

Update to FATF Guidance on AML/CFT Measures and Financial Inclusion

Survey for NPOs as financial institutions' customers

Country: Philippines

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Inputs to Chapter 1 - Statement of the problem

1. Challenges in balancing AML/CFT requirements and financial inclusion

Examples could cover (non-exhaustive list):

- a. Cases of challenges, as a customer, in accessing and using financial services linked to the implementation of AML/CFT measures

Example

Our NGO called Leyte Center for Development has been serving poor and vulnerable communities since 1988. We are compliant with government laws, have received government awards in the past 20 years and have good working relations with local and national government officials.

It came as a shock to all of us when the government's AMLC Anti Money Laundering Council froze our organizational and personal bank accounts last May 2, 2024. The resolution TF 89 just said "freezing of LCDe accounts and other related accounts, for financing terrorism". This is indeed arbitrary, unjust, totally without due process of the law. No court case has even been filed against us. 6 staff and volunteers of LCDe have their personal bank accounts frozen as well. Our life line has been cut off, we do not have income nor money to buy food and other basic needs.

AMLC is killing us, an organization who has been complementing government efforts to solve poverty and grant relief aid to over a million people over the past 36 years!

Why are we being persecuted for helping poor people? Our donors have pulled out for fear that their bank accounts might be frozen, too. The AMLC also froze the bank accounts of our suppliers where we purchased relief goods for disaster stricken communities and local governments.

Inputs to Chapter 3 - Guidance on measures to support financial inclusion

2. Measures to ensure access to and usage of financial services by financial services customers

Examples could cover (non-exhaustive list):

- a. Measures/guidance/regulatory requirements helping to facilitate customers' access to and usage of financial services
- b. Initiatives by customers or associations of customers to address ML/TF risks and financial institutions' concerns
- c. Engagement with authorities/financial sector to encourage appropriate implementation of a risk-based approach

Example:

LCDe has filed a petition in court. Until now, there is no answer. We are under mental anguish for lack of resources to pay the lawyers and court fees when filing.

Any other issue relevant to addressing financial exclusion and de-risking:

LCDe, along with other Philippine NGO's, have formed a national alliance called "Defend NGO's, Reclaim Civic Spaces" which was launched last July 2, 2024 in Manila. The alliance aims to lobby with government authorities and get the broadest local and international support for the persecution.

We are also campaigning for resource generation so that we have food and other basic needs, money to pay the lawyers while these attacks from AMLC and state forces are ongoing.