REPUBLIC OF THE PHILIPPINES
**SECURITIES AND EXCHANGE COMMISSION**
SEC Building, EDSA, Greenhills, Mandaluyong City

**SEC MEMORANDUM CIRCULAR NO. 7**
Series of 2003

To : **ALL CORPORATIONS WITH SECONDARY LICENSES GRANTED BY THE COMMISSION**

In connection with the request of the Anti-Money Laundering Council ("AMLC"), all corporations with secondary licenses granted by the Commission are hereby furnished with the following documents for their information, guidance and appropriate action:

- Resolution No. 227 dated April 4, 2003 of the AMLC;
- Letter-request of the United States Government relative to the assets of the Iraqi Government and ill-gotten gains of Saddam Hussein.

Issued this 22nd day of April 2003, Mandaluyong City, Philippines.

**LILIA R. BAUTISTA**
Chairperson

Attachment to Memo Circular # 7, s. of 2003

*Embassy of the United States of America*
*Manila, Philippines*

BANGKO SENTRAL NG PILIPINAS
OFFICE OF THE GOVERNOR

March 24, 2003

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ANTI-MONEY LAUNDERING COUNCIL
SECRETARIAT

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Received By:

Mr. Rafael Buenaventura
Governor
Banko Sentral ng Pilipinas

Dear Governor Buenaventura:

With the beginning of hostilities in Iraq, the United States Government announced that Iraqi non-diplomatic state funds in accounts currently blocked in the United States are being vested and deposited in an account at the Federal Reserve Bank of New York. This action reaffirms to the Iraqi people America's desire to help them build a new Iraq that is prosperous and free. By transferring vested funds to a special account that will be used to benefit the Iraqi people we are backing up our statements with concrete actions.

These vested assets will be used to benefit the Iraqi people and to assist in the reconstruction of Iraq, such as by funding humanitarian relief or payment of Iraqi government workers.

We urge you to identify, freeze and prepare to transfer for the benefit of the Iraqi people any Iraqi government assets, as well as any ill-gotten gains of Saddam Hussein or his regime in your country that have not already been frozen. We hope you will join us in urging other governments to do the same.

We understand that each country will have to determine the most appropriate means to achieve our collective goal of bringing the resources of the Iraqi government, as well as ill-gotten gains of Saddam Hussein and his regime, to assist the Iraqi people and assist in the reconstruction of Iraq.

We recognize that some countries may not have any Iraqi government assets in local accounts; nor may all countries have the domestic legal authority to make these assets available for assisting in the reconstruction of Iraq or for the benefit of the Iraqi people, however, your public support for this initiative can play an important role in advancing our collective goals.

Sincerely,

Morton J. Holbrook
Counselor for Economic Affairs

# *Anti-Money Laundering Council*

Bangko Sentral ng Pilipinas Complex
Manila, Philippines

**RESOLUTION NO. 227**

On March 24, 2003, the United States Government, through the US Embassy in Manila, sent a letter dated 24 March 2003 addressed to the Governor of Bangko Sentral ng Pilipinas, Rafael B. Buenaventura. In said letter, the US Government *"urges the Philippine Government to identify, freeze and prepare to transfer for the benefit of the Iraqi people any Iraqi government assets, as well as any ill-gotten gains of Saddam Hussein or his regime in (our) country that have not already been frozen."*

The United States Government categorically stated in its Letter that the *"collective goal"* is to bring Iraqi resources as well as ill-gotten gains of Saddam Hussein and his regime to assist the people of Iraq and the reconstruction of their country.

The United States Government acknowledged that *"each country will have to determine the most appropriate means to achieve the "collective goal"* and that *"some countries may not have any Iraqi government assets in local accounts; nor may all countries have the domestic legal authority to make these assets available for assisting in the reconstruction of Iraq or for the benefit of the Iraqi people".*

Pursuant to said letter-request, the Council resolved unanimously, as follows:

(1) To provide the Supervising Authorities, the Bangko Sentral ng Pilipinas, the Securities and Exchange Commission and the Insurance Commission, with copies of the 24 March 2003 Letter of the United States Government; and

(2) To request the Supervising Authorities to circularize among all covered institutions under their respective jurisdictions, copies of subject 24 March 2003 US Government Letter for their information, guidance and appropriate action.

April 4, 2003, Manila, Philippines.

**AMANDO M. TETANGCO, JR.**
Acting Chairman
(Officer-in-Charge, Bangko Sentral ng Pilipinas)

**LILIA R. BAUTISTA**
Member
(Chairman, Securities and Exchange Commission)

**EDUARDO T. MALINIS**
Member
(Commissioner, Insurance Commission)