

MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 331

CREATING AN INTER-AGENCY TASK FORCE TO COMBAT SECURITIES-FRAUD

WHEREAS, there are growing complaints among the international business communities that Securities-Fraud are being committed on their jurisdiction by Philippine-registered corporations or spurious Philippine-based companies, and aforesaid firms that are owned and controlled by transnational elements with dubious identities and characters;

WHEREAS, universal consensus reflecting Securities-Fraud as a form of money laundering is becoming evident, it being a crime committed by crossing the border of another country thus validates the commission of a transnational crime;

WHEREAS, recent studies indicate that transnational crime such as: illicit trafficking of narcotic drugs and psychotropic substances, money laundering, terrorism, arms smuggling, trafficking in persons, piracy, credit card fraud, identity fraud, and cross border Securities-Fraud are interlinked with each other;

WHEREAS, transnational crime is a national security concern as embodied under the National Security Policy Framework crafted by the National Security Council, and its increasing complexity, specifically on Securities-Fraud, demands a concerted, synchronized and focused effort from all economic, intelligence, enforcement, and prosecution agencies of the government as well as in the private sector;

WHEREAS, transnational organized-crime groups utilize the Philippines in launching these remote-controlled Securities-Fraud operations anywhere in the globe, thereby eroding the integrity of the Philippine Corporate Registry and challenging the vulnerabilities of the Philippine Securities Act before the eyes of the international business community;

WHEREAS, the establishment of the inter-agency, anti-fraud task force is imperative in order to secure both significant and sustainable international cooperation to implement immediate, appropriate proactive and reactive response to this economic menace.

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. *Creation of an inter-agency task force to be called as the "Anti-fraud Task Force or ATF."* The ATF to combat Securities-Fraud is hereby created



under the Office of the President to formulate and implement a concerted program of action for the prevention and control of Securities-Fraud.

SEC 2. a. Membership/Composition. The members of the ATF shall be composed of the following government agencies:

1. Philippine Center on Transnational Crime (PCTC)
2. National Bureau of Investigation (NBI)
3. Bureau of Immigration (BI)
4. National Prosecution Office (NPS)
5. Bangko Sentral ng Pilipinas (BSP)
6. Bureau of Internal Revenue (BIR)
7. Department of Trade and Industry (DTI)
8. Bureau of Customs (BOC)
9. Department of Foreign Affairs (DFA)
10. Board of Investment (BOI)
11. Securities and Exchange Commission (SEC)
12. Department of Labor and Employment (DOLE)
13. National Economic Development Authority (NEDA)
14. Professionals from the business sector

b. Management Committee. The Management Committee of the ATF (MANCOM-ATF) to combat Securities-Fraud shall be composed of authorized and security-cleared representatives of the following agencies and shall be headed by the SEC as the Chairperson:

- 1) Department of Finance (DOF)
- 2) Department of Trade and Industry (DTI)
- 3) Department of Justice (DOJ)
- 4) Department of Foreign Affairs (DFA)
- 5) Philippine Center on Transnational Crime (PCTC)

c. Working Groups. The ATF to combat Securities-Fraud shall have five (5) major working groups, which shall be manned by specialist from the different agencies mentioned in Sec. 2 para a, above:

- 1) Intelligence;
- 2) Information Management System;
- 3) Investigation;
- 4) Legal, Extradition and Prosecution; and
- 5) International Cooperation.

SEC 3. Secretariat. The Philippine Center on Transnational Crime (PCTC) shall serve as the Secretariat of the ATF. It shall be supported by the Prosecution and Enforcement Department (PED) of SEC. Specifically, it shall be responsible in



orchestrating operational researches, documentations and logistical-support machinery building.

SEC 4. Powers and Functions. The ATF shall formulate and implement strategies in order to secure and protect the following vital economic activities from being victimized by organized financial/commercial fraudsters:

- 1) Pre-need
- 2) Future Commodities Trading
- 3) Investment Houses
- 4) Mutual Funds
- 5) Stocks and Bonds
- 6) Gold and Currency Certificates and Notes
- 7) Others

In order to effectively carry out its mission and function, ATF shall pursue programs and activities in the following specific areas of concern:

- 1) Advocacy, Training and Other Preventive Measures;
- 2) Intelligence Build-up and Networking
- 3) Law Enforcement and Prosecution
- 4) Legislative Initiatives
- 5) Bilateral, Regional and International Cooperation and
- 6) Other areas relevant to the suppression of Economic/ Commercial Fraud.

SEC 5. Other Support Agencies. The ATF may seek the assistance and support of any Department, Bureau, Office or any government agency, and engage the civil society in the attainment of its objectives.

SEC 6. Coordinating Instructions: (As reflected in the Manual of Coordinated-Operations.)

- a. **Implementing Rules and Regulations.** The ATF to combat Securities-Fraud shall convene within 30 days after the effectivity of this Order to consider and approve necessary rules and regulations from the implementation of this Order.
- b. **Data/Information Sharing.** The ATF shall ensure the effective exchange of data, information, or any pertinent report between and among member-agencies and support agencies subject to conditions in the Security Clearance Code.
- c. **Security and Confidentiality of Data/Information.** Data and information acquired from agencies or derived from special researches and studies shall be treated as confidential and shall be used only for lawful and official purposes.



The ATF shall formulate the necessary Security Clearance Code that will define the levels of access on a "NEED-TO-KNOW-BASIS ONLY."

- d. **Meetings.** The ATF shall meet regularly on a monthly basis or as often as necessary.
- e. **Reporting.** The ATF shall submit appropriate reports and recommendation to the President through the SEC and DOF at least twice a year or as often as may be deemed necessary.

SEC 7. Funding. The ATF shall have an initial funding of ten million pesos (P10 M) sourced from the Presidential Contingency Fund to cover the preliminary programs and activities. Thereafter, succeeding additional fund requirements shall be coursed through the Department of Budget and Management under the budget appropriation of SEC.

SEC 8. Effectivity. This order shall take effect immediately.

Done in the City of Manila this 20th day of December, in the year of Our Lord, two thousand.



By the President:



RAMON B. CARDENAS
Acting Executive Secretary

