



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



Certificate Number: AJA18-0159

Legal Opinion (L.O.) No.	LO-2019-09
Date:	18 October 2019

MR. MANUEL V. BAUTISTA

Soliciting Officer
Lacson and Lacson Insurance Brokers, Inc.
15th Floor, Burgundy Corporate Tower
252 Sen. Gil Puyat Ave., Makati City

ATTENTION: **Mr. Cesar Ruperto P. Ong**
Risk and Compliance Manager

SUBJECT : **Request for Legal Opinion on the Obligation to Conduct Customer Due Diligence, Covered Transaction Report & Suspicious Transaction In Compliance with IC CL No. 2018-48**

Dear Mr. Bautista:

This refers to the letter of Mr. Cesar Ruperto P. Ong, Risk and Compliance Manager of Lacson & Lacson Insurance Brokers, Inc., dated 09 May 2019, requesting guidance regarding above-subject.

In the said letter, the company posed the following inquiries:

1. Whether the company is still required to conduct a separate Customer Due Diligence if the insurer has already performed this requirement; and
2. Whether the company is required to:
 - a. submit covered transaction report if the same is being made by the insurer; and
 - b. submit suspicious transaction report if the same is being made by the insurer.

Please be informed that Circular Letter No. 2018-48, as amended, applies to Insurance Brokers pursuant to Section 3 thereof.

Section 3 of CL No. 2018-48 as amended, provides:

“ Section 3. Scope. - **This Guidelines shall apply to the following ICREs:**

- a. *Insurance Companies;*
- b. *Pre-need Companies;*
- c. *Health Maintenance Organizations;*
- d. **Insurance and Reinsurance Brokers;**
- e. *Professional Reinsurers;*
- f. *Mutual Benefit Associations;*
- g. *Trust for Charitable Uses; and*
- h. *All other persons supervised or regulated by the IC.”*

Considering the foregoing, the company, as an Insurance Broker, is required to comply with all the requirements provided for under CL No. 2018-48, as amended, which include the requirements to conduct customer due diligence and reporting of suspicious transactions to the Anti-Money Laundering Council (AMLC) within the prescribed period, among others.

However, for covered transactions coursed through brokers, it is the insurance company that has the obligation to report said transaction to the AMLC as provided for under the AMLC Registration and Reporting Guidelines.¹

For your information and guidance.

Very truly yours,

DENNIS B. FUNA
Insurance Commissioner



¹ <http://www.amlc.gov.ph/images/PDFs/AMLCARRG.pdf>