

PRESS RELEASE

AMLC: BANKS CANNOT UNILATERALLY ALLOW FUND RELEASES FROM BOLANTE, ET AL. ACCOUNTS

The frozen bank accounts related to the so-called fertilizer fund scam case should still be intact because the Anti-Money Laundering Council has not issued any official confirmation or instructions to the banks allowing withdrawals from such accounts.

Executive Director Vicente S. Aquino of the AMLC Secretariat said under Rule 10.5 of the AMLC's revised implementing rules and regulations banks should not lift the effects of a freeze order without securing official confirmation from the AMLC.

He said that his letter to concerned banks dated 5 January 2009 which was 15 days after the December 20, 2008 expiration of the freeze order was intended to remind them of this procedural requirement. This letter should in no way be construed as AMLC's official confirmation or instruction for them to release the funds to account owners.

He emphasized that lifting and expiration of a freeze order are distinct from each other. Expiration does not *ipso facto* or automatically bring about the lifting of the effects of the freeze order and this is known to the Association of Bank Compliance Officers of the Philippines.

He emphasized that the AMLC and its Secretariat are not remiss or negligent, as indicated by a series of their official acts. First, on 30 June 2008 the AMLC through the Office of the Solicitor General, its statutory counsel, filed a petition to freeze the bank accounts of Bolante, et al. This was given due course by the Court Appeals which issued on 1 July 2008 a 20-day freeze order. Under the Rule on Civil Forfeiture and Freeze, a Court of Appeals freeze order is good for only 20 days but its effectivity could be extended to a maximum of six months.

Again through the Office of the Solicitor General, AMLC obtained on 16 July 2008 an extension of the effectivity of this freeze order for 30 days.

On 19 August 2008, the Court of Appeals upon motion by the AMLC through the OSG issued a Resolution further extending the freeze on the Bolante, et al. accounts for an additional period of four months or until 20 December 2008. The CA also directed the transmittal of the case records to the Regional Trial Court for consolidation with any pending civil forfeiture proceedings in accordance with Section 56, Rule on Civil Forfeiture and Freeze.

In December 2008, before the expiration of the freeze order and in line with this CA directive, the AMLC Secretariat recommended to the AMLC the filing of a civil forfeiture petition against the frozen Bolante, et al. accounts. The AMLC approved the Secretariat's recommendation and issued a Resolution requesting the OSG to file a petition for civil forfeiture with the court.

The OSG citing "supervening event" related to a Supreme Court decision decided not to file AMLC's petition for civil forfeiture in the meantime.

AMLC Secretariat Executive Director Aquino declared that the AMLC continues to gather evidence in pursuance of its investigation of the case in close coordination with the OSG.

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