CIRCULAR LETTER

TO: All Concerned

SUBJECT: International Cooperation and Exchange of Information

Pursuant to the power of the Insurance Commission (IC) under Rule 18 (A) of the 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act No. 9160, also known as the "Anti-Money Laundering Act of 2001 (AMLA), As Amended", and Rule 27 of the Implementing Rules and Regulations (IRR) of Republic Act No. 10168, otherwise known as "The Terrorism Financing Prevention and Suppression Act", to issue and/or update its guidelines and circulars on anti-money laundering and terrorism financing prevention and suppression, respectively, the following are hereby enacted:

SECTION 1. Request for Information from a Foreign Jurisdiction.

The IC shall, consistent with existing laws, provide cooperation with its foreign counterparts, consistent with the applicable international standards for supervision, in particular, with respect to the exchange of supervisory information related to or relevant for AML/CFT purposes.

The IC shall, consistent with existing laws, exchange with foreign counterparts, in accordance with existing laws, information domestically available to them, including information held by IC regulated entities, in a manner proportionate to their needs.

The IC shall, consistent with existing laws, exchange the following types of information when relevant for AML/CFT purposes, with foreign counterparts that have shared responsibility for financial institutions operating in the same group:
a. Regulatory information, such as information on domestic regulatory system, and general information on the financial sectors;

b. Prudential information, such as information on the IC Regulated Entities’ (ICREs) business activities, beneficial ownership, management, and fit and properness; and

c. AML/CFT information, such as internal AML/CFT procedures and policies of ICREs, customer due diligence information, customer files, samples of accounts, transaction information and other information from or about the ICREs.

The IC shall, consistent with existing laws, conduct inquiries in behalf of their foreign counterparts, and, as appropriate, to authorize or facilitate the ability of foreign counterparts to conduct inquiries themselves in the Philippines, in order to facilitate effective group supervision.

SECTION 2. Requests for Beneficial Ownership Information.

The IC shall, consistent with existing laws, provide international cooperation in relation to basic and beneficial ownership information in a timely manner, based on existing agreement and informal exchange of information. This should include:

a. Facilitating access by foreign competent authorities to basic information held by the Securities and Exchange Commission (SEC);

b. Exchanging information on shareholders; and

c. Using IC's investigative power, as may be allowed under existing laws, to obtain beneficial ownership information on behalf of foreign counterparts.

The IC shall, consistent with existing laws, rapidly provide international cooperation in relation to information, including beneficial ownership information, on trusts and other legal arrangements. This shall include:

a. Facilitating access by foreign competent authorities to basic information held by registries or other domestic authorities;

b. Exchanging domestically available information on the trusts or other legal arrangement; and

c. Using IC's investigative power, in accordance with existing laws, in order to obtain beneficial ownership information on behalf of foreign counterparts.

SECTION 3. Requirements for Request for Information from a Foreign Jurisdiction.
All requests for information from a foreign jurisdiction shall, at the minimum:

a. State the purpose for which the information is being requested;

b. State the relevant Law Enforcement Agencies or Other Government Agencies, if any, for whom the information is being requested or who will ultimately use the requested information; and

c. Undertake to extend the same assistance on the basis of reciprocity or existing agreement.

SECTION 4. Procedure for Requests for Information from a Foreign Jurisdiction.

The IC shall receive requests for information:

a. Directly from a foreign counterpart, which the IC has an existing agreement;

b. Directly from a requesting foreign jurisdiction; and

c. Indirectly, through requests coursed through the AMLC, other domestic Supervising Agencies, Law Enforcement Agencies or Other Government Agencies, if the latter cannot act on the requests in accordance with their respective charter or laws.

The IC may execute requests for information from a foreign jurisdiction by giving information or documents needed by the foreign jurisdiction to the extent permitted by laws.

SECTION 5. Request for Information to a Foreign Jurisdiction.

The IC may request information from its foreign counterparts or non-counterparts, as may be allowed by existing laws, to pursue investigations involving transnational elements.

SECTION 6. Controls and Safeguards.

The IC 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.

The IC shall ensure that it has prior authorization from the requested foreign counterpart for any dissemination of information exchanged, or use of that information for supervisory and non-supervisory purposes, unless the IC is under obligation to disclose or report the information. In such cases, at a minimum, the IC shall promptly inform the requested foreign counterpart of this obligation.
SECTION 7. Prioritization and Monitoring.

The IC shall have clear and secure gateways, mechanisms or channels that will facilitate and allow for the transmission and execution of requests.

The IC shall have clear processes for the prioritization and timely execution of requests and have clear processes for safeguarding the information received.

SECTION 8. Confidentiality of Information.

The IC shall maintain the confidentiality of requests for information it receives and the information exchanged, in the same manner as it would protect similar request or information received from domestic sources.

SECTION 9. Refusal to Execute Request for Information

The IC may refuse to execute any request for information where the action sought therein contravenes the provision of the Constitution or the execution thereof is likely to prejudice the national interest of the Philippines, or if the requesting foreign jurisdiction cannot effectively protect the confidentiality of the requested information.

SECTION 10. Effectivity.

This Circular Letter shall take effect immediately.

DENNIS B. FUNA
Insurance Commissioner