

SAYS SOLON

Changes may be needed in bank secrecy law

'Blacklisting came as a surprise'

MANILA—The country's Secy of Bank Deposits Act may have to be amended to get the Philippines off the blacklist of the Organization of Economic Cooperation and Development (OECD), according to the chair of the House committee on banks and financial intermediaries.

But Manila Rep. Jaime Lopez said he first wanted a detailed explanation as to why the Philippines was blacklisted as a tax haven by the OECD.

The OECD, composed of developed countries, recently listed the Philippines as one of four countries that were uncooperative in providing tax information in line with the global campaign against international crimes and terrorism.

The blacklist could mean the country would be unable to benefit from a one-trillion dollar fund to cushion the global financial meltdown.

Lopez, like many other lawmakers, said he was 'surprised' by the development, saying the Philippines was not warned beforehand that it had to take certain steps. When House sessions resume next week, Lopez said he would get in touch with the country's finance officials to get to the root of the problem.

'We'll have to hear from them what really is the problem. I'll ask them for the background and why [the OECD] went to the extent of blacklisting us. So those are matters we have to look into. It may be that we're just being harassed,' he said in a phone interview.

A background check on the controversy that accompanied the passage in 2003 of the new Anti-Money Laundering Act (AMLA), however, showed that lawmakers had been warned by officials of the central bank, Bangko Sentral ng Pilipinas (BSP), that the OECD's Financial Action Task Force (FATF)

may not find the Philippine law satisfactory.

When the AMLA was passed by Congress in February 2003, many lawmakers were quoted in the Inquirer as conceding that the amendments fell short of the standards set by the Paris-based FATF.

Approved a year before the 2004 presidential election, the lawmakers were wary that the AMLA would be used to open political campaign accounts. Many bank deposits were exempted from an automatic AMLA probe, among them, those owned by government officials.

The FATF wanted Congress to allow regulators to look into all suspicious accounts without a court order and wanted these changes to apply to accounts before the AMLA first took effect in October 2001.

The lawmakers rejected these demands and inserted a provision prohibiting banks from turning down clients who refuse to waive their right to the secrecy of their deposits.

The law, as passed, limits the AMLA probe to bank accounts of suspected kidnapers, drug traffickers and hijackers. A proposal to include suspected smugglers accounts was rejected.

Then BSP Governor Rafael Buenaventura, who chaired the country's Anti-Money Laundering Council, had said he hoped the FATF would accept the changes, but warned that the possibility of sanctions remained.

The Philippines was put on the list of non-cooperative nations for the next two years. In 2005 it was reported that the country was finally de-listed. In 2007, however, the FATF was reported to be again demanding stricter guidelines and measures to include "gatekeepers" such as accountants and lawyers in the anti-dirty money campaign. (Inquirer.net)

CA extends freeze on 1,177 Legacy accounts

by TETCH TORRES Inquirer.net

MANILA— The Court of Appeals has extended a freeze order on 1,177 accounts connected with the controversial Legacy Group.

The appeals court's former Special Third Division set the case for another hearing on April 27, during which it will determine how long it will extend the freeze order.

Legacy and the Anti-Money Laundering Council (AMLC) will

also be asked to elaborate on their petitions during this hearing.

State Solicitor Hermenegildo Dumlaog said the freeze order will lapse April 16 but the AMLC needs more time to conduct its investigation into the alleged fraud committed by companies under Legacy.

"The AMLC need additional time to conduct its investigation, considering there are 1,177 accounts that have been identified, and we have to go through these one by one and [through] the

web of related accounts," Dumlaog said.

"There might be accounts that would have zero or less than substantial amounts of money, but still, these accounts have been identified [as being connected] with the respondents and may have originated from unlawful or illegal activities, and even if [the amounts are] not substantial, the AMLC will conduct [an] investigation with regard to where...the money [went]," he said.

Gov't urged to resume talks with insurgents

'We can't fight multi-front war'—Escudero

by MAILA AGER Inquirer.net

MANILA— A senator urged the government to initiate efforts to resume peace talks with major insurgent groups because it could not fight a "multi-front war" last April 7.

"Perhaps the best legacy this administration can hand down to our people is to initiate the resumption of talks with main rebel groups which can lead to an enduring truce that will last until next year's elections," Senator Francis Escudero said.

"While we laud the valor of our soldiers, the government knows

we cannot fight a multi-front war" against communist and Moro rebels, Escudero said.

Escudero said the military might be "overstretching" its forces and resources in the campaign against the Abu Sayyaf in Sulu and Basilan, the Moro Islamic Liberation Front in parts of Mindanao, and the New People's Army nationwide.

The police, he added, are also "hard-pressed" implementing law and order because of the communist insurgency.

"We did this [engaged in peace talks] during the time of [former] President Fidel Ramos and reaped peace dividends. Why can't we do it now when we are faced with

[a] multi-front war?" Escudero asked.

"We have to contend with poverty, corruption, and rising criminality amid a deepening economic crisis and a potentially divisive election season. We can spend the billions of pesos being spent for waging war instead on critical development projects," he said.

Escudero said the administration can implement confidence-building measures, such as a unilateral ceasefire, to show its sincerity in achieving a peace settlement with the MILF and the National Democratic Front, the umbrella organization of groups allied with the communist rebels.

Lifting of ban on Chip Tsao's entry to RP recommended

by PIA LEE-BRAGO Philstar.com

MANILA—Filipino diplomats are apparently ready to forgive controversial Hong Kong columnist Chip Tsao by lifting the ban on the Chinese writer's entry to the Philippines, after he earlier described the country as a "nation of servants."

Department of Foreign Affairs spokesperson J. Eduardo Malaya said lifting of the ban on the entry to the Philippines of Tsao, a writer of *HK Magazine*, was recommended by the Philippine Consulate General in Hong Kong after he issued a public apology and personally went to the consulate to convey his "most sincere" apologies for branding the Philippines a nation of servants due to the many Filipino domestic helpers working in the territory.

Tsao indicated his interest to visit the country during his visit to the consulate last April 1.

The Filipino community in Hong Kong pushed through with the protest on Sunday against the racist column of Tsao.

The United Filipinos in Hong

Kong (UNIFIL-MIGRANTE-HK) said the rally was against racist write-up as the group also sought to resolve the roots of racism and discrimination against OFWs.

The UNIFIL-MIGRANTE-HK said the protest action should send a "loud and clear message" that Filipinos, especially domestic helpers, will not take racial slurs and class discrimination sitting down.

Tsao issued a public apology last Tuesday, April 7, but he was quick in justifying his use of the word servant as "sacred," saying people are all servants of God.

"The 'servant' is a good term. A Hong Kong government official is a civil servant. We are all servants to God, right? I'm now aware that I've crossed the line and I offer my public apology," Tsao said.

Tsao's controversial article entitled *The War at Home* published last March 27 described the Philippines as "a nation of servants" not worthy to claim the Spratly Islands from China. The article and Tsao's profile photo have been pulled out of the online edition of *HK Magazine*.

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