312:

As movants-in-intervention, Melissa Gay Castañeda Limlingan Manganip (Melissa), Beatrice Emilia Manganip (Beatrice), Patricia Grace Limlingan Padua (Patricia), Jose Jericho Padua III (Jose), Gerardo Martin Limlingan (Gerardo), Celeste Maya Recto Limlingan (Celeste), and Manuelita Limlingan (Manuelita) avouched that only Melissa, Patricia, and Gerardo were named as respondents in the *Ex Parte* Petition for Issuance of Freeze Order.¹³ Nonetheless, Manuelita, Beatrice, Jose, and Celeste, though not impleaded therein, were affected by the Freeze Order as their accounts were also put on hold, to wit:

1. RCBC Checking account jointly held by Celeste with her husband, Gerardo;¹⁴
2. BDO account of Manuelita with daughter, Patricia;¹⁵
3. BDO accounts¹⁶ and PS Bank account¹⁷ of Manuelita with daughter, Melissa;
4. BDO account of Beatrice with her mother, Melissa;¹⁸
5. BPI checking account of Jose with his wife, Patricia.¹⁹

They implored the CA to allow Manuelita, Beatrice, Jose, and Celeste, to intervene in CA-G.R. AMLA No. 00134.

¹² *Rollo* (G.R. No. 222312), vol. II, pp. 597–608, *see* May 11, 2015 Freeze Order issued by the Court of Appeals.

¹³ *Rollo* (G.R. No. 222312), vol. I, pp. 167–183 Urgent Omnibus Motion.

¹⁴ *Id.* at 170–171.

¹⁵ *Id.* at 186. Letter from BDO dated May 15, 2015.

¹⁶ *Id.* at 187.

¹⁷ *Id.* at 189. Letter from PSBank dated May 18, 2015.

¹⁸ *Id.* at 188. Letter from BDO dated May 15, 2015.

¹⁹ *Id.* at 173. Urgent Omnibus Motion...with Entry of Appearance.

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Concomitantly, they maintained²⁰ that the Freeze Order should be declared null and void. They postulated, *inter alia*, that—

- A. THE FREEZE ORDER SHOULD BE LIFTED FOR LACK OF PROBABLE CAUSE[;]
- B. SECTION 10 OF THE AMLA, AS AMENDED, IS UNCONSTITUTIONAL FOR BEING VIOLATIVE OF [] ARTICLE III, SECTIONS 1, 2, AND 3 OF THE CONSTITUTION[;]
- C. SECTION 10 OF THE AMLA, AS AMENDED, DOES NOT AUTHORIZE THE ISSUANCE OF A FREEZE ORDER WHICH INCLUDES OR COVERS ‘RELATED ACCOUNTS’[;]
- D. THE RELIANCE OF THE HONORABLE COURT ON RULE 10.A (3), 10.C.3 TO 10.D (OF) THE 2012 REVISED IMPLEMENTING RULES AND REGULATIONS OF [REPUBLIC ACT NO. 9160], AS AMENDED, WAS MISPLACED, THE SAME BEING ILLEGAL[;]
- E. THE FREEZING OF FOREIGN CURRENCY DEPOSITS IS PROHIBITED UNDER SECTION 8 OF [REPUBLIC ACT NO. 6426], and
- F. SECTION 11 OF THE AMLA, AS AMENDED, IS UNCONSTITUTIONAL FOR BEING VIOLATIVE OF THE ARTICLE III, SECTIONS 1, 2 AND 3 OF THE CONSTITUTION[.]²¹

In the Resolution²² dated November 13, 2015, the CA denied their motions to intervene and lift the Freeze Order, ruling that:

At the outset, it must be mentioned that after an investigation, as early as [September 8, 2015], *the freeze order on some of the accounts of Movants-in-Intervention has already been lifted* upon a finding of the AMLC that after investigation, there appears no link between said accounts and the illegal activities under investigation. The accounts released are as follows:

Account Name	Account Number
Manuelita C. Limlingan or Patricia C. Limlingan	5370013951
Manuelita C. Limlingan or Melissa Gay C. Limlingan	1500474561
Manuelita C. Limlingan or Melissa Gay C. Limlingan	1600130401
Beatrice Emilia L. Manganip	5370103616

²⁰ *Id.* at 190–272. Urgent Motion to Lift Freeze Order.

²¹ *Id.* at 216–217. Urgent Motion to Lift Order.

²² *Id.* at 160–163. The Resolution dated November 13, 2015 was penned by Associate Justice Ricardo R. Rosario (now a member of this Court) with the concurrence of Associate Justices Andres B. Reyes, Jr. (a retired member of this Court) and Nina G. Antonio-Valenzuela.

[Handwritten signature]

Even if it were the case that the freeze order had not yet been lifted with respect to Movants, their motions are not meritorious and should be ***DENIED***.

First, the constitutionality of the provisions of the AMLA or [Republic Act No. 9160] cannot be collaterally attacked since it is presumed to be a valid law. A collateral attack on a valid law is not permissible. Unless a law or rule is annulled in a direct proceeding, the legal presumption of its validity stands.

Moreover, the Supreme Court's policy has always been to avoid the judicial review of the constitutionality of a statute if some other grounds exist by which judgment can be made without touching the constitutionality of the law.

Second, the basis for the freezing of the accounts of Movants-in-Intervention lies in the finding of both the AMLC and the subject Banks that said accounts are related or materially linked to those enumerated in the petition for issuance of the freeze order.

Under Rules 3.e.3 and 3.e.3.a of the 2012 Revised Implementing Rules and Regulations of [Republic Act No. 9160], as amended, 'related accounts' are those accounts, the funds of which originated from and/or are materially linked to the monetary instruments or properties subject of the freeze order.

Materially linked accounts, on the other hand, are those which include but are not limited to the following: accounts owned solely or jointly with others; accounts the funds of which are transferred to or from the accounts subject of the freeze order without any legal or trade obligation, purpose or economic justification; accounts held for the benefit of persons whose accounts are subject of the freeze order; and accounts substantially owned, controlled or effectively controlled by a person whose accounts are subject of the freeze order.

The AMLC has discovered 'large transfers of funds' from the account of Mr. Gerardo S. Limlingan, Jr. to RCBC Account Number 0210010726 in the name of Gerardo Martin C. Limlingan or Celeste Maya R. Limlingan, and to BPI Account Number 3850-0110-78 in the name of Patricia Grace Limlingan Padua. Because of these transfers, the AMLC has concluded that probable cause still exists that the accounts of Movants-in-Intervention are related to an unlawful activity or money laundering offense, and should remain frozen.²³

²³ *Id.* at 162-163. CA Resolution dated November 13, 2015, in CA G.R. AMLA NO. 00134.

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G.R. No. 222313:

Powerlink.Com Corp. (Powerlink) avowed²⁴ that it was not included as one of the respondents in the *Ex Parte* Petition for Issuance of Freeze Order. Nevertheless, its deposit accounts²⁵ with Metrobank were purportedly identified and established to be materially linked to the accounts subject of the Freeze Order, and thus, were frozen—

BRANCH	ACCOUNT NO.	CLASSIFICATION
JP Rizal Branch	234-7-234-51645-7	Current PHP
	234-7-234-51645-7	Savings PHP
Sta. Ana Branch	231-7-231-51400-3	Current PHP
	231-3-231-24400-8	Savings PHP

This being so, Powerlink posited that it had legal interest in CA-G.R. AMLA No. 00134 and therefore, must be allowed to intervene.

Raising substantially the same constitutional issues as those proffered by the movants in G.R. No 222312, Powerlink likewise beseeched the CA to lift the Freeze Order.²⁶

In the Resolution²⁷ dated November 13, 2015, the CA denied the foregoing motions, decreeing once again that the constitutionality of the provisions of Republic Act No. 9160 cannot be collaterally attacked. It further declared that:

Based on the above definitions, Metrobank conducted an analysis of its various accounts, and found that the accounts of Powerlink . . . are materially linked with that of Mr. Gerardo S. Limlingan, Jr., whose son Mr. Gerardo Martin C. Limlingan is a member of the Board of Directors of Powerlink.²⁸

G.R. No. 222314:

For its part, Codeworks.Ph, Inc. (Codeworks) implored²⁹ the CA to allow it to intervene in the case of CA-G.R. AMLA No. 00134. While Codeworks was not named as a respondent, its accounts were frozen after they were

²⁴ *Rollo* (G.R. No. 222313), vol. I, pp. 435–446. Urgent *Ex Parte* Motion for Leave of Court to Intervene...and to Lift May 11, 2015 Freeze Order.

²⁵ *Id.* at 437.

²⁶ *Id.* at 447—506. Urgent *Ex Parte* Motion to Lift May 11, 2015 Freeze Order.

²⁷ *Id.* at 135–138. The Resolution dated November 13, 2015 was penned by Associate Justice Ricardo R. Rosario (now a member of this Court) with the concurrence of Associate Justices Andres B. Reyes (a retired member of this Court) and Nina G. Antonio-Valenzuela.

²⁸ *Id.* at 137.

²⁹ *Rollo* (G.R. No. 222314), vol. I, pp. 438–449. Urgent *Ex Parte* Motion for Leave of Court to Intervene . . . and Motion to Lift May 11, 2015 Freeze Order.

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supposedly identified and established as materially linked to the accounts listed under the Freeze Order, namely:

BRANCH	ACCOUNT NO.	CLASSIFICATION
Sta. Ana Branch	231-7-231-51403-8	Current PHP
	231-3-231-24749-2	Savings PHP
	RTB	
	231-2-231-00835-1	Savings USD
JP Rizal Branch	234-7-234-51644-9	Current PHP
	234-7-234-51644-9	Savings PHP ³⁰

In seeking the lifting of the Freeze Order, Codeworks similarly questioned the constitutionality of Republic Act No. 9160.³¹

In the Resolution³² dated November 13, 2015, the CA denied Codeworks's Motion and ruled anew that the constitutionality of Republic Act No. 9160 cannot be indirectly attacked. Moreover, it noted that:

At the outset, it must be mentioned that after an investigation, as early as [August 5, 2015], *the freeze order on the accounts of Codeworks has already been lifted* upon finding of the AMLC that after an investigation, there appears no link between said accounts and the illegal activities under investigation. Thus, the question of whether the freeze order should be lifted or not is already moot and academic.³³

G.R. No. 222315:

Via its own Urgent Motion for Leave of Court to Intervene,³⁴ intervenors Vive Hotel, Inc. (Vive), Corporate Solutions Manpower & General Services, Inc. (General Solutions), Unanimous Holdings, Inc. (Unanimous Holdings), and Omni Security Investigation, Inc. (Omni) averred that they each received a letter from Metrobank, informing them that their accounts were deemed related accounts and /or materially linked to one of the accounts specified in the Freeze Order in the case of CA-G.R. AMLA No. 00134.³⁵ Consequently, Metrobank froze the following accounts:

³⁰ *Id.* at 440–441.

³¹ *Id.* at 450–509. Urgent *Ex Parte* Motion to Lift [May 11, 2015] Freeze Order.

³² *Id.* at 137–140. The Resolution dated November 13, 2015 was penned by Associate Justice Ricardo R. Rosario (now a member of this Court) with the concurrence of Associate Justices Andres B. Reyes (a retired member of this Court) and Nina G. Antonio-Valenzuela.

³³ *Id.* at 138.

³⁴ *Rollo* (G.R. No. 222315), vol. I, pp. 455–466; vol. II, pp. 789–799.

³⁵ *Id.*

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COMPANY	ACCOUNT NO.
Vive Hotel Inc.	7234517984
Corporate Solutions Manpower & General Services Inc.	7234517852
Omni Security Investigation Inc.	7234516406 1234028586 1234028888 1234029302 1234700128 1234028403
Unanimous Holdings, Inc.	7234517860 ³⁶

Given that Vive, Unanimous Holdings, and Corporate Solutions were not charged as respondents in the aforesaid case; while Omni, though impleaded but under its former name, Omni Security Investigation and General Services, Inc., the CA must allow them to intervene therein. Vive, Unanimous Holdings, Corporate Solutions, and Omni likewise sought the lifting of the Freeze Order,³⁷ zeroing in on the same purported constitutional infirmities raised in G.R. Nos. 222312, 222313, and 222314.

In the Resolution³⁸ dated July 6, 2015, the CA ruled as follows:

In sum, the following bank accounts have been released *motu proprio* by the AMLC:

Account Name	Account Number	Bank
Marita Limlingan, Victor S. Limlingan, Sr., Alfonso A. Limlingan, Marita Regina Laguindanum	9007766640	RCBC
Marita Limlingan, Victor S. Limlingan, Sr., Alfonso A. Limlingan, Marita Regina Laguindanum	9007880585	RCBC
Marita Limlingan, Victor S. Limlingan, Sr., Alfonso A. Limlingan, Marita Regina Laguindanum	216013972	RCBC

³⁶ Rollo (G.R. No. 222315), vol. I, p. 458; vol. II, pp. 791.

³⁷ Rollo (G.R. No. 222315), vol. I, pp. 479–543; vol. II, pp. 801–855.

³⁸ Rollo (G.R. No. 222315), vol. I, pp. 153–157. The Resolution dated July 6, 2015 was penned by Associate Justice Ricardo R. Rosario (now a member of this Court) with the concurrence of Associate Justices Andres B. Reyes, Jr. (a retired member of this Court) and Edwin D. Sorongon.

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Marita Limlingan, Victor S. Limlingan, Sr., Alfonso A. Limlingan, Marita Regina Laguindanum	759016312	RCBC
Marita Limlingan, Victor S. Limlingan, Sr., Alfonso A. Limlingan, Marita Regina Laguindanum	1216091317	RCBC
Victor S. Limlingan	3219-0183-03	BPI
Omni Security Investigation, Inc,	7234-51640-4	Metrobank
Omni Security Investigation, Inc,	1234-02858-6	Metrobank
Omni Security Investigation, Inc,	1234-02888-8	Metrobank
Omni Security Investigation, Inc,	1234-02930-2	Metrobank
Omni Security Investigation, Inc,	1234-70012-8	Metrobank
Omni Security Investigation, Inc,	1234-02840-3	Metrobank
Omni Security Investigation, Inc,	TD#9000020258	RCBC/RSBI
Vive Hotel, Inc.	7234-51798-4	Metrobank
Corporate Solutions and Manpower and General Services, Inc.	7234-51785-2	Metrobank
Corporate Solutions and Manpower and General Services, Inc.	1-234-02990-6	Metrobank
Unanimous Holdings, Inc.	7234-51786-0 ³⁹	

IN LIGHT OF THE FOREGOING, movants' respective *Urgent Motions for Leave of Court To Intervene*, and *Urgent Motions to Lift the [May 11, 2015] Freeze Order*, are **DISMISSED** for being **MOOT and ACADEMIC**. Movants may freely transact with respect to their released bank accounts as before.

We **NOTE** all the compliances, returns and manifestations filed by respondent Banks to date.

Finally, respondents Melissa Gay Castaneda Limlingan, Patricia Grace Limlingan Padua[,] and Gerardo Martin Castaneda Limlingan are **ADVISED** to address their *Ex Parte Motion to Access to Records of CA-*

³⁹ Rollo (G.R. No. 222315), vol. 2, p. 863. Letter of Metrobank to Unanimous Holdings, Inc.

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G.R. AMLA No. 00130 to the proper division of this Court where such case is pending. Their counsel's entry of appearance is duly **NOTED**.

SO ORDERED.⁴⁰

Feeling aggrieved, all the petitioners filed their respective motions for reconsideration.⁴¹

In the meantime, the AMLC, through the Office of the Solicitor General, filed a Manifestation⁴² informing the CA that it lodged before the Regional Trial Court (RTC) of Manila a Verified *Ex Parte* Petition for Civil Forfeiture (with Urgent Prayer for Issuance of a Provisional Asset Preservation Order and/or Asset Preservation Order) on November 12, 2015. The said case entitled *Anti-Money Laundering Council v. Jejomar C. Binay, Jejomar Erwin S. Binay, et al.* (Civil Forfeiture Case) was docketed as Civil Case No.15-007-53.

In the Resolution⁴³ dated January 19, 2016, the CA declared:

In view of (1) the expiration of the six-month period of the [May 11, 2015] *Freeze Order* on [November 12, 2015], and (2) the manifestation of the Anti-Money Laundering Council that on [November 12, 2015], the Council had filed a verified [*E/x*] [*P*]arte Petition for Civil Forfeiture (with Urgent Prayer for Issuance of a Provisional Asset Preservation Order and/or Asset Preservation Order) docketed as Civil Case No. 15-0007-53 against herein respondent entities, and pursuant to Section 56 of A.M. No. 05-11-04-SC 2005 -11-15, the Court **RESOLVES** to—

1. **FORWARD** the records of this case to the Regional Trial Court of Manila, Branch 53, **FOR CONSOLIDATION** with Civil Case No. 15-0007-53; and
2. **DENY** for lack of merit the pending *Motions for Reconsideration* filed by —
 - (a) Omni Security Investigation, Inc., Vive Hotel, Inc., Corporate Solutions Manpower & General Services, Inc., and Unanimous Holdings, Inc;
 - (b) Codeworks.Ph, Inc;
 - (c) Powerlink.Com Corp;

⁴⁰ *Rollo* (G.R. No. 222315), vol. 1, pp. 155–157. CA Resolution in CA-G.R. AMLA No. 00134.

⁴¹ *Rollo* (G.R. 222312), vol. 1, pp. 286–313; *rollo* (G.R. 222313) vol.2, pp. 559–582; *rollo* (G.R. 222314), vol. 2, pp. 766–795; *rollo* (G.R. 222315), vol. II, 903–924. Motions for Reconsideration.

⁴² *Rollo* (G.R. 222312), vol. 2, pp. 688–694; *see also* *rollo* (G.R. No. 222312), vol. I, p. 74. Petition for Review on *Certiorari*.

⁴³ *Rollo* (G.R. No. 222312), vol. 1, pp. 164–165; *see also* *rollo* (G.R. No. 222313), vol. 1, pp. 139–140; *rollo* (G.R. No. 222314), vol. 1, pp. 141–142; and *rollo* (G.R. No. 222315), vol. 1, pp. 158–159. The Resolution dated July 6, 2015 was penned by Associate Justice Ricardo R. Rosario (now a member of this Court) with the concurrence of Associate Justices Andres B. Reyes, Jr. (a retired member of this Court) and Edwin D. Sorongon.

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(d) Melissa Gay Castaneda Limlingan Managnip, Beatrice Emilia I. Manganip, Patricia Grace Limlingan Padua, Jericho Padua III, Gerardo Martin C. Limlingan, Celeste Maya Recto Limlingan, and Manuelita Limlingan; and AMLC (against this Court's Order granting Atty. Oreta's Motion to Modify the Freeze Order by Dropping Movant as Party Respondent).

SO ORDERED.⁴⁴

Crestfallen, the petitioners filed their respective petitions for review on *certiorari*⁴⁵ before the Court, which were all consolidated in the Court's Resolution⁴⁶ dated February 29, 2016. In the main, the petitions impugn the November 13, 2015 and January 19, 2016 Resolutions of the CA and intransigently entreat the Court to decree:

1. Section 10 of the AMLA, As Amended, As Unconstitutional For Being Violative Of The Article III, Sections 1, 2 And 3 Of The Constitution[;]
2. Section 10 of the AMLA, As Amended, Does Not Authorize The Issuance Of A Freeze Order Which Includes Or Covers 'Related Accounts'[;]
3. Rule 10.[a] (3), 10.[c].3 [t]o 10.[d] of the 2012 Revised Implementing Rules And Regulations Of Republic Act No. 9160, As Amended, As Unconstitutional[; and]
4. Section 11 of the AMLA, As Amended, As Unconstitutional For Being Violative Of The Article III, Sections 1, 2 And 3 Of The Constitution.⁴⁷

The Court's Ruling

First off, it bears noting that the Freeze Order in most of the aforesaid related accounts had already been lifted even before the lapse of its effectivity. Moreover, as the sixth month of its effectivity,⁴⁸ which fell on November 11, 2015, had expired, said Freeze Order is deemed *ipso facto* cancelled. Furthermore, on November 12, 2015, CA-G.R. AMLA No. 00134 had already been consolidated with the Civil Forfeiture Case filed before the RTC. Petitioners themselves divulged that the AMLC did not seek the forfeiture of any of their accounts or properties⁴⁹ in the Civil Forfeiture Case, except those of Melissa, Gerardo, and Celeste, who were impleaded therein.⁵⁰ To be sure,

⁴⁴ Rollo (G.R. No. 22312), vol. 1, pp. 164–165.

⁴⁵ Rollo (G.R. No. 222312), vol. 1, pp. 29–150; *rollo* (G.R. No. 222313), vol. 1, pp. 29–134; *rollo* (G.R. No. 222314), vol. 1, pp. 29–136; (G.R. No. 222315), vol. 1, 30–152. Petitions for Review on *Certiorari*.

⁴⁶ Rollo (G.R. No. 222312), vol. 1, p. 21.

⁴⁷ Rollo (G.R. No. 222312), vol. 1, p. 139; *rollo* (G.R. No. 222313), vol. 1, pp. 124–125; *rollo* (G.R. No. 222314), vol. 1, p. 127; *rollo* (G.R. No. 222315), vol. 1, p. 133. Petitions for Review on *Certiorari*.

⁴⁸ See *Republic of the Philippines v. Ongpin*, 923 Phil. 257, 302 (2022) [Per J. Leonen, Second Division].

⁴⁹ Rollo (G.R. No. 222313), vol. 1, p. 69; *rollo* (G.R. No. 222314), vol. 1, p. 65; *rollo* (G.R. No. 222315), vol. 1, p. 77.

⁵⁰ Rollo (G.R. No. 222312), vol. 1, p. 74. Petition for Review on *Certiorari*.

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Melissa and Gerardo were respondents in CA-G.R. AMLA No. 00134, where the subject Freeze Order was issued, while Celeste is the wife of Gerardo.

Apropos Section 11 of the AMLA, as amended, the Court had already settled its constitutionality in the case of *Subido Pagente Certeza Mendoza and Binay Law Offices v. Court of Appeals*.⁵¹

Given this factual backdrop, the present petitions have undoubtedly become moot.

A case is moot when a supervening event has terminated the legal issue between the parties, such that this Court is left with nothing to resolve.⁵² There is no question that whenever the issues have become moot and academic, there ceases to be any justiciable controversy, such that the resolution of the issues no longer have any practical value. Simply put, the Court can no longer grant any relief to which the petitioner may be entitled.⁵³

This notwithstanding, it is jurisprudentially settled that courts will decide cases, otherwise moot and academic, if: (a) there is a grave violation of the Constitution; (b) the situation is of exceptional character and paramount public interest is involved; (c) the constitutional issue raised requires formulation of controlling principles to guide the bench, the bar, and the public; and (d) the case is capable of repetition yet evading review.⁵⁴

In the case at bench, the petitioners intransigently maintain that this case is an exception to the moot and academic principle. Even if the Freeze Order had been lifted, the issues that they raised were not rendered moot and remain justiciable. They avow that they are not merely praying for the unfreezing of frozen accounts or seeking to intervene in a terminated case but are also questioning the constitutionality⁵⁵ of the provisions of the Anti-Money Laundering Act, specifically Section 10⁵⁶ and Rules 10.a.3, 10.c.1 to 10.d⁵⁷ of

⁵¹ 802 Phil. 314 (2016) [Per J. Perez, *En Banc*].

⁵² *Express Telecommunications Co., Inc. v. AZ Communications, Inc.*, 877 Phil. 44, 53, (2020) [Per J. Leonen, Third Division].

⁵³ *See Estrada v. Sandiganbayan (5th Division), et al.*, 836 Phil. 281, 296 (2018) [Per J. Bersamin, *En Banc*].

⁵⁴ *See Republic v. Bloomberry Resorts and Hotels, Inc. (Solaire)*, 881 Phil. 194, 207 (2020) [Per J. Carandang, Third Division].

⁵⁵ *Rollo* (G.R. No. 222313), vol. 2, p. 1053. Petitioners' Consolidated Reply.

⁵⁶ Amendment to Republic Act No. 9160 (Anti-Money Laundering Act of 2001), Republic Act No. 10365. Approved on February 15, 2013.

⁵⁷ *See rollo* (G.R. No. 222312), vol. 1, p. 114; *rollo* (G.R. No. 222313), vol. 1, p. 91; *rollo* (G.R. No. 222314), vol. 1, p. 94; *rollo* (G.R. No. 222315), vol. 1, p. 104. Petition for June Review.

its Implementing Rules and Regulations (IRR),⁵⁸ as well as Section 11⁵⁹ thereof.

According to petitioners, the Freeze Order which directs the freezing of “all related accounts wherever they may be found” is invalid as it goes beyond the mandate of Section 10 of the AMLA.⁶⁰ They maintain that nowhere in the provision of the said Section does it permit the CA to freeze related accounts. Notably, although Section 10 does not authorize the same, the provisions of its IRR were invalidly extended to include related accounts. Pursuant to such provision in the IRR, the AMLC and the banks exercised their own judgment and discretion and on their own, froze numerous bank and other financial accounts to the great damage and prejudice of petitioners.⁶¹ Petitioners contend that the CA cannot validly rely on the provisions of the IRR of the AMLA,⁶² which provides as follows:

RULE 10.a. *Freezing of Any Monetary Instrument or Property.* —

....

(3) Considering the intricate and diverse web of related and interlocking accounts pertaining to the monetary instruments or properties that any person may create in the different covered institutions, their branches and/or other units, the AMLC may file a petition with the Court of Appeals for the freezing of the monetary instruments or properties in the names of the reported owners/holders and monetary instruments or properties named in the Petition of the AMLC including related accounts as defined under Rule 3.e.3 of these Rules.

....

RULE 10.c. *Duty of Covered Institutions Upon Receipt Thereof.* —

RULE 10.c.1. Upon receipt of the notice of the freeze order, the covered institution concerned shall immediately freeze the monetary instrument or property and related accounts subject thereof.

RULE 10.c.2. The covered institution shall likewise immediately furnish a copy of the notice of the freeze order upon the owner or holder of the monetary instrument or property or related accounts subject thereof.

⁵⁸ Revised Implementing Rules and Regulations of Republic Act No. 9160 (Revised). Approved on August 23, 2012.

⁵⁹ Further Strengthening the Anti-Money Laundering Law, Amending for the Purpose Sections 10 and 11 of Republic Act No. 9160, Republic Act No. 10167. Approved on June 18, 2012.

⁶⁰ *Rollo* (G.R. No. 22312), vol. 1, p. 111; *rollo* (G.R. No. 22313), vol. 1, p. 88; *rollo* (G.R. No. 22314), vol. 1, p. 91; *rollo* (G.R. No. 22315), vol. 1, p. 101. See the respective Petitions for Review of the parties.

⁶¹ *Rollo* (G.R. No. 222312), vol. 2, p. 1180. See Consolidated Reply to the Respondents' *Consolidated Comment* dated June 30, 2016.

⁶² *Rollo* (G.R. No. 22312), vol. 1, pp. 119–120; *rollo* (G.R. No. 22313), vol. 1, pp. 96–98; *rollo* (G.R. No. 22314), vol. 1, pp. 99–100; *rollo* (G.R. No. 22315), vol. 1, pp. 108–110. See the respective Petitions for Review of the parties.

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RULE 10.c.3. Within twenty-four (24) hours from receipt of the freeze order, the covered institution concerned shall submit to the Court of Appeals and the AMLC, by personal delivery, a detailed written return on the freeze order, specifying all the pertinent and relevant information which shall include the following:

- (a) the account numbers;
- (b) the names of the account owners or holders;
- (c) the amount of the monetary instrument, property or related accounts as of the time they were frozen;
- (d) all relevant information as to the nature of the monetary instrument or property;
- (e) any information on the related accounts pertaining to the monetary instrument or property subject of the freeze order; and
- (f) the time when the freeze thereon took effect.

RULE 10.d. Upon receipt of the freeze order issued by the Court of Appeals and upon verification by the covered institution that the related accounts originated from and/or are materially linked to the monetary instrument or property subject of the freeze order, the covered institution shall freeze these related accounts wherever these may be found.

The return of the covered institution as required under Rule 10.c.3 shall include the fact of such freezing and an explanation as to the grounds for the identification of the related accounts.

If the related accounts cannot be determined within twenty-four (24) hours from receipt of the freeze order due to the volume and/or complexity of the transactions or any other justifiable factor(s), the covered institution shall effect the freezing of the related accounts, monetary instruments and properties as soon as practicable and shall submit a supplemental return thereof to the Court of Appeals and the AMLC within twenty-four (24) hours from the freezing of said related accounts, monetary instruments and properties.⁶³

Petitioners further assert that since administrative rules merely draw life from the statute that they seek to implement,⁶⁴ the IRR adopted by a particular department of the government under legislative authority must be in harmony with the provisions of the law, and should be for the sole purpose of carrying the law's general provisions into effect.⁶⁵ Clearly therefore, the aforementioned provisions of the 2012 IRR overstepped the coverage of the AMLA by expanding the authority of the CA to issue a Freeze Order even to related accounts that are not contemplated under the law. By doing so, the AMLC allegedly arrogated upon itself the power to legislate, which should be the

⁶³ Revised Implementing Rules and Regulations of Republic Act No. 9160, as amended by Republic Act No. 9194 and Republic Act No. 10167. Approved on August 23, 2012.

⁶⁴ *Rollo* (G.R. No. 222312), vol. 1, p. 114; *rollo* (G.R. No. 222313), vol. 1, p. 91; *rollo* (G.R. No. 222314), vol. 1, p. 94; *rollo* (G.R. No. 222315), vol. 1, p. 104.

⁶⁵ *Rollo* (G.R. No. 222312), vol. 1, p. 116; *rollo* (G.R. No. 222313), vol. 1, pp. 93-94; *rollo* (G.R. No. 222314), vol. 1, p. 96; *rollo* (G.R. No. 222315), vol. 1, p. 106.

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exclusive prerogative of Congress.⁶⁶ Given that the transgression of the constitutional rights of the petitioners have been so patent, brazen, and callous, the instant case falls within the exceptions to the moot and academic principle and should therefore be resolved by the Court on the merits.⁶⁷

Petitioners' invocation of exceptional circumstances holds sway. The instant case is of exceptional character as it involves paramount public interest. More so, the case is capable of repetition yet evading review.

Even then, the substantive issues raised in the Petitions are bereft of merit. Accordingly, the Petitions ought to be denied.

The Petitions involve issues which are of paramount interest to the public as they raise essential matters that would result in either the success or failure of the State's battle against money-laundering. They bring to the fore the persistent need to settle, once and for all, matters anent the issuance of freeze orders given that Section 10 of Republic Act No. 10365, the law prevailing at that time, had already been substantially amended twice — first, by Republic Act No. 10927, which was enacted in 2017, and second, by Republic Act No. 11521,⁶⁸ which was enacted in 2021.

So, too, the case is capable of repetition yet evading review. Presently, the prevailing rule is 2018 IRR of the AMLA, which superseded all its other IRRs.⁶⁹ Nevertheless, it is evident that the contentious provisions were substantially reflected in the 2018 IRR of the AMLA, viz.:

RULE 10
Freeze Order

....

2.2. *Related Accounts.*

Considering the intricate and diverse web of interlocking accounts that a person may create in different covered persons, and the high probability that these accounts are utilized to divert, move, conceal, and

⁶⁶ Rollo (G.R. No. 222312), vol. 1, p. 121; rollo, (G.R. No. 222313), vol. 1, pp. 98-99; rollo (G.R. No. 222314), vol. 1, p. 101; rollo (G.R. No. 222315), vol. 1, p. 110.

⁶⁷ Rollo (G.R. No. 222312), vol. 2, pp. 1188-1189. See Consolidated Reply to the Respondents' Consolidated Comment dated June 30, 2016.

⁶⁸ Amendment to Republic Act No. 9160, the Anti-Money Laundering Law, Republic Act No. 11521. Approved on January 29, 2021.

⁶⁹ See Rule 34, Section 2 of the 2018 implementing Rules and Regulations of Republic Act No. 9160, Otherwise Known as the Anti-Money Laundering Act of 2001, as Amended [January 2021 Amendment]. Approved on November 22, 2018, viz.:

SECTION 2. *Repealing Clause.* —

2.1. This IRR shall supersede the "2016 Revised Implementing Rules and Regulations of Republic Act No. 9160, as Amended" and all previous IRRs of the AMLA.

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disguise the monetary instrument or property subject of the freeze order, the AMLC may include in its petition the freezing of related and materially-linked accounts.

....

SECTION 4. *Duties of Covered Persons and Concerned Government Agencies.* —

....

4.2. *Freeze and Report Related Accounts.*

(a) Upon receipt of the freeze order that directs the freezing of related accounts, and upon verification by the covered person that there are accounts related to the monetary instrument or property subject of the freeze order, the covered person shall immediately freeze these related accounts wherever these may be found.

(b) If the related accounts cannot be determined within twenty-four (24) hours from receipt of the freeze order due to the volume and/or complexity of the transactions, or any other justifiable factors, the covered person shall effect the freezing of the related accounts within a reasonable period and shall submit a supplemental return thereof to the Court of Appeals and the AMLC within twenty-four (24) hours from the freezing of said related accounts.

....

4.3. *Furnish Copy of Freeze Order to Owner or Holder.*

(a) The covered person and government agency concerned shall immediately furnish a copy of the freeze order upon the owner or holder of the monetary instrument or property or related accounts subject thereof.

....

4.5. *Contents of the Detailed Return.*

The detailed return on the freeze order shall specify all the pertinent and relevant information, which shall include the following:

(a) *For covered persons and government agencies, whichever are applicable:*

(1) The names of the account holders, personal property owners or possessors, or real property owners or occupants;

(2) The value of the monetary instrument, property, or proceeds as of the time the assets were ordered frozen;

(3) All relevant information as to the status and nature of the monetary instrument, property, or proceeds;

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(4) The date and time when the freeze order was served; and

(5) The basis for the identification as related accounts.⁷⁰

As demonstrated by the constant ingemination of the challenged provisions into the current version of the AMLA IRR, there can be no quibbling that the issues in the instant controversy may possibly arise again.

Having traversed the issue of mootness, the Court shall now pass upon the crux of the controversy, i.e., the constitutionality of Section 10 of the AMLA.

In retrospect, these Petitions originated from CA-G.R. AMLA No. 00134, an anti-money laundering case. The crime of money laundering has been generally defined by the International Criminal Police Organization (Interpol) as “any act or attempted act to conceal or disguise the identity of illegally obtained proceeds so that they appear to have originated from legitimate sources.” Even before the passage of the AMLA, the problem was addressed by the Philippine government through the issuance of various circulars by the Bangko Sentral ng Pilipinas. Yet ultimately, legislative proscription was necessary, especially with the inclusion of the Philippines in the Financial Action Task Force's list of non-cooperative countries and territories in the fight against money laundering.⁷¹

Plain as day, the AMLA was enacted in the valid exercise of the State's police power to curb criminality. In this regard, the Court's definition of police power in the seminal case of *Morfe v. Mutuc*,⁷² is edifyingly instructive—

Earlier Philippine cases refer to police power as the power to promote the general welfare and public interest; to enact such laws in relation to persons and property as may promote public health, public morals, public safety and the general welfare of each inhabitant; to preserve public order and to prevent offenses against the state and to establish for the intercourse of citizen with citizen those rules of good manners and good neighborhood calculated to prevent conflict of rights. In his work on due process, Mott stated that the term *police power* was first used by Chief Justice Marshall.

As currently in use both in Philippine and American decisions then, police power legislation usually has reference to regulatory measures restraining either the rights to property or liberty of private individuals. It is undeniable however that one of its earliest definitions, valid then as well as now, given by Marshall's successor, Chief Justice Taney, does

⁷⁰ 2018 Implementing Rules and Regulations of Republic Act No. 9160, Otherwise Known as the Anti-Money Laundering Act of 2001, as Amended [January 2021 Amendment], IRR of Republic Act No. 9160. Approved on November 22, 2018.

⁷¹ See *Republic v. Eugenio, Jr.*, 569 Phil. 98, 118-119 (2008) [Per J. Tinga, Second Division].

⁷² 130 Phil. 415 (1968) [Per J. Fernando, *En Banc*].

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not limit its scope to curtailment of rights whether of liberty or property of private individuals. Thus: "But what are the police powers of a State? They are nothing more or less than the powers of government inherent in every sovereignty to the extent of its dominions. **And whether a State passes a quarantine law, or a law to punish offenses, or to establish courts of justice, or requiring certain instruments to be recorded, or to regulate commerce within its own limits, in every case it exercises the same power; that is to say, the power of sovereignty, the power to govern men and things within the limits of its domain.**"⁷³ (Emphasis supplied)

To aid in the enforcement of the AMLA, certain provisional reliefs are provided therein, such as the freeze order and the bank inquiry order authorized under Sections 10 and 11, respectively. Sections 10 and 11, at the time of the filing of the Petition for Freeze Order on May 7, 2015, provide:

SEC. 10. *Freezing of Monetary Instrument or Property.* — Upon a verified *ex parte* petition by the AMLC and after determination that probable cause exists that any monetary instrument or property is in any way related to an unlawful activity as defined in Section 3(i) hereof, the Court of Appeals may issue a freeze order which shall be effective immediately, and which shall not exceed six (6) months depending upon the circumstances of the case: *Provided*, That if there is no case filed against a person whose account has been frozen within the period determined by the court, the freeze order shall be deemed *ipso facto* lifted: *Provided, further*, that this new rule shall not apply to pending cases in the courts. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a nonworking day, the computation of the twenty-four (24)-hour period shall exclude the nonworking days.

A person whose account has been frozen may file a motion to lift the freeze order and the court must resolve this motion before the expiration of the freeze order.

No court shall issue a temporary restraining order or a writ of injunction against any freeze order, except the Supreme Court.⁷⁴

SEC. 11. *Authority to Inquire into Bank Deposits.* — Notwithstanding the provisions of Republic Act No. 1405, as amended; Republic Act No. 6426, as amended; Republic Act No. 8791; and other laws, the AMLC may inquire into or examine any particular deposit or investment, including related accounts, with any banking institution or non-bank financial institution upon order of any competent court based on an *ex parte* application in cases of violations of this Act, when it has been established that there is probable cause that the deposits or investments, including related accounts involved, are related to an unlawful activity as defined in Section 3(i) hereof or a money laundering offense under Section 4 hereof; except that

⁷³ *Id.* at 427-428.

⁷⁴ Republic Act No. 10365, An Act Further Strengthening the Anti-Money Laundering Law, Amending for the Purpose Republic Act No. 9160, otherwise known as the Anti-Money Laundering Act of 2001, as Amended. Approved on February 15, 2013.

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no court order shall be required in cases involving activities defined in Section 3(i)(1), (2), and (12) hereof, and felonies or offenses of a nature similar to those mentioned in Section 3(i)(1), (2), and (12), which are Punishable under the penal laws of other countries, and terrorism and conspiracy to commit terrorism as defined and penalized under Republic Act No. 9372.

The Court of Appeals shall act on the application to inquire into or examine any depositor or investment with any banking institution or non-bank financial institution within twenty-four (24) hours from filing of the application.

To ensure compliance with this Act, the *Bangko Sentral ng Pilipinas* may, in the course of a periodic or special examination, check the compliance of a Covered institution with the requirements of the AMLA and its implementing rules and regulations.

For purposes of this section, “related accounts” shall refer to accounts, the funds and sources of which originated from and/or are materially linked to the monetary instrument(s) or property(ies) subject of the freeze order(s).

A court order *ex parte* must first be obtained before the AMLC can inquire into these related Accounts; *Provided*, That the procedure for the *ex parte* application of the *ex parte* court order for the principal account shall be the same with that of the related accounts.

The authority to inquire into or examine the main account and the related accounts shall comply with the requirements of Article III, Sections 2 and 3 of the 1987 Constitution, which are hereby incorporated by reference.⁷⁵

These extraordinary remedies⁷⁶ require *ex parte* proceedings. In the case of *Republic v. Eugenio, Jr.*,⁷⁷ the Court discerned the rationale in allowing *ex parte* proceedings under Section 10, decreeing that it is aimed at preserving monetary instruments or property in any way deemed related to unlawful activities as defined in Section 3(i) of the AMLA. The owner of such monetary instruments or property would thus be inhibited from utilizing the same for the duration of the freeze order. To make such freeze order anteceded by a judicial proceeding with notice to the account holder would allow for or lead to the dissipation of such funds even before the order could be issued.⁷⁸

Anent the *ex parte* application for bank inquiry under Section 11, the Court had already settled its constitutionality in *Subido*, as mentioned above. As pronounced therein, given that no right to due process or right to privacy are

⁷⁵ Further Strengthening the Anti-Money Laundering Law, Amending for the Purpose Sections 10 and 11 of Republic Act No. 9160, Republic Act No. 10167. Approved on June 18, 2012.

⁷⁶ See *Republic of the Philippines v. Ongpin*, 923 Phil. 257, 258 (2022) [Per J. Leonen, Second Division].
⁷⁷ 569 Phil. 98 (2008) [Per J. Tinga, Second Division].

⁷⁸ See *id.* at 124.

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violated, there is nothing arbitrary in the allowance and authorization to AMLC to undertake an inquiry into certain bank accounts or deposits.

In these consolidated Petitions, the records reflect that the Republic of the Philippines, represented by the AMLC, and through the Office of the Solicitor General, filed a petition to **freeze the subject accounts, including all related accounts**. In granting the said petition, the CA issued a Freeze Order containing a directive to the concerned banks, insurance, and securities companies to freeze the accounts indicated therein, **as well as all their related accounts** pursuant to the AMLA, as amended and its implementing rules and regulations.

Inevitably, the question that comes down the pike is — *Does the IRR of the AMLA, as amended, expand the authority of the CA such that it vests upon the CA the authority to freeze related accounts which are purportedly not contemplated under Section 10 of Republic Act No. 9160, as amended?*

To begin with, Section 10 has since been amended, the prevailing law being Republic Act No. 11521,⁷⁹ which was enacted in 2021. It presently reads as follows—

SEC. 10. *Freezing Monetary Instrument or Property.* —

“(a) Upon a verified *ex parte* petition by the AMLC and after determination that probable cause exists that any monetary instrument or property is in any way related to an unlawful activity as defined in Section 3(i) hereof, the Court of Appeals may issue a freeze order which shall be effective immediately, for a period of twenty (20) days. Within the twenty (20)-day period, the Court of Appeals shall conduct a summary hearing, with notice to the parties, to determine whether or not to modify or lift the freeze order, or extend its effectivity. The total period of the freeze order issued by the Court of Appeals under this provision shall not exceed six (6) months. This is without prejudice to an asset preservation order that the Regional Trial Court having jurisdiction over the appropriate anti-money laundering case or civil forfeiture case may issue on the same account depending on the circumstances of the case, where the Court of Appeals will remand the case and its records: *Provided*, That if there is no case filed against a person whose account has been frozen within the period determined by the Court of Appeals, not exceeding six (6) months, the freeze order shall be deemed *ipso facto* lifted: *Provided, further*, That this new rule shall not apply to pending cases in the courts. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a nonworking day, the computation of the twenty-four (24)-hour period shall exclude the nonworking days.

“The freeze order or asset preservation order issued under this Act shall be limited only to the amount of cash or monetary instrument or value of property that court finds there is probable cause to be considered

⁷⁹ Amendment to Republic Act No. 9160, the Anti-Money Laundering Law, Republic Act No. 11521. Approved on January 29, 2021.

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as proceeds of a predicate offense, and the freeze order or asset preservation order shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense.

“A person whose account has been frozen may file a motion to lift the freeze order and the court must resolve this motion before the expiration of the freeze order.

“No court shall issue a temporary restraining order or a writ of injunction against any freeze order, except the Supreme Court.

“(b) For purposes of implementing targeted financial sanctions in relation to proliferation of weapons of mass destruction and its financing, as provided under Section 3(15), the AMLC shall have the power to issue, *ex parte*, an order to freeze without delay.

“The freeze order shall be effective until the basis for its issuance shall have been lifted. During the effectivity of the freeze order, the aggrieved party may, within twenty (20) days from issuance, file with the Court of Appeals a petition to determine the basis of the freeze order according to the principle of effective judicial protection: *Provided*, That the person whose property or funds have been frozen may withdraw such sums as the AMLC determines to be reasonably needed for monthly family needs and sustenance including the services of counsel and the family medical needs of such person.

“The AMLC, if circumstances warrant, may initiate civil forfeiture proceedings to preserve the assets and to protect it from dissipation. No court shall issue a temporary restraining order or a writ of injunction against the freeze order, except the Court of Appeals or the Supreme Court.”

Based on the foregoing, there are only two requisites for the issuance of a freeze order: (1) the application *ex-parte* by the AMLC and (2) the determination of probable cause by the CA.⁸⁰

Anent the first requisite, the issuance of a freeze order commences with the petition *ex-parte* by the AMLC which shall contain the following allegations, as provided under A.M. No. 05-11-04-SC or the Rules of Procedure in Cases of Civil Forfeiture, Asset Preservation, and Freezing of Monetary Instrument, Property, or Proceeds Representing, Involving, or Relating to an Unlawful Activity or Money Laundering Offense under Republic Act No. 9160, as amended,⁸¹ viz.—

⁸⁰ *Yambao v. Republic*, 894 Phil. 648, 659 (2021) [Per J. Gaerlan, First Division].

⁸¹ See Rule 10, Section 2 (2.3) of the 2018 Implementing Rules and Regulations of Republic Act No. 9160, Otherwise Known as the Anti-Money Laundering Act of 2001, as Amended [January 2021 Amendment], IRR of Republic Act No. 9160 (November 22, 2018) viz.:

2.3. *Rule of Procedure.*

Proceedings for the issuance of freeze order shall be governed by the “Rule of Procedure in Cases of Civil Forfeiture, Asset Preservation, and Freezing of Monetary Instrument, Property, or Proceeds Representing, Involving, or Relating to an Unlawful Activity or Money Laundering Offense under

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SECTION 46. *Contents of the Petition.* — The petition shall contain the following allegations:

- (a) The name and address of the respondent;
- (b) A specific description with particularity of the monetary instrument, property or proceeds, their location, the name of the owner, holder, lienholder or possessor, if known;
- (c) The grounds relied upon for the issuance of a freeze order; and
- (d) The supporting evidence showing that the subject monetary instrument, property, or proceeds are in any way related to or involved in an unlawful activity as defined under Section 3(i) of Republic Act No. 9160, as amended by Republic Act No. 9194[.]

In this regard, the IRR of the AMLA authorizes the AMLC to include in its petition the freezing of related and materially linked accounts in view of the “intricate and diverse web of interlocking accounts that a person may create in different covered persons, and the high probability that these accounts are utilized to divert, move, conceal, and disguise the monetary instrument or property subject of the freeze order.”⁸²

Contrary to the stance of petitioners that said rules exceeded the coverage of the AMLA by expanding the authority of the CA to issue a Freeze Order even to related accounts that are not envisaged under Section 10 of the law, **Section 10 itself, as amended, sanctions the freezing of related accounts by the CA if such are included in the application.**

Patently, the CA’s authority to freeze **all** such monetary instruments or properties related to an unlawful activity, **which encompasses related and materially linked accounts**, is indispensable so as not to render the AMLA ineffectual and contrary to the spirit behind its enactment. This can be gleaned from the deliberations on Senate Bill No. 3009⁸³ during which the amendments to Sections 10 and 11 were discussed, thus—

Senator Lacson. I would like to follow up on the concerns expressed by the Majority Leader *kasi dalawa po iyong mga linkages, ano po. Ang isa, related web of account, the other one is materially linked to the accounts.*

Senator Guingona. Yes, Mr. President.

Senator Lacson. *Ang gusto ko pong malaman, iyon po bang term na “materially linked” ito ay materially linked to the commission of the offense*

Republic Act No. 9160, as amended (A.M. No. 05-11-04-SC)” and other applicable rules that may be promulgated by the Supreme Court.

⁸² Rule 10, Section 2.2 of the 2018 Implementing Rules and Regulations of Republic Act No. 9160.

⁸³ An Act to Further Strengthen the Anti-Money Laundering Law, Amending for the Purpose Sections 10 and 11 of Republic Act No. 9160, Otherwise-Known as the Anti-Money Laundering Act of 2001, as amended, and for Other Purposes.

covered by the law, or is it enough that they are materially linked to the monetary instrument or properties subject of the petition for the freeze order?

Senator Guingona. Well, in that case, Mr. President, they can be appreciated both ways. Either will do and both. They can be appreciated both ways.

Senator Lacson. So it is enough for the AMLC to file a petition for freeze order on the basis of being materially linked to the monetary instrument or properties. *Hindi na kailangang ito ay* materially linked to the commission of the offense.

Senator Guingona. Yes.

Senator Lacson. Sufficient *na po iyang sa* monetary instrument *lamang?*

Senator Guingona. Yes, Mr. President.

Senator Lacson. *Dalawa nga po ito*; related web of accounts *at tapos iyang* materially linked to the monetary instruments. Does it also apply to joint accounts?

Senator Guingona. Yes, Mr. President.

Senator Lacson. And how about juridical entities?

Senator Guingona. Yes, Mr. President.

Senator Lacson. *Kasama rin po.*

Senator Guingona. Yes, Mr. President.

Senator Lacson. So, *ano po ang* standards *na i-establish ng* AMLC? *Iyong mga* requisites or facts that are to be considered to establish that the accounts will fall on the so-called related web of accounts; and, No. 2, *kung magpo-fall ito roon sa* materially linked accounts?

Senator Guingona. Any connection, Mr. President, *sa* movement of funds, in or out.

Senator Lacson. *Pakibigay nga po ng ilang ehemplo.* Halimbawa, materially linked to the monetary instrument. *Ito po ba ay pwedeng....*

Senator Guingona. The monetary instrument would be the deposit, the account, let us say, of General Ligot and then General Ligot transferred some funds to his brother-in-law, then the account of the brother-in-law would be materially linked and is, therefore, included in the web of accounts of General Ligot.

Senator Lacson. So, sufficient *na basta't iyang isang* account nakahalo roon *sa* sinasabing *related web of accounts at iyang isa namang*

account ay materialy linked *doon sa isang nakapaloob doon sa mga web of accounts, maski saan doon kasama na iyon.*

Senator Guingona. *Opo.*

Senator Lacson. *Napakalawak nga po pala nito.*

Senator Guingona. *Opo.*

Senator Lacson. *Tamā iyang concern ni Senator Sotto. Anyway, during the period of amendments, Mr. President, ay baka pwedeng i-fine tune pa natin ng kaunti ito kasi mayroon din pong tinatawag na right to privacy noon ang ating mga kababayan.*

Senator Guingona. First of all, we would welcome amendments and we would also like to state that *ito talaga, kahit anong gawin mo*, it is an exercise of the police power. *Ito iyang* balancing of interests between the State and the protection of the rights of the individuals.

....

Senator Cayetano (P). And then, just a little input on the concern as to the broad definition of “related web of accounts”. Taking off from his Honor’s example that from General Ligot, the funds go to his brother-in-law and then technically, what if his bother-in-law deposits certain accounts to his own companies, to his children’s companies so, this whole web will continue, is that correct?

Senator Guingona. Yes, Mr. President, as the saying goes, “Follow the money trail.”—with emphasis on “trail”. So, if the trail starts in the Philippines, let us say, Manila and ends in General Santos, we must follow the money trail.

Senator Cayetano (P). Yes. Well. I would like his Honor to know that to the extent that I find parallelism also in the Anti-Trafficking Law wherein we know no bounds in terms of jurisdictional limitations and that is why they are called transnational crimes. I understand the need to follow through on the trails but I will also indicate my concerns as I am sure his Honor is also aware of the transgression of the right to privacy in the bill of rights, as the other interpellators have also indicated. So, with that in mind, I would like to — and these are by all means not complicated guidelines but just the thought of having a little bit more than just a statement, the phrase “related web of accounts”. Perhaps we can fine tune this by saying that this will be guided by the following safeguards, such as, there is a relation, they are related by consanguinity or affinity within the fourth degree; there is a substantial amount being transferred not less than — and I am taking off from — when one travels to the U.S. we have to declare \$10,000 or more; or when one deposits in the U.S., there is an automatic — the banks are required to also make a report if one deposits — I am not sure if it is \$5,000 or \$10,000.

So, I believe we can also set certain standards. I do not know what those standards are that is why the experts might be of help but that is what I have thought of and then the timeliness of the transfers, et cetera[.]

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Senator Guingona. Yes, Mr. President. The suggestions of my distinguished colleague are well-taken. I would also like to inform the lady Senator that under the AMLA, there is a compulsory reporting of movement of account and the threshold established is P500,000.00.

....

Senator Sotto. Mr. President, one final question: Is the issue on related web of accounts and materially linked accounts a requirement or not?

Senator Guingona. Well, this is a requirement in the sense that if we do not include the web of accounts, then all one has to do is transfer the money to his friends' account, *eskapo na. At iyon po ang pinipigilan natin na transfer, transfer, transfer, hanggang hindi na kasama sa investigation. Hindi na kasama sa web. So, kailangan po.*

Senator Sotto. No, but the question is: Is it a requirement by the FATF? Is it a requirement? If it is not a requirement, then we can toy around with it or we can even delete it, Mr. President[.]

Senator Guingona. By inference, it is a requirement. But not of the FATF – so that we can have an effective law. If we take this out, all one has to do is transfer his account to his friend, *wala na po.*

....

Senator Guingona. *Tatanggalin natin and ngipin ng batas*, let us not pass the law *na lamang kung ganoon*, Mr. President.

Senator Sotto. Mr. President, when one is frozen already, he cannot transfer anymore, He cannot move, frozen na eh.

Senator Guingona. Yes, Mr. President, but I am talking about accounts that have already been transferred to. And therefore, one should be able to freeze those other accounts of his friends. Because the funds that are contained in those accounts came from the original account of the person who violated the laws.⁸⁴ (Emphasis supplied)

From the foregoing, it is discernible that the legislature intended that even the related and materially linked accounts may be included in the application for a freeze order. Thus, although Section 10 does not categorically mention the term “related accounts,” such is already included in the phrase “monetary instrument or property related to an unlawful activity.” As properly defined under the 2018 IRR of the AMLA—

RULE 2

Definition of Terms

⁸⁴ 15th Congress of the Philippines, 2nd Regular Session, Record of the Senate, Volume II, February 8, 2012, Session 50, pp. 24-31.

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SECTION 1. *Definitions.* —

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(fff) **“Monetary Instrument or Property Related to an Unlawful Activity”** refers to:

- (1) All proceeds of an unlawful activity;
- (2) All instrumentalities of an unlawful activity, including all moneys, expenditures, payments, disbursements, costs, outlays, charges, accounts, refunds, and other similar items for the financing, operations, and maintenance of any unlawful activity;
- (3) All monetary instruments or property, including monetary, financial or economic means, devices, accounts, documents, papers, items, objects or things, used in or having any relation to any unlawful activity or money laundering, regardless of the current owner or possessor, and circumstances of ownership or acquisition; and
- (4) **For purposes of freeze order and bank inquiry order: related and materially-linked accounts.**

With respect to the second requisite, i.e., the determination of probable cause by the CA, it bears stressing that upon its receipt of an application *ex parte* by the AMLC to freeze a certain monetary instrument or property, the CA is beholden to determine the existence of probable cause. Probable cause, in the context of money laundering, has been defined to be such facts and circumstances which would lead a reasonably discreet, prudent, or cautious man to believe that any monetary instrument or property sought to be frozen, inquired into or preserved is in any way related to any unlawful activity and/or money laundering offense.⁸⁵

Simply put, in resolving the issue of existence of probable cause, “the CA’s statutorily[]guided determination’s focus is not on the probable commission of an unlawful activity (or money laundering), ... but on whether the bank accounts, assets, or other monetary instruments sought to be frozen are in any way related to any of the illegal activities enumerated under R.A. No. 9160, as amended.”⁸⁶

⁸⁵ Rule 2 (cccc) of the 2018 Implementing Rules and Regulations of Republic Act No. 9160, Otherwise Known as the Anti-Money Laundering Act of 2001, as Amended [January 2021 Amendment], provides:

RULE 2*Definition of Terms*SECTION 1. *Definitions.* —

For purposes of this IRR, the following terms are hereby defined as follows:

.....

(cccc) **“Probable Cause”** refers to such facts and circumstances which would lead a reasonably discreet, prudent, or cautious man to believe that:

- (1) any monetary instrument or property sought to be frozen, inquired into or preserved is in any way related to any unlawful activity and/or money laundering offense; or
- (2) ML/TF has been committed and that the respondent is probably guilty thereof.

⁸⁶ *Yambao v. Republic*, 894 Phil. 648, 659-660 (2021) [Per J. Gaerlan, First Division].

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Quite palpably, the requirement of determination of probable cause is consistent with the prohibition on unreasonable searches and seizures, our bank accounts and the information about them being properties and effects within the meaning of the Constitution.⁸⁷ On this score, the Court finds that the provisions of the 2018 IRR of Republic Act No. 9160, which substantially reflect the provisions disputed by petitioners, do not transgress the individual's right to privacy, which is zealously guarded by the 1987 Constitution. Article III, Section 2 of the 1987 Constitution explicitly states that:

SECTION. 2. The right of the people to be secure in their persons, houses, papers, and effects **against unreasonable searches and seizures** of whatever nature and for any purpose shall be inviolable, and no search warrant or warrant of arrest shall issue **except upon probable cause to be determined personally by the judge after examination under oath or affirmation of the complainant and the witnesses he may produce, and particularly describing the place to be searched and the persons or things to be seized.** (Emphasis supplied)

For one, assuming *ex hypothesi* that the freezing of related accounts included in the freeze order amounts to a warrantless seizure, it cannot be said to be unreasonable when juxtaposed with the reality that a money launderer may open or create intricate and diverse web of related and interlocking accounts in the different covered institutions to conceal his or her crime/s. Ineludibly, in these present times when funds can be transferred swiftly, the Government must act urgently "to prevent the dissipation, removal or disposal of properties that are suspected to be the proceeds of, or related to, unlawful activities"⁸⁸ defined under the AMLA, as amended. Indeed, to rule otherwise would render the law useless as it would **thwart the objective** itself of the freeze order which is the temporary preservation of the monetary instruments or property that are in any way related to an unlawful activity or money laundering.⁸⁹ On this point, it cannot be stressed enough that time is critical in these proceedings.⁹⁰

For another, the requisite of determination of probable cause is complied with respect to related accounts even if they are not specifically named in the application. Along this grain, Section 10 now requires that—

SECTION 10. *Freezing Monetary Instrument or Property.* —

....

⁸⁷ *Republic v. Ongpin*, 923 Phil. 257, 329 (2022) [Per J. Leonen, Second Division].

⁸⁸ *Ret. Lt. Gen. Ligot v. Republic*, 705 Phil 477, 504 (2013) [Per J. Brion, Second Division].

⁸⁹ *Id.* at 504.

⁹⁰ *Id.* at 502.

The freeze order or asset preservation order issued under this Act **shall be limited only to the amount of cash or monetary instrument or value of property** that court finds there is probable cause to be considered as proceeds of a predicate offense, and the freeze order or asset preservation order **shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense[.]** (Emphasis supplied)

Perforce, the constitutional requirement of particularity is observed for as long as the CA identifies in the freeze order the amount of cash or monetary instrument or value of property over which a probable cause to believe that they constitute the proceeds of a predicate offense can be inferred.

Invariably, it is worthy to underscore that Section 10, as originally worded, covers the freezing of “any deposit or similar account” that is in any way related to an unlawful activity.⁹¹ Thereafter, in 2003, Republic Act No. 9194⁹² amended Section 10 by changing such coverage to “any monetary instrument or property.” Such Section was amended again four times: Republic Act No. 10167 enacted in 2012; Republic Act No. 10365 enacted in 2013; Republic Act No. 10927 enacted in 2017; and Republic Act No. 11521 enacted in 2021.⁹³ Quite discernibly, Section 10’s design withstood all these amendments; it has consistently covered the freezing of “any monetary instrument or property.” Inevitably, the CA’s authority to issue a freeze order covers **any monetary instrument⁹⁴ or property⁹⁵** after determining probable cause that **is in any way related to an unlawful activity.**

⁹¹ Republic Act No. 9160. Approved on September 29, 2001.

⁹² An Act Amending Republic Act No. 9160, Otherwise Known as the Anti-Money Laundering Act OF 2001, Republic Act No. 9194. Approved on March 7, 2003.

⁹³ *Republic v. Ongpin*, 923 Phil. 257, 306 (2022) [Per J. Leonen, Second Division].

⁹⁴ 2018 Implementing Rules and Regulations of the AMLA, provides:

RULE 2

Definition of Terms

SECTION 1. *Definitions.* —

.....

(eee) “**Monetary Instrument**” refers, but is not limited, to the following:

- (1) Coins or currency of legal tender of the Philippines, or of any other country;
- (2) Credit instruments, including bank deposits, financial interest, royalties, commissions, and other intangible property;
- (3) Drafts, checks, and notes;
- (4) Stocks or shares, participation or interest in a corporation or in a commercial enterprise or profit-making venture and evidenced by a certificate, contract, instrument, whether written or electronic in character, including those enumerated in Section 3 of the Securities Regulation Code;
- (5) A participation or interest in any non-stock, non-profit corporation;
- (6) Securities or negotiable instruments, bonds, commercial papers, deposit certificates, trust certificates, custodial receipts, or deposit substitute instruments, trading orders, transaction tickets, and confirmations of sale or investments and money market instruments;
- (7) Contracts or policies of insurance, life or non-life, contracts of suretyship, pre-need plans, and member certificates issued by mutual benefit association; and
- (8) Other similar instruments where title thereto passes to another by endorsement, assignment, or delivery.

⁹⁵ 2018 Implementing Rules and Regulations of the AMLA, provides:

RULE 2

9

Simply put, the object of probable cause in Section 10 are the funds or monetary instrument contained in an account. In fact, under the 2018 IRR of the AMLA, an “account” is defined as—

RULE 2
Definition of Terms

SECTION 1. *Definitions.*—

For purposes of this IRR, the following terms are hereby defined as follows:

- (a) **“Account”** refers to a bank account, electronic money account, investment account, insurance policy, membership account, and other similar contract or service agreement, business or professional relationships between a covered person and its customers where **funds or any monetary instrument** of the latter are held by the former.

To reiterate, in order to satisfy the constitutional requisite of particularity, it is sufficient for the CA to identify in the freeze order **the amount of funds or monetary instrument or the value of the property over which it found probable cause to believe to be the proceeds of a predicate offense.** Once probable cause has been determined to exist that certain funds, monetary instrument, or property sought to be frozen, inquired into, or preserved is in any way related to any unlawful activity and/or money laundering offense, such finding necessarily extends to all related accounts. This is the only logical conclusion given that these related accounts are believed to have **directly originated from and/or are materially linked** to the monetary instruments or properties subject of the freeze order.

Definition of Terms

SECTION 1. *Definitions.* —

.....

(cccc) **“Property”** refers to anything or item of value, real or personal, tangible or intangible, or any interest therein, or any benefit, privilege, claim, or right with respect thereto, including:

- (1) Personal property, including proceeds derived therefrom, or traceable to any unlawful activity, as herein defined, such as, but not limited to:
 - (a) Cash;
 - (b) Jewelry, precious metals and stones, and other similar items;
 - (c) Works of art, such as paintings, sculptures, antiques, treasures, and other similar precious objects;
 - (d) Perishable goods; and
 - (e) Vehicles, vessels, aircraft, or any other similar conveyance.
- (2) Personal property, used as instrumentalities in the commission of any unlawful activity, as herein defined, such as:
 - (a) Computers, servers, and other electronic information and communication systems; and
 - (b) Any conveyance, including any vehicle, vessel, and aircraft.
- (3) Real estate, improvements constructed or crops growing thereon, or any interest therein, standing upon the record of the registry of deeds or local government unit in the name of the party against whom the freeze order or asset preservation order is issued, or not appearing at all upon such records, or not belonging to the party against whom the freeze order or asset preservation order is issued and held by any other person, or standing on the records of the registry of deeds or local government unit in the name of any other person, but are:
 - (a) derived from, or traceable to, any unlawful activity; or
 - (b) used as an instrumentality in the commission of any unlawful activity, as herein defined.

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Relevantly, pursuant to A.M. No. 05-11-04-SC, the CA shall issue a Freeze order in this manner—

SECTION 52. *Issuance, Form and Contents of the Freeze Order.*

— The freeze order shall:

- (a) issue in the name of the Republic of the Philippines represented by the Anti-Money Laundering Council;
- (b) **describe with particularity the monetary instrument, property or proceeds frozen, as well as the names of their owner or owners;** and
- (c) **direct the person or covered institution to immediately freeze the subject monetary instrument, property or proceeds or its related web of accounts.**⁹⁶ (Emphasis supplied)

Upon receipt of the freeze order which directs the freezing of the funds or monetary instrument contained in an account and its related accounts, the covered person or institution has the following duty:

SECTION 55. *Duty of Respondent, Covered Institution or Government Agency Upon Receipt of Freeze Order.* — Upon receipt of a copy of the freeze order, the respondent, covered institution or government agency shall immediately **desist from and not allow any transaction, withdrawal, deposit, transfer, removal, conversion, other movement or concealment of the account representing, involving or relating to the subject monetary instrument, property, proceeds or its related web of accounts.**⁹⁷ (Emphasis supplied)

To be sure, in the performance of such duty, the covered institution or government agency shall not determine probable cause in relation to the issuance of the freeze order, as such has already been determined by the CA. Rather, it shall merely **verify** if there are accounts related to the monetary instrument or property subject of the freeze order **and disallow** any transactions from the account which contains said funds or monetary instrument, thus—

4.2. *Freeze and Report Related Accounts.*

(a) Upon receipt of the freeze order that directs the freezing of related accounts, and upon **verification** by the covered person that there are accounts related to the monetary instrument or property subject of the freeze order, the covered person shall immediately freeze these related accounts wherever these may be found.⁹⁸ (Emphasis supplied)

⁹⁶ Rule of Procedure in Cases of Civil Forfeiture, Asset Preservation, and Freezing of Monetary Instrument, Property, or Proceeds Representing, Involving or Relating to an Unlawful Activity or Money Laundering Offense, A.M. No. 05-11-04-SC. Approved on November 15, 2005.

⁹⁷ *Id.*

⁹⁸ See Rule 10, Section 4(4.2) of the of the 2018 Implementing Rules and Regulations of Republic Act No. 9160, Otherwise Known as the Anti-Money Laundering Act of 2001, as Amended [January 2021 Amendment]. Approved on November 22, 2018.

4

To recapitulate, in the implementation of the Freeze Order, the covered person shall only identify and verify the related accounts, bearing in mind the clear definition of the IRR on what a related account is.⁹⁹

Indubitably, there is a possibility that freeze orders might affect accounts of individuals who are not money launderers, and which are totally not linked to the commission of a crime. Thus, to ensure protection of rights, the following procedure should be followed for the application and subsequent implementation of the freeze order, to wit:

1. The AMLC shall file an *ex parte* petition before the CA to freeze any monetary instrument or property that is in any way related to an unlawful activity. The AMLC must describe with particularity the accounts specifically enumerated in the *ex parte* application, including the amounts contained therein. The *ex parte* petition shall state if it includes related and materially-linked accounts as defined under the 2018 IRR of the AMLA.
2. The CA independently makes a finding of probable cause that a monetary instrument or property, including the related and materially-linked accounts, is in any way related to an unlawful activity as defined under the AMLA.
3. The freeze order shall be limited only to the amount of cash or monetary instrument or value of property that the court finds probable cause so as to be considered as proceeds of a predicate offense and it shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense.
4. The freeze order shall be effective immediately for a period of 20 days. During this period, the CA must conduct a summary hearing, with notice to the parties, to determine whether or not to modify or lift the freeze order or extend its effectivity, which should not exceed six months.
5. A person whose account has been frozen may file a motion to lift the freeze order and the court must resolve this motion before the expiration of the freeze order.
6. If there is no case filed against a person whose account has been frozen within the period determined by the CA, which in no case shall not exceed six months, the freeze order shall be deemed *ipso facto* lifted.

⁹⁹ *BCD Foreign Exchange Corp. v. Republic*, 913 Phil. 410, 418 (2021) [Per J. Zalameda, Third Division].

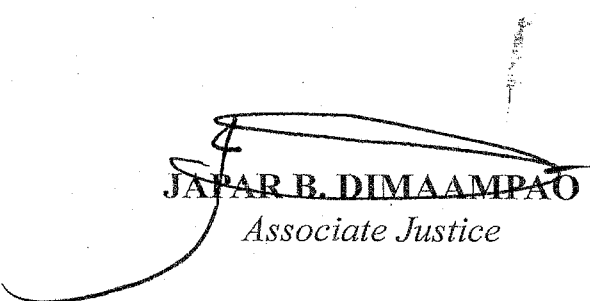
J

7. The person whose property or funds have been frozen may withdraw such sums as the AMLC determines to be reasonably needed for monthly family needs and sustenance, including the services of counsel and the family medical needs of such person.

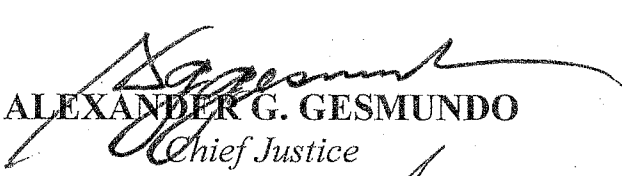
A final word. The fight against money laundering, as well as crimes related to financing the proliferation of weapons of mass destruction and terrorism, is a formidable task. In pursuit of such objective, Republic Act No. 9160, as amended, provides for provisional remedies that are powerful means for the Government not only to avert the dissipation of illegal funds, but also to foil the criminals' attempt to use transferred funds in committing further crimes. Nonetheless, in order to achieve optimal results for the benefit of all stakeholders, the government must, at all times, endeavor to strike a reasonable balance between vigorously wielding its police power on one hand and carefully observing certain constitutional protections on the other.

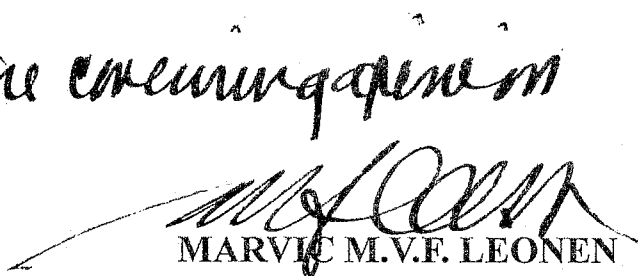
ACCORDINGLY, the Petitions for Review on *Certiorari* are hereby **DENIED**.

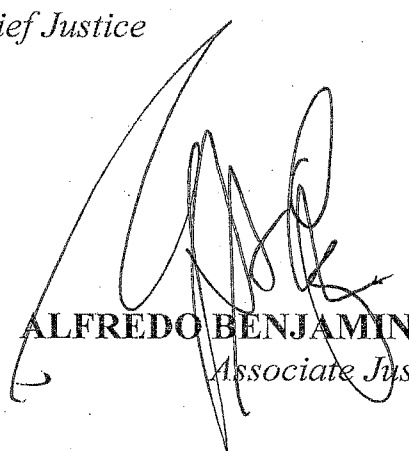
SO ORDERED.


JAPAR B. DIMAAMPAO
Associate Justice

WE CONCUR:

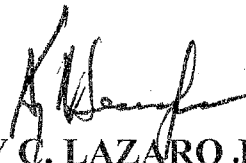

ALEXANDER G. GESMUNDO
Chief Justice


MARVIC M.V.F. LEONEN
Associate Justice


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

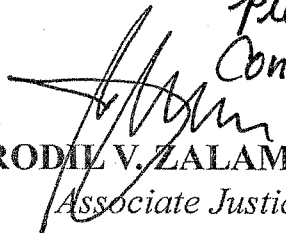
See
Concurring
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Dissenting

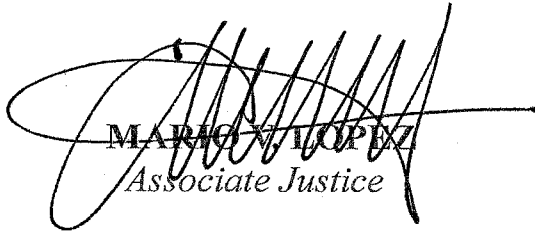
On official business
RAMON PAUL L. HERNANDO
Associate Justice


AMY C. LAZARO JAVIER
Associate Justice

Concurring and
on official business


HENRI JEAN PAUL B. INTING
Associate Justice

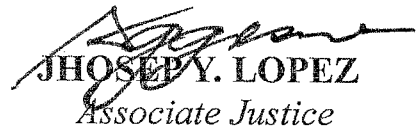
*Please see
Concurring
Opinion*

RODIL V. ZALAMEDA
Associate Justice


MARIJO N. LOPEZ
Associate Justice

No part and
on official leave
SAMUEL H. GAERLAN
Associate Justice

No part and
on official leave
RICARDO R. ROSARIO
Associate Justice

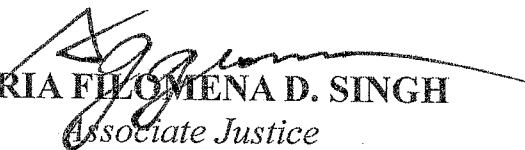
Concurring and
on official business


JHOSEPY Y. LOPEZ
Associate Justice

On official leave
JOSE MIDAS P. MARQUEZ
Associate Justice


ANTONIO T. KHO, JR.
Associate Justice

Concurring and
On leave


MARIA FILOMENA D. SINGH
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the cases were assigned to the writer of the opinion of this Court.


ALEXANDER G. GESMUNDO
Chief Justice

EN BANC

G.R. No. 222312 – MELISSA GAY CASTAÑEDA LIMLINGAN MANGANIP, BEATRICE EMILIA L. MANGANIP, PATRICIA GARCIA LIMLINGAN PADUA, JOSE JERICHO PADUA III, GERARDO MARTIN C. LIMLINGAN, CELESTE MAYA RECTO LIMLINGAN, and MANUELITA LIMLINGAN, Petitioners, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent.

G.R. No. 222313 – POWERLINK.COM CORP., Petitioner, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent.

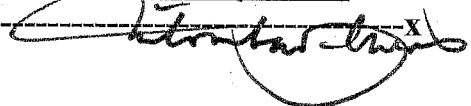
G.R. No. 222314 – CODEWORKS.PH, INC., Petitioner, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent.

G.R. No. 222315 – OMNI SECURITY INVESTIGATION, INC., VIVE HOTEL INC., CORPORATE SOLUTIONS MANPOWER & GENERAL SERVICES, INC., and UNANIMOUS HOLDINGS, INC., Petitioners, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent.

Promulgated:

May 20, 2025

X-----



CONCURRING OPINION

LEONEN, S.A.J.:

I concur in the result. I also join the declaration that, based on the arguments of the present Petitions, Section 10 of Republic Act No. 9160, as amended, otherwise known as the Anti-Money Laundering Act, is not unconstitutional.

I further refine the findings and provide a discussion to definitively resolve the proper implementation of a freeze order concerning related and materially-linked accounts.

The case originated from the complaint filed against former Vice President Jejomar C. Binay (Binay) and certain members of the Sangguniang Panlungsod of Makati City for alleged violations of the Anti-Graft and



Corrupt Practices Act in relation to the Anti-Plunder Act, specifically concerning the overpricing of the New Makati City Parking II Building.¹ The Court of Appeals granted the *ex parte* petition filed by the Anti-Money Laundering Council and, on May 11, 2015, issued a freeze order on Binay's bank accounts, including all related accounts.²

The case presents a novel issue: whether the freeze order of the Court of Appeals may extend to related accounts and, if so, whether the procedure for its implementation under Section 10 of the Anti-Money Laundering Act inherently violates the constitutional right to due process.

I

The constitutional rights to privacy, as defined in Article III, Section 3 of the Constitution,³ and the right to be secure in one's person and property in accordance with due process, under Sections 1 and 2 of Article III,⁴ serve as fundamental safeguards against unwarranted government intrusion.

The penumbra of rights protected by the due process clause and the prohibition against unreasonable searches and seizures extends to intangible property essential to human life such as bank accounts and deposits.⁵ Therefore, any inquiry into these accounts, including orders to freeze them, must adhere to constitutional limitations and must not result in the deprivation of property without due process of law. Freeze orders and bank inquiries under Sections 10 and 11 of the Anti-Money Laundering Act, as amended, must be carefully balanced with an individual's constitutional right to privacy and against unreasonable searches and seizure.

In *Subido v. Court of Appeals*,⁶ this Court upheld the constitutionality of Section 11, ruling that it does not violate due process or the right to privacy. There is no unreasonable seizure, as the law does not contemplate physical

¹ *Ponencia*, p. 3.

² *Id.* at 4–17.

³ CONST., art. III, sec. 3 provides:

SECTION 3. (1) The privacy of communication and correspondence shall be inviolable except upon lawful order of the court, or when public safety or order requires otherwise, as prescribed by law.

(2) Any evidence obtained in violation of this or the preceding section shall be inadmissible for any purpose in any proceeding.

⁴ CONST., art. III, secs. 1, 2 provide:

SECTION 1. No person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the laws.

SECTION 2. The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures of whatever nature and for any purpose shall be inviolable, and no search warrant or warrant of arrest shall issue except upon probable cause to be determined personally by the judge after examination under oath or affirmation of the complainant and the witnesses he may produce, and particularly describing the place to be searched and the persons or things to be seized.

⁵ *Secretary of National Defense v. Manalo*, 589 Phil. 1, 50 (2008) [Per C.J. Puno, *En Banc*]. See also *J. Leonen, Separate Concurring Opinion in International Service for the Acquisition of Agri-Biotech Applications, Inc. v. Greenpeace Southeast Asia (Philippines)*, 774 Phil. 508 (2015) [Per J. Villarama, Jr., *En Banc*].

⁶ 802 Phil. 314 (2016) [Per J. Perez, *En Banc*].

seizure but merely authorizes an inquiry in furtherance of the Anti-Money Laundering Council's investigative functions.⁷

As regards the right to privacy, this Court in *Subido*, citing *Republic v. Eugenio*,⁸ reaffirmed that the right to privacy concerning bank deposits finds basis in statute, that is Republic Act No. 1405 or the Bank Secrecy Law,⁹ and not in the Constitution. Consequently, the law can carve out exceptions, one of which is Section 11 of the Anti-Money Laundering Act.¹⁰

A similar issue arises: Does the current procedure of the implementation of a freeze order under Section 10 extend to "related accounts," and if so, is it constitutional?

II

When the Anti-Money Laundering Act was originally enacted, it authorized the Anti-Money Laundering Council to issue freeze orders upon a determination of probable cause. The original text of Section 10 reads:

SECTION 10. *Authority to Freeze.* — Upon determination that probable cause exists that any deposit or similar account is in any way related to an unlawful activity, the [Anti-Money Laundering Council] may issue a freeze order, which shall be effective immediately, on the account for a period not exceeding fifteen (15) days. Notice to the depositor that his account has been frozen shall be issued simultaneously with the issuance of the freeze order. The depositor shall have seventy-two (72) hours upon receipt of the notice to explain why the freeze order should be lifted. The [Anti-Money Laundering Council] has seventy-two (72) hours to dispose of the depositor's explanation. If it fails to act within seventy-two (72) hours from receipt of the depositor's explanation, the freeze order shall automatically be dissolved. The fifteen (15)-day freeze order of the [Anti-Money Laundering Council] may be extended upon order of the court, provided that the fifteen (15)-day period shall be tolled pending the court's decision to extend the period.

No court shall issue a temporary restraining order or writ of injunction against any freeze order issued by the [Anti-Money Laundering Council] except the Court of Appeals or the Supreme Court.

⁷ *Id.* at 338-339.

⁸ 569 Phil. 98, 120 (2008) [Per J. Tinga, Second Division].

⁹ Republic Act No. 1405 (1955), An Act Prohibiting Disclosure of or Inquiry Into, Deposits With Any Banking Institution and Providing Penalty Therefor.

¹⁰ Republic Act No. 9160 (2001), Anti-Money Laundering Act, as amended, sec. 11 provides:
SECTION 11. Authority to Inquire into Bank Deposits. — Notwithstanding the provisions of Republic Act No. 1405, as amended; Republic Act No. 6426, as amended; Republic Act No. 8791, and other laws, the AMLC may inquire into or examine any particular deposit or investment with any banking institution or non-bank financial institution upon order of any competent court in cases of violation of this Act when it has been established that there is probable cause that the deposits or investments involved are in any way related to a money laundering offense: Provided, That this provision shall not apply to deposits and investments made prior to the effectivity of this Act.

Subsequent amendments to Section 10 were introduced through Republic Act No. 9194 in 2003, Republic Act No. 10167 in 2012, Republic Act No. 10927 in 2017, and Republic Act No. 11521 in 2021. These amendments shifted the Anti-Money Laundering Council's role in freeze order proceedings from being the issuing authority to acting as a petitioner before the Court of Appeals.¹¹ Section 10 currently reads:

SECTION 10. *Freezing Monetary Instrument or Property.* –

(a) Upon a verified *ex parte* petition by the [Anti-Money Laundering Council] and after determination that probable cause exists that any monetary instrument or property is in any way related to an unlawful activity as defined in Section 3(i) hereof, the Court of Appeals may issue a freeze order which shall be effective immediately for a period of twenty (20) days. Within the twenty (20)-day period, the Court of Appeals shall conduct a summary hearing, with notice to the parties, to determine whether or not to modify or lift the freeze order, or extend its effectivity. The total period of the freeze order issued by the Court of Appeals under this provision shall not exceed six (6) months. This is without prejudice to an asset preservation order that the Regional Trial Court having jurisdiction over the appropriate anti-money laundering case or civil forfeiture case may issue on the same account depending on the circumstances of the case, where the Court of Appeals will remand the case and its records: *Provided*, That if there is no case filed against a person whose account has been frozen within the period determined by the Court of Appeals, not exceeding six (6) months, the freeze order shall be deemed *ipso facto* lifted: *Provided, further*, That this new rule shall not apply to pending cases in the courts. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a nonworking day, the computation of the twenty-four (24)-hour period shall exclude the nonworking days.

The freeze order or asset preservation order issued under this Act shall be limited only to the amount of cash or monetary instrument or value of property that court finds there is probable cause to be considered as proceeds of a predicate offense, and the freeze order or asset preservation order shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense.

A person whose account has been frozen may file a motion to lift the freeze order and the court must resolve this motion before the expiration of the freeze order.

No court shall issue a temporary restraining order or a writ of injunction against any freeze order, except the Supreme Court

(b) For purposes of implementing targeted financial sanctions in relation to proliferation of weapons of mass destruction and its financing, as provided under Section [7] (15), the [Anti-Money Laundering Council] shall have the power to issue, *ex parte*, an order to freeze without delay.

The freeze order shall be effective until the basis for its issuance shall have been lifted. During the effectivity of the freeze order, the aggrieved party may, within twenty (20) days from issuance, file with the

¹¹ Anti-Money Laundering Act, as amended, sec. 10.

Court of Appeals a petition to determine the basis of the freeze order according to the principle of effective judicial protection: *Provided*, That the person whose property or funds have been frozen may withdraw such sums as the [Anti-Money Laundering Council] determines to be reasonably needed for monthly family needs and sustenance including the services of counsel and the family medical needs of such person.

The [Anti-Money Laundering Council], if circumstances warrant, may initiate civil forfeiture proceedings to preserve the assets and to protect it from dissipation. No court shall issue a temporary restraining order or a writ of injunction against the freeze order, except the Court of Appeals or the Supreme Court.

*Republic v. Ongpin*¹² shepherded the amendments to this provision until Republic Act No. 10927, the relevant portion of which was retained by Republic Act No. 11521, as follows:

The original Section 10 vested the Anti-Money Laundering Council with the power to issue freeze orders. Once issued, the freeze order is effective immediately, and the account holder, who is notified of the freeze order, is given 72 hours to move for the freeze order's lifting. The motion to lift must be resolved within 72 hours from its filing. Unless extended by the court, the freeze order is effective for 15 days. Only the Court of Appeals and this Court may issue a temporary restraining order or writ of preliminary injunction against the freeze order.

....

Republic Act No. 9194 transferred the jurisdiction to issue freeze orders from the Anti-Money Laundering Council to the Court of Appeals. This exclusive original jurisdiction has remained with the Court of Appeals since then. For a freeze order under Republic Act No. 9194 to be issued, the Anti-Money Laundering Council must file an *ex parte* application (meaning, without notice to the account holder) before the Court of Appeals. Once it determines that the accounts sought to be frozen are probably related to any of the predicate crimes under the Anti-Money Laundering Act, the Court of Appeals may issue a freeze order, which shall be effective for 20 days.

Notably, Republic Act No. 9194 removed the provision on the filing of a motion to lift the freeze order and the issuance of a temporary restraining order and/or writ of preliminary injunction.

....

Republic Act No. 10167 retained the *ex parte* nature of the application for a freeze order. However, it further required that the application must be verified; that is, accompanied by an affidavit where the Anti-Money Laundering Council attests to reading the application and that, to its knowledge and belief, the allegations in the application are true and correct. The Court of Appeals was also explicitly required to determine within 24 hours from the application's filing if probable cause exists. Once issued, the freeze order is effective immediately and for 20 days, unless

¹² 923 Phil. 257 (2022) [Per J. Leonen, Second Division].

extended by the court. The remedies of a motion to lift the freeze order before the Court of Appeals and for the issuance of a temporary restraining order and/or writ of preliminary injunction before this Court were reinstated.

....

Republic Act No. 10365 greatly extended the effectivity of a freeze order. From the relatively short 20 days, a freeze order lasted up to six months depending on the circumstances of the case. When no case against the account holder is filed within the six-month period, the freeze order is deemed automatically lifted.

Section 10 was [then] amended by Republic Act No. 10927 in 2017. . . . [It provided] an initial 20-day period for the effectivity of the freeze order. Within this period, the Court of Appeals should conduct a summary hearing, with notice to the parties, to determine whether to lift the freeze order. Should it decide to extend the freeze order, the extended period may not exceed six months. Further, Section 10 specified that the freeze order shall be limited to the value of the money or property found to be related to a predicate crime and shall not apply to amounts in the same account in excess of the value of the proceeds of the predicate crime.

Section 10 also mentioned “asset preservation order.” Although appearing for the first time in statute in 2017, the remedy has been provided as early as 2005 in A.M. No. 05-11-04-SC. Akin to a freeze order, the remedy of an asset preservation order is provisional, issued upon probable cause to “[forbid] any transaction, withdrawal, deposit, transfer, removal, conversion, concealment or other disposition of the subject monetary instrument, property, or proceeds.” However, unlike a freeze order, it is issued by the executive judge of the regional trial court or, in their absence, the vice executive judge. If ever the vice executive judge is absent, any regional trial court judge available in the same station may do so.¹³ (Citations omitted)

Notably, the requirement for a determination of probable cause remained; only the authority to make this determination shifted to the courts, specifically the Court of Appeals.

Based on the foregoing, the procedure for issuing a freeze order now requires two things: *first*, the Anti-Money Laundering Council must file an *ex parte* petition before the Court of Appeals; and *second*, the Court of Appeals must determine whether probable cause exists to believe that any monetary instrument or property is related to an unlawful activity as defined in Section 3(i) of the Anti-Money Laundering Act. If such probable cause is established, the Court of Appeals may issue a freeze order, which takes immediate effect and remains valid for a period of 20 days.



¹³ *Id.* at 306–311.

In *Ongpin*, citing *Ligot v. Republic*,¹⁴ this Court also affirmed that this process complies with the constitutional safeguards against unreasonable searches and seizures, thus:

Before a freeze order is issued, the Anti-Money Laundering Council must put forward *evidence of probable cause, or "such facts and circumstances which would lead a reasonably discreet, prudent or cautious [person] to believe that an unlawful activity and/or a money laundering offense is about to be, is being or has been committed and that the account or any monetary instrument or property subject thereof sought to be frozen is in any way related to said unlawful activity and/or money laundering offense."* This requirement is consistent with the prohibition on unreasonable searches and seizure, our bank accounts and information about them being properties and effects within the meaning of the Constitution.¹⁵ (Emphasis supplied, citations omitted)

This process pertains to the freezing of an account, which Section 10 refers to as "any monetary instrument [that] is in any way related to an unlawful activity."¹⁶ However, the provision does not explicitly mention related or materially-linked accounts. These terms, however, are defined in the 2018 Implementing Rules and Regulations of the Anti-Money Laundering Act (2018 Rules).¹⁷ Rule 2, Section 1(fff) defines it as follows:

Rule 2 – Definition of Terms

SECTION 1. *Definitions.* – For purposes of this [Implementing Rules and Regulations], the following terms are hereby defined as follows:

....

(fff) "Monetary instrument or property related to an unlawful activity" refers to:

1. All proceeds of an unlawful activity;
2. All monetary, financial or economic means, devices, accounts, documents, papers, items or things used in or having any relation to any unlawful activity;
3. All moneys, expenditures, payments, disbursements, costs, outlays, charges, accounts, refunds and other similar items for the financing, operations, and maintenance of any unlawful activity; and
4. For purposes of freeze order and bank inquiry: related and materially-linked accounts.

Additionally, the 2018 Rules further elaborate on the definitions of "related account" and "materially-linked account." These definitions were also incorporated into Section 904(i) of the 2021 Manual of Regulations for

¹⁴ 705 Phil. 477 (2013) [Per J. Brion, Second Division].

¹⁵ *Republic v. Ongpin*, 923 Phil. 257, 329 (2022) [Per J. Leonen, Second Division].

¹⁶ Anti-Money Laundering Act, as amended, sec. 10.

¹⁷ 2018 Implementing Rules and Regulations of Republic Act No. 9160, Otherwise Known as the Anti-Money Laundering Act of 2001, as amended (2021).

Banks (2021 MORB), which serves as the primary regulatory framework governing entities supervised by the Bangko Sentral ng Pilipinas.¹⁸ The 2018 Rules define these terms as follows:

(ddd) “Materially-linked Accounts” refer to:

1. All accounts or monetary instruments under the name of the person whose accounts, monetary instruments, or properties are the subject of the freeze order or an order of inquiry;
2. All accounts or monetary instruments held, owned, or controlled by the owner or holder of the accounts, monetary instruments, or properties subject of the freeze order or order of inquiry, whether such accounts are held, owned or controlled singly or jointly with another person;
3. All “In Trust For” accounts where either the trustee or the trustor pertains to a person whose accounts, monetary instruments, or properties are the subject of the freeze order or order of inquiry;
4. All accounts held for the benefit or in the interest of the person whose accounts, monetary instruments, or properties are the subject of the freeze order or order of inquiry;
5. All accounts of juridical persons or legal arrangements that are owned, controlled or ultimately effectively controlled by the natural person whose accounts, monetary instruments or properties are subject of the freeze order or order of inquiry, or where the latter has ultimate effective control; and
6. All other accounts, shares, units, or monetary instruments that are similar, analogous, or identical to any of the foregoing.

....

(qqqq) “Related Account” refers to an account, the funds and sources of which directly originated from and/or are materially-linked to the monetary instruments or properties subject of the freeze order or an order of inquiry.

While the 2018 Rules and similar issuances, such as the 2021 MORB, clearly define what constitutes a related or a materially-linked account is, the application of Section 10 concerning the freezing of such accounts remains a point of contention.

III

The overarching policy of the Anti-Money Laundering Act is “to protect and preserve the integrity and confidentiality of bank accounts.”¹⁹ It seeks to disrupt networks of accounts used to facilitate unlawful activities, “[ensuring] that the Philippines shall not be used as a money laundering

¹⁸ Bangko Sentral ng Pilipinas, Manual of Regulations for Banks (2021), sec. 904(i). *See also* 2018 Implementing Rules and Regulations of Republic Act No. 9160, Otherwise Known as the Anti-Money Laundering Act of 2001, as amended (2021), Rule 2, sec. 3(ddd), 3(qqqq).

¹⁹ Anti-Money Laundering Act, as amended, sec. 2.

site.”²⁰ To achieve this, the law aims to dismantle the web of accounts involved in illicit financial transactions.²¹

Modern financial transactions occur rapidly, particularly through wire transfers. In my concurring opinion in *Subido*,²² it was mentioned how we live in a day and age of instantaneous financial transactions, emphasizing the need to balance the right to privacy with the State’s compelling interest in preventing money laundering:

The absence of notice to the owner of a bank account that an *ex parte* application as well as an order to inquire has been granted by the Court of Appeals is not unreasonable nor arbitrary. The lack of notice does not violate the due process clause of the Constitution.

It is reasonable for the State, through its law enforcers, to inquire *ex parte* and without notice because of the nature of a bank account at present.

A bank deposit is an obligation. It is a debt owed by a bank to its client-depositor. It is understood that the bank will make use of the value of the money deposited to further create credit. This means that it may use the value to create loans with interest to another. Whoever takes out a loan likewise creates a deposit with another bank creating another obligation and empowering that other bank to create credit once mere through providing other loans.

Bank deposits are not isolated information similar to personal sets of preferences. Rather, bank deposits exist as economically essential social constructs. The inherent constitutionally protected private rights in bank deposits and other similar instruments are not absolute. These rights should, in proper cases, be weighed against the need to maintaining the integrity of our financial system. The integrity of our financial system on the other hand contributes to the viability of banks and financial intermediaries, and therefore the viability of keeping bank deposits.

*Furthermore, we are at an age of instantaneous financial transactions. It would be practically impossible to locate, preserve, and later on present evidence of crimes covered by the Anti-Money Laundering Act if the theory of the petitioner is correct. After all, as correctly pointed out by the majority opinion, the right to information accrues only after a freeze order is issued. It is then that limitations on the ability to transact the value of the bank account will truly affect the depositor.*²³ (Emphasis supplied)

Even the deliberations on Senate Bill No. 3009²⁴ as thoughtfully and meticulously included by the *ponente*,²⁵ the legislators clarified that the interpretation of a materially-linked account should be understood as

²⁰ Anti-Money Laundering Act, as amended, sec. 2.

²¹ Anti-Money Laundering Act, as amended, sec. 2.

²² 802 Phil. 314 (2016) [Per J. Perez, *En Banc*].

²³ J. Leonen, Concurring Opinion in *Subido v. Court of Appeals*, 802 Phil. 314 (2016) [Per J. Perez, *En Banc*].

²⁴ Senate Bill No. 3009 (2011), 15th Congress, Second Regular Session.

²⁵ *Ponencia*, p. 37.

“materially-linked to the monetary instrument or properties subject of the petition for the freeze order.”²⁶ It need not be directly linked to the commission of the offense per se.²⁷

Moreover, various definitions within the Anti-Money Laundering Act support an interpretation broad enough to encompass related or materially-linked accounts. The definition of “monetary instrument” includes instruments where ownership transfers by endorsement, assignment, or delivery.²⁸ Money laundering is defined as a crime where proceeds of unlawful activity are “transacted.”²⁹ A “transaction” encompasses “any movement of funds by any means within a covered institution.”³⁰ When read together, these provisions suggest a broad network where transactions are inherently interconnected. One can infer from the broad definition of a “transaction” that every movement of funds is linked to another, forming a continuous chain of financial activity—or, in the worst case, money laundering. This means that one transaction naturally gives rise to another. As such, within this statutory framework, every transaction could be considered a “related transaction” to another, reinforcing the idea that related or materially-linked accounts would fall within the scope of Section 10.

Despite this, the freezing of related accounts must still adhere to the constitutional guarantees of privacy and due process. Guided by these premises, there is a pressing need to refine the procedure governing the inclusion of related or materially-linked accounts in freeze orders, ensuring that its implementation remains consistent with constitutional due process requirements.

IV

The procedure for implementing freeze orders with respect to related accounts is outlined in the challenged provisions of the 2018 Rules. They read:

RULE 10. FREEZE ORDER.

....

SECTION 2. *Court-issued Freeze Order.*

....

2.2. Related Accounts. – Considering the intricate and diverse web of interlocking accounts that a person may create in different covered persons,

²⁶ *Id.* at 38.

²⁷ *Id.*

²⁸ Anti-Money Laundering Act, sec. 3(c).

²⁹ Anti-Money Laundering Act, sec. 4.

³⁰ Anti-Money Laundering Act, sec. 4(h).

and the high probability that these accounts are utilized to divert, move, conceal, and disguise the monetary instrument or property subject of the freeze order, *the [Anti-Money Laundering Council] may include in its petition the freezing of related and materially-linked accounts.*

....

SECTION 4. *Duties of Covered Persons and Concerned Government Agencies.*

....

4.2. Freeze and Report Related Accounts.

- a. Upon receipt of the freeze order that directs the freezing of related accounts, and upon verification by the covered person that there are accounts related to the monetary instrument or property subject of the freeze order, the covered person shall immediately freeze these related accounts wherever these may be found.
- b. If the related accounts cannot be determined within twenty-four (24) hours from receipt of the freeze order due to the volume and/or complexity of the transactions, or any other justifiable factors, the covered person shall effect the freezing of the related accounts within a reasonable period and shall submit a supplemental return thereof to the Court of Appeals and the [Anti-Money Laundering Council] within twenty-four (24) hours from the freezing of said related accounts.

....

4.3 Furnish Copy of Freeze Order to Owner or Holder.

- a. The covered person and government agency concerned shall immediately furnish a copy of the freeze order upon the owner or holder of the monetary instrument or property or related accounts subject thereof.

....

4.5. Contents of the Detailed Return.

The detailed return on the freeze order shall specify all the pertinent and relevant information, which shall include the following:

- (a) For covered persons and government agencies, whichever are applicable:
 1. The names of the account holders, personal property owners or possessors, or real property owners or occupants;
 2. The value of the monetary instrument, property, or proceeds as of the time the assets were ordered frozen;
 3. All relevant information as to the status and nature of the monetary instrument, property, or proceeds;
 4. The date and time when the freeze order was served; and
 5. The basis for the identification as related accounts.

....³¹ (Emphasis supplied)

Under these provisions, the process for freezing related accounts after a finding of probable cause by the Court of Appeals is as follows: *first*, the

³¹ 2018 Implementing Rules and Regulations of Republic Act No. 9160, Otherwise Known as the Anti-Money Laundering Act of 2001, as amended (2021), Rule 10, sec. 4.

Court of Appeals directs the covered person to freeze any related accounts, if any exist; *second*, the covered person verifies whether there are accounts related to the monetary instrument subject of the freeze order; *third*, the covered person files a return after freezing the related accounts; *fourth*, in case of voluminous or complex transactions, the covered person implements the freezing of the related accounts within a reasonable period and file as supplemental return; and *finally*, the covered person furnishes a copy of the freeze order to the account holders.

As it stands, the freezing of related accounts occurs only after the issuance of the freeze order. It is incorporated into the freeze order issued by the Court of Appeals. In this case, the Freeze Order directed the covered persons “to submit . . . a detailed return specifying pertinent and relevant information on all frozen bank accounts, insurance policies, securities and investments, *including all related accounts, wherever they may be found*.”³²

In *BCD Foreign Exchange v. Republic and Metrobank*,³³ the petitioner’s account was frozen after Metrobank deemed it as a related account. Petitioner argued that Metrobank had no legal authority to freeze the account or determine whether it constituted a materially-linked account or was part of a broader web of related accounts.³⁴

In dismissing BCD’s argument, this Court held that Metrobank did not determine probable cause. It “merely complied with the instruction of the Court of Appeals to submit a detailed Return specifying all pertinent information on the accounts listed in the Freeze Order, with other related accounts and the corresponding grounds for the identification of each.”³⁵

This situation, however, underscores the ambiguity surrounding the role of covered persons in implementing the freeze orders and, consequently, identifying related and materially-linked accounts.

V

A freeze order may extend to related accounts if these accounts are included in the *ex parte* petition.³⁶ Under the rules, the Anti-Money Laundering Council, as petitioner, *may include in its petition the freezing of related and materially-linked accounts*.³⁷

³² *Ponencia*, p. 18.

³³ 913 Phil. 410 (2021) [Per J. Zalameda, Third Division].

³⁴ *Id.* at 414.

³⁵ *Id.* at 418.

³⁶ *Ponencia*, p. 37.

³⁷ 2018 Implementing Rules and Regulations of Republic Act No. 9160, Otherwise Known as the Anti-Money Laundering Act of 2001, as amended (2021), Rule 10, sec. 2.2.

In A.M. No. 05-11-04-SC, issued by this Court in 2005,³⁸ the rules governing the procedure in cases of civil forfeiture, asset preservation, and freezing of monetary instrument, property, or proceeds representing, involving, or relating to an unlawful activity or money laundering offense, we enumerated the contents of the *ex parte* petition as follows:

SECTION 46. *Contents of the Petition.* – The petition shall contain the following allegations:

- (a) The name and address of the respondent;
- (b) A specific description with particularity of the monetary instrument, property or proceeds, their location, the name of the owner, holder, lienholder or possessor, if known;
- (c) The grounds relied upon for the issuance of a freeze order; and
- (d) The supporting evidence showing that the subject monetary instrument, property, or proceeds are in any way related to or involved in an unlawful activity[.]

To reiterate, the definition of a monetary instrument inherently includes all forms of ownership transfer.³⁹ When applied in the context of an unlawful activity, it encompasses related account and materially-linked accounts.⁴⁰ Given the vast number of financial transactions involved, it is essential that the “specific description with particularity” also specify the amounts in question. Currently, the reckoning of the amounts within the accounts occurs only after the issuance of the freeze order. However, by including these amounts in the *ex parte* petition, the Anti-Money Laundering Council would not only provide clarity in the complex web of transactions but also strengthen the evidentiary basis for establishing a material link between the related accounts and the main account. More importantly, this level of specificity ensures compliance with due process protections, preventing arbitrary or overly broad applications of freeze orders.

I concur with the *ponencia* that the determination of probable cause in the context of money laundering is consistent with the prohibition on unreasonable searches and seizures. It does not transgress the individual person’s right to privacy as protected under Section 2, Article III of the Constitution.⁴¹ Accordingly, related accounts should also be included in the determination of probable cause. In *Republic v. Eugenio, Jr.*,⁴² this Court emphasized that the determination of probable cause remains part and parcel the function of the courts, thus:

Section 11 itself requires that it be established that “there is probable cause that the deposits or investments are related to unlawful activities,” and it

³⁸ A.M. No. 05-11-04-SC (2005), Rule of Procedure in Cases of Civil Forfeiture, Asset Preservation, and Freezing of Monetary Instrument, Property, or Proceeds Representing, Involving, or Relating to an Unlawful Activity or Money Laundering Offense Under Republic Act No. 9160, as Amended.

³⁹ Anti-Money Laundering Act, sec. 3(c).

⁴⁰ A.M. No. 05-11-04-SC (2005), sec. 46(d).

⁴¹ *Ponencia*, p. 42.

⁴² 569 Phil. 98 (2008) [Per J. Tinga, Second Division].

obviously is the court which stands as arbiter whether there is indeed such probable cause. The process of inquiring into the existence of probable cause would involve the function of determination reposed on the trial court. Determination clearly implies a function of adjudication on the part of the trial court, and not a mechanical application of a standard predetermination by some other body. The word “determination” implies deliberation and is, in normal legal contemplation, equivalent to “the decision of a court of justice.”

The court receiving the application for inquiry order cannot simply take the AMLC’s word that probable cause exists that the deposits or investments are related to an unlawful activity. It will have to exercise its own determinative function in order to be convinced of such fact.⁴³ (Citations omitted)

Considering the foregoing rules, the application and subsequent implementation of a freeze order should follow this procedure:

First, the Anti-Money Laundering Council shall file an *ex parte* petition before the Court of Appeals to freeze any monetary instrument or property that is in any way related to an unlawful activity. The *ex parte* petition shall include related and materially-linked accounts as defined under the 2018 Implementing Rules and Regulations of the Anti-Money Laundering Act and the 2021 Manual of Regulations for Banks. For both the main account and the related account, the Anti-Money Laundering Council must provide a specific description with particularity, including the amounts contained therein.

Second, the Court of Appeals shall independently determine whether probable cause exists to establish that the monetary instrument or property, including the related and materially-linked accounts, are related to an unlawful activity as defined under the Anti-Money Laundering Act.

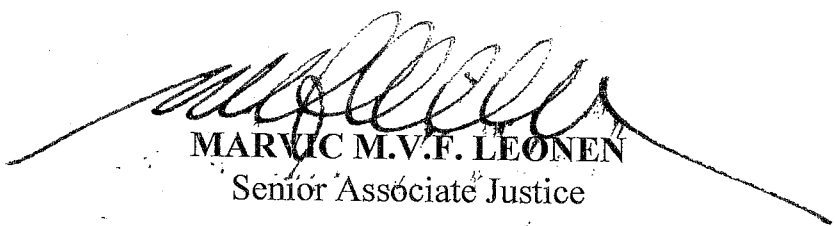
Third, if probable cause is found, the Court of Appeals shall issue a freeze order, effective immediately for a period of 20 days. During this period, the Court of Appeals must conduct a summary hearing, with notice to the parties, to determine whether to modify or lift the freeze order or extend its effectivity, which should not exceed six months.

Fourth, any person whose account has been frozen may file a motion to lift the freeze order and the Court of Appeals must resolve this motion before the expiration of the freeze order.

⁴³ *Id.* at 126.

Fifth, if there is no case filed against a person whose account has been frozen within the period determined by the Court of Appeals, which in no case shall not exceed six months, the freeze order shall be deemed *ipso facto* lifted.

Accordingly, I vote to **DENY** the Petitions.



MARVIC M.V.F. LEONEN
Senior Associate Justice

EN BANC

G.R. No. 222312 – MELISSA GAY CASTAÑEDA LIMLINGAN MANGANIP, BEATRICE EMILIA L. MANGANIP, PATRICIA GRACE LIMLINGAN PADUA, JOSE JERICHO PADUA III, GERARDO MARTIN C. LIMLINGAN,* CELESTE MAYA RECTO LIMLINGAN, and MANUELITA LIMLINGAN, Petitioners, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent;

G.R. No. 222313 – POWERLINK.COM CORP., Petitioner, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent;

G.R. No. 222314 – CODEWORKS.PH, INC., Petitioner, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent;

G.R. No. 222315 – OMNI SECURITY INVESTIGATION, INC., VIVE HOTEL, INC., CORPORATE SOLUTIONS MANPOWER & GENERAL SERVICES, INC., and UNANIMOUS HOLDINGS, INC., Petitioners, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent.

Promulgated:

May 20, 2025

X-----X

CONCURRING AND DISSENTING OPINION

CAGUIOA, J.:

The *ponencia* denies the instant petitions which challenge Sections 10 and 11 of the Anti-Money Laundering Act (AMLA), as amended, as well as Rules 10.a.3, 10.c.3 to 10.d of the 2012 Revised Implementing Rules and Regulations of the AMLA, as amended¹ (2012 AMLA Rules).

I concur only in the result.

To briefly recap the facts, on May 7, 2015, the Anti-Money Laundering Council (AMLC) filed an *Ex Parte* Petition for the issuance of a freeze order against the “bank accounts, insurance policies, and securities, including all

* Also known as “Gerardo Martin Castañeda Limlingan” in other parts of the records.

¹ Revised Implementing Rules and Regulations of Republic Act No. 9160, as amended by Republic Act No. 9194 and Republic Act No. 10167, approved on August 23, 2012.



related accounts” of Jejomar C. Binay, Jejomar Erwin S. Binay, Gerardo S. Limlingan, Jr., Eduviges D. Baloloy, Ernesto S. Mercado, Greenergy Holdings, Inc., Sunchamp Real Estate Development Corp., Earthright Holdings, Inc., Antonio L. Tiu, Millennium Food Chains Corp., BDO Unibank, Inc., BDO Private Bank, Inc., Land Bank of the Philippines, Metropolitan Bank and Trust Co., Ltd., Philippine National Bank, Secuirty Bank Corp., Rizal Commercial Banking Corp., Philippine Bank of Communications, Inc., RCBC Savings Bank, Inc., Philippines Business Bank, Inc., Agricultural Bank of the Philippines, Inc., Sterling Bank of Asia, Inc., Union Bank of the Philippines, Inc., Bank of the Philippine Islands, Asia United Bank Corp., Bankard, Inc., CLSA Philippines, Inc., SB Equities, Inc., Grepalife Financial, Inc., BDO Securities, Inc., First Metro Investment Corp., Philequity Management, Inc., RCBC Securities, Inc., Philippine AXA Life Insurance Corp., Elenita S. Binay, Lily Hernandez Crystal, Carmelita Palo Galvan, Francisco Balaguer Baloloy, Bernadette Cezar Portollano, Mitzi Ouano Sedillo, Marguerite Lichnock, Melissa Gay Castañeda Limlingan,² Victor S. Limlingan, Patricia Grace Limlingan Padua, Gerardo Martin Castañeda Limlingan, James Lee Tiu, Pei Feng Lee, Ann Loraine Buencamino Tiu, Frederick Dueñas Baloloy, Jennifer V. Baloloy, Mario Alejo Oreta, Jose Orillaza, Daniel C. Subido, Man Bun Chong, Erlinda S. Chong, April Joy Pascual Mercado, and Omni Security Investigation and General Services, Inc.,³ in connection with the supposed irregularities surrounding the construction of the New Makati City Parking II Building.⁴ Save for some of the petitioners in G.R. No. 222312⁵ and G.R. No. 222315,⁶ petitioners herein were not named in the AMLC’s *Ex Parte* Petition.

On May 11, 2015, the Court of Appeals (CA) granted the petition and issued a Freeze Order, effective immediately for a period of six months.⁷ The Freeze Order directed the therein respondent banks, insurance companies, and securities companies to: (i) FREEZE the specific accounts described in the freeze order, “*including all related accounts wherever they may be found*”;⁸ and (ii) SUBMIT to the CA and the AMLC within 24 hours from notice “a detailed return specifying pertinent and relevant information on all frozen bank accounts, insurance policies, securities and investments, *including all related accounts wherever they may be found*,”⁹ pursuant to Rules 10.c.3 to 10.d of the 2012 AMLA Rules.

Thereafter, it appears that the AMLC and therein respondent banks conducted an analysis of the accounts described in the Freeze Order and determined that herein petitioners’ accounts, though not described in the

² Petitioner Melissa Gay Castañeda Limlingan Manganip was impleaded under her maiden name.

³ Former name of petitioner Omni Security Investigation, Inc.

⁴ *Ponencia*, p. 3.

⁵ Namely, petitioners Melissa Gay Castañeda Limlingan Manganip, Patricia Grace Limlingan Padua, and Gerardo Martin Castañeda Limlingan (*id.* at 18).

⁶ Namely, petitioner Omni Security Investigation, Inc. (*id.* at 22).

⁷ *Id.* at 5.

⁸ *Id.*

⁹ *Id.* at 18.



Freeze Order, were “materially linked” to the accounts described in the Freeze Order and are therefore “related accounts” under the Freeze Order and the 2012 AMLA Rules.¹⁰ On this basis, the banks froze petitioners’ accounts.

Petitioners filed motions challenging the Freeze Order, arguing that there was no probable cause against them and that Sections 10 and 11 of the AMLA, as well as Rules 10.a.3, 10.c.3 to 10.d of the 2012 AMLA Rules are unconstitutional. The CA denied the motions, holding, among other things, that the six-month duration of the Freeze Order had already lapsed on November 11, 2015.¹¹

Petitioners are now before the Court on the main argument that Sections 10 and 11 of the AMLA, as amended, as well as Rules 10.a.3, 10.c.3 to 10.d of the 2012 AMLA Rules violate Article III, Sections 1, 2, and 3 of the Constitution and should be struck down as unconstitutional.¹²

The *ponencia* ultimately upholds the validity of the questioned provisions of the 2012 AMLA Rules, holding that they do not conflict with the Constitution or with the AMLA.

While I concur in the result, I have a different opinion on the reasons why.

Verily, it is my view that Rules 10.c.1 and 10.d of the 2012 AMLA Rules should be interpreted in a manner consistent with the Constitution and the AMLA.

**A. Rules 10.c.1 and 10.d of the
2012 AMLA Rules**

Rule 10.c.1 and Rule 10.d of the 2012 AMLA Rules provide that, upon receipt of the freeze order, the covered institution (e.g., the bank) is required to “immediately” freeze the monetary instrument or property subject of the freeze order and determine and freeze “related accounts subject thereof”. Thus:

Rule 10.c.1. Upon receipt of the notice of the freeze order, the covered institution concerned shall immediately freeze the monetary instrument or property and related accounts subject thereof.

¹⁰ See *id.* at 19–21.

¹¹ *Id.* at 19–26. In the Resolution dated January 19, 2016, the CA stated that the Freeze Order expired on November 12, 2015, see *id.* at 25.

¹² *Id.* at 26.



.....

Rule 10.d. **Upon receipt of the freeze order** issued by the Court of Appeals and **upon verification by the covered institution that the related accounts originated from and/or are materially linked** to the monetary instrument or property subject of the freeze order, **the covered institution shall freeze these related accounts wherever these may be found.**

The return of the covered institution as required under Rule 10.c.3 shall include the fact of such freezing and an explanation as to the grounds for the identification of the related accounts.

If the related accounts cannot be determined within twenty-four (24) hours from receipt of the freeze order due to the volume and/or complexity of the transactions or any other justifiable factor(s), the covered institution shall effect the freezing of the related accounts, monetary instruments and properties as soon as practicable and shall submit a supplemental return thereof to the Court of Appeals and the AMLC within twenty-four (24) hours from the freezing of said related accounts, monetary instruments and properties. (Emphasis supplied)

Under the 2012 AMLA Rules, accounts are deemed to be “related accounts” when their funds originated from and/or are “materially linked” to the monetary instruments or properties identified in a freeze order (hereafter, “principal accounts”), to wit:

Rule 3.e.3. “Related Accounts” are **those accounts, the funds and sources of which originated from and/or are materially linked to the monetary instruments or properties subject of the freeze order.**

Rule 3.e.3.a. Materially linked accounts include but are not limited to the following:

(1) All accounts or monetary instruments belonging to the same person whose accounts, monetary instruments or properties are the subject of the freeze order;

(2) All accounts or monetary instruments held, owned or controlled by the owner or holder of the accounts, monetary instruments or properties subject of the freeze order, whether such accounts are held, owned or controlled singly or jointly with another person;

(3) All accounts or monetary instruments the funds of which are transferred to the accounts, monetary instruments or properties subject of the freeze order without any legal or trade obligation, purpose or economic justification;

(4) All “In Trust For” (ITF) accounts where the person whose accounts, monetary instruments or properties are the subject of the freeze order is either the trustee or the trustor;



(5) All accounts held for the benefit or in the interest of the person whose accounts, monetary instruments or properties are the subject of the freeze order;

(6) All accounts or monetary instruments under the name of the immediate family or household members of the person whose accounts, monetary instruments or properties are the subject of the freeze order if the amount or value involved is not commensurate with the business or financial capacity of the said family or household member;

(7) All accounts of corporate and juridical entities that are substantially owned, controlled or effectively controlled by the person whose accounts, monetary instruments or properties are subject of the freeze order;

(8) All shares or units in any investment accounts and/or pooled funds of the person whose accounts, monetary instruments or properties are subject of the freeze order; and

(9) All other accounts, shares, units or monetary instruments that are similar, analogous or identical to any of the foregoing.

The AMLC and the respondent banks in the *Ex Parte* Petition opine that the challenged provisions allow the immediate freezing of “related accounts,” without the need for a separate freeze order. Thus, in this case, they conducted an analysis of the principal accounts and determined that herein petitioners’ accounts, although not described in the Freeze Order, were “materially linked” to the principal accounts, and are therefore “related accounts” under the Freeze Order and the 2012 AMLA Rules.¹³ Accordingly, the banks froze petitioners’ accounts. Apparently, the AMLC and the banks believed that the CA’s May 11, 2015 Freeze Order for the principal accounts “including all related accounts wherever they may be found” was sufficient to freeze the accounts of petitioners.

This interpretation of the challenged provisions is unconstitutional.

To recall, Article III, Section 2 of the Constitution provides:

SECTION 2. The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures of whatever nature and for any purpose shall be inviolable, and no search warrant or warrant of arrest shall issue except upon probable cause to be determined personally by the judge after examination under oath or affirmation of the complainant and the witnesses he may produce, and particularly describing the place to be searched and the persons or things to be seized.

¹³ See *id.* at 19–21.



Section 2 guarantees the people's right against **unreasonable** searches and **seizures of whatever nature and for any purpose**. As a general rule, a government seizure is reasonable when it complies with the following requirements:

- (i) there is probable cause;
- (ii) the probable cause is determined personally by the judge;
- (iii) the judge has examined, in writing and under oath or affirmation, the complainant and the witnesses he or she may produce;
- (iv) the applicant and the witnesses testify on the facts personally known to them; and
- (v) the warrant specifically describes the place to be searched and the things to be seized.¹⁴

The freezing of monetary instruments or property under Section 10 of the AMLA is undeniably a seizure that must comply with the requirements imposed by Article III, Section 2 of the Constitution.

In *Ret. Lt. Gen. Ligot v. Republic*,¹⁵ the Court explained the nature and purpose of a freeze order as follows:

A freeze order is an *extraordinary and interim relief* issued by the CA to prevent the dissipation, removal, or disposal of properties that are suspected to be the proceeds of, or related to, unlawful activities as defined in Section 3(i) of [Republic Act] No. 9160, as amended. The primary objective of a freeze order is to **temporarily preserve** monetary instruments or property that are in any way related to an unlawful activity or money laundering, by preventing the owner from utilizing them during the duration of the freeze order. The relief is **pre-emptive** in character, meant to prevent the owner from disposing his property and thwarting the State's effort in building its case and eventually filing civil forfeiture proceedings and/or prosecuting the owner.¹⁶ (Emphasis in the original; citations omitted)

In contrast to the bank inquiry order under Section 11 of the AMLA, *a freeze order under Section 10 involves a seizure of property* because the owner is "inhibited from utilizing the same." Thus, the Court in *Republic v. Hon. Judge Eugenio, Jr.*¹⁷ explained:

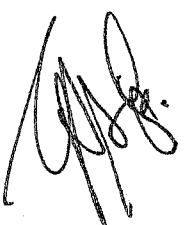
The Court could divine the sense in allowing *ex parte* proceedings under Section 10 and in proscribing the same under Section 11. A freeze order under Section 10 on the one hand is aimed at preserving monetary instruments or property in any way deemed related to unlawful activities as defined in Section 3(i) of the AMLA. **The owner of such monetary**

¹⁴ *Del Castillo v. People*, 680 Phil. 447, 456 (2012) [Per J. Peralta, Third Division].

¹⁵ 705 Phil. 477 (2013) [Per J. Brion, Second Division].

¹⁶ *Id.* at 504–505.

¹⁷ 569 Phil. 98 (2008) [Per J. Tinga, Second Division].

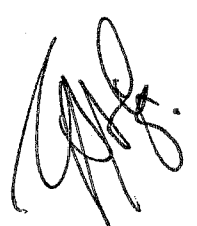


instruments or property would thus be inhibited from utilizing the same for the duration of the freeze order. To make such freeze order anteceded by a judicial proceeding with notice to the account holder would allow for or lead to the dissipation of such funds even before the order could be issued.

On the other hand, a bank inquiry order under Section 11 does not necessitate any form of physical seizure of property of the account holder. What the bank inquiry order authorizes is the examination of the particular deposits or investments in banking institutions or non-bank financial institutions. The monetary instruments or property deposited with such banks or financial institutions are not seized in a physical sense, but are examined on particular details such as the account holder's record of deposits and transactions. Unlike the assets subject of the freeze order, the records to be inspected under a bank inquiry order cannot be physically seized or hidden by the account holder. Said records are in the possession of the bank and therefore cannot be destroyed at the instance of the account holder alone as that would require the extraordinary cooperation and devotion of the bank.¹⁸ (Emphasis supplied)

Consistent with the requirements of a search warrant under Section 2 of the Bill of Rights, Section 10 of the AMLA authorizes the freezing of monetary instruments or property *only after* the CA has determined that probable cause exists that the same are "in any way related to an unlawful activity as defined in Section 3(i)" of the AMLA.

¹⁸ *Id.* at 124-125.



The present version¹⁹ of Section 10 is found in Republic Act No.

¹⁹ Section 10 has undergone several amendments through the years. At the time the 2012 AMLA Rules were still in effect, the following versions of Section 10 were in force:

Republic Act No. 10167 (Approved on June 18, 2012)	Republic Act No. 10365 (Approved on February 15, 2013)	Republic Act No. 10927 (Approved on July 14, 2017)
“SEC. 10. <i>Freezing of Monetary Instrument or Property</i>. — Upon verified <i>ex parte</i> petition by the AMLC and after determination that probable cause exists that any monetary instrument or property is in any way related to an unlawful activity as defined in Section 3(i) hereof, the Court of Appeals may issue a freeze order, which shall be effective immediately. The freeze order shall be for a period of twenty (20) days unless extended by the court. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a nonworking day, the computation of the twenty-four (24)-hour period shall exclude the nonworking days.” “A person whose account has been frozen may file a motion to lift the freeze order and the court must resolve this motion before the expiration of the twenty (20)-day original freeze order.” “No court shall issue a temporary restraining order or a writ of injunction against any freeze order, except the Supreme Court.” (Emphasis supplied)	“SEC. 10. <i>Freezing of Monetary Instrument or Property</i>. — Upon a verified <i>ex parte</i> petition by the AMLC and after determination that probable cause exists that any monetary instrument or property is in any way related to an unlawful activity as defined in Section 3(i) hereof, the Court of Appeals may issue a freeze order which shall be effective immediately, and which shall not exceed six (6) months depending upon the circumstances of the case: <i>Provided</i>, That if there is no case filed against a person whose account has been frozen within the period determined by the court, the freeze order shall be deemed <i>ipso facto</i> lifted: <i>Provided, further</i>, That this new rule shall not apply to pending cases in the courts. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a nonworking day, the computation of the twenty-four (24)-hour period shall exclude the nonworking days. “A person whose account has been frozen may file a motion to lift the freeze order and the court must resolve this motion before the expiration of the freeze order. “No court shall issue a temporary restraining order or a writ of injunction against any freeze order, except the Supreme Court.” (Emphasis supplied)	“SEC. 10. <i>Freezing of Monetary Instrument or Property</i>. — Upon a verified <i>ex parte</i> petition by the AMLC and after determination that probable cause exists that any monetary instrument or property is in any way related to an unlawful activity as defined in Section 3(i) hereof, the Court of Appeals may issue a freeze order which shall be effective immediately, for a period of twenty (20) days. Within the twenty (20)-day period, the Court of Appeals shall conduct a summary hearing, with notice to the parties, to determine whether or not to modify or lift the freeze order, or extend its effectivity. The total period of the freeze order issued by the Court of Appeals under this provision shall not exceed six (6) months. This is without prejudice to an asset preservation order that the Regional Trial Court having jurisdiction over the appropriate anti-money laundering case or civil forfeiture case may issue on the same account depending upon the circumstances of the case, where the Court of Appeals will remand the case and its records: <i>Provided</i>, That if there is no case filed against a person whose account has been frozen within the period determined by the Court of Appeals, not exceeding six (6) months, the freeze order shall be deemed <i>ipso facto</i> lifted: <i>Provided, further</i>, That this new rule shall not apply to pending cases in the courts. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a nonworking day, the computation of the twenty-four (24)-hour period shall exclude the nonworking days. “The freeze order or asset preservation order issued under this Act shall be limited only to



11521.²⁰

“SEC. 10. *Freezing Monetary Instrument or Property.* —

“(a) Upon a verified *ex parte* petition by the AMLC and after determination that probable cause exists that **any monetary instrument or property is in any way related to an unlawful activity as defined in Section 3(i) hereof**, the Court of Appeals may issue a freeze order which shall be effective immediately, for a period of twenty (20) days. Within the twenty (20)-day period, the Court of Appeals shall conduct a summary hearing, with notice to the parties, to determine whether or not to modify or lift the freeze order, or extend its effectivity. The total period of the freeze order issued by the Court of Appeals under this provision shall not exceed six (6) months. This is without prejudice to an asset preservation order that the Regional Trial Court having jurisdiction over the appropriate anti-money laundering case or civil forfeiture case may issue on the same account depending on the circumstances of the case, where the Court of Appeals will remand the case and its records: *Provided*, That if there is no case filed against a person whose account has been frozen within the period determined by the Court of Appeals, not exceeding six (6) months, the freeze order shall be deemed *ipso facto* lifted: *Provided, further*, That this new rule shall not apply to pending cases in the courts. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a nonworking day, the computation of the twenty-four (24)-hour period shall exclude the nonworking days.

“The freeze order or asset preservation order issued under this Act shall be limited only to the amount of cash or monetary instrument or value of property that court finds there is probable cause to be considered as proceeds of a predicate offense, and the freeze order or asset preservation order shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense.

“A person whose account has been frozen may file a motion to lift the freeze order and the court must resolve this motion before the expiration of the freeze order.

“No court shall issue a temporary restraining order or a writ of injunction against any freeze order, except the Supreme Court.

		the amount of cash or monetary instrument or value of property that the court finds there is probable cause to be considered as proceeds of a predicate offense, and the freeze order or asset preservation order shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense.” (Emphasis supplied)
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²⁰ An Act Further Strengthening the Anti-Money Laundering Law, Amending for the Purpose Republic Act No. 9160, Otherwise Known as the “Anti-Money Laundering Act Of 2001”, as Amended. Approved on January 29, 2021.



“(b) For purposes of implementing targeted financial sanctions in relation to proliferation of weapons of mass destruction and its financing, as provided under Section 3(15), the AMLC shall have the power to issue, *ex parte*, an order to freeze without delay.

“The freeze order shall be effective until the basis for its issuance shall have been lifted. During the effectivity of the freeze order, the aggrieved party may, within twenty (20) days from issuance, file with the Court of Appeals a petition to determine the basis of the freeze order according to the principle of effective judicial protection: *Provided*, That the person whose property or funds have been frozen may withdraw such sums as the AMLC determines to be reasonably needed for monthly family needs and sustenance including the services of counsel and the family medical needs of such person.

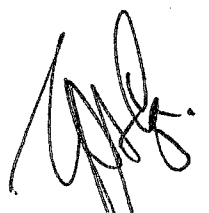
“The AMLC, if circumstances warrant, may initiate civil forfeiture proceedings to preserve the assets and to protect it from dissipation. No court shall issue a temporary restraining order or a writ of injunction against the freeze order, except the Court of Appeals or the Supreme Court.”²¹

As seen from Section 10, the AMLC must make a prior determination that certain monetary instruments or properties are related to any unlawful activity, and only then include these items in the application for the freeze order. Thereafter, these monetary instruments or properties may be frozen only after the CA has determined that probable cause exists that they are related to an unlawful activity as defined in the AMLA. Once the covered institutions receive the freeze order, *the only monetary instruments or properties that they can freeze are those indicated in the freeze order. This is because only those monetary instruments or properties identified in the freeze order have been the subject of the CA's determination of probable cause.* If a monetary instrument or property is not identified in the freeze order, that means that such an account was not included in the CA's determination of probable cause. *Nothing in Section 10 grants the covered institutions the power to determine and immediately freeze additional accounts which they alone perceive to be “related” or “materially linked” to the principal accounts identified in the freeze order.*

It must be stressed that when the CA determines probable cause and issues the Freeze Order against the principal accounts, the CA is not yet informed at that point of what the “related accounts” are. Thus, it is impossible for the CA to determine probable cause against those yet-to-be identified accounts.

In the present case, the Court should not allow the covered institutions (i.e., the banks) to determine and freeze bank accounts which they believe are related to the principal accounts identified in the Freeze Order. Otherwise, the covered institutions (i.e., the banks) would effectively be allowed to

²¹ Republic Act No. 11521, sec. 5 amending sec. 10 of the AMLA.



arrogate unto themselves the CA's duty to determine the existence of probable cause against those "related accounts." This would thus contravene both Section 2 of the Bill of Rights and Section 10 of the AMLA.

I thus agree with the *ponencia*'s ruling²² that an *ex parte* petition before the CA for the issuance of a freeze order must already state and particularly describe any related and materially-linked accounts that may be involved, and that such accounts will also be the subject of the CA's determination of probable cause.

In this connection, the *ponencia* rules that the 2012 AMLA Rules, as amended, do not transgress the right against unreasonable searches and seizures enshrined in Article III, Section 2 of the Constitution. According to the *ponencia*, assuming that the freezing of related accounts in the Freeze Order amounts to a warrantless seizure, the same "cannot be said to be unreasonable when juxtaposed with the reality that a money launderer may open or create [an] intricate and diverse web of related and interlocking accounts in the different covered institutions to conceal his or her crime/s."²³ The *ponencia* states that since funds can now be transferred swiftly, time is of the essence and the government must act urgently to prevent the dissipation of properties that are suspected to be proceeds of, or related to, unlawful activities defined in the AMLA.²⁴ To rule otherwise, continues the *ponencia*, would thwart the objective of a freeze order which is the preservation of the money instruments or property that are related to money laundering.²⁵

In other words, the *ponencia* anchors the constitutionality of the pertinent provisions of the 2012 AMLA Rules on the urgency or immediacy involved in preserving the funds suspected to be related to money laundering.

I respectfully disagree. I submit that this is an improper formulation of the lens through which the constitutionality issue should be resolved. To be sure, the urgency in preventing the dissipation of potentially laundered funds should not operate to dispense with the constitutional requirements of probable cause and particularity of the thing to be seized—requirements that qualify a seizure as reasonable under the Constitution. The said urgency may justify the *ex parte* application for a freeze order, as held in *Republic v. Hon. Judge Eugenio, Jr.*,²⁶ but **it would be dangerous for the Court to rule that "urgency" makes a seizure automatically reasonable** despite non-compliance with Article III, Section 2 of the Constitution. Such a pronouncement would virtually sacrifice constitutional safeguards for the sake of exigency. If the same urgency in preserving the funds of related accounts is present in preserving the funds of principal accounts, could it then

²² *Ponencia*, p. 46.

²³ *Id.* at 42.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Supra* note 17.



be said that the amounts could be automatically frozen? In other words, is the probable cause requirement contained in Section 10 optional? May Congress remove the said requirement from Section 10 of the AMLA in future amendments? In my view, the urgent nature of freezing funds suspected to be related to money laundering does not justify non-observance of the requirements under Article III, Section 2 of the Constitution.

To make things worse, by directing the covered institutions to freeze the principal accounts “including all related accounts wherever they may be found,” the CA not only unduly delegated its power to determine probable cause, but it also issued a general warrant that is prohibited by the Constitution.

A general warrant is a “warrant that is not particular as to the person to be arrested or the property to be seized.”²⁷ It is one which “gives the officer executing the warrant the discretion over which items to take.”²⁸ “Such discretion is abhorrent, as it makes the person, against whom the warrant is issued, vulnerable to abuses.”²⁹

Here, the banks were precisely given that prohibited discretion by the CA. Again, the petitioners’ bank accounts were not particularly identified in the freeze order. They were only frozen because the banks determined that they were “related accounts” as defined in the 2012 AMLA Rules, but they were not particularly identified for purposes of satisfying the particularity requirement of Section 2 of the Bill of Rights.

Nonetheless, these erroneous actions do not necessarily render Rule 10.c.1 and Rule 10.d of the 2012 AMLA Rules unconstitutional.

In *Estrada v. Sandiganbayan*,³⁰ the Court ruled that courts should act with caution and forbearance in determining the validity of the acts of the legislature. Thus, “[e]very intendment of the law must be adjudged by the courts in favor of its constitutionality, invalidity being a measure of last resort. **In construing therefore the provisions of a statute, courts must first ascertain whether an interpretation is fairly possible to sidestep the question of constitutionality.**”³¹ Consistent with this principle, the Court should pursue an interpretation of the assailed Rules which is consistent with the Constitution, rather than declare them as invalid.

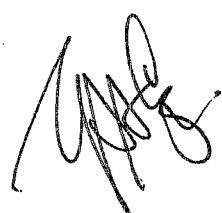
²⁷ *Worldwide Web Corp. v. People*, 713 Phil. 18, 43 (2014) [Per C.J. Sereno, First Division], citing *Black’s Law Dictionary*, “warrant,” p. 1585.

²⁸ *Worldwide Web Corp. v. People*, *id.*, citing *Vallejo v. CA*, 471 Phil. 670, 687 (2004) [Per J. Callejo, Sr., Second Division].

²⁹ *Worldwide Web Corp. v. People*, *id.*

³⁰ 421 Phil. 290 (2001) [Per J. Bellosillo, *En Banc*].

³¹ *Id.* at 342–343. (Emphasis supplied)



B. A freeze order does not authorize the examination of “related accounts”

The present case reveals an apparent confusion in the implementation of a freeze order. To recall, after receiving the Freeze Order, the covered institutions conducted an analysis of the principal accounts and determined that herein petitioners’ accounts, though not described in the Freeze Order, were “materially linked” to the principal accounts and are therefore “related accounts” under the Freeze Order and the 2012 AMLA Rules. The records do not show that the analysis was conducted pursuant to a bank inquiry order issued by any court. Thus, it may be reasonably inferred that the same was done merely on the strength of the Freeze Order.

In my view, this is also erroneous.

A freeze order does not authorize the examination of monetary accounts. The “primary objective of a freeze order is to **temporarily preserve** monetary instruments or property that are in any way related to an unlawful activity or money laundering, by preventing the owner from utilizing them during the duration of the freeze order.”³² It is **not** meant as a tool to discover the accounts suspected of being related to money laundering. That is the function of the bank inquiry order. Although the petition for a freeze order is *ex parte*, the freeze order, upon its issuance, shall be served on the respondent-owner and the covered institution.³³

A bank inquiry order under Section 11 of the AMLA is “a means for the government to ascertain whether there is sufficient evidence to sustain an intended prosecution of the account holder for violation of the [AMLA].”³⁴ It is “a preparatory tool for the discovery and procurement, and preservation — through the subsequent issuance of a freeze order — of relevant evidence of a money laundering transaction or activity.”³⁵ **The entire proceeding for a bank inquiry order—from the filing of the application until the conduct of the inquiry—is confidential and *ex parte*.**³⁶

Section 11 of the AMLA provides:

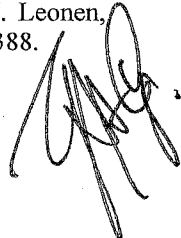
³² *Ret. Lt. Gen. Ligot v. Republic*, *supra* note 15, at 504–505. (Citation omitted; emphasis in the original)

³³ *Rule of Procedure in Cases of Civil Forfeiture, Asset Preservation, and Freezing of Monetary Instrument, Property, or Proceeds Representing, Involving, or Relating to an Unlawful Activity or Money Laundering Offense Under Republic Act No. 9160, as Amended*, A.M. No. 05-11-04-SC, November 15, 2005, sec. 54.

³⁴ *J. Leonen, Concurring Opinion in Subido Pagente Certeza Mendoza and Binay Law Offices v. CA*, 802 Phil. 314, 387–388 (2016) [Per J. Perez, *En Banc*], citing *Republic v. Hon. Judge Eugenio, Jr.*, *supra* note 17, at 120.

³⁵ *Republic v. Ongpin*, 923 Phil. 257, 326 (2022) [Per J. Leonen, Second Division], citing *J. Leonen, Concurring Opinion in Subido Pagente Certeza Mendoza and Binay Law Offices v. CA*, *id.* at 388.

³⁶ *Republic v. Ongpin*, *id.* at 325.



“SEC. 11. *Authority to Inquire into Bank Deposits.* — Notwithstanding the provisions of Republic Act No. 1405, as amended; Republic Act No. 6426, as amended; Republic Act No. 8791; and other laws, the AMLC may inquire into or examine any particular deposit or investment, **including related accounts**, with any banking institution or non-bank financial institution **upon order of any competent court** based on an *ex parte* application in cases of violations of this Act, when it has been established that **there is probable cause that the deposits or investments, including related accounts involved, are related to an unlawful activity as defined in Section 3(i) hereof or a money laundering offense under Section 4 hereof**; except that no court order shall be required in cases involving activities defined in Section 3(i)(1), (2), and (12) hereof, and felonies or offenses of a nature similar to those mentioned in Section 3(i)(1), (2), and (12), which are punishable under the penal laws of other countries, and terrorism and conspiracy to commit terrorism as defined and penalized under Republic Act No. 9372.”

“The Court of Appeals shall act on the application to inquire into or examine any deposit or investment with any banking institution or non-bank financial institution within twenty-four (24) hours from filing of the application.”

“To ensure compliance with this Act, the Bangko Sentral ng Pilipinas may, in the course of a periodic or special examination, check the compliance of a covered institution with the requirements of the AMLA and its implementing rules and regulations.”

“For purposes of this section, ‘related accounts’ shall refer to accounts, the funds and sources of which originated from and/or are materially linked to the monetary instrument(s) or property(ies) subject of the freeze order(s).”

“A court order *ex parte* must first be obtained before the AMLC can inquire into these related accounts: *Provided*, That the procedure for the *ex parte* application of the *ex parte* court order for the principal account shall be the same with that of the related accounts.”

“The authority to inquire into or examine the main account and the related accounts shall comply with the requirements of Article III, Sections 2 and 3 of the 1987 Constitution, which are hereby incorporated by reference.”³⁷

Notably, Section 11 authorizes a bank inquiry into “related accounts” but only after the CA determines probable cause that they are related accounts.³⁸ A bank inquiry order for “related accounts” must be preceded by a bank inquiry order for the principal account.³⁹ *In other words, the probable cause determination for “related accounts” is separate and distinct from the*

³⁷ Republic Act No. 10167, or An Act to Further Strengthen the Anti-Money Laundering Law, Amending for the Purpose Sections 10 and 11 of Republic Act No. 9160, Otherwise Known as the “Anti-Money Laundering Act of 2001”, as Amended, and for Other Purposes. Approved on June 18, 2012.

³⁸ *Subido Pagante Certeza Mendoza and Binay Law Offices v. CA*, *supra* note 34, at 335.

³⁹ *Id.* at 355.

probable cause determination for the principal account.⁴⁰ For the principal account, there must be probable cause that the said account is related to an unlawful activity defined in the AMLA.⁴¹ On the other hand, for “related accounts,” there must be probable cause that they are materially linked to the principal account.⁴² The discussion of the Court in *Subido Pagente Certeza Mendoza and Binay Law Offices v. CA*⁴³ is instructive:

We thus subjected Section 11 of the AMLA to heightened scrutiny and found nothing arbitrary in the allowance and authorization to [the] AMLC to undertake an inquiry into certain bank accounts or deposits. Instead, we found that it provides safeguards before a bank inquiry order is issued, ensuring adherence to the general state policy of preserving the absolutely confidential nature of Philippine bank accounts:

(1) The AMLC is required to establish probable cause as basis for its *ex-parte* application for bank inquiry order;

(2) **The CA, independent of the AMLC’s demonstration of probable cause, itself makes a finding of probable cause that the deposits or investments are related to an unlawful activity under Section 3(i) or a money laundering offense under Section 4 of the AMLA;**

(3) A bank inquiry court order *ex-parte* for related accounts is preceded by a bank inquiry court order *ex-parte* for the principal account which court order *ex-parte* for related accounts is **separately based on probable cause that such related account is materially linked to the principal account inquired into;** and

(4) The authority to inquire into or examine the main or principal account and the related accounts shall comply with the requirements of Article III, Sections 2 and 3 of the Constitution.

The foregoing demonstrates that the inquiry and examination into the bank account are not undertaken whimsically and solely based on the investigative discretion of the AMLC. In particular, the requirement of demonstration by the AMLC, and determination by the CA, of probable cause emphasizes the limits of such governmental action. We will revert to these safeguards under Section 11 as we specifically discuss the CA’s denial of SPCMB’s letter request for information concerning the purported issuance of a bank inquiry order involving its accounts.⁴⁴ (Emphasis supplied)

From the foregoing, it is clear that a bank inquiry order is entirely different from a freeze order. The former is a discovery tool availed of preparatory to the preservation of an account that is related to an unlawful activity as defined under the AMLA. It covers both: (1) the principal accounts

⁴⁰ *Id.*

⁴¹ *Id.* at 354.

⁴² *Id.* at 355.

⁴³ *Id.*

⁴⁴ *Id.* at 354–355.



indicated in the application for a bank inquiry order; and (2) other accounts that constitute “related accounts” as defined under Section 11.

In contrast, a freeze order is the preservative remedy that prohibits the owner of the funds from transacting the same during the duration of the freeze order. It covers only the principal accounts indicated in the petition filed with the CA.

In this case, the banks essentially merged the function of a bank inquiry order to that of a freeze order when they used the freeze order as apparent basis to discover “related accounts” and freeze them. Both this act of discovery and freezing are done without prior determination of probable cause by the CA, contrary to Article III, Section 2 of the Constitution and Sections 10 and 11 of the AMLA. The CA’s prior determination of probable cause is crucial because it assures the bank account owner that a neutral and detached judge⁴⁵ has been persuaded that there is sufficient evidence for a reasonably discreet and prudent person to believe that his or her bank account “sought to be frozen [is] in any way related to any of the illegal activities enumerated under [Republic Act] No. 9160, as amended.”⁴⁶ *That guarantee is lost when the banks are empowered to determine what accounts should be frozen and why.*

In this connection, the *ponencia* rules that the probable cause requirement is complied with as to the related accounts even if not specifically identified in the application, because the subject of the probable cause determination and of the freeze order is *the amount* of the funds or monetary instrument contained in an account, and not the account itself.⁴⁷ In support, the *ponencia* highlights that portion of Section 10 of the AMLA, which states:

SEC. 10. *Freezing Monetary Instrument or Property.* —

....

The freeze order or asset preservation order issued under this Act **shall be limited only to the amount of cash or monetary instrument or value of property that court finds there is probable cause** to be considered as proceeds of a predicate offense, and the freeze order or asset preservation order **shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense.**⁴⁸ (Emphasis supplied)

Thus, according to the *ponencia*:

⁴⁵ See *Presidential Anti-Dollar Salting Task Force v. Hon. CA*, 253 Phil. 344 (1989) [Per J. Sarmiento, *En Banc*].

⁴⁶ *Ret. Lt. Gen. Ligot v. Republic*, *supra* note 15, at 501.

⁴⁷ *Ponencia*, pp. 42–44.

⁴⁸ Republic Act No. 9160, as amended by Republic Act No. 11521.

Once probable cause has been determined to exist that certain funds, monetary instrument, or property sought to be frozen, inquired into, or preserved is in any way related to any unlawful activity and/or money laundering offense, **such finding necessarily extends to all related accounts**. This is the only logical conclusion given that these related accounts are believed to have directly originated from and/or are materially linked to the monetary instruments or properties subject of the freeze order.”⁴⁹ (Emphasis supplied)

Accordingly, when the covered institution implements the freeze order as to related accounts that are not identified in the freeze order, the *ponencia* rules that such institution does not determine probable cause which had already been done by the CA, but rather merely verifies if there are accounts related to the instrument subject of the freeze order and disallows any transactions from the account containing such funds, keeping in mind the definition of a “related account” in the AMLA Rules.⁵⁰

I submit that this is egregious error.

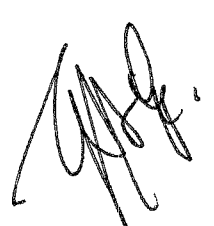
Probable cause is determined against **both the amount of the funds and the bank account itself**, when the funds are contained in a bank account. This is supported by the text of Section 10 of the AMLA, as amended, which is replicated in full for easy reference:

“SEC. 10. *Freezing Monetary Instrument or Property*. —

“(a) Upon a verified *ex parte* petition by the AMLC and after determination that probable cause exists that **any monetary instrument or property** is in any way related to an unlawful activity as defined in Section 3(i) hereof, the Court of Appeals may issue a freeze order which shall be effective immediately, for a period of twenty (20) days. Within the twenty (20)-day period, the Court of Appeals shall conduct a summary hearing, with notice to the parties, to determine whether or not to modify or lift the freeze order, or extend its effectivity. The total period of the freeze order issued by the Court of Appeals under this provision shall not exceed six (6) months. This is without prejudice to an asset preservation order that the Regional Trial Court having jurisdiction over the appropriate anti-money laundering case or civil forfeiture case may issue on the same **account** depending on the circumstances of the case, where the Court of Appeals will remand the case and its records: *Provided*, That if there is no case filed against a person **whose account has been frozen** within the period determined by the Court of Appeals, not exceeding six (6) months, the freeze order shall be deemed *ipso facto* lifted: *Provided, further*, That this new rule shall not apply to pending cases in the courts. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a

⁴⁹ *Ponencia*, p. 44.

⁵⁰ *Id.* at 45-46.



nonworking day, the computation of the twenty-four (24)-hour period shall exclude the nonworking days.

“The freeze order or asset preservation order issued under this Act shall be limited *only to the amount of cash or monetary instrument or value of property* that court finds there is probable cause to be considered as proceeds of a predicate offense, and the freeze order or asset preservation order **shall not apply to amounts in the same account** in excess of the amount or value of the proceeds of the predicate offense.

“A person *whose account has been frozen* may file a motion to lift the freeze order and the court must resolve this motion before the expiration of the freeze order.

“No court shall issue a temporary restraining order or a writ of injunction against any freeze order, except the Supreme Court.

“(b) For purposes of implementing targeted financial sanctions in relation to proliferation of weapons of mass destruction and its financing, as provided under Section 3(15), the AMLC shall have the power to issue, *ex parte*, an order to freeze without delay.

“The freeze order shall be effective until the basis for its issuance shall have been lifted. During the effectivity of the freeze order, the aggrieved party may, within twenty (20) days from issuance, file with the Court of Appeals a petition to determine the basis of the freeze order according to the principle of effective judicial protection: *Provided*, That the person whose property or funds have been frozen may withdraw such sums as the AMLC determines to be reasonably needed for monthly family needs and sustenance including the services of counsel and the family medical needs of such person.

“The AMLC, if circumstances warrant, may initiate civil forfeiture proceedings to preserve the assets and to protect it from dissipation. No court shall issue a temporary restraining order or a writ of injunction against the freeze order, except the Court of Appeals or the Supreme Court.”

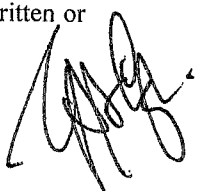
As seen above, Section 10 of the AMLA expressly refers to the freezing of an “account.” Further, the provision states that probable cause is determined against a “monetary instrument or property.” The definition of a “monetary instrument” under the 2018 AMLA Rules⁵¹ includes “bank deposits.”⁵² That the term “monetary instrument” contemplates bank accounts

⁵¹ 2018 Implementing Rules and Regulations of Republic Act No. 9160, Otherwise Known as the Anti-Money Laundering Act of 2001, as Amended, approved on November 22, 2018.

⁵² The 2018 AMLA Rules, Rule 2, Section 1, (eee) provides:

(eee) “Monetary Instrument” refers, but is not limited, to the following:

- (1) Coins or currency of legal tender of the Philippines, or of any other country;
- (2) Credit instruments, including *bank deposits*, financial interest, royalties, commissions, and other intangible property;
- (3) Drafts, checks, and notes;
- (4) Stocks or shares, participation or interest in a corporation or in a commercial enterprise or profit-making venture and evidenced by a certificate, contract, instrument, whether written or



or bank deposits is even confirmed by the Senate's deliberations on the amendments to Section 10, as cited in the *ponencia*, to wit:

Senator Lacson. So, *ano po ang standards na i-establish ng AMLC? Iyong mga requisites or facts that are to be considered to establish that the accounts will fall on the so-called related web of accounts; and, No. 2, kung magpo-fall ito roon sa materially linked accounts?*

Senator Guingona. Any connection, Mr. President, sa movement of funds, in or out.

Senator Lacson. *Pakibigay nga po ng ilang ehemplo. Halimbawa, materially linked to the monetary instrument. Ito po ba ay pwedeng...*

Senator Guingona. *The monetary instrument would be the deposit, the account*, let us say, of General Ligot and then General Ligot transferred some funds to his brother-in-law, then the account of the brother-in-law would be materially linked and is, therefore, included in the web of accounts of General Ligot.

Senator Lacson. So, sufficient *na basta't iyong isang account nakahalo roon sa sinasabing related web of accounts at iyong isa namang account ay materially linked doon sa isang nakapaloob doon sa mga web of accounts, maski saan doon kasama na iyon.*

Senator Guingona. *Opo.*

Senator Lacson. *Napakalawak nga po pala nito.*

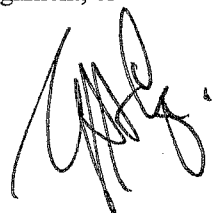
Senator Guingona. *Opo.*⁵³ (Emphasis supplied)

From the foregoing, it is clear that probable cause for the issuance of a freeze order is determined not only against the amount of the funds contained in a monetary instrument, but even against the monetary instrument itself, that is, the bank account containing the funds supposedly related to money laundering. The second paragraph of Section 10(a) is in the law to maintain the freezing of accounts within reasonable limits. The accounts are frozen—partially, instead of entirely—to the extent of the amount estimated by the court to be within the bounds of its probable cause determination. The second paragraph does not mean, and should not be taken to mean as the *ponencia* does, that only amounts are frozen but not accounts.

electronic in character, including those enumerated in Section 3 of the Securities Regulation Code;

- (5) A participation or interest in any non-stock, non-profit corporation;
- (6) Securities or negotiable instruments, bonds, commercial papers, deposit certificates, trust certificates, custodial receipts, or deposit substitute instruments, trading orders, transaction tickets, and confirmations of sale or investments and money market instruments;
- (7) Contracts or policies of insurance, life or non-life, contracts of suretyship, pre-need plans, and member certificates issued by mutual benefit association; and
- (8) Other similar instruments where title thereto passes to another by endorsement, assignment, or delivery. (Emphasis supplied)

⁵³ *Ponencia*, pp. 38-39.



I therefore disagree with the *ponencia*'s ruling that the freezing extends only to the amounts but not the accounts, especially in this case where there is not even an amount indicated in the freeze order in question. I wish to highlight that the freeze order in the present case did not state the amount of funds to be frozen from the principal and related accounts.⁵⁴ It merely described the accounts to be frozen (i.e., name of the covered institution as well as the account name and the account number of the account to be frozen) without indicating the amounts to be frozen.

It is thus my view that the probable cause determination against the principal account does not, and should not, extend to the related accounts. By the language of the law and jurisprudence, there must be a separate determination of probable cause in order to freeze the funds contained in related accounts that are not identified in the freeze order. This interpretation applies the same framework adopted by the Court *En Banc* in *Subido* quoted above.

Although the ruling in *Subido* relates to the issuance of bank inquiry orders under Section 11 of the AMLA, the same rationale should also apply to freeze orders as the latter class involves a higher level of intrusion into the right to privacy. As previously discussed, a bank inquiry order merely authorizes the examination of accounts, whereas a freeze order prevents the owner from utilizing the funds in the frozen account. **If the probable cause requirement under Article III, Section 2 of the Constitution is applied to bank inquiry orders for related accounts, as done in *Subido*, then it should apply with more reason to freeze orders for related accounts.**

That said, it is possible that a joint hearing be held for the issuance of both a bank inquiry order and a freeze order. The Court's discussion in *Republic v. Ongpin*⁵⁵ is instructive:

We agree with petitioner that the entirety of the proceedings for a bank inquiry order should be confidential and *ex parte*. Under the amended Section 11, "*ex parte*" modifies "application" and "court order." The bank inquiry proceedings, therefore, are *ex parte* beginning with the filing of the application, to the issuance of the bank inquiry order, until the very conduct of the inquiry, being the most vital part of the proceedings that requires utmost confidentiality.

However, nothing in the law provides that the purely *ex parte* bank inquiry proceedings cannot be conducted jointly, albeit subsequently, with the proceedings for the freeze order. To recall, a bank inquiry "authorizes the examination of particular deposits or investments in banking institutions or non-bank financial institutions." Its function is to allow the Anti-Money

⁵⁴ See rollo, pp. 630–641.

⁵⁵ *Supra* note 35.



Laundering Council to *acquire information* on the movement of funds into and from a bank account, but it does not prevent further deposits or withdrawals from the account. A freeze order is needed precisely to freeze, that is, to *prevent movement* of funds from and into the account. It keeps a bank account intact to allow forfeiture should it be found related to any of the predicate crimes under the Anti-Money Laundering Act.

Considering the functions of a bank inquiry order and a freeze order, a joint hearing is inevitable when the subjects of a bank inquiry and of a freeze order are the same account. The results of the bank inquiry are usually used in the freeze order proceedings. The bank inquiry can be “preliminary to the seizure and deprivation of . . . property as in a freeze order” and “a preparatory tool for the discovery and procurement, and preservation — through the subsequent issuance of a freeze order — of relevant evidence of a money laundering transaction or activity.” This is supported by the fourth paragraph of the amended Section 11, which defines the term “related accounts” as “accounts, the funds and sources of which originated from and/or are materially linked to the monetary instrument(s) or property(ies) subject of the freeze order(s).” The fourth paragraph referred to “accounts . . . subject of the freeze order(s),” meaning, that any information obtained during the bank inquiry may be used to support a petition for freeze order.

Further, reading the law, it is possible that a freeze order is first filed before an application for bank inquiry is availed of, as what petitioner did here. Nowhere in Republic Act No. 9160, as amended by Republic Act No. 10167, does it state that a petition for freeze order may be filed only after an application for bank inquiry has been previously availed of. In other words, the Anti-Money Laundering Council may file a petition for freeze order without the benefit of a bank inquiry if it is confident that the information it has at hand is sufficient to justify a finding of probable cause. In the end, it is a matter of strategy on what it should file first.⁵⁶ (Citations omitted; emphasis in the original)

C. Proper Interpretation of the AMLA and its Implementing Rules

Guided by the foregoing discussion, I propose the following guidelines in the proper interpretation and implementation of the bank inquiry order and freeze order under the AMLA and its implementing rules:

- (1) An *ex parte* bank inquiry order under Section 11 of the AMLA is issued upon an *ex parte* application by a competent court after it is satisfied that there is probable cause that the bank account, deposit, or investment indicated in the application is related to an unlawful activity or a money laundering offense, as defined in

⁵⁶ *Id.* at 325–326.



the AMLA.⁵⁷ The bank inquiry order shall authorize an inquiry into and examination of the particular deposit or investment.⁵⁸

- (2) Should accounts other than those indicated in the application be discovered by the AMLA to constitute “related accounts” as defined in Section 11 of the AMLA and its implementing rules, it may inquire into or examine these “related accounts” *only after* obtaining a separate *ex parte* bank inquiry order therefor.⁵⁹ The court’s determination of probable cause for these related accounts shall be separately based on probable cause that such related accounts are materially linked to the principal account inquired into.⁶⁰
- (3) A freeze order under Section 10 of the AMLA is issued upon an *ex parte* petition after the CA determines that there is probable cause that the monetary instrument or property indicated in the petition is in any way related to an unlawful activity as defined in the AMLA.⁶¹ The freeze order shall particularly describe the monetary instrument or property to be frozen, including the value thereof.⁶²

The freeze order shall prevent any transaction or movement of funds in the monetary instrument or property subject of the freeze order.⁶³ ***A freeze order cannot be used by the covered institution as basis to inquire into or examine a frozen deposit or investment.*** Thus, the covered institution implementing the freeze order cannot use the same as basis to discover additional accounts that may be related to the principal accounts subject of the freeze order.

- (4) Should the AMLC discover additional accounts (whether through the enforcement of a previously issued bank inquiry order or through another manner) which it perceives to be related to an unlawful activity as defined in the AMLA, these accounts may be frozen only after the CA has determined that there is probable cause that these additional accounts are in any way related to an unlawful activity as defined in the AMLA.⁶⁴

⁵⁷ See Republic Act No. 9160, as amended by Republic Act No. 10167 (approved on June 18, 2012).

⁵⁸ *Id.*

⁵⁹ *Id.*

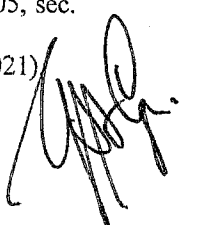
⁶⁰ *Id.* See also *Subido Pagente Certeza Mendoza and Binay Law Offices v. CA*, *supra* note 34.

⁶¹ See Republic Act No. 9160, as amended by Republic Act No. 11521 (approved on January 29, 2021).

⁶² *Id.*, sec. 10.

⁶³ *Rule of Procedure in Cases of Civil Forfeiture, Asset Preservation, and Freezing of Monetary Instrument, Property, or Proceeds Representing, Involving, or Relating to an Unlawful Activity or Money Laundering Offense Under Republic Act No. 9160, as Amended*, A.M. No. 05-11-04-SC, November 15, 2005, sec. 55.

⁶⁴ See Republic Act No. 9160, as amended by Republic Act No. 11521 (approved on January 29, 2021).



It must be emphasized that requiring a separate freeze order for the additional accounts discovered by the AMLC or the covered institution will not necessarily thwart the pre-emptive objective of a freeze order.

Again, the discovery of additional related accounts is not a function granted to covered institutions. **Nothing prevents the AMLC from first conducting an extensive inquiry into and examination of accounts it suspects to be involved in money laundering by obtaining bank inquiry orders under Section 11.** The entirety of the proceedings for a bank inquiry order—from the filing of the application until the conduct of the examination—are confidential and *ex parte*.⁶⁵ **This is the appropriate stage when the AMLC should conduct its financial analysis to discover the related web of accounts that may be involved in money laundering.**

Since the issuance of a freeze order would alert a supposed money launderer that he or she is being investigated,⁶⁶ **the logical strategy that the AMLC should adopt would be to first utilize the bank inquiry order to identify all the accounts related to the suspected AMLA violation before seeking a freeze order for any of those identified accounts.** Otherwise, any subsequent freeze order for additional accounts would likely be in vain as the supposed money launderer would have already transferred the funds to other accounts—as what happened in the case of *Ongpin*, thus:

Here, petitioner chose to first file the Petition for Freeze Order on December 3, 2012. The Freeze Order was then issued on December 6, 2012, after which it filed the Application for Bank Inquiry on December 11, 2012.

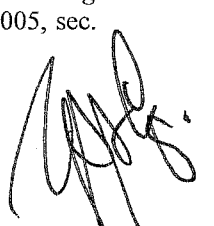
What happened here was an error in strategy. Because the application for bank inquiry was filed after the Freeze Order had been issued, notably with notice to the parties, the *ex parte* nature of the bank inquiry proceedings was rendered useless. Through the Freeze Order, respondents were notified of the ongoing money laundering investigation involving their accounts. As expected, and as will be discussed more fully later, the bank inquiry done after the Freeze Order had been issued revealed that most of the frozen accounts were already closed.⁶⁷

Turning back to the present case, nothing in the 2012 AMLA Rules expressly directs the covered institution to freeze the additional “related accounts” even without a separate freeze order issued by the CA. **Therefore, there is nothing inherently unconstitutional in the text of the 2012 AMLA Rules. Rather, it is its interpretation and implementation by the CA, the AMLC, and the covered institutions that is invalid.** When Rule 10.c.1 and

⁶⁵ *Republic v. Ongpin*, *supra* note 35, at 325.

⁶⁶ *Rule of Procedure in Cases of Civil Forfeiture, Asset Preservation, and Freezing of Monetary Instrument, Property, or Proceeds Representing, Involving, or Relating to an Unlawful Activity or Money Laundering Offense Under Republic Act No. 9160, as Amended*, A.M. No. 05-11-04-SC, November 15, 2005, sec. 54.

⁶⁷ *Republic v. Ongpin*, *supra* note 35, at 326.



10.d provide that the covered institution shall immediately freeze the related accounts of those subject of the freeze order, the same should be construed to refer to a situation where a separate freeze order is issued for the said related accounts. This preserves the safeguards put in place by Article III, Section 2 of the Constitution. Again, this approach is consistent with the principle of judicial restraint. Nonetheless, the Court should advise the AMLC to make the necessary changes in its current AMLA Rules, conformable to the foregoing guidelines, in order to avoid any confusion.

**D. Call for Amendment of A.M.
No. 05-11-04-SC**

Unfortunately, the same ambiguity in the 2012 AMLA Rules is also present in A.M. No. 05-11-04-SC.⁶⁸ As pointed out by the *ponencia*, Section 55 of A.M. No. 05-11-04-SC requires the covered institution to immediately freeze the principal account's "related web of accounts." Similarly, Section 52 provides that the freeze order shall contain a directive for the covered institution to freeze the principal account's "web of related accounts." Thus:

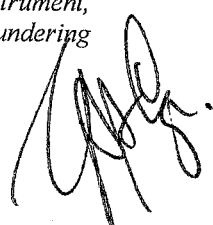
SECTION 52. *Issuance, Form and Contents of the Freeze Order.* —
The freeze order shall:

- (a) issue in the name of the Republic of the Philippines represented by the Anti-Money Laundering Council;
- (b) describe with particularity the monetary instrument, property or proceeds frozen, as well as the names of their owner or owners; and
- (c) **direct the person or covered institution to immediately freeze** the subject monetary instrument, property or proceeds or **its related web of accounts**.

....

SECTION 55. *Duty of Respondent, Covered Institution or Government Agency Upon Receipt of Freeze Order.* — Upon receipt of a copy of the freeze order, the respondent, covered institution or government agency **shall immediately desist from and not allow any transaction, withdrawal, deposit, transfer, removal, conversion, other movement or concealment of the account representing**, involving or relating to the subject monetary instrument, property, proceeds or its **related web of accounts**. (Emphasis supplied)

⁶⁸ *Rule of Procedure in Cases of Civil Forfeiture, Asset Preservation, and Freezing of Monetary Instrument, Property, or Proceeds Representing, Involving, or Relating to an Unlawful Activity or Money Laundering Offense Under Republic Act No. 9160, as Amended, November 15, 2005.*



Given the previous discussion on why a separate probable cause determination must be made for the freezing of related accounts, these provisions in A.M. No. 05-11-04-SC must be revisited and amended. Accordingly, I propose the following changes:

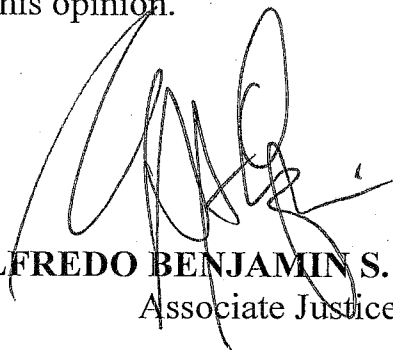
SECTION 52. *Issuance, Form and Contents of the Freeze Order.* —
The freeze order shall:

- (a) issue in the name of the Republic of the Philippines represented by the Anti-Money Laundering Council;
- (b) describe with particularity the monetary instrument, property or proceeds frozen, *including the value thereof*, as well as the names of their owner or owners; and
- (c) direct the person or covered institution to immediately freeze the subject monetary instrument, property or proceeds ~~or its related web of accounts~~.

....

SECTION 55. *Duty of Respondent, Covered Institution or Government Agency Upon Receipt of Freeze Order.* — Upon receipt of a copy of the freeze order, the respondent, covered institution or government agency shall immediately desist from and not allow any transaction, withdrawal, deposit, transfer, removal, conversion, other movement or concealment of the *monetary instrument, property, or proceeds subject of the freeze order* account representing, involving or relating to the subject ~~monetary instrument, property, proceeds or its related web of accounts~~.

All told, I vote that the Court **DENY** the petitions. I further urge that the AMLC be **ADVISED** to make the necessary changes in the current AMLA Rules to conform to the guidelines in this opinion.



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

EN BANC

G.R. No. 222312 — MELISSA GAY CASTAÑEDA LIMLINGAN MANGANIP, BEATRICE EMILIA L. MANGANIP, PATRICIA GRACE LIMLINGAN PADUA, JOSE JERICHO PADUA III, GERARDO MARTIN C. LIMLINGAN, CELESTE MAYA RECTO LIMLINGAN, and MANUELITA LIMLINGAN, Petitioners, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent.

G.R. No. 222313 — POWERLINK.COM CORPORATION, Petitioner, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent.

G.R. No. 222314 — CODEWORKS.PH, INC., Petitioner, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent.

G.R. No. 222315 — OMNI SECURITY INVESTIGATION, INC., VIVE HOTEL INC., CORPORATE SOLUTIONS MANPOWER & GENERAL SERVICES, INC. and UNANIMOUS HOLDINGS, INC., Petitioners, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent.

Promulgated:

May 20, 2025

X

CONCURRING OPINION

ZALAMEDA, J.:

Combating money laundering is no easy feat. It requires a delicate drafting of laws and regulations that strike a balance between creating a *hospitable* atmosphere to depositors and a *hostile* environment against criminals. The government must find a solution that both *effectively protects* the rights of the innocent public and *efficiently prosecutes* the money launderers.

In these consolidated cases, the *ponencia* denies the petitions

challenging the constitutionality of Section 4.2(a) and (b) of the 2018 Implementing Rules and Regulations (IRR), which superseded Section 10 (c.1) and (d) of the 2012 Implementing Rules and Regulations of the Anti-Money Laundering Act, on the grounds that they violate Article III, Section 2 of the Constitution and Section 10 of Republic Act No. 9160, or the “Anti-Money Laundering Act of 2001 (AMLA),” as amended.

I concur.

Nature of money laundering

The definition of money laundering under Section 4 of the AMLA highlights the money launderers’ criminal objective: to conceal monetary instruments, properties or proceeds used in the commission of, or related in any way to, an unlawful activity, which they do so through intricate and diverse webs of related and interlocking accounts with different covered persons.¹

As explained in *Republic v. Eugenio*,² the AMLA created two “extraordinary provisional reliefs” which the Anti-Money Laundering Council (AMLC) can use to effectively counter money laundering: the freeze order under Section 10 and the bank inquiry order under Section 11.³

Coverage and purpose of a freeze order

The original version of Section 10 of the AMLA covered the freezing of “*any deposit or similar account* that is in any way related to an unlawful activity.”

Subsequently, in 2003, Republic Act No. 9194 amended Section 10 of the AMLA to change the coverage of the freeze order from “*any deposit or similar account*” to “*any monetary instrument or property* [that] is in any way related to an unlawful activity as defined in Section 3(i) [of the AMLA].”⁴ Section 10 of AMLA underwent several amendments since then. However, Section 10’s coverage remained the same: it covers the freezing of “*any monetary instrument or property*.”⁵

¹ Republic Act No. 9194 (2003), sec. 4, as amended by Republic Act No. 10365 (2013), sec. 4.

² 569 Phil. 98 (2008) [Per J. Tinga, Second Division].

³ *Id.* at 122.

⁴ Republic Act No. 9194 (2003), sec. 7.

⁵ Republic Act No. 10167 (2012), sec. 1; Republic Act No. 10365 (2013), sec. 8; Republic Act No. 10927 (2017), sec. 4; and Republic No. 11521 (2021), sec. 5.

The change in phraseology of Section 10 does not appear to be plainly editorial. To recall, “*money instrument*” has a technical definition under Section 3(c) of the AMLA:

(c) “*Money instrument*” refers to:

- (1) coins or currency of legal tender of the Philippines, or of any other country;
- (2) drafts, checks and notes;
- (3) securities or negotiable instruments, bonds, commercial papers, deposit certificates, trust certificates, custodial receipts or deposit substitute instruments, trading orders, transaction tickets and confirmations of sale or investments and money market instruments; and
- (4) other similar instruments where title thereto passes to another by endorsement, assignment or delivery.

Given its present formulation, Section 10 seeks to freeze not the bank account itself, which appears to be the original intention under the 2002 version of the AMLA, but rather the “*monetary instrument or property*” found in the bank account.

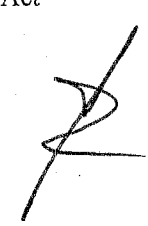
To be sure, in 2017, Republic Act No. 10927⁶ inserted the following paragraph in Section 10:

*The freeze order or asset preservation order issued under this Act shall be limited only to the amount of cash or monetary instrument or value of property that the court finds there is probable cause to be considered as proceeds of a predicate offense, and the freeze order or asset preservation order shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense.*⁷ (Emphasis and underscoring supplied)

This paragraph clarifies that the bank account itself is not frozen. What is covered by the freeze order is the “*amount of cash or monetary instrument or value of property that the court finds there is probable cause to be considered as proceeds of a predicate offense.*” Thus, despite the issuance of a freeze order, the owner of the bank account may still withdraw or transfer the “*amounts in the same account in excess of the amount or value of the proceeds of the predicate offense.*” This is because the freeze order does not apply to the bank account itself—it applies to the money instrument or

⁶ Republic Act No. 10927 (2017), An Act Designating Casinos as Covered Persons Under Republic Act No. 9160, otherwise Known as the Anti-Money Laundering Act of 2001, as Amended.

⁷ Republic Act No. 10927 (2017), sec. 4.



property that the Court of Appeals finds there is probable cause to be considered as proceeds of a predicate offense.

*Probable cause requirement under
Section 10 of AMLA*

Based on the discussions above, it is my considered view that Section 10 requires the determination of probable cause on the monetary instruments or properties and *not* on the bank accounts where they are deposited. After all, the freeze order applies to the money instrument or property and *not* to the bank accounts.

In this regard, I agree with the observation of Justice Jhosep Y. Lopez during the deliberation that once the Court of Appeals determines that probable cause exists, such determination attaches to, and necessarily follows, the money instrument or property regardless of the number of transfers and identities of the accounts holding the same.

Textually, Section 10 of AMLA simply requires the AMLC to establish that probable cause exists that the monetary instruments and properties sought to be frozen are the proceeds of a predicate offense. Section 10 does not require the AMLC to specifically identify the bank accounts where the monetary instruments or properties are deposited.

Indeed, Section 52(b) of A.M. 05-11-04-SC⁸ only requires the freeze order issued by the Court of Appeals to “describe with particularity the monetary instrument, property or proceeds frozen, as well as the names of their owner or owners.” Nowhere in A.M. 05-11-04-SC do We require the freeze order to also specify the bank accounts where the monetary instruments or properties are found. This is only logical since the freeze order applies to the monetary instrument or property and *not* to the bank account itself.

Even if the related and materially linked accounts were not initially identified in the *ex parte* application, the *ponencia* holds that the constitutional requirement of particularity under Article III, Section 2 of the Constitution is complied with as long as the amount of cash or monetary instrument or value of property are identified in the freeze order.⁹

I agree.

⁸ Rule of Procedure in Cases of Civil Forfeiture, Asset Preservation, and Freezing of Monetary Instrument, Property, or Proceeds Representing, Involving, or Relating to an Unlawful Activity or Money Laundering Offense under Republic Act No. 9160, as amended.

⁹ *Ponencia*, p. 43.



The particularity requirement is complied with since the freeze order specifically **identifies** the “*amount of cash or monetary instrument or value of property that the court finds there is probable cause to be considered as proceeds of a predicate offense.*” Again, what is being seized by the freeze order is the monetary instrument or property and *not* the bank account. Thus, there is no constitutional violation if the related accounts are not *initially* identified in the freeze order as long as the amount of the monetary instrument or property is specifically identified—which is the very property sought to be seized.

Even if We assume that the freezing of the related accounts that were not *initially* identified in the AMLC’s *ex parte* petition amounts to a warrantless seizure, it does not necessarily render Section 4.2(a) and (b) of the 2018 IRR of the AMLA, as amended, unconstitutional. As Justice Maria Filomena D. Singh correctly pointed out during the deliberation, not all warrantless searches and seizures are prohibited. Indeed, the Constitution only prohibits those which are unreasonable and those which are reasonable are permitted.¹⁰

As I will explain further below, Sections 4.2(a) and (b) of the 2018 IRR of the AMLA, as amended, serve a practical and reasonable purpose to effectively curb money laundering.

*Practical necessity of Section 4.2(a)
and (b) of the 2018 IRR of AMLA*

Money laundering is a series of transactions that typically involves three stages, known as (1) placement, (2) layering, and (3) integration. **Placement** means that after the crime has been committed, the illicit proceeds in the form of cash and other assets are physically disposed of or moved, usually through financial institutions. This may be done in several ways, such as breaking large sums into smaller sums (also known as smurfing) and depositing them in banks, or purchasing insurance policies through premium payments. **Layering** occurs when the illicit proceeds are separated from the source by disguising the trail or source through complex layers of transactions. This may be accomplished by sending wire transfers to other accounts and other financial institutions or using shell companies.¹¹

Lastly, **integration** happens when the money, appearing to be legitimate, is again made available to the criminal. This stage involves using laundered proceeds in seemingly normal transactions to create a perception of legitimacy.

¹⁰ *Veridiano v. People*, 810 Phil 642, 655 (2017) [Per J. Leonen, Second Division].

¹¹ VINCEN L. SALIDO, *THE PHILIPPINE ANTI-MONEY LAUNDERING ACT ANNOTATED* 6-7 (2019).

By the integration stage, it is extremely difficult to distinguish between legal and illegal wealth. This stage allows the launderers to increase their wealth with the proceeds of the crime. For example, in a trade-based money laundering where the collaborator ships goods worth PHP 500,000.00 but invoices PHP 1,000,000.00. The launderer then pays PHP 1,000,000.00. The collaborator holds the PHP 500,000.00 for future use.¹² It does not necessarily mean that all three stages must be performed. In fact, some of these steps may be omitted, depending upon the circumstances. For instance, a real estate that was used to settle the illicit activity instead of cash will not undergo the placement stage.

As mentioned, the most recent definition of money laundering under AMLA highlights the intention of money launderers, that is, to conceal, through intricate and diverse web of related and interlocking accounts that they may open or create in different covered institutions, their branches and/or other units, the monetary instruments, properties or proceeds used in the commission of, or related in any way to, an unlawful activity. To achieve their purpose, they will create multiple web of accounts, never a single account, and perform various transactions that will ensure that, in the end, the government will not be able to connect the unlawful activity with these monetary instruments, properties or proceeds and, thus, place them beyond its reach to forfeit. Although there may be multiple web of accounts, money launderers will retain control over these accounts. Hence, they will create one or a combination of these: (1) two or more accounts under their name within the same institutions; (2) joint accounts with another person; and (3) accounts under the name of various individuals but control or beneficial ownership is retained by them through "in trust for" or trustor or trustee.

Given the foregoing money laundering schemes, a freeze order under Section 10 of AMLA can be a powerful tool to preserve the monetary instruments or property which are in any way related to unlawful activities. In effect, the owner of such monetary instruments or property would be inhibited from utilizing, moving, transferring or disposing the same for the duration of the freeze order. In upholding the *ex parte* filing of petitions for freeze order, the Court in *Eugenio* emphasized that making such freeze order anteceded by a judicial proceeding with notice to the account holder would allow for or lead to the dissipation of such funds even before the order could be issued.¹³

In the same vein, notice to the owner of monetary instruments would trigger said owner to move, transfer, withdraw, and dissipate *all other* monetary instruments. Thus, if We adhere to petitioners' view that the probable cause determination pertains to the bank account, instead of the monetary instrument or property, and therefore, We will require a new and separate round of probable cause determination for other bank accounts, then

¹² *Id.*

¹³ 569 Phil. 98, 124 (2008) [Per J. Tinga, Second Division].

it is highly likely that the authorities will be pre-empted from preserving the other monetary instruments. By then, there will be practically nothing more to preserve. This stance will defeat the purpose of freezing the assets and the entire Section 10 of AMLA. Thus, as currently worded, Section 4.2(a) and (b) of the 2018 IRR of AMLA satisfy the objectives and meet the limits set forth under Section 10 of AMLA.

Safeguards to the depositors

The reasonableness of Section 4.2(a) and (b) of the 2018 IRR of AMLA is further strengthened by the following protections accorded to the affected depositors under Section 10 of the AMLA:

1. A person whose account has been frozen may file a motion to lift the freeze order and the court must resolve this motion before the expiration of the freeze order;
2. The freeze order issued shall be limited only to the amount of cash or monetary instrument or value of property that court finds there is probable cause to be considered as proceeds of a predicate offense, and the freeze order shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense;
3. The freeze order shall be initially for a period of 20 days and within the 20-day period, the Court of Appeals shall conduct a summary hearing, with notice to the parties, to determine whether or not to modify or lift the freeze order, or extend its effectivity;
4. Total period of the freeze order issued by the Court of Appeals shall not exceed six months;
5. If there is no case filed against a person whose account has been frozen within the period determined by the Court of Appeals, not exceeding six months, the freeze order shall be deemed *ipso facto* lifted; and
6. The person whose property or funds have been frozen may withdraw such sums as the AMLC determines to be reasonably needed for monthly family needs and sustenance including the services of counsel and the family medical needs of such person.

The foregoing demonstrates that the current legal framework on freeze orders is not oppressive. As I have prefaced earlier, Section 10 of the AMLA seeks to strike a balance between creating a *hospitable* atmosphere to depositors and a *hostile* environment against criminals.

*Faithful compliance with our
international commitments*



At this juncture, it must be stressed that the Government has two objectives in money laundering investigations: *first*, the filing of money laundering cases and, *second*, running after the proceeds of crime. As criminals build a sophisticated strategy for legalization of criminally acquired proceeds, the government should be equipped with an effective system to protect the financial system from criminal money, which threatens national and international economy.¹⁴ This is of particular significance in preserving our international standing, as the Philippines only recently exited the Financial Action Task Force (FATF)'s "grey list," a designation for jurisdictions under increased monitoring.¹⁵

The mandate of the FATF is to set standards and to promote effective implementation of legal, regulatory, and operational measures for combating money laundering, terrorists financing, and the financing of proliferation, and other related threats to the integrity of the international financial system. The FATF's 40 Recommendations are mandates for action by a country if that country wants to be viewed by the international community as meeting international standards.¹⁶ Pertinently, the FATF's Recommendation 4 and the related Interpretive Note on confiscation and provisional measures must be highlighted, *viz.*:

Countries should ensure that they have policies and operational frameworks that prioritise asset recovery in both the domestic and international context.

Taking into account the Vienna Convention, the Palermo Convention, the United Nations Convention against Corruption, and the Terrorist Financing Convention, countries should have measures, including legislative measures, to enable their competent authorities to:

- a) identify, trace and evaluate criminal property and property of corresponding value;
- b) suspend or withhold consent to a transaction;
- c) take any appropriate investigative measures;
- d) *expeditiously carry out provisional measures, such as freezing and seizing, to prevent any dealing, transfer or disposal of criminal property and property of corresponding value;*
- e) confiscate criminal property and property of

¹⁴ Svetlana Nikołoska & Ivica Simonovski, *Role of Banks as Entity in the System for Prevention of Money Laundering in Macedonia*, 44 *PROCEEDA – SOCIAL AND BEHAVIORAL SCIENCES* 453 (2012).

¹⁵ Philippines Exits FATF Greylist--February 21, 2025, available at http://www.amlc.gov.ph/images/PDFs/Main/PR_PH%20Exits%20FATF%20GREYLIST.pdf (last accessed on August 11, 2025)

¹⁶ VINCENT L. SALIDO, *THE PHILIPPINE ANTI-MONEY LAUNDERING ACT ANNOTATED* 30-33 (2019).



corresponding value through conviction-based confiscation;

f) confiscate criminal property through non-conviction based confiscation;

g) enforce a resulting confiscation order; and

h) ensure effective management of property that is frozen, seized or confiscated.¹⁷

.....

B. Criminal property and property of corresponding value

.....

3. Criminal property and property of corresponding value extends to property owned or held by third parties, but without prejudicing the rights of bona fide third parties. Examples of circumstances where property is owned or held by non-bona fide third parties and could be criminal property or property of corresponding value include:

(a) property under the effective control of the defendant or person under investigation and, for example, held or owned by family members, associates or legal persons and arrangements; or

(b) where the property has been gifted or transferred to the third party for an amount significantly above or below market value.

C. Provisional measures

.....

4. In response to relevant information, countries should enable the FIU or other competent authority to take immediate action, directly or indirectly, to withhold consent to or suspend a transaction suspected of being related to money laundering, predicate offences, or terrorist financing. The maximum duration of this measure should be specified and allow sufficient time to analyse the transaction and for competent authorities to initiate, where appropriate, an action to freeze or seize.

5. Countries should have measures, including legislative measures, to enable their competent authorities to expeditiously carry out provisional measures. This should include:

(a) allowing the initial application to freeze or seize criminal property and property of corresponding value to be made ex parte or without prior notice; and

¹⁷ Financial Action Task Force. International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation, available at <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html> (last accessed on August 11, 2024).



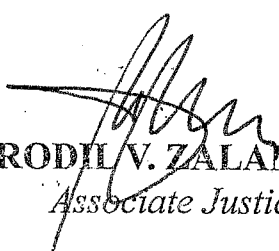
(b) ensuring that provisional measures do not have unreasonable or unduly restrictive conditions for effective action, such as in relation to demonstrating the risk of dissipation.

6. When necessary to act as expeditiously as possible, countries should enable competent authorities to freeze and seize criminal property and property of corresponding value without a court order, with such action reviewable through judicial proceedings within a period of time. If either or both freezing or seizing without a court order is inconsistent with fundamental principles of domestic law, a country may use an alternative mechanism if it enables their competent authorities to systematically take action quickly enough to prevent the dissipation of criminal property and property of corresponding value.

7. Countries should have measures, including legislative measures, that enable their competent authorities to take steps that will prevent or void actions that prejudice the country's ability to freeze or seize or confiscate criminal property and property of corresponding value.¹⁸ (Emphasis supplied)

To give life to the foregoing recommendations, it is imperative that freeze orders be executed promptly and without prior notice to the account holder or asset owner. Otherwise, such orders risk becoming meaningless, leaving the government with an empty bag. Verily, it is my view that the determination of probable cause on the monetary instruments or properties, and *not* on the bank accounts where they are deposited, is in keeping with the Constitution and Our international commitment to combat money laundering effectively.

ACCORDINGLY, I vote to DENY the Petitions.


RODIL V. ZALAMEDA
Associate Justice

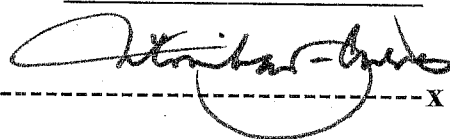
¹⁸ *Id.*

EN BANC

G.R. No. 222312 — MELISSA GAY CASTAÑEDA LIMLINGAN MANGANIP, BEATRICE EMILIA L. MANGANIP, PATRICIA GRACE LIMLINGAN PADUA, JOSE JERICHO PADUA III, GERARDO MARTIN C. LIMLINGAN, CELESTE MAYA RECTO LIMLINGAN, and MANUELITA LIMLINGAN, Petitioners, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent; G.R. No. 222313 — POWERLINK.COM CORP., Petitioner, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent; G.R. No. 222314 — CODEWORKS.PH, INC., Petitioner, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent; and G.R. No. 222315 — OMNI SECURITY INVESTIGATION, INC., VIVE HOTEL INC., CORPORATE SOLUTIONS MANPOWER & GENERAL SERVICES, INC., AND UNANIMOUS HOLDINGS, INC., Petitioners, v. REPUBLIC OF THE PHILIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL, Respondent.

Promulgated:

May 20, 2025



X-----X

SEPARATE CONCURRING OPINION

LOPEZ, J., concurring:

I concur with this Court's ruling upholding the constitutionality of Section 10 of Republic Act No. 9160,¹ as amended, otherwise known as the Anti-Money Laundering Act (AMLA), and affirming the validity of the Freeze Orders subject of these consolidated petitions. I write separately to emphasize a crucial point: the object of a freeze order under Section 10 of Republic Act No. 9160, as amended, is the monetary instrument or property itself, not the entire account in which it resides.

The above distinction is evident from the text of the law. Section 10 of Republic Act No. 9160, as amended, is pointedly titled "Freezing of Monetary Instrument or Property" and authorizes the restraint of assets only to the extent

¹ *Anti-Money Laundering Act of 2001*, Republic Act No. 9160 (Amended), September 29, 2001.

of the tainted funds. Indeed, by way of Republic Act No. 11521,² Section 10 of Republic Act No. 9160, in part, now expressly provides that:

The freeze order or asset preservation order issued under this Act shall be limited only to the amount of cash or monetary instrument or value of property that the court finds there is probable cause to be considered as proceeds of a predicate offense, and the freeze order or asset preservation order shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense.

This statutory limitation confirms that a freeze order is object-specific and amount-specific. It does not authorize a blanket freezing of an entire account absent differentiation of which funds are suspect. Rather, the law permits restraint only of the particular funds or assets for which probable cause exists to believe they are related to unlawful activity. By focusing on the monetary instrument or property, Section 10 of Republic Act No. 9160 ensures that legitimate funds in the same account remain untouched. In other words, a freeze order targets the tainted sum, not the account as an indivisible whole. This interpretation, which this Court adopts, is vital to keep the freeze remedy directly tethered to its probable-cause findings and within constitutional bounds. More importantly, it preserves the particularity required of state seizures, avoiding the flaw of a general warrant that indiscriminately locks down entire accounts without regard to which funds bear a demonstrable nexus to predicate crimes.

Further, I join the majority in emphasizing that Section 10 of Republic Act No. 9160, by its terms, allows freeze orders to reach “related accounts” and “materially-linked accounts,” even though those exact phrases do not appear in the text of Section 10 itself. The statute’s operative language is broad: it speaks of any “monetary instrument or property [that] is in any way related to an unlawful activity.” This broad phrasing in Section 10 of Republic Act No. 9160 was intended by the legislature to cover the complex reality of money laundering, where illicit funds are often split or layered across a web of different accounts and financial instruments to obscure their origin. Thus, an account holding funds that originated from or are materially connected to the unlawful activity falls within the ambit of “monetary instrument or property” related to the offense. Stated simply, if unlawful assets can be traced into an account, whether that account is held by the original wrongdoer or by a third party, that account (to the extent of the tainted money it contains) is subject to freezing under the AMLA.

This construction likewise warrants, in justifiable circumstances, why the AMLC, in its *ex parte* application, may not always have to explicitly

² Amendment to Republic Act No. 9160, the Anti-Money Laundering Law, Republic Act No. 11521, (January 29, 2021).

specify the account numbers of the accounts containing the tainted monetary instrument or property. What the law requires is the identification of the monetary instrument or property sought to be restrained, the amount thereof, and its probable connection to an unlawful activity. As Section 10 of Republic Act No. 9160, as amended, itself states, the freeze order shall be “limited only to the amount of cash or monetary instrument or value of property that the court finds there is probable cause to be considered as proceeds of a predicate offense.” Thus, the location where such amount is held, while relevant for implementation, does not define the object of the freeze. So long as the Court of Appeals (CA) is presented with sufficient information to establish probable cause over the property, i.e., as to its nature, its value, and its nexus to the offense, the order it issues remains valid. To reiterate, the object of restraint is the probably illicit value, not the particular location in which it resides, thus authorizing the seizure even of accounts within the same ownership or operational control.

On another point, while I fully concur in this Court’s interpretation of Section 10 of Republic Act No. 9160, as amended, I write further to urge the Anti-Money Laundering Council (AMLC) to revisit and refine the AMLA’s Implementing Rules and Regulations (IRR), particularly the provisions on related and materially-linked accounts, to address certain operational ambiguities and potential overbreadth. The 2018 IRR (as amended up to January 2021) was meant to implement the amended Section 10 of Republic Act No. 9160, but some of its definitions and mechanisms could be improved to better align with the statute’s narrow focus and to avoid confusion among covered persons enforcing freeze orders.

The IRR currently uses two terms side by side: “Related Accounts” and “Materially-Linked Accounts.” However, the way these terms are defined can be circuitous and overlapping, which may hinder clear application. In the IRR’s definition, a “Related Account” is described using the concept of “materially-linked” funds. Conversely, “Materially-Linked Accounts” are defined by an enumeration that in practice subsumes many “related” accounts. For reference, the IRR provides:

RULE 2

Definition of Terms

SECTION 1. Definitions. — For purposes of this IRR, the following terms are hereby defined as follows:

(ddd) “Materially-linked Accounts” refer to:

- (1) All accounts or monetary instruments under the name of the person whose accounts, monetary instruments, or properties are the subject of the freeze order or an order of inquiry;

(2) All accounts or monetary instruments held, owned, or controlled by the owner or holder of the accounts, monetary instruments, or properties subject of the freeze order or order of inquiry, whether such accounts are held, owned or controlled singly or jointly with another person;

(3) All “In Trust For” accounts where either the trustee or the trustor pertains to a person whose accounts, monetary instruments, or properties are the subject of the freeze order or order of inquiry;

(4) All accounts held for the benefit or in the interest of the person whose accounts, monetary instruments, or properties are the subject of the freeze order or order of inquiry;

(5) All accounts of juridical persons or legal arrangements that are owned, controlled or ultimately effectively controlled by the natural person whose accounts, monetary instruments or properties are subject of the freeze order or order of inquiry, or where the latter has ultimate effective control; and

(6) All other accounts, shares, units, or monetary instruments that are similar, analogous, or identical to any of the foregoing.

....

(qqqq) “Related Account” refers to an account, the funds and sources of which directly originated from and/or are materially-linked to the monetary instruments or properties subject of the freeze order or an order of inquiry.³

These provisions, drawn from the IRR, reveal two things: first, the term “Materially-linked Accounts” is given an expansive, catch-all definition that includes virtually every account connected to the person of interest (items (1) through (5) above), plus an open-ended category (item (6)) for any account “similar” to those already listed.

Second, the term “Related Account” is defined by reference to funds that “originated from and/or are materially-linked to” the subject monetary instrument or property. In essence, a “related account” is one that has received or otherwise contains the suspicious funds, regardless of the number of layers or transfers involved. There is an apparent overlap: an account that fits the definition of “related” (because it received illicit funds) will often also fall within “materially-linked” (for example, if it is held by the same person or under their control). Yet the IRR uses both terms and even conjoins them (as in requiring covered persons to freeze “related and materially-linked accounts”). This definitional overlap may result in operational ambiguity in the implementation of freeze orders.

³ 2018 Implementing Rules and Regulations of Republic Act No. 9160, Otherwise Known as the Anti-Money Laundering Act of 2001, as Amended (January 2021 Amendment), IRR of Republic Act No. 9160, (November 22, 2018).

To improve clarity, the AMLC should distinguish these concepts in the IRR and ensure each term serves a distinct purpose. The term “materially-linked accounts” would be clearer if confined to accounts associated with the person whose assets are being frozen [essentially the categories in items (1)-(5) above, which are tied to ownership and control]. On the other hand, “related accounts” could be reserved for accounts of any person that have actually received or handled the tainted funds. Clarifying these definitions would assist both courts and covered persons in distinguishing between accounts linked by common ownership or control, and those connected by actual financial transactions, each of which may trigger different enforcement considerations under the AMLA. At present, the IRR’s definitions are not so plainly delineated, as one term is even defined by invoking the other, which may lead to confusion or inconsistent application by covered persons. Clarifying the terminology will help covered persons and other covered entities to execute freeze orders uniformly and correctly, without having to interpret potentially circular language.

Next, it is essential that the partial-freeze principle mandated by the law be clearly operationalized in the IRR and in practice. As discussed, Section 10 of Republic Act No. 9160, as amended, itself limits freeze orders to the amount found to be probably illicit. The IRR mirrors this by stating that a freeze order “shall be limited only to the amount of cash or monetary instrument, or value of property” that the CA finds probably connected to unlawful activity, and “shall not apply” to excess amounts in the same account. However, the IRR should also provide guidance on how covered persons are to implement such partial freezes. In particular, when a covered person receives a freeze order specifying a certain amount in an account to be restrained, the IRR should clearly state that the covered person must not freeze more than that amount and must leave any balance free for its client’s use (except to the extent another freeze or court order may separately apply to it).

In practice, while most covered persons are likely to interpret the freeze order correctly, having an explicit rule removes any doubt and prevents errant over-freezing. It also eliminates any discretion on the part of the covered person in deciding how much to freeze, i.e., the amount is determined by the court order, and the covered person’s duty is simply to execute that order to the letter. In short, the AMLC should ensure that the IRR’s procedures mirror the statute’s partial-freeze mandate so that this critical safeguard is uniformly observed.

A further point of concern is the degree of discretion that the IRR’s current wording appears to give to covered persons when freezing related accounts. Under Rule 4.2(a) of the 2018 IRR, when a freeze order “directs the freezing of related accounts,” the covered institution, after verifying that related accounts exist, is obliged to “immediately freeze these related accounts

wherever these may be found.” On its face, this provision simply instructs covered persons to freeze related accounts. However, when read in conjunction with the broad definitions of “related” and “materially-linked” accounts (especially the open-ended item (6) in the materially-linked definition), it gives an impression that it delegates to the covered persons the task of determining which accounts qualify as “related” or “materially-linked” and thus should be frozen. This raises a serious issue.

To reiterate, Section 1(ddd)(1)(6) of Rule 2 of the IRR provides:

RULE 2

Definition of Terms

SECTION 1. Definitions. — For purposes of this IRR, the following terms are hereby defined as follows:

(ddd) “Materially-linked Accounts” refer to:

....

(6) All other accounts, shares, units, or monetary instruments that are similar, analogous, or identical to any of the foregoing.

As I have emphasized during the deliberations of this case, the open-ended nature of item (6) above means that even after listing every account plainly connected to the suspect, there is an undefined penumbra of “similar” accounts that a covered person might infer to be covered. What is “similar” or “analogous” is not concretely defined, potentially leading different institutions to make different judgments. This lack of a clear standard undermines the particularity required for freeze orders. Constitutionally, assets to be seized or restrained should be described with reasonable clarity so that the enforcer of the order is not left guessing at the margins.⁴ Here, by including a catch-all category, the IRR could be seen as overbroad, vesting covered persons with too much latitude to decide that an account is “similar” enough to freeze. This not only invites inconsistent application; it could also ensnare accounts that have no genuine link to the unlawful activity, raising due process and property rights concerns (since those accounts would be frozen without a judicial probable cause determination specific to them).

To have a more definite standard, I respectfully recommend that the AMLC amend the IRR to curb or eliminate covered persons’ discretion in this process. Items (1) through (5) of the definition under Rule 2, Section 1 already cover all accounts that can be objectively determined (by reference to ownership, control, beneficiaries, etc.). Those provisions use the word “all”

⁴ *Zafe III v. People of the Philippines*, 901 Phil. 716, 738–741 (2021) [Per J. Leonen, Third Division].

and leave no room for omission: a covered person either has such accounts on its books or not, and if it does, it must freeze them entirely as a matter of course. There is no judgment call needed. By contrast, item (6) is indefinite. If in a rare case truly novel account relationships arise that are not covered by items (1)-(5), the AMLC can and should present those facts to the CA and secure an expansion or modification of the freeze order rather than expect a covered person to act on implication alone.

Additionally, the AMLC should consider adding language in the IRR to the effect that covered persons are to freeze only those accounts explicitly identified in or falling within the clear objective categories of the freeze order and IRR definitions, and that they are not authorized to expand the scope of freezing by analogy or interpretation. Any ambiguity as to whether a certain account is covered should be resolved by referring the matter back to the AMLC or the CA for clarification, rather than by erring on the side of freezing. Such an instruction would instill a disciplined uniformity: covered persons would implement freeze orders mechanically, not expansively. This respects the fact that the power to determine probable cause and to identify tainted assets lies with the judiciary (with input from the AMLC), not with private institutions. Removing discretion at the execution stage also protects the system from inadvertent overreach that could lead to legal challenges or claims for damages by aggrieved account holders.

The foregoing recommendations are aimed at aligning the IRR with the letter and spirit of the amended AMLA, thereby preempting potential constitutional issues. In the context of search and seizure, our jurisprudence disfavors authorizations that leave too much to the executing officer's discretion, the description of items to be seized must be such that the officer "cannot seize wrong items" by mistake or whim.⁵ Removing the open-ended clause and tightening the definitions will ensure that every account frozen is one that bears a direct, demonstrable relation to the predicate offense, as determined by objective criteria or by the court's own findings. This will dispel any doubt that the IRR's operation depends on the covered person's discretion in a manner that could violate the particularity requirement. Instead, the freeze mechanism will be seen for what it is: a targeted strike against criminal proceeds, armed with judicial oversight and bounded by clear rules.

It bears noting that the AMLA's latest amendments (Republic Act No. 11521 in 2021) expanded the law's scope and reaffirmed the State's policy not only to protect the integrity of the financial system but also to meet evolving threats such as terrorism financing and the proliferation of weapons of mass destruction.⁶ Strong and swift provisional remedies like freeze orders are

⁵ *PLDT Company v. Alvarez*, 728 Phil. 391, 419 (2014) [Per J. Brion, Second Division].

⁶ AMLA SEC. 2. Declaration of Policy. — It is hereby declared the policy of the State to protect and preserve the integrity and confidentiality of bank accounts and to ensure that the Philippines shall not be

indispensable to those ends. However, their strength lies in their precise focus. By realigning the IRR with the statute's calibrated framework, i.e., freezing what is necessary and no more, the AMLC will enhance both the effectiveness and the legitimacy of our anti-money laundering regime. In sum, a well-tailored IRR will bolster the tools to more promptly prevent the dissipation of illegal funds and their use for further crimes without running afoul of constitutional guarantees.

In sum, Section 10 of Republic Act No. 9160, as amended, is a potent yet judicious weapon against money laundering. Its potency comes from allowing law enforcement to reach quickly into complex networks of accounts to immobilize ill-gotten wealth and its judiciousness comes from the built-in limits (probable cause, judicial oversight, time-bound duration, and partial freezing) that ensure only tainted funds are affected.

Accordingly, with the above clarifications and recommendations, I respectfully concur and vote to deny the Petitions.


JOSE P. LOPEZ
Associate Justice

used as a money laundering site for the proceeds of any unlawful activity. Consistent with its foreign policy, the State shall extend cooperation in transnational investigations and prosecutions of persons involved in money laundering activities wherever committed, as well as in the implementation of targeted financial sanctions related to the financing of the proliferation of weapons of mass destruction, terrorism, and financing of terrorism, pursuant to the resolutions of the United Nations Security Council. (Amendment to Republic Act No. 9160, the Anti-Money Laundering Law, Republic Act No. 11521, [January 29, 2021]).