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

SUBJECT: DISSEMINATION OF THE ANTI-MONEY LAUNDERING COUNCIL (AMLC) REGULATORY ISSUANCE A, B, AND C NO. 1, SERIES OF 2020 ON THE AMENDMENTS TO CERTAIN PROVISIONS OF THE 2018 IMPLEMENTING RULES AND REGULATIONS (IRR) OF REPUBLIC ACT NO. 9160, AS AMENDED

Attached herewith is the AMLC Regulatory Issuance A, B, and C No. 1, Series of 2020 on the Amendments to Certain Provisions of the 2018 IRR of Republic Act No. 9160, as Amended.

For your information and compliance.

DENNIS B. FUNA
Insurance Commissioner
AMLC REGULATORY ISSUANCE (AIR) A., B. and C. No. 1
Series of 2020

Subject: Amendments to Certain Provisions of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830, as Amended

By the authority vested in me by the Anti-Money Laundering Council (AMLC), pursuant to the AMLC Resolution No. 01 dated 31 January 2019, the following amendments to certain provisions of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830, as amended, are hereby issued:

Section 1. Paragraph (i) of Section 1 of Rule II of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830 is hereby amended to read as follows:

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

(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 executed;

(2) Transactors, agents and other authorized representatives of beneficial owner;

(3) Beneficiaries of trusts, investment and pension funds, insurance policies, and reinsurance transactions;

(4) Persons whose accounts are managed by an asset manager;

(5) Trustees/president/secretion of a trust;

(6) Insurance policy holders, whether actual or prospective; and

(7) [Other individuals or entities specified by the AMLC.]

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

Section 2. Paragraph (b) of Section 1 of Rule II of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830 is hereby amended to read as follows:

"[b] "Suspicious Circumstances" refers to any of the following circumstances, the existence of which makes a transaction suspicious:

- Any unexplained 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. 1.1 of Rule 2 of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830, a new Section 1.4 to read as follows:

"S.4. Immediate Family Members and Close Associates of FPPs.

Covered persons shall apply the relevant requirements under Sections 1.3 and 1.5 above to family members and close associates of all types of FPPs."

Section 4. Section 8.3.7.12 Rule 18 of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830 is hereby amended to read as follows:

"8.3.7.1.2 Where the information accompanying the domestic wire transfer is made available to the financial institution or appropriate authorities by other means, a domestic wire transfer shall only be required to include the account number or a unique transaction reference number, Provided, that this number or identifier which will permit the transaction to be traced back to the originator or the beneficiary. The originating/beneficiary financial institution shall make the information available within threes (3) working days from receipt of the request either from the beneficiary financial institution or from appropriate authorities."

Section 5. Section 8.11 of Rule 18 of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830 is hereby amended to read as follows:

"8.1.1. Covered persons shall apply EOD, proportionate to the risks, to account, transact or provide services, and professional relationships with customers from foreign jurisdictions, or geographical location that present greater risk for ML/TF or its associated criminal activities, or in accordance with the minimum internationally accepted AML/CFT 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 18 of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830 is hereby amended to read as follows:

"8.2. The AMLC and the BSA shall apply proportionate countermeasures to mitigate risk posed by customers from high-risk jurisdictions or geographies, upon initiation of their own initiative or upon called upon to do so by the Financial Action Task Force."

Section 7. Section 8.3.12 of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830 is hereby amended to read as follows:

"The AMLC and the BSA shall establish rules, including the PROCEDURE FOR REGULAR UPDATES, to ensure that covered persons are advised of any changes to the applicable anti钱 laundering and anti-terrorist financing laws."

Section 8. Section 1.1 of Rule 22 of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830 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 COMPUTERIZED OR ATTACHED.

Section 9. Section 2.2 of Rule 22 of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830 is hereby amended to read as follows:

2.2. STR shall be PROFESSIONALLY FILED WITHIN THE NEXT WORKING DAY FROM THE OCCURRENCE OF THE TRANSACTION. WHICH FOR PURPOSES OF THIS RULE, SHALL BE THE DATE OF OCURRENCE. DISCOVER. OR DISCOVERY OF DISSIMULATION OR DETERMINATION OF THE SUSPICION OF THE NATURE OF THE TRANSACTION.

Section 10. Section 4.6.7.2 of Rule 22 of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830 is hereby amended to read as follows:

4.6.7.2. The AMLC shall disseminate, spontaneously and upon request, information and the results of its analyses to law, DFA, foreign jurisdictions, parties, and relevant private entities and shall use dedicated, secure and protected systems for dissemination. The AMLC shall establish or adopt mechanisms, and/or formulate guidelines on, exchange and dissemination of INFORMATION.

Section 11. Section 8.2 of Rule 20 of the 2018 Implementing Rules and Regulations (AIR) of Republic Act No. 10830 is hereby amended to read as follows:

"8.2 Review and Updating of Records. Covered persons shall, based on materiality and risk, ensure that information and documents collected under the AML/CFT regime are kept up-to-date and relevant, and undergoing review 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.Listing of records shall be mandatory when enhanced C&AS is warranted."