



BANGKO SENTRAL NG PILIPINAS

**OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION AND EXAMINATION SECTOR**

CIRCULAR LETTER NO. CL-2013- 012

To : All BSP Covered Institutions

**Subject : Anti-Money Laundering Council (AMLC) Resolution No. 10-A dated
24 January 2013**

Pursuant to Anti-Money Laundering Council Resolution No. 10-A dated 24 January 2013 (copy attached), you are hereby informed that the Council resolved to require all covered institutions to file reports on covered transactions, regardless of the mode of payment used in the settlement of transactions between banks or brokers/dealers and their customers, including transactions in checks, fund transfers, and/or the debiting or crediting of accounts, except those transactions covered under Resolution No. 10 Series of 2013, on "no risk/low risk" covered transactions.

Further, this Resolution No. 10-A Series of 2013 supersedes AMLC Resolution No. 292, Series of 2003 and Resolution No. 38, Series of 2011.

For your guidance and strict compliance.


NESTOR A. ESPENILLA, JR.
Deputy Governor

26 February 2013

Att.: A/S



Anti-Money Laundering Council

**Bangko Sentral ng Pilipinas Complex
Manila, Philippines**

RESOLUTION No. 10-A Series of 2013

On October 24, 2003, the Council issued Resolution No. 292, entitled "*Rules on Submission of Covered Transaction Reports and Suspicious Transaction Reports by Covered Institutions*".

Paragraph 3 of the said Resolution provides that:

*"Covered institutions, other than banks, shall file covered transaction reports (CTRs) on transactions in cash or foreign currency or other monetary instruments (**other than checks**) or properties. xxx xxxx xxx"*

On 26 April 2011, the Council issued Resolution No. 38 adopting the following policies on the submission of CTRs on transactions settled via fund transfers between existing banks of the brokers/dealers and their customers, to wit:

- 1. The filing of a Covered Transaction Report (CTR) by a broker is deferred when the mode of payment is by checks inasmuch as these checks will ultimately pass through banks which are mandated to file the required CTR thereon.*
- 2. In the same manner, if the settlement between the brokers/dealers and their customers is made through fund transfers or "debiting and crediting" of their respective accounts (in which case there is no physical movements of funds but only a book-entry transfer of funds), the broker need not file a CTR thereon inasmuch as the said transactions are akin to a transaction in check the reporting of which pertains to the concerned bank/s.*

In its Memorandum dated 28 November 2012, the FSLC-TWG raised the concern that the nature and details of transactions of the clients are not being captured by banks.

While check transactions actually pass through banks, the latter only report the fact of presentment and encashment of the check, including the transacting parties, i.e., its client (the drawer) and the payee, but not the circumstances on the issuance of the check. Thus, the AMLC database would only show a deposit and a withdrawal transaction in the respective accounts of the payee and drawer without indicating the true nature of such transactions.

Similarly, in the settlement of transaction through fund transfers or by debit/credit of accounts, the bank reports only the debiting and crediting of accounts and not the initial transactions of the parties involved.

To enable the AMLC to know the true nature, and/or the circumstances surrounding the issuance, of checks or the debiting/crediting of accounts, all covered institutions shall henceforth submit reports on transactions involving the use of checks, fund transfers or the debiting or crediting of accounts, where the amount exceeds P500,000.00.

The Council resolved to:

1. Require all covered institutions to file reports on covered transactions, regardless of the mode of payment used in the settlement thereof, including transactions in checks, fund transfers, and/or the debiting or crediting of accounts, except those transactions covered under Resolution No. 10, Series of 2013, on "no risk/low risk" covered transactions.
2. Request the Bangko Sentral ng Pilipinas, the Securities and Exchange Commission, and the Insurance Commission to disseminate this Resolution to covered institutions under their respective supervisory authorities.

This Resolution supersedes AMLC Resolution No. 292, Series of 2003, and Resolution No. 38, Series of 2011.

24 January 2013, Manila, Philippines.



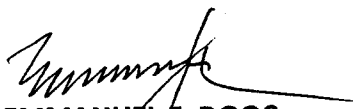
AMANDO M. TETANGCO, JR.
Chairman

(Governor, Bangko Sentral ng Pilipinas)



TERESITA J. HERBOSA
Member

(Chairman, Securities & Exchange Commission)



EMMANUEL F. DOOC
Member

(Commissioner, Insurance Commission)