CIRCULAR LETTER

TO : All Insurance/Reinsurance Companies, Insurance and Reinsurance Brokers, Mutual Benefit Associations, Trusts for Charitable Uses, Pre-Need Companies, Health Maintenance Organizations and other Insurance Commission Regulated Entities


Pursuant to the power of the Insurance Commission (IC) under Rule 7, Section 4.1 of the 2018 Implementing Rules and Regulations (IRR) of Republic Act No. 9160, otherwise 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 undersigned Insurance Commissioner enacts the following:

SECTION 1. Section 4 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 4. Definition of Terms. – For purposes of this Guidelines, the following terms are defined as follows:

1. "Money Transmitter" means a person who carries on a business of money transmission. Money transmission is the business of engaging in the domestic or international transportation of money on behalf of others in exchange for a fee or other consideration.
2. "Pre-need Business" means the business of providing mortuary, crematory and funeral services, as well as the business of selling pre-need contracts and pre-need services.
B. “Anti-Money Laundering Council” (AMLC) refers to the financial intelligence unit of the Philippines which is the government agency tasked to implement the AMLA and the The Terrorism Financing Prevention and Suppression Act (TFPSA).

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I. “Customer/Client” refers to any person who keeps an account, or otherwise transacts business with an ICRE. 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;**
4. A company or person whose assets are managed by an asset manager;
5. **Trustors/grantors/settlers of a trust;** and
6. Insurance policy holder/owner, insured, pre-need plan holder, HMO **client**, or HMO enrolled member, whether actual or prospective.

J. “Politically Exposed Person” (PEP) refers to an individual who is or has been entrusted with prominent public position in (1) the Philippines with substantial authority over policy, operations or the use or allocation of government-owned resources; (2) a foreign State; or (3) an international organization.

K. “Immediate Family Member of PEPs” refers to individuals related to the PEP within the second degree of consanguinity or affinity.

L. “Close Relationship/Associates of PEPs” refer to persons who are widely and publicly known, socially or professionally, to maintain a particularly close relationship with the PEP, and include persons who are in a position to conduct substantial domestic and international financial transactions on behalf of the PEP.

M. “Beneficial Owner” refers to any natural person who:

1. Ultimately owns or controls the customer and/or on whose behalf a transaction or activity is being conducted; or
2. Has ultimate effective control over a legal person or legal arrangement; or

Control includes whether the control is exerted by means of trusts, agreements, arrangements, understandings, or practices, and whether or not the individual can exercise control through making decisions about financial and operating policies.

N. “Identification Document” (ID) refers to any of the following evidence of identity:

1. For Filipino citizens: Those issued by any of the following official authorities:
   a. PhilID;
   b. Other identification 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 ICRE deems sufficient to establish the customer’s identity.

T. “Materially-linked Accounts” shall include the following:

1. All accounts or monetary instruments under the name of the person whose accounts, monetary instruments, or properties are the subject of the freeze order or an order of inquiry;
2. All accounts or monetary instruments held, owned, or controlled by the owner or holder of the accounts, monetary instruments, or
properties subject of the freeze order or order of inquiry, whether such accounts are held, owned or controlled singly or jointly with another person;

3. All “In Trust For” accounts where either the trustee or the trustor pertains to a person whose accounts, monetary instruments, or properties are the subject of the freeze order or order of inquiry,

4. All accounts held for the benefit or in the interest of the person whose accounts, monetary instruments, or properties are the subject of the freeze order or order of inquiry;

5. All accounts of juridical persons or legal arrangements that are owned, controlled or ultimately effectively controlled by the natural person whose accounts, monetary instruments or properties are subject of the freeze order or order of inquiry, or where the latter has ultimate effective control; and

6. All other accounts, shares, units, or monetary instruments that are similar, analogous, or identical to any of the foregoing."

SEC. 2. Section 7 of CL No. 2018-48, as amended is hereby amended to read as follows:

“Section 7. Risk Assessment. – The ICREs shall:

a. Take appropriate steps to identify, assess and understand its AML/CTF risks in relation to its customers, its business, products and services, geographical exposures, transactions, delivery channels, and size, among others; and appropriately define and document its risk-based approach. The risk assessment shall include both quantitative and qualitative factors.

b. Institute the following processes in assessing their ML/TF risks:
   i. Documenting risk assessments and findings;
   ii. Considering all the relevant risk factors, including the results of national and sectoral risk assessment, before determining what is the level of overall risk and the appropriate level and type of mitigation to be applied;
   iii. Keeping the assessment up-to-date through periodic review; and
   iv. Ensure submission of the risk assessment information as may be required by the IC.

c. Maintain AML/CTF prevention policies, procedures, processes and controls that are relevant and up-to-date in line with the dynamic risk associated with its business, products and services and that of its customers.

d. Establish, implement, monitor and maintain satisfactory controls that are commensurate with the level of AML/CTF risk and take enhance measures on identified high risk areas, which should be incorporated in the ICRE’s MTPP;

e. Conduct additional assessment as and when required by the IC; and
f. Institutional risk assessment shall be conducted at least once every two (2) years, or as often as the Board or senior management may direct, depending on the level of risks identified in the previous assessment, or other relevant AML/CTF developments that may have an impact on the ICRE's operation.

SEC. 3. Section 11 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 11. Implementation of a Money Laundering and Terrorism Financing Prevention Program (MTPP). –

A. The ICRE’s Board of Directors (BOD) shall approve, and the compliance officer shall implement, a comprehensive, risk-based MTPP geared towards the promotion of high ethical and professional standards and the prevention of ML and TF. The MTPP shall be in writing; consistent with the AML and CTF Laws, their respective implementing rules and regulations, this Guidelines and other applicable IC and AMLC issuances; and its provisions shall reflect the ICRE’s corporate structure and risk profile. It shall be readily available in user-friendly form, whether in hard or soft copy. Moreover, it shall be well disseminated to all officers and staff who are obligated, given their position, to implement compliance measures. The ICREs shall design procedures that ensure an audit trail evidencing the dissemination of the MTPP to relevant officers and staff.

Where an ICRE operates at multiple locations in the Philippines, it shall adopt an institution-wide MTPP to be implemented in a consolidated manner. Where an ICRE has branches, subsidiaries, affiliates or offices located within and/or outside the Philippines, there shall be a consolidated ML/TF risk management system to ensure the coordination and implementation of policies and procedures on a group-wide basis, taking into account local business considerations, the requirements of the host jurisdiction and the level of country risk. Lastly, the MTPP shall be updated at least once every two years or whenever necessary to reflect changes in AML/CTF obligations, ML and TF trends, detection techniques and typologies.

At a minimum, the MTPP’s provisions shall include internal policies, controls and procedures on the following:

1. Risk assessment and management;
2. Detailed procedures of the ICREs’ compliance and implementation of customer due diligence, record-keeping and transaction reporting requirements;
3. An effective and continuous AML/CTF training program for all
directors, and responsible officers and employees, to enable them to fully comply with their obligations and responsibilities under the AML and CTF Laws, their respective implementing rules and regulations, this Guidelines and other applicable IC and AMLC issuances, their own internal policies and procedures, and such other obligations as may be required by the IC and/or the AMLC;

4. An adequate risk-based screening and recruitment process to ensure that only qualified and competent personnel with no criminal record or integrity-related issues are employed or contracted by ICREs;

5. Independent audit function to test the system. The ICREs shall specify in writing the examination scope of independent audits, which shall include evaluation or examination of the following:
   a. Risk assessment and management;
   b. MTPP;
   c. Accuracy and completeness of customer identification information, covered and suspicious transaction reports, and all other records and internal controls pertaining to compliance with the AML and CTF Laws, their respective Implementing Rules and Regulations, this Guidelines and other relevant IC and AMLC issuances.

6. A mechanism that ensures all deficiencies noted during inspection and/or regular or special compliance checking are immediately and timely corrected and acted upon;

7. Cooperation with the IC, AMLC and other competent authorities;

8. Designation of a Compliance Officer at the management level, as the lead implementer of the ICRE's compliance program or creation of compliance unit;

9. The identification, assessment and mitigation of ML/TF risks that may arise from new business practices, services, technologies and products.

10. Adequate safeguards on the confidentiality and use of information exchange, including safeguards to prevent tipping off;

11. A mechanism to comply with freeze, inquiry and asset preservation orders and all directives of the AMLC; and

12. A mechanism to comply with the prohibitions from conducting transactions with designated persons and entities, as set out in relevant United Nations Security Council Resolutions (UNSCRs) relating to the preservation and suppression of terrorism and terrorist financing and financing of proliferation of weapons of mass destruction.

B. Financial groups are authorized to implement group-wide MTPP.
which should be applicable, and appropriate to, all branches and majority-owned subsidiaries of the financial group. These shall include the measures set out above, and also:

1. Policies and procedures for sharing information required for the purposes of CDD and risk management;
2. 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
3. Adequate safeguards on the confidentiality and use of information exchanged, including safeguards to prevent tipping-off.

C. Within one hundred eighty (180) days from the effectivity of this Guidelines, all ICREs shall prepare and have available for inspection their new/updated and BOD-approved MTPP embodying the principles and provisions stated in this Guidelines.

In case of newly licensed ICRE, it shall formulate its MTPP that is consistent with the AML and CTF Laws, their respective implementing rules and regulations, this Guidelines and other applicable IC and AMLC issuances within one (1) year from receipt of its Certificate of Authority.

Each MTPP shall be regularly updated at least once every two (2) years to incorporate changes in AML policies and procedures, latest trends in ML and TF typologies, and latest pertinent IC and/or AMLC issuances. Any revision or update in the MTPP shall likewise be approved by the BOD.

The compliance officer shall submit to the IC not later than fifteen (15) days from the approval of the Board of Director of the new/updated MTPP a sworn certification that a new/updated MTPP has been prepared, duly noted and approved by the ICREs’ BOD.”

SEC. 4. Section 16 of CL No. 2018-48, as amended is hereby amended to read as follows:

“Section 16. Continuing Education and Training Program. – The ICREs shall develop, or create opportunities for, continuing education and training programs for its responsible directors, officers and employees to promote AML/CTF awareness and strong compliance culture.
The education and training programs shall include relevant topics, such as:

a. Overview on ML/TF, and the AMLA and TFPSA;
b. Roles of directors, officers and employees in ML/TF prevention;
c. Risk management;
d. Preventive measures;
e. Compliance with freeze, bank inquiry and asset preservation orders, and all directives of the AMLC;
f. Cooperation with the AMLC and the IC; and
g. International standards and best practices.

Attendance by ICREs’ directors, officers and employees in all education and training programs, whether internally or externally organized, shall be documented. Copies of AML/CTF continuing education and training programs, training certificates, attendance and materials, and shall be made available to the IC and the AMLC, upon request.

The ICREs shall provide refresher programs, at least, every three (3) years. In cases where there are new developments brought about by new legislations, rules and regulations, and other IC and/or AMLC issuances, the ICREs shall immediately cascade these information to its responsible directors, officers and employees; Provided, that the cascading of the information is documented.”

SEC. 5. Section 22 of CL No. 2018-48, as amended is hereby amended to read as follows:

“Section 22. CDD Standards. – The ICREs shall implement the following standards of CDD. –

a. Identify and verify the identity of a customer using reliable, independent source documents, data or information.
b. Verify that any person purporting to act on behalf of the customer is so authorized, and identify and verify the identity of that person;
c. Identify the beneficial owner and take reasonable measures to verify the identity of the beneficial owner based on official documents, or using relevant information or data obtained from reliable sources, such that the ICRE is satisfied that it knows who is the beneficial owner. The ICRE should have a system to understand the nature of the customer’s business and its ownership and control structure, in case of juridical persons or legal arrangements.
The ICRE shall keep records of the actions taken in order to identify the beneficial owner;
d. Determine, understand and, as appropriate, obtain information on,
the purpose and intended nature of the account, transaction, or business relationship with their customers; and

e. Conduct ongoing due diligence on the business relationship and scrutiny of transactions undertaken throughout the course of the relationship to ensure that the transactions being conducted are consistent with the ICRE’s knowledge of the customer, their business and risk profile, including, where necessary, the source of funds.”

SEC. 6. Section 24 of CL No. 2018-48, as amended is hereby amended to read as follows:

“Section 24. Minimum Customer/Client Information and Identification Documents. – The following are the minimum customer information and identification documents required in the conduct of CDD:

A. For New Individual Customer/Client. The ICREs shall develop a systematic procedure for establishing the true and full identity of new individual customers/clients, and shall open and maintain the account/relationship only in the true and full name of the account/relationship owner/s. Unless otherwise stated in this Guidelines, average customer due diligence requires that the ICREs shall gather from individual customers/clients, before or during the course of establishing the business relationship, the following minimum identification information and valid identification document:

1. Identification Information:
   a. Full Name;
   b. Date of birth;
   c. Place of birth;
   d. Sex;
   e. Citizenship or nationality;
   f. Address;
   g. Contact number or information;
   h. Source of fund;
   i. Specimen signature or biometric information; and
   j. Name, address, date and place of birth, contact number or information, sex, and citizenship or nationality of beneficiary and/or beneficial owner, whenever applicable.

2. Identification Documents:
   a. PhillD; or
   b. Other identification document, as herein defined.
B. For New Customers/ Clients that are Juridical Persons. The ICRES shall develop a systematic procedure for identifying customers/ clients that are corporate, partnership and sole proprietorship entities, as well as their stockholders/ partners/ owners, directors, officers and authorized signatories. It shall open and maintain accounts only in the true and full name of the entity.

Unless otherwise stated in this Guidelines, average due diligence requires that the ICRES shall obtain from their customers/ clients that are juridical persons the following minimum identification information and documents before or during the course of establishing business relationships:

1. Identification Information:
   a. Full name;
   b. Name of authorized representative/ transactor/ signer;
   c. Current office address;
   d. Contact number or information;
   e. Nature of business;
   f. Source of fund;
   g. Specimen signature or biometrics of the authorized representative/ transactor/ signer; and
   h. Name, address, date and place of birth, contact number or information, sex, and citizenship or nationality of beneficiary and/or beneficial owner, if applicable.

2. Identification Documents:
   a. Certificates of Registration issued by the Department of Trade and Industry (DTI) for sole proprietors, or Certificate of Incorporation or Partnership issued by the Securities and Exchange Commission (SEC) for corporations and partnerships, respectively, and by the Bangko Sentral ng Pilipinas (BSP) for money changers/ foreign exchange dealers and remittance agents, and by the AMLC for covered persons;
   b. Articles of Incorporation/ Partnership;
   c. Registration Data Sheet/ Latest General Information Sheet;
   d. Secretary’s Certificate citing the pertinent portion of the Board or Partner’s Resolution authorizing the signatory to sign on behalf of the entity; and
   e. For entities registered outside of the Philippines, similar documents and information duly authenticated by a senior officer of the covered person assigned in the country of registration; in the absence of said officer, the documents shall be authenticated by the Philippine
Consulate, company register or notary public, where said entities are registered.

The ICREs shall understand the nature of the customer’s business, its ownership and control structure.

C. Legal Arrangements (Trust or Other Similar Arrangement)

When performing customer due diligence measure in relation to customers that are legal arrangements, ICREs shall identify and verify the identity of the customer, and understand the nature of business, and its ownership and control structure.

Unless otherwise stated in this Guidelines, average due diligence requires that the ICREs shall obtain from their customers/clients that are legal arrangement the following minimum identification information and documents before or during the course of establishing business relationships:

1. Full name of legal arrangement;
2. Current office address and country of establishment;
3. Contact number or information, if any;
4. Nature, purpose and objects of the legal arrangement;
5. The names of the settlor, the trustee, the trustor, the protector, if any, the beneficiary and any other natural person exercising ultimate effective control over the legal arrangement;
6. Deed of trust and/or other proof of existence; and
7. Other requirements for juridical persons, as applicable.

D. Valid Identification Documents.

Customers and the authorized signatory/ies of a corporate or juridical person who engage in a transaction with an ICRE for the first time shall be required to present the original and submit a clear copy of, at least, one (1) identification document.

In case the the identification document presented does not bear any photo of the customer or authorized signatory, or the photo-bearing ID or a copy thereof does not clearly show the face of the customer or authorized signatory, the ICRE may utilize ICT or any other technology to take the photo of the customer or authorized signatory.”

SEC. 7. Section 25 of CL No. 2018-48, as amended is hereby amended to read as follows:
"Section 25. Identification and Verification of Agents and Beneficial Ownership. –

A. Identification and Verification of Agents

1. General Requirement

ICREs shall verify that any person purporting to act on behalf of a customer is so authorized, and identify and verify the identity of that person.

2. Where an account is opened or an occasional transaction in excess of the threshold is conducted by any person in behalf of another, ICREs shall establish and record the true and full identity and existence of both the account holder or person purporting to act on behalf of the customer, and the beneficial owner or the principal on whose behalf the transaction is being conducted.

3. ICREs shall verify the validity of the authority of the agent. In case it entertains doubts as to whether the account holder or person purporting to act on behalf of the customer is being used as a dummy in circumvention of existing laws, it shall apply EDD and file an STR, if warranted.

B. Verification of Beneficial Ownership

1. General Requirement

ICREs shall identify the beneficial owner and take reasonable measures to verify the identity of the beneficial owner, using the relevant information or data obtained from a reliable source, such that the ICRE is satisfied that it knows who the beneficial owner is.


ICREs shall determine the true nature of the beneficial owner's capacities and duties vis-à-vis his agent by obtaining a copy of the written document evidencing their relationship and apply the same standards for assessing the risk profile and determining the standard of CDD to be applied to both.

3. Timing of Beneficial Ownership Verification.

ICREs shall verify the identity of the beneficial owner before or during the course of establishing a business or professional relationship, or conducting transactions for occasional customers in excess of the threshold. They may complete the BOV after the establishment of the business or professional relationship; Provided, that:
a. this occurs as soon as reasonably practicable;
b. this is essential not to interrupt the normal conduct of business; and
c. the ML/TF risks are effectively managed.

C. Verification of Beneficial Ownership for Juridical Persons.

For customers that are juridical persons, the ICREs shall identify and take reasonable measures to verify the identity of beneficial owners through the following information:

a. the identity of the natural persons, if any, who ultimately have controlling ownership interest in a juridical person;
b. to the extent that there is a doubt under item (a) above, as to whether the persons with the controlling ownership interest are the beneficial owners or where no natural person exerts control through ownership interests, the identity of the natural persons, if any, exercising control over the juridical person through other means; and
c. where no natural person is identified under items (a) and (b) above, the identity of the relevant natural persons who hold senior management positions.

D. Verification of Beneficial Ownership for Legal Arrangements.

For customers that are legal arrangements, the ICRE shall identify and take reasonable measures to verify the identity of beneficial owners through the following information:

1. For trust: the identity of the trustors/grantors/settlors, the trustees, the beneficiaries or class of beneficiaries, the protector, if any, and any other natural person exercising ultimate effective control over the trust agreement.
2. For beneficiaries of trust agreements that are designated by characteristics or by class: sufficient information concerning the beneficiary to satisfy the covered person that it will be able to establish the identity of the beneficiary at the time of the payout or when the beneficiary intends to exercise vested rights.
3. For other types of legal arrangements: the identity of persons in equivalent or similar positions.

In determining the reasonableness of the identity verification measures, ICREs shall consider the money laundering and terrorist financing risks posed by the customer and the business relationship.

E. Compliance with the Guidelines on Identifying Beneficial Ownership.
The ICREs shall comply with the responsibilities imposed under the AMLC's Guidelines on Identifying Beneficial Ownership and any amendments thereto.”

SEC. 8. Section 26 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 26. Customer Risk Profiling. – Every ICRE shall develop clear, written and graduated customer acceptance and identification policies and procedures, which shall include sanctions screening.

The ICREs shall specify the criteria and description of the types of customers that are likely to pose low, normal or high ML/TF risk to their operations, as well as the standards in applying simplified/reduced, average and enhanced customer due diligence, including a set of conditions for the refusal to conduct the transaction.

Enhanced due diligence shall be applied to customers that are assessed by the ICREs or under this Guidelines as high risk for ML/TF. For customers assessed to be of low risk, the ICREs may apply simplified/reduced due diligence.

The ICREs shall develop a clear set of criteria for customer risk profiling and assessment. Criteria shall include, at least, three (3) of the following: Provided, that the ICRE is satisfied that customer's risk profile is sufficiently established:

a. The customer risk (e.g. type of customer, occasional or one-off, legal person structure, PEP classification, included in the negative list);

b. The nature of the service or product to be availed of by the customers;

c. The delivery channels, including cash-based, face-to-face or non-face-to-face, or cross-border movement of cash;

d. The purpose of the account or transaction;

e. The amount of funds to be transacted by a customer or the size of transactions undertaken or to be undertaken;

f. The regularity or duration of the transaction;

g. The fact that a customer came from a high-risk jurisdiction;

h. The existence of suspicious transaction indicators;

i. The source of fund and source of wealth;

j. Nature of business and/or employment;

k. Country of origin and residence of operations, or the fact that a customer came from a high-risk jurisdiction or geographical area;

l. Watchlist of individuals and entities engaged in illegal activities or terrorist related activities as circularized by the IC, BSP, AMLC, and other international entities or organizations, such
as the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury and United Nations Sanctions List;
m. Such other factors the ICREs may deem reasonable or necessary to consider in assessing the risk of a customer to ML and TF.

In assessing the risk profile of juridical persons, the covered person shall also consider the financial profile and other relevant information of the active authorized signatories.

The ICREs shall document the risk profiling results, as well as how a customer was profiled and the standard of CDD applied.”

SEC. 9. Section 27 of CL No. 2018-48, as amended is hereby amended to read as follows:

“Section 27. High-Risk Jurisdiction or Geographic Location. – ICREs shall apply enhanced due diligence, proportionate to the risks, to accounts, transactions, and business relationships with customers who are nationals or citizens 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 relevant domestic or international bodies. Information relative to these are available from publicly available information such as the websites of FATF, FATF Style Regional Bodies (FSRB) like the Asia Pacific Group on Money Laundering and the Egmont Group, national authorities like the OFAC of the U.S. Department of the Treasury, or other reliable third parties such as regulators or exchanges, which shall be a component of a ICRE’s customer identification process.

ICREs shall apply countermeasures (such as conduct of enhanced due diligence, limit business relationship or financial transactions with the identified country or persons in that country) proportionate to the risks when called upon to do so by the FATF, or independently of any call by the FATF to do so, when warranted.”

SEC. 10. Section 29 of CL No. 2018-48, as amended is hereby amended to read as follows:

“Section 29. Enhanced Due Diligence (EDD). – The ICREs shall examine the background and purpose of all complex, unusually large transactions, all unusual patterns of transactions, which have no apparent economic or lawful purpose, and other transactions that may be considered suspicious. Where the risks are higher, the ICREs shall conduct EDD.

The ICREs should employ EDD if it acquire information that:
A. Raises doubt as to the accuracy of any information or document provided by the customer or the ownership of the entity;
B. Justifies re-classification of the customer from low or normal risk to high-risk;
C. When establishing business relationship with any person from countries identified by the FATF or AMLC as having on-going or substantial ML/TF risks;
D. Warrants the filing of a Suspicious Transaction Report (STR) exists, including information that:
   1. The customer is transacting without any purpose, economic justification, or underlying legal or trade obligation;
   2. The customer is transacting an amount that is not commensurate to the business or financial capacity of the customer or deviates from the profile of that customer;
   3. The customer might have structured transactions to avoid being the subject of a Covered Transaction Report;
   4. The customer has been or is currently engaged in any unlawful activity; or
   5. Raises suspicions that an intermediary is being used to circumvent anti-money laundering compliance measures.

SEC. 11. Section 30 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 30. Enhanced Due Diligence Measures. Whenever EDD is applied as required by this Guidelines, or by the ICREs’ customer acceptance policy, or where the risk of ML/TF are higher, the ICREs shall perform the following:

A. Gather documents to support the:
   1. Sources of wealth and fund;
   2. Nature of occupation and/or business;
   3. Reason for intended or performed transaction; and
   4. Other identification information, which the ICRE deems necessary to verify the identity of the customer, and their agents and beneficial owners.

B. Conduct additional validation procedures, such as:
   1. verifying volume of assets, information available through public databases, internet and other records;
   2. verifying the declared residence address and conducting
face-to-face contact with the customers, and their agents and beneficial owners; and

3. other modes of validation, which the ICRE deems reliable and practical.

C. Secure the approval of senior management to commence or continue transacting with the customer;

D. Conduct enhanced ongoing monitoring, including more frequent or regular updating of identification information and identification documents;

E. Require the first payment to be carried out through an account in the customer’s name with a bank subject to similar CDD standards, where applicable; and

F. Such other measures as the ICREs may deem reasonable or necessary.”

SEC. 12. Section 31 of CL No. 2018-48, as amended is hereby amended to read as follows:

“Section 31. Simplified or Reduced Due Diligence. Where lower risks of ML/TF have been identified, through an adequate analysis of risk by the ICRE and based on the result of the institutional risk assessment, simplified or reduced customer due diligence measures may be applied. The simplified or reduced measures shall be commensurate with the lower risk factors. Examples of possible measures are:

a. Verifying the identity of the customer and the beneficial owner after the establishment of the business relationship.

b. Reducing the frequency of customer identification updates.

c. Reducing the degree of on-going monitoring and scrutinising transactions, based on a reasonable monetary threshold.

d. Not collecting specific information or carrying out specific measures to understand the purpose and intended nature of the business relationship, but inferring the purpose and nature from the type of transactions or business relationship established.

Simplified or reduced customer due diligence measures are not acceptable whenever there is suspicion of ML/TF, or where specific higher risk scenarios apply.”

SEC. 13. Section 33 of CL No. 2018-48, as amended is hereby amended to read as follows:
"Section 33. Life Insurance and Other Investment-Related Insurance Policies. - For life or other investment-related insurance business, the ICREs shall, in addition to the CDD measures required for the customer and the beneficial owner, conduct the following CDD measures on the beneficiary(ies) of life insurance and other investment related insurance policies, as soon as the beneficiary(ies) are identified/designated:

a. For beneficiary(ies) that are identified as specifically named natural or legal persons or legal arrangements – taking the name of the person.

b. For beneficiary(ies) that are designated by characteristics, by class or by other means – obtaining sufficient information concerning the beneficiary to satisfy the ICRE that it will be able to establish the identity of the beneficiary at the time of the payout.

The information collected under (a) and/or (b) should be recorded and maintained in accordance with the provisions under Title VI of this Guidelines.

For both the cases referred to in (a) and (b) above, the verification of the identity of the beneficiary(ies) should occur at the time of the payout.

The ICREs shall include the beneficiary of a life insurance policy as a relevant risk factor in determining whether EDD measures are applicable. If the ICRE determines that a beneficiary who is a legal person or a legal arrangement presents a higher risk, it shall take enhanced measures which should include reasonable measures to identify and verify the identity of the beneficial owner of the beneficiary, at the time of payout.

ICREs shall take reasonable measures to determine whether the beneficiaries and/or, where required, the beneficial owner of the beneficiary, are PEPs. This should occur, at the latest, at the time of the payout. Where higher risks are identified, ICREs shall inform senior management before the payout of the policy proceeds, to conduct enhanced scrutiny on the whole business relationship with the policyholder, and to consider making a suspicious transaction report.

Where an ICRE is unable to comply with the foregoing, it should consider making a suspicious transaction report."

SEC. 14. Section 34 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 34. Implementation of Targeted Financial Sanctions.

ICREs shall secure the consent of all their customers to be bound by obligations set out in the relevant United Nations Security Council Resolutions relating to the prevention and suppression of proliferation financing of weapons of mass destruction, including
the freezing and unfreezing actions as well as prohibitions from conducting transactions with designated persons and entities.”

SEC. 15. Section 35 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 35. Ongoing Monitoring. –

A. ICREs shall, on the basis of materiality and risk, conduct ongoing monitoring by establishing a system that will enable them to understand the normal and reasonable account or business activity of customers, and scrutinize transactions undertaken throughout the course of the business relationship to ensure that the customers’ accounts, including transactions being conducted, are consistent with the ICRE’s knowledge of its customer, their business and risk profile, including where necessary, the source of funds.

B. The ICREs shall apply EDD on the customer/client if it acquires information in the course of its customer account or transaction monitoring that:

1. Raises doubt as to the accuracy of any information or document provided or the ownership of the juridical person or legal arrangement;

2. Justifies reclassification of the customer from low or normal risk to high risk pursuant to this Guidelines or by their own criteria; or

3. Indicates that any of the circumstances for the filing of a suspicious transaction report exists such as but not limited to the following:

   a. Transacting without any underlying legal or trade obligation, purpose or economic justification;

   b. Transacting an amount that is not commensurate with the business or financial capacity of the customer or deviates from his profile;

   c. Structuring of transactions in order to avoid being the subject of covered transaction reporting; or

   d. Knowing that a customer was or is engaged or engaging in any unlawful activity as herein defined."
C. The ICREs shall, on the basis of materiality and risk, ensure that pertinent identification 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. Updating of records shall be mandatory when enhanced ongoing monitoring process is warranted. The ICREs shall document the actions taken in connection with updating of customer’s record information, and accordingly update customer’s risk profile.”

SEC. 16. Section 36 of CL No. 2018-48, as amended is hereby amended to read as follows:

“Section 36. Customer Verification. –The ICREs shall implement and maintain a system of verifying the true identity of their clients, including validating the truthfulness of the information and confirming the authenticity of the identification documents presented, submitted and provided by the customer, using reliable and independent sources, documents, data, or information.

For customers that are juridical persons or legal arrangements, ICREs shall maintain a system of understanding the nature of the customer’s business or profession, and ownership and control structure, as well as the authority and identification of all persons purporting to act on their behalf. They shall verify the customer’s identity through the following information:

a. name, legal form and proof of existence;
b. the powers and other legal requirements or contracts that regulate and bind the juridical person or legal arrangement, as well as the names of the relevant persons having a senior management position or perform significant responsibilities in the juridical person or legal arrangement; and
c. the address of the registered office and, if different, a principal place of business.

The ICREs shall verify the identity of the customer before or during the course of establishing a business relationship, or conducting transactions for occasional customers. They may complete the verification process after the establishment of the business relationship, provided, that:

a. Completion occurs as soon as reasonably practicable;
b. Deferred customer verification process is essential so as not to interrupt the normal conduct of business; and
c. The ML/TF risks are effectively managed, taking into consideration risk and materiality.

The ICREs shall adopt risk management procedures concerning the conditions under which a customer may utilize the business relationship
prior to verification.

The ICREs shall independently verify the collected identification information and document, through any of the following modes, unless otherwise provided in this Guidelines:

a. **Face-to-face contact**;
b. **Use of Information and Communication Technology**;
c. **By confirming the authenticity of the identification documents to the issuing office**;
d. **Reliance on third parties and service providers**; or
e. **Such other methods of validation based on reliable and independent sources, documents, data, or information.**

**SEC. 17.** Section 41 of CL No. 2018-48, as amended is hereby amended to read as follows:

“**Section 41. Politically Exposed Persons.** – The ICREs shall establish and record the true and full identities of PEPs, as well as their family members, close relationships/associates and entities related to them. The ICREs shall carefully consider a PEP’s position and the position’s attendant risks with respect to money laundering and terrorist financing in determining what standard of due diligence shall apply to them.

A. In case of domestic PEPs or persons who have been entrusted with a prominent function by an international organization, in addition to performing the applicable due diligence measures, the ICREs shall:
   1. Take reasonable measures to determine whether a customer, and his agent and beneficial owner are PEPs; and
   2. In cases when there is a higher risk business relationship, adopt the following measures:
      a. Obtain senior management approval before establishing or, for existing customers, continuing, such business relationships;
      b. Take reasonable measures to establish the source of wealth and the source of funds of customers and beneficial owners identified as PEPs; and
      c. Conduct enhanced ongoing monitoring on that relationship.

B. In relation to foreign PEPs, in addition to performing the applicable customer due diligence measures, the ICREs shall:
   1. Put in place risk management systems to determine whether a customer or the beneficial owner is a PEP;
   2. Obtain senior management approval before establishing (or continuing, for existing customers) such business relationship;
   3. Take reasonable measures to establish the source of wealth and the source of funds of customers and beneficial owners identified as PEPs; and
   4. Conduct enhanced ongoing monitoring on that relationship.”
SEC. 18. Section 45 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 45. Failure to Satisfactorily Complete CDD. – ICREs who are unable to comply with the relevant CDD measures shall:

a. Refuse to open an account, commence business relations or perform the transaction; or shall terminate the business relationship; and
b. File an STR in relation to the customer, if circumstances warrant."

SEC. 19. Section 46 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 46. CDD and Tipping Off. – In cases where the ICREs form a suspicion of ML/TF and associated unlawful activities, and they reasonably believe that performing the CDD process will tip-off the customer, they need not pursue the CDD process, but should file an STR, closely monitor the account, and review the business relationship."

SEC. 20. Section 47 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 47. Record Keeping Management and Requirements. – Complimented by the requirements under the Guidelines on Digitization of Customer Records, ICREs shall retain all transaction records either in:

a. their original forms; or
b. such other forms sufficient to permit reconstruction of individual transactions so as to provide admissible evidence in court.

For low risk customers, ICREs shall maintain and store, in whatever form, a record of information data and transactions, sufficient to permit reconstruction of individual transactions so as to provide, if necessary, evidence for prosecution of criminal activity.

ICREs shall ensure that all CDD information and transaction records are available swiftly to the IC, AMLC and other domestic competent authorities in the exercise of their official functions or upon order by a competent authority.

ICREs shall take measures to ensure that customer records are submitted in the manner, quality and period as would assist the AMLC in its prompt financial investigations and institution of legal
actions. For this purpose, ICREs shall implement the guidelines on the digitization of customer records issued by the AMLC.

SEC. 21. Section 51 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 51. Reporting of Covered and Suspicious Transactions. – Covered and Suspicious Transaction Reports shall be filed by the ICREs in accordance with the registration and reporting guidelines of the AMLC.

Should a transaction be determined to be both a covered transaction and a suspicious transaction, it shall be reported by the ICREs as a suspicious transaction. In this regard, it shall be reported first as CTR, subject to updating if it is finally confirmed to be reportable as STR.

CTRs shall be filed within five (5) working days, unless the AMLC prescribes a different period not exceeding fifteen (15) working days, from the occurrence thereof.

When the total amount of the premiums/fees for a policy, plan or agreement for the entire year, regardless of frequency of payment (monthly, quarterly, semi-annually or annually), exceeds Five Hundred Thousand pesos (Php500,000.00), such amount shall be reported as a covered transaction, even if the amounts of the amortizations are less than the threshold amount. The CTR shall be filed upon payment of the first premium/fee amount, regardless of the frequency of payment. Under this rule, the ICREs shall file the CTR only once every year until the policy, plan or agreement matures or rescinded, whichever comes first.

STRs shall be filed within the period prescribed under the registration and reporting guidelines of the AMLC.

The ICREs shall ensure the accuracy, completeness and timeliness of covered and suspicious transaction reports, which shall be filed in such form as may be prescribed by the AMLC and shall be submitted in a secured manner to the AMLC in electronic form."

SEC. 22. Section 56 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 56. Manual Monitoring. The ICREs that are not required under this Guidelines to have an electronic system of flagging and monitoring transactions shall ensure that they have the means of flagging and monitoring the transactions. The monitoring system should be capable of generating timely, accurate and complete reports to lessen the likelihood of any reputational and compliance risks, and to regularly apprise the board of directors and senior
management on AML/CTF compliance. They shall maintain a register of all STs that have been brought to the attention of senior management whether or not the same was reported to the AMLC."

SEC. 23. Section 57 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 57. Electronic Submission of Reports and Registration with the AMLC. The CTR and STR shall be submitted to the AMLC in a secured manner, in electronic form and in accordance with the ARRG. The ICREs shall provide complete and accurate information of all the mandatory fields required in the report.

For the purpose of reporting in a secured manner, all ICREs shall register and/or update their registration within the period prescribed by the AMLC by directly coordinating with the latter. All ICREs that have previously registered need not re-register.

In the case of newly-licensed ICREs, registration must be done not later than ninety (90) days from receipt of their Certificate of Authority from the IC."

SEC. 24. Section 58 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 58. Confidentiality of Reporting - When reporting covered or suspicious transactions, ICREs, and their directors, officers and employees, are prohibited from communicating, directly or indirectly, in any manner or by any means, to any person or entity, or the media, the fact that a covered or suspicious transaction has been or is about to be reported, the contents of the report, or any other information in relation thereto.

Any information about such reporting shall not be published or aired, in any manner or form, by the mass media, or through electronic mail, or other similar devices.

In case of violation thereof, the concerned director, officer and employee of the ICREs and media shall be held criminally liable."

SEC. 25. Section 63 of CL No. 2018-48, as amended is hereby amended to read as follows:

"Section 63. Table of Violations and Fines. – In addition to the non-monetary sanctions stated above, the IC shall also impose monetary penalties based on the ICREs' size and gravity of violations.

A. Entity Size
For the purpose of applying the fines provided below, the total asset based on the latest submitted Annual Statement or Audited Financial Statement to the IC of the concerned ICRE shall be the basis in determining the entity's size as follows:

i. Micro – PhP5,000,000.00 to PhP10,000,000.00
ii. Small – PhP10,000,000.01 to 100,000,000.00
iii. Medium – PhP100,000,000.01 to PhP1,000,000,000.00
iv. Large A – PhP1,000,000,000.01 to PhP50,000,000,000.00
v. Large B – PhP50,000,000,000.01 and above

B. Gravity of Violations

As indicated in the table below, specific violations are categorized into Grave, Major, Serious, Less Serious and Light.

C. Table of Violations and Corresponding Fines

Table below provides for specific violations and their corresponding fines based on entity size and gravity of violations:

<table>
<thead>
<tr>
<th>A. GRAVE VIOLATION</th>
<th>FINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>Small</td>
</tr>
<tr>
<td>P20,000.00 per violation, but not exceeding P500,000.00</td>
<td>P50,000.00 per violation, but not exceeding P1,250,000.00</td>
</tr>
</tbody>
</table>

1. Non-compliance with the requirement to immediately make available, give full access and submit to the compliance checker any and all information and documents, including customer record and transaction documents, as he or she may require and/or to allow the officers and staffs of the ICREs be interviewed during compliance checking

2. Non-compliance with the Guidelines on Digitization of Customer Records

B. MAJOR VIOLATION

<table>
<thead>
<tr>
<th>FINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
</tr>
<tr>
<td>P10,000 per violation, but not exceeding P100,000.00</td>
</tr>
</tbody>
</table>
1. **Non-compliance with the requirement to establish and record the true identity of each customer and/or the person on whose behalf the transaction is being conducted**  
   Computation of fine is on per customer basis

2. **Non-compliance with the requirement to retain and safely keep records beyond the five (5)-year period, where the account is the subject of a case, until it is officially confirmed by the AMLC Secretariat that the case has been resolved, decided or terminated with finality**  
   Computation of fine is on per account basis

3. **Non-compliance with the requirement to report to the AMLC suspicious transactions. Reporting of suspicious transactions to the AMLC beyond the prescribed period shall constitute non-compliance with the requirement to report.**  
   Computation of fine is on per transaction basis

### C. SERIOUS VIOLATION

**FINE**

<table>
<thead>
<tr>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
<th>Large A</th>
<th>Large B</th>
</tr>
</thead>
<tbody>
<tr>
<td>P5,000 per violation, but not exceeding P50,000.00</td>
<td>P12,500 per violation, but not exceeding P125,000.00</td>
<td>P25,000 per violation, but not exceeding P250,000.00</td>
<td>P37,500 per violation, but not exceeding P375,000.00</td>
<td>P50,000.00 per violation, but not exceeding P500,000.00</td>
</tr>
</tbody>
</table>

1. **Non-compliance with the requirement to report to the AMLC covered transactions. Reporting of covered transactions to the AMLC beyond the prescribed period shall constitute non-compliance with the requirement to report.**  
   Computation of fine is on per transaction basis

2. **Non-compliance with the requirements on Customer Verification**  
   Computation of fine is on per customer basis

3. **Non-compliance with the requirements on Customer Risk Profiling**  
   Computation of fine is on per account basis

4. **Non-compliance with the requirements to conduct institutional risk assessment**  
   Computation of fine is on per compliance checking or monitoring basis

5. **Non-compliance with the requirements on new product, new business practice or new technology risk assessment**  
   Computation of fine is on per new product, new business practice or new technology basis

6. **Non-compliance with the requirements of the provisions on Politically-Exposed Persons**  
   Computation of fine is on per customer basis

7. **Non-compliance with the requirements of the provisions on High-Risk**  
   Computation of fine is on per customer basis
<table>
<thead>
<tr>
<th>Jurisdiction or Geographic Location</th>
<th>Computation of fine is on per customer basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Non-compliance with the requirement to monitor and update all information and identification documents of existing customers</td>
<td>Computation of fine is on per customer basis</td>
</tr>
<tr>
<td>9. Non-compliance with the requirement to establish a transaction monitoring system</td>
<td>Computation of fine is on per compliance checking or inspection basis</td>
</tr>
<tr>
<td>10. Allowing the opening of anonymous accounts, accounts under fictitious names, and all other similar accounts</td>
<td>Computation of fine is on per account basis</td>
</tr>
<tr>
<td>11. Non-compliance with the requirement to maintain and safely store for at least five (5) years from the dates of transactions, or from dates the accounts were closed, all records of transactions, including customer identification documents</td>
<td>Computation of fine is on per account basis</td>
</tr>
<tr>
<td>12. Non-compliance with the requirement to register with the AMLC's electronic reporting system within the prescribed period</td>
<td>Computation of fine is on per compliance checking or monitoring basis</td>
</tr>
<tr>
<td>13. Non-compliance with the requirement to register with the AMLC's electronic reporting system registration not later than thirty (30) days from receipt of newly-licensed ICREs of their Certificate of Authority from the IC</td>
<td>Computation of fine is on per compliance checking or monitoring basis</td>
</tr>
<tr>
<td>14. Non-compliance with the requirement to update registration with the AMLC's electronic reporting system as required under the ARRQ</td>
<td>Computation of fine is on per compliance checking or monitoring basis</td>
</tr>
<tr>
<td>15. Non-compliance with the requirement to formulate or update the MTPP in accordance with the provisions of the AML and CTF Laws, their respective implementing rules and regulations, this Guidelines and applicable IC and AMLC issuances</td>
<td>Computation of fine is on per compliance checking or monitoring basis</td>
</tr>
<tr>
<td>16. Non-compliance with the requirement on Identification and Verification of Agents</td>
<td>Computation of fine is on per account or customer basis</td>
</tr>
<tr>
<td>17. Non-compliance with the requirement on Verification of Beneficial Ownership</td>
<td>Computation of fine is on per account basis</td>
</tr>
<tr>
<td>18. Non-compliance with the requirement on Determination of the Purpose of Relationship</td>
<td>Computation of fine is on per account basis</td>
</tr>
<tr>
<td>19. Non-compliance with the requirement on Ongoing Monitoring</td>
<td>Computation of fine is on per account basis</td>
</tr>
<tr>
<td>20. Non-compliance with the requirements</td>
<td>Computation of fine is on per account basis</td>
</tr>
<tr>
<td></td>
<td>on Life Insurance and Other Investment-Related Insurance Policies</td>
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</tr>
<tr>
<td>21.</td>
<td>Non-compliance with the requirements on Implementation of Targeted Financial Sanctions</td>
</tr>
<tr>
<td>22.</td>
<td>Non-compliance with the requirements on Shell Company</td>
</tr>
<tr>
<td>23.</td>
<td>Non-compliance with the requirements on Foreign Branches and Subsidiaries</td>
</tr>
</tbody>
</table>

**D. LESS SERIOUS VIOLATION**

**FINE**

<table>
<thead>
<tr>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
<th>Large A</th>
<th>Large B</th>
</tr>
</thead>
<tbody>
<tr>
<td>P2,500.00 per violation, but not exceeding P25,000.00</td>
<td>P6,250.00 per violation, but not exceeding P62,500.00</td>
<td>P12,500.00 per violation, but not exceeding P125,000.00</td>
<td>P18,750.00 per violation, but not exceeding P187,500.00</td>
<td>P25,000.00 per violation, but not exceeding P250,000.00</td>
</tr>
</tbody>
</table>

1. **Non-compliance with the requirement to obtain all the minimum customer information and/or identification documents** | Computation of fine is on per account or customer basis |

2. **Non-compliance with the requirement Continuing Education and Training Program** | Computation of fine is on per compliance checking or monitoring basis |

3. **Non-compliance with the requirements on the contents of the MTPP (Insufficient Contents)** | Computation of fine is on per compliance checking or monitoring basis |

**E. LIGHT VIOLATION**

**FINES**

<table>
<thead>
<tr>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
<th>Large A</th>
<th>Large B</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1,000.00 per violation, but not exceeding P10,000.00</td>
<td>P2,500.00 per violation, but not exceeding P25,000.00</td>
<td>P5,000.00 per violation, but not exceeding P50,000.00</td>
<td>P7,500.00 per violation, but not exceeding P75,000.00</td>
<td>P10,000.00 per violation, but not exceeding P100,000.00</td>
</tr>
</tbody>
</table>

1. **Non-compliance with the requirement to keep electronic copies of all CTRs or STRs for at least five (5) years from the dates of submission to the AMLC** | Computation of fine is on per violation basis |

2. **Non-compliance with the requirement to submit to the IC not later than fifteen (15) days from the approval of the BOD of the new/updated MTPP a sworn certification that a new/updated MTPP has been prepared, duly noted and approved by the ICREs' BOD** | Computation of fine is on per violation basis |

3. **Non-submission of an acceptable BOD-approved plan within the deadline and/or failure to implement its action plan** | Computation of fine is on per violation basis |
The monetary penalties on the foregoing specific violations shall not be imposed in case the specific acts or omissions constituting the violations have already been penalized by the AMLC.

Non-payment of the penalty imposed for violating this Guidelines shall be taken into account in the renewal of the Certificate of Authority.”

SEC 26. Section 21 of this Circular Letter shall have retroactive effect unless prejudicial to the concerned ICRE and shall apply to all violations committed from the date of effectivity of CL No. 2018-48 dated 14 September 2018, or 14 November 2018.

SEC 27. If any provision of this Circular Letter is declared unconstitutional, the same shall not affect the validity and effectivity of other provisions hereof.

SEC 28. All IC circular letters, rules, regulations and other issuances, or parts thereof, that are inconsistent with this Circular Letter are hereby repealed, amended or modified accordingly.

SEC 29. ICREs are given ninety (90) days from the effectivity of this Circular Letter to make necessary form and system changes, and update their respective MTPP.

SEC 30. All references to the terms Combating/Countering the Financing of Terrorism, CFT and ML/TFPP shall be replaced with Counter-Terrorism Financing, CTF and MTPP, respectively.

SEC 31. This Circular Letter shall take effect immediately after the completion of its publication in the Official Gazette or in a newspaper of general circulation.

DENNIS B. FUNA
Insurance Commissioner