



# BANGKO SENTRAL NG PILIPINAS

## CIRCULAR LETTER NO. CL-2021-100

### OFFICE OF THE DEPUTY GOVERNOR FINANCIAL SUPERVISION SECTOR

**To : All BSP-Supervised Financial Institutions (BSFIs)**

**Subject : Anti-Money Laundering Council's (AMLC) Warning Against Providing Financial and Material Support to CPP-NPA-NDF**

This is to disseminate the AMLC's warning<sup>1</sup> (Annex A) against providing financial and material support to Communist Party of the Philippine-New People's Army-National Democratic Front (CPP-NPA-NDF). The Anti-Terrorism Council (ATC) has designated the CPP-NPA and NDF as terrorist organizations under ATC Resolution Nos. 12 (9 December 2020) and 21 (23 June 2021), respectively, pursuant to Paragraph 3, Section 25 in relation to Section 45 of Republic Act No. (R.A.) 11479 or the Anti-Terrorism Act of 2020 (ATA).

The ATC designation makes any person who (a) provides material support to a terrorist individual or organization, knowing that such individual or organization is committing or planning to commit terrorist acts, liable as principal under Section 12, in relation to Sections 4 and 6 of the ATA; and (b) makes available any property or funds or financial services or other related services to designated persons or organizations liable under Section 8 of R.A. 10168 or the Terrorism Financing Prevention and Suppression Act (TFPSA). Section 11 of the TFPSA also authorizes the AMLC, upon its own initiative or at the request of the ATC, to freeze property or funds that are related to terrorism financing (TF).

The warning also informs that over the years, the communist terrorist group has engaged in TF. Recovered CPP-NPA documents, statements of former NPA members, and other reliable sources reveal that communist terrorists raise and collect funds through extortion/taxation, including election fees, such as "permits to campaign/win" from politicians. Other regular and major sources of funds are mining companies, telephone companies, construction firms, and other businesses, including project funds<sup>2</sup> from abroad. Apart from money, communist terrorists also receive firearms, combat boots, uniforms, and technical equipment/gadgets. Putting an end to the local communist movement entails cutting off their sources of funding and other means of support.

In this regard, the public and the BSFIs are reminded to report any coercive or illegal fund collection by the communist terrorists as these TF activities sustain the violent agenda of the CPP-NPA-NDF that disregards

<sup>1</sup> <http://www.amlc.gov.ph/16-news-and-announcements/337-warning-against-providing-financial-and-material-support-to-cpp-npa-ndf>

<sup>2</sup> These funds amount to billions of pesos, where 60% goes to the CPP Central Committee and 40% remains with the regional units for their terrorist operations.

not only our country's laws but also human life, public safety, and right over property.

BSFIs are also reminded to strictly comply with AMLC Resolutions No. TF-33, Series of 2020, dated 23 December 2020, and TF-42, Series of 2021, dated 19 July 2021, disseminated respectively through CL-2021-007 (13 January 2021) and CL-2021-059 (23 July 2021), implementing the sanctions freeze orders against the CPP-NPA-NDF pursuant to the above-cited ATC designations.

For information and strict compliance/implementation.

**CHUCHI G. FONACIER**  
Deputy Governor

15 December 2021

## **Warning against providing financial and material support to CPP-NPA-NDF**

The Anti-Terrorism Council (ATC) warns the public against providing money and material support to the Communist Party of the Philippine-New People's Army-National Democratic Front (CPP-NPA-NDF). Recall that the ATC designated the CPP-NPA and NDF as terrorist organizations under ATC Resolution Nos. 12 (9 December 2020) and 21 (23 June 2021), respectively, pursuant to Paragraph 3, Section 25 in relation to Section 45 of Republic Act No. (RA) 11479 or the Anti-Terrorism Act of 2020 (ATA).

Prior to the ATC designation, the CPP-NPA has been designated by other countries and jurisdictions:

- The United States of America designated the CPP-NPA as a foreign terrorist organization (FTO) on 9 August 2002 and continues to include them in their FTO list;
- The European Union designated the CPP-NPA on 28 October 2002 and reaffirmed said designation on 13 January 2020;
- Australia designated the CPP-NPA on 28 October 2002 and relisted them on 13 November 2013;
- The United Kingdom designated the CPP-NPA on 14 August 2002 and reaffirmed said designation on 7 July 2020; and
- New Zealand designated the CPP-NPA on 11 October 2020 and renewed said designation on 26 September 2019.

Section 12 of the ATA states that any person who provides material support to a terrorist individual or organization, knowing that such individual or organization is committing or planning to commit terrorist acts, is liable as principal and in relation to Sections 4 and 6 of the ATA, shall suffer the penalty of life imprisonment. On the other hand, Section 8 of RA 10168 or the Terrorism Financing Prevention and Suppression Act (TFPSA) provides that any person who makes available any property or funds or financial services or other related services to designated persons or organizations shall suffer the penalty of reclusion temporal to *reclusion perpetua* and a fine of not less than PhP500,000.00 nor more than PhP1,000,000.00.

Further, Section 11 of the TFPSA authorizes the Anti-Money Laundering Council, upon its own initiative or at the request of the ATC, to freeze property or funds that are related to terrorism financing. In effect, the ATC designation makes any person who provides monetary and material support to the CPP-NPA-NDF liable for violations of relevant provisions of the ATA or TFPSA.

Over the years, the Communist Terrorist Group has engaged in terrorism financing. Recovered CPP-NPA documents, statements of former NPA members, and other reliable sources reveal that communist terrorists raise and collect funds through extortion/taxation, including election fees, such as “permits to campaign/win” from politicians. According to a former ranking NPA member, fees collected from political candidates are pro-rated based on the sought position. Other regular and major sources of funds are mining companies, telephone companies, construction firms, and other businesses, including project funds from abroad. These funds amount to billions of pesos, where 60%

goes to the CPP Central Committee and 40% remains with the regional units for their terrorist operations.

Apart from money, communist terrorists also receive firearms, combat boots, uniforms, and technical equipment/gadgets.

Putting an end to the local communist movement entails cutting off their sources of funding and other means of support. Thus, the public must immediately report any coercive or illegal fund collection by the communist terrorists as these terrorism financing activities sustain the violent agenda of the CPP-NPA-NDF that disregards not only our country's laws but also human life, public safety, and right over property.