

[EXECUTIVE ORDER NO. 331, December 29, 2000]

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 (NPO)
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 par 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