



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
FINANCIAL SUPERVISION SECTOR

CIRCULAR LETTER NO. CL-2020- 014

To : All BSP-Supervised Financial Institutions (BSFIs)

Subject : Amendments to Certain Provisions of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160, as Amended, Issued as Anti-Money Laundering Council (AMLC) Regulatory Issuance A, B and C No. 1, Series of 2020

The AMLC, pursuant to Resolution No. 22 dated 29 January 2020, issued AMLC Regulatory Issuance (ARI) A, B, and C No. 1, Series of 2020 (copy attached).

The ARI includes, among others, amendments to the filing of suspicious transaction reports (STRs), as follows:

1. STRs shall cover all transactions, whether completed or attempted; and
2. Suspicious transactions shall be promptly filed within the next working day from the occurrence thereof, which for purposes of the rule, shall be the date of establishment of suspicion or determination of the suspicious nature of the transaction.

For information and strict compliance.


CHUCHI G. FONACIER
Deputy Governor

Att.: A/S

9 March 2020



AMLC REGULATORY ISSUANCE (ARI) A, B, and C No. 1
Series of 2020

Subject : Amendments to Certain Provisions of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160, as Amended

By the authority vested in me by the Anti-Money Laundering Council (AMLC), pursuant to AMLC Resolution No. 22 dated 29 January 2020, the following amendments to certain provisions of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160, as amended are hereby issued.

Section 1. Paragraph (z) Section 1 of Rule II of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

(z) "Customer/Client" refers to any person who keeps or maintains an account with a covered person. It includes the following:

- (1) Beneficial owner, or any natural person who ultimately owns or controls a customer and/or on whose behalf an account is maintained or a transaction is conducted;
- (2) Transactors, agents and other authorized representatives of beneficial owners;
- (3) Beneficiaries of trusts, investment and pension funds, insurance policies, and remittance transactions;
- (4) Persons whose assets are managed by an asset manager;
- (5) Trustors/grantors/settlers of a trust;
- (6) Insurance policy holders, whether actual or prospective; and
- (7) JURIDICAL PERSON.

FOR PURPOSES OF THIS RULE, THE TERM JURIDICAL PERSON SHALL REFER TO AN ENTITY OTHER THAN A NATURAL PERSON AS DEFINED UNDER THE CIVIL CODE OF THE PHILIPPINES, INCLUDING CORPORATE CLIENTS WHO KEEP OR MAINTAIN AN ACCOUNT WITH A COVERED PERSON.

Section 2. Paragraph (xxx) of Section 1 of Rule II of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

"(xxx) "Suspicious Circumstance" refers to any of the following circumstances, the existence of which makes a transaction suspicious:

xxx xxx xxx

Any unsuccessful attempt to transact with a covered person, the denial of which is based on any of the foregoing circumstances, shall likewise be considered as suspicious transaction."

Section 3. There is hereby inserted after Sec. 1.3 of Rule 19 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160, a new Section 1.4 to read as follows:

"1.4. Immediate Family Members and Close Associates of PEPs.

Covered persons shall apply the relevant requirements under Sections 1.2 and 1.3 above to family members and close associates for all types of PEPs."

Section 4. Section 6.1.7 of Rule 19 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

"6.1.7. Where the information accompanying the domestic wire transfer can be made available to the beneficiary financial institution and appropriate authorities by other means, the originating/ordering financial institution need only be required to include the account number or a unique transaction reference number; Provided, that this number or identifier will permit the transaction to be traced back to the originator or the beneficiary. The originating/ordering financial institution shall make the information available within THREE (3) WORKING DAYS from receipt of the request either from the beneficiary financial institution or from appropriate authorities."

Section 5. Section 8.1 of Rule 19 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

"8.1. Covered persons shall apply EDO, proportionate to the risks, to accounts, transactions, and business and professional relationships with customers from foreign jurisdiction, or geographical location that presents greater risk for ML/TF or its associated unlawful activities, or is recognized as having inadequate internationally accepted AML/CTF standards, as determined by the relevant domestic bodies or international bodies such as the Financial Action Task Force (FATF) and the FATF-Style Regional Bodies."

Section 6. Section 8.2 of Rule 19 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

"8.2. The AMLC and the SAs shall apply proportionate countermeasures to address risks posed by customers from high-risk jurisdiction or geographical location UPON THEIR OWN INITIATIVE OR WHEN CALLED UPON TO DO SO BY THE FINANCIAL ACTION TASK FORCE."

Section 7. Section 8.3 of Rule 19 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

"The AMLC and the SAs shall establish measures, INCLUDING THE PROVISION OF REGULAR UPDATES, to ensure that covered persons are advised of concerns about weaknesses in the AML/CTF systems of other countries."

Section 8. Section 1.1 of Rule 22 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

1.1. Filing of CTRs and STRs.

Covered persons shall file all CTRs and STRs in accordance with the registration and reporting guidelines of the AMLC. STRs SHALL COVER ALL TRANSACTIONS, WHETHER COMPLETED OR ATTEMPTED.

Section 9. Section 2.2 of Rule 22 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

2.2. STRs shall be PROMPTLY FILED WITHIN THE NEXT WORKING DAY FROM THE OCCURRENCE THEREOF, WHICH FOR PURPOSES OF THIS RULE, SHALL BE THE DATE OF ESTABLISHMENT OF SUSPICION OR DETERMINATION OF THE SUSPICIOUS NATURE OF THE TRANSACTION.

Section 10. Section 1.6.7 of Rule 6 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

1.6.7. The AMLC shall DISSEMINATE, SPONTANEOUSLY AND UPON REQUEST, INFORMATION AND THE RESULTS OF ITS ANALYSIS TO LEAs, OGAs, foreign jurisdictions, covered persons, and relevant private entities; and shall use dedicated, secure and protected channels for dissemination. The AMLC shall establish or adopt mechanisms for, and/or formulate guidelines on, exchange and dissemination OF INFORMATION.

Section 11. Section 8.3 of Rule 18 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

"8.3 Review and Updating of Records.

Covered persons shall, based on materiality and risk, ensure that information and documents collected under the CDD process are kept up-to-date and relevant, by undertaking reviews of existing records, particularly for higher risk categories of customers. COVERED PERSONS SHALL ALSO ENSURE THAT BENEFICIAL OWNERSHIP INFORMATION ARE UPDATED IN CASE OF ANY CHANGES. Updating of records shall be mandatory when enhanced OMP is warranted."

Section 12. Section 7.1 of Rule 31 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

"7.1. The AMLC shall establish controls and safeguards to ensure that information exchanged is used only for the purpose for, and by the authorities, for which the information was requested or provided. Any further dissemination of the information by the requesting party to other authorities or third parties or any use of the information for administrative, investigative, prosecutorial or judicial purposes beyond those originally approved shall be subject to prior authorization by the AMLC."

Section 13. Paragraph j(1), Section 1 of Rule II of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

(1) "Related Account" refers to an account, the funds and sources of which directly originated from and/or are materially-linked to the monetary instruments or properties subject of the freeze order or an order of inquiry.

Section 14. Paragraph gg, Section 1 of Rule II of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

gg "Identification Document" (ID) refers to any of the following evidence of identity:

(1) For Filipino citizens:

(a) PhilID;

(b) Other identification documents issued by the Government of the Republic of the Philippines, including its political subdivisions, agencies, and instrumentalities; and

(c) Other identification documents that can be verified using reliable, independent source documents, data or information.

(2) For foreign nationals:

(a) PhilID, for resident aliens;

(b) Passport;

(c) Alien Certificate of Registration; and

(d) Other identification documents issued by the Government of the Republic of the Philippines, including its political subdivisions, agencies, and instrumentalities.

(3) For Filipino students:

(a) PhilID;

(b) School ID signed by the school principal or head of the educational institution; and

(c) Birth Certificate issued by the Philippine Statistics Authority; and

(4) For low risk customers: Any document or information reduced in writing which the covered person deems sufficient to establish the client's identity.

Section 15. Section 1.1 of Section 2 of Rule 12 is hereby renumbered to be Section 2.1 and the subsequent subsections are hereby renumbered accordingly.

Section 16. Section 7 of Rule 16 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

Section 7. Group-wide MTPP.

Financial and DNEBP groups shall implement group-wide MTPP, which should be applicable, and appropriate to, all branches and majority-owned subsidiaries of the financial and professional group. These shall include the measures set out in Rule 16, SECTION 1 and also:

(a) policies and procedures for sharing information required for the purposes of CDD and risk management;

(b) the provision, at group-level compliance, audit, and/or AML/CTF functions, of customer, account, and transaction information from branches and subsidiaries when necessary for AML/CTF purposes. This should include information and analysis of transactions or activities which appear unusual, if such analysis was done. Similarly branches and subsidiaries should receive such information from these group-level functions when relevant and appropriate to risk management; and

(c) adequate safeguards on the confidentiality and use of information exchanged, including safeguards to prevent tipping-off.

Section 17. Section 6.1.8 of Rule 19 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

"6.1.8. The ordering financial institution shall maintain all originator and beneficiary information collected, in accordance with Rule 20 (Record-Keeping) hereof."

Section 18. Section 5.2 on Manual Monitoring of Rule 22 is hereby renumbered to be Section 5.3.

Section 19. Section 5 on Safe Harbor Provision and Section 6 on Confidentiality of Reporting of Rule 22 are hereby renumbered to be Sections 6 and 7 respectively.

Section 20. Section 6 of Rule 26 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160 is hereby amended to read as follows:

"Section 6. Enforcement Actions by Supervising Authorities."

Section 21. Section 6 on Statistics of Rule 32 is hereby renumbered to be Section 3.

Section 22. Effectivity. – This ARI shall take effect immediately following its publication in a newspaper of general circulation.

Except as provided herein, all the other provisions of the 2018 IRR shall remain in full force and effect.

FOR THE AMLC:

(ORIGINAL SIGNED)
MEL GEORGIE B. RACELA
Executive Director
AMLC Secretariat

29 January 2020