Republic of the Philippines
Province of Ilocos Sur
MUNICIPALITY OF SAN VICENTE
OFFICE OF THE SANGGUNIANG BAYAN

Sangguniang Bayan Members:

HON. PAULA CYNTHIA R. VALENCIA

HON. CONRADO R. ROJO

HON. FIDEL R. ALDOS

HON. JUANITA R. RAGIL

HON. ALBERT R. ROLA

HON. WARLITO R. RIDULME

HON. RENATO T. ROJAS

HON. LOU BERNARD R. LAZO

Ex-Officio Members

HON. MELECIO G. DAQUEP SR.

HON. MARK JINDREI L. CAJIGAL

ORDINANCE NO. 3
SERIES 2024

"AN ORDINANCE PROVIDING THE GUIDELINES IN ISSUANCES OF BUSINESS PERMIT/LICENSE OF THE DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS (DNFBPs) IN THE MUNICIPALITY OF SAN VICENTE, ILOCOS SUR"

WHEREAS, the government recognizes the indispensable role of the private sector, and encourages private enterprise for the production and distribution of Goods and Services in order to enhance economic prosperity;

WHEREAS, the government, in its effort to engage all sectors, enacted several laws and implements various initiatives and strategies to regulate economic activities in order to ensure sustainability and resiliency and to protect its people from unscrupulous activities that undermine social order;

WHEREAS, Republic Act No. 9160, also known as the Anti-Money Laundering Act of 2001, as amended, and Republic Act No. 10168, also known as the Terrorism Financing Prevention and Suppression Act of 2012 were enacted to enlist the assistance of any branch, department, bureau, office, agency, or instrumentality of the government, including the use of personnel, facilities, and resources for the efficient execution of anti-money laundering/counter-terrorism financing matters or operations;

WHEREAS, there is a need to protect the public from threats of money laundering and terrorism financing by, among others, ensuring that Designated Non-Financial Businesses and Professions (DNFBPs) operate with the necessary permits or licenses from the Local Government Units (LGUs) and are registered with the Anti-Money Laundering Council (AMLC);

WHEREAS, Section 3.2, Rule 4 of the 2018 Implementing Rules and Regulations of the Anti-Money Laundering Act, as amended requires licensing or business registration authorities to prescribe registration with the AMLC as a requirement for continued licensing and/or operations of covered persons;

WHEREAS, there is a need for the AMLC to identify DNFBPs who are not registered, and for the AMLC and the Local Government Units (LGUs) to have a coordinated process of licensing and registration that is both vigilant and effective.

NOW, **THEREFORE**, **BE IT ORDAINED**, by the Sangguniang Bayan of San Vicente, Ilocos Sur in regular session assembled:

Section 1. SHORT TITLE. This Ordinance shall be known as the **DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS (DNFBPs) REGULATION ORDINANCE.**

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Section 2. DECLARATION OF POLICY. The Municipal Government of San Vicente acknowledges the private sectors' contribution to local development due to their indispensable role as backbone of the local economy thereby enhancing shared prosperity and social stability. On the other hand, the Municipal Government ensures full protection of its people and the use of business enterprise as front of illegal activities particularly anti-money laundering/counter-terrorism financing matters or operations.

Section 3. SCOPE AND COVERAGE. This ordinance shall apply to the following businesses and professions labelled as **DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS (DNFBPs)**:

1) Jewelry dealers, dealers in precious metals and dealers in precious stones (DPMS);
2) Company service providers (CSP) which, as a business, provide any of the following services to third parties:
   a. Acting as a formation agent of judiciary persons;
   b. Acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical person;
   c. Providing a registered office; business address or accommodation, correspondence or administrative address for a company, a partnership or any other juridical person or legal arrangement, and
   d. Acting as (or arranging for another person to act as) a nominee shareholder for another person.
3) Persons, including lawyers, accountants and other professionals (Professional Service Providers/PSP), who provide any of the following services:
   a) Managing of client money, securities or other assets;
   b) Management of bank, savings, securities or other assets;
   c) Organization of contributions for the creation, operation or management of companies, and
   d) Creation, operation or management of juridical persons or arrangements, and buying and selling business entities.
4) Real estate brokers (REB) and real estate developers (RED), and
5) Offshore Gaming Operators (OGO), as well as their service providers (OGO-SPs), supervised, accredited or regulated by the Philippine Amusement and Gaming Corporation (PAGCOR) or any Appropriate Government Agency (AGA).

Section 4. APPLICABILITY. This shall apply to all new, pending and renewal applications for business permit or Mayor's Permit of DNFBPs.

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Section 5. DEFINITION OF TERMS.

a) **Anti-Money Laundering Council (AMLC)** – shall refer to the Philippines' central anti-money laundering/counter-terrorism financing (AML/CTF) authority and financial intelligence unit, which is the government instrumentality mandated to implement the AMLA and TFPSA. It also refers to the official name of the Council, which is the governing body of the said government agency;
b) **Designated Non-Financial Businesses and Professions (DNFBPs)** – refers to covered persons under section 3 of this ordinance as provided for in section 6.5 of DILG AMLC Joint Memorandum Circular No. 01, series of 2023;
c) **Anti-Money Laundering Act (AMLA)** – shall refer to Republic Act No. 9160, as amended by RA Nos. 9194, 10167, 10365, 10927, 11521 or other laws that may subsequently amend the AMLA;
d) **Certificate of Registration (COR)** – shall refer to the document evidencing registration issued by AMLC to a DNFBP;
e) **Provisional Certificate of Registration (PCOR)** – shall refer to the document evidencing temporary registration issued by the AMLC to a DNFBP (with validity of six (6) months, with a one-time extension of another six (6) months upon approval of the Executive Director of the AMLC);
f) **Terrorism Financing** – shall refer to any transfer of funds through any of the DNFBPs for terrorism activities.

Section 6. PROCEDURES IN THE ISSUANCE OF BUSINESS LICENSE OR PERMIT TO DNFBPs. The following procedures in the issuance of business license or permit to, and registration of, DNFBPs as well as the revocation or cancellation of their registration by the AMLC and the municipality, if warranted, are as follows:

A. Issuance of Business License or Mayor's Permit. The specific line of business shall be indicated in the business permit or license (e.g., Jewelry Dealer/ Dealers in Precious Metals and Dealers in Precious Stones (DPMS), Company Service Providers (CSP), Professional Service Providers (PSP), Real Estate Brokers (REB), Real Estate Developers (RED), Offshore Gaming Operators (OGO), as well as their service providers (OGO-SPs).

A.1 For new entities applying for business permit or license (New Application): The municipality shall issue business license or permit to business entities with the following conditions clearly stated in the business permit or license:

"Covered Persons/Business under the AMLA, as amended, are required to register with the AMLC prior to the start of operations (Sec. 3.2, Rule 4, 2018 IRR of the AMLA, as amended)."

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A.1.1 The municipality shall submit a semestral report to the AMLC for all the newly registered businesses.

A.1.2 The AMLC will evaluate the list and determine who are DNFBPs and who failed to register with the AMLC.

A.1.3 For those who failed to register, the AMLC will notify the DNFBPs in writing to require them to register within thirty (30) days from the receipt of notice.

A.1.4 If after the lapse of thirty (30) days, a particular DNFBP remains unregistered with the AMLC, such non-registration shall be communicated by the AMLC to the municipality through the Local Chief Executive for the appropriate action.

A.1.5 The Local Chief Executive shall suspend or revoke the license issued to the DNFBP within thirty (30) days from receipt of non-registration from AMLC.

A.2 For renewal of business permits and licenses of DNFBPs:

A.2.1 The municipality shall require existing DNFBPs to present copies of their AMLC Provisional Certificates of Registration (PCOR) or AMLC Certificates of Registration (COR) duly issued by the AMLC prior to the renewal of their business licenses or permits as additional requirements.

A.2.2 Failure to submit the PCOR or COR will constitute non-compliance with documentary requirements for the renewal of the business license or permits, and will be the cause for the non-processing of the application for renewal.

Section 7. COORDINATING MECHANISM. Information on DNFBPs shall be shared by both AMLC and the municipality to ensure close monitoring of DNFBPs not complying with the provision of Republic Act No. 9160, as amended and its Implementing Rules and Regulations, and DILG AMLC Joint Memorandum Circular No. 01, series of 2023.

A. Information from the AMLC. The municipality may request from AMLC, or on a semestral basis, refer from the AMLC Portal or Website, as it may see deem necessary for the efficient execution of anti-money laundering/counter-terrorism financing matters, for the following information:

a) DNFBPs who were issued AMLC PCORs or CORs due to any amendment or revision reflecting change in the business name, address, or type of organization;
b) DNFBPs with pending applications for registration with the AMLC;
c) DNFBPs with cancelled PCORs or CORs;
d) DNFBPs and their officers, directors, stockholders or owners who have committed irregularities in the conduct of business, willful failure or refusal to comply with, or violation of any applicable law or any order, instruction, or regulation by the AMLC; and
e) Other information affecting DNFBPs as may be deemed relevant by the AMLC.

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B. Information from the Municipality. The municipality, shall, on semestral basis or upon request or spontaneously, provide the AMLC a report duly certified by the Municipal Mayor or his duly designated/authorized representative, containing the following information:

a) New DNFBPs who have been issued business licenses or permits;
b) DNFBPs who were issued renewal of business licenses or permits, including those that transferred location, changed ownership, or changed their business name; indicating the owner's name and current addresses;
c) DNFBPs who failed to renew their business license/permits;
d) DNFBPs with cancelled business licenses/permits; and
e) Other information affecting DNFBPs, as may be deemed relevant by the municipality.

Section 8. REPORTING MECHANISM. To facilitate processing of submission, the municipality shall submit the report in soft copy, using the AMLC prescribed template [Annex 3 (Template of Semestral Report on DNFBPs)] via electronic mail to the AMLC's e-mail address: secretariat@amlc.gov.ph. Submission can also be done through registered mail at the address below:

The Executive Director
Attention: Commitments and Policy Group
Anti-Money Laundering Council
5th Flr., EDPC Building, BSP Complex, Roas Blvd. cor. Pablo. Ocampo St., Malate 1004

The report shall be submitted on a semestral basis to the AMLC on the following schedule: 1st Semestral Report on the 2nd week of July; 2nd Semestral Report on 2nd week of January of the succeeding year.

Section 9. ROLE OF THE MUNICIPALITY. The municipality shall perform the following duties and functions necessary for the efficient execution of anti-money laundering/counter-terrorism financing matters:

a) Upon request, assist the AMLC in conducting onsite examination or compliance checking on DNFBPs and to provide information necessary to facilitate such activities;
b) To ensure proper coordination and facilitate their lines of communication and prompt action, to designate BPLO as a Focal Person and prepare the necessary report;
c) Submit semestral report to AMLC;
d) Ensure coordination with AMLC in monitoring compliance of DNFBPs;
e) Comply with the provision of the JMC and the provision of this ordinance

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Section 10. INFORMATION DISSEMINATION. The Mayor shall issue an appropriate order for the conduct of IEC and responsible LGU personnel to ensure the widest dissemination of this ordinance particularly the DNFBPs.

Section 11. FUNDING. The municipality shall appropriate necessary funds for the efficient performance of the duties and functions of the municipality to counter or prevent money laundering/terrorism financing activities.

Section 12. EFFECTIVITY. This ordinance shall take effect fifteen (15) days after its publication.

ENACTED on **5th** day of **February 2024** in the Sangguniang Bayan Session, San Vicente, Ilocos Sur.

Certified Correct:

Sgd.

MARIUS CLIFFORD R. BILLEDO
SB Secretary

ATTESTED:

Sgd.

JOSE C. TABANDA III
Vice Mayor/Presiding Officer

APPROVED:

Sgd.

JONAN D. TABANDA
Municipal Mayor