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 PHLIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL,** Respondent; **G.R. No. 222313 — POWERLINK.COM CORP.,** Petitioner, **v. REPUBLIC OF THE PHLIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL,** Respondent; **G.R. No. 222314 — CODEWORKS.PH, INC.,** Petitioner, **v. REPUBLIC OF THE PHLIPPINES, 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 PHLIPPINES, represented by the ANTI-MONEY LAUNDERING COUNCIL,** Respondent.

Promulgated:

May 20, 2025

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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

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[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

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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;
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> (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;
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> (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;
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> (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.
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> . . . .
>
> (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.

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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"

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[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

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[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.

JHOSEP Y. 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]).