Advisory No:	RS-2024-017
Classification:	**Regulatory and Supervisory Advisory**
Date:	21 August 2024

INSURANCE COMMISSION ADVISORY

TO : **ALL INSURANCE/REINSURANCE COMPANIES, INSURANCE AND REINSURANCE BROKERS, MUTUAL BENEFIT ASSOCIATIONS, AND TRUSTS FOR CHARITABLE USES**

SUBJECT : **AMLC NRA PROJECT DATA/INFORMATION COLLECTION REQUIREMENT FOR THE INSURANCE AND MUTUAL BENEFIT ASSOCIATIONS VULNERABILITY**

This pertains to the Memorandum Circular No. 37 issued by the Office of the President dated 16 October 2023 directing all concerned agencies to cooperate, fully support, and actively participate in the conduct of the Money Laundering/Terrorism Financing (ML/TF) National Risk Assessment (NRA) through involvement in the ML/TF NRA Working Group.

The Insurance Commission takes part in this project of the AMLC, as the lead agency of the ML/TF NRA Working Group, with different Sub-Working Groups. One of the Sub-Working Groups is **Insurance Sector Vulnerability,** which comprises representatives from the IC, private sector, industry associations, and the AMLC Secretariat.

To this end, this Commission is collecting essential data for the National Risk Assessment for the covered period **January 2021 to March 2024**, to improve its oversight of money laundering (ML), Terrorist Financing (TF), and Proliferation Financing (PF) risks. We have developed a questionnaire to gather critical information from regulated entities, allowing this Commission to better allocate supervisory resources and focus on higher-risk areas. Accurate identification and assessment of this risk allows this Commission to have more impact at the tactical level to assess the ML, TF, and PF risks per sector and define the scope and depth of the inspection.

A risk-based strategy for Anti Money Laundering and Combating Financing of Terrorism (AML/CFT) and Proliferation Financing (PF) will ensure that appropriate measures commensurate with those risks are adopted to mitigate them effectively.

All Insurance Commission Regulated Entities (ICREs) mentioned above may access and download the AML/CTPF Questionnaire through this link: NRA Questionnaire[1]. The following shall be submitted:

a. Duly accomplished NRA Questionnaire in **excel file (.xslx)**; and
b. Duly accomplished NRA Questionnaire in **portable document format (pdf) file**.

The questionnaire shall be truthfully and completely answered by the Regulated Entities mentioned above which shall be submitted through electronic mail: amld@insurance.gov.ph **on or before 12 September 2024.**

For your strict compliance.

REYNALDO A. REGALADO
Insurance Commissioner

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[1] https://bit.ly/4cqwnAe

ANTI-MONEY LAUNDERING COUNCIL - National Risk Assessment
IC Data/Information Collection

AML/CTF Questionnaire

Data Requirement	Questions
Prepare a list of all products/services being offered	1. List of all products and services according to classification/category.
Data on total turnover per product classification	2. Please use the template below.

For Life and MBAs:

Year	Product Classification	Premium Income	No. of Issued Polices	No. of Outstanding Policies as of year end	No. of Policies Surrendered/ Cancelled	No. of Policies Lapsed	No. of Policies with Changed Beneficiaries
2021							
2022							
2023							
2024 (1st Qtr)							

(NOTE: Covered Period is January 2021 - April 2024)

For Non-Life Companies, and Insurance and Reinsurance Brokers:

Year	Product Classification	Premium Income	No. of Issued Polices	No. of Outstanding Policies as of year end	No. of Policies Surrendered/ Cancelled
2021					
2022					

	2023					
	2024 (1st Qtr)					

(NOTE: Covered Period is January 2021 - April 2024)

Comprehensiveness of AML Legal Framework (Information on AML monitoring system, data collection systems in the insurance sector)	3. Is the company already registered with Anti-Money Laundering Council (AMLC)? 4. What is the AML monitoring system used by the company? Please describe briefly. 5. How many years does the company store records of customer identification and transaction documents?
Integrity of Staff in Insurance Companies	6. Are there existing rules or policies on confidentiality in reporting suspicious or other relevant transaction? 7. Please describe the company's staff vetting and training programs to its officers and employees? 8. Please provide the company's statistics from 2021 to April 2024 on integrity breaches by its officers and employees, and the disciplinary actions taken to rectify such breaches. 9. Please provide the number of administrative enforcement action taken by the Insurance Commission against the company, and/or its officers and employees. 10. Please provide the nature and description of criminal actions relating to money laundering instituted against the company, and/or its officers and employees. 11. Has the company been charged/convicted of a financial crime (estafa, tax evasion etc.)? Please provide the nature and status, if any.

AML Knowledge in Insurance Companies
Staff knowledge in insurance companies (statistics in AML training given to staff, statistics on training by authorities to insurance companies, others)

12. Please use the template below.

Year	Employee Classification (e.g. new employees; regular employees; board of directors; agents; officers; etc.)	Total No. of Employees per classification	Total No. of employees with AML training	% of employees with AML training	Topic and Venue	Date of Training	Organizer/ Provider
2021							
2022							
2023							

companies, others)	2024 (1st Qtr)					

(NOTE: Covered Period is January 2021 - April 2024)

Effectiveness of Compliance Function	13. Please provide the disciplinary actions imposed by the company against its officers and employees for breaching the compliance policy.
Effectiveness of Suspicious Activity Monitoring and Reporting	14. Does the company's AML monitoring and Suspicious Transactions reporting system/s include Politically Exposed Persons (PEPs) screening?

Level of Market Pressure to Meet AML Standards
Statistics on PEPs and other risky customers international transactions, transactions with offshore centers/tax havens, high risk regions.

15. Please use the template below.

Year	No. of PEPS	No. of Other High Risk Customers	No. of International Transaction (Indicate Country	No. of Transaction with Offshore Centers/High Risk Regions/Tax Havens (Indicate Country)
2021				
2022				
2023				
2024 (1st Qtr)				

(NOTE: Covered Period is January 2021 - April 2024)

["Politcally Exposed Person" (PEP) *refers to a natural person who is or has been entrusted with prominent public positions in the Philippines or in a foreign State, including heads of state or government, senior politicians, senior national or military*

16. What are the financial inflows and outflows into the Philippines?

17. What are the major sources of financial flows into the company from outside the Philippines, if any?

18. Does the company have cross-border relationships that require it to company with international AML standards? If yes, enumerate countries which the company had cross border transaction/s with.

19. What are the measures adopted by the company to monitor cross-border transactions including, but not limited to client profiling?

20. Does the company have mechanisms to identify, record or report complex, unusually large and suspicious transaction? Please provide a description thereof.

officials, senior executives of government or state owned or controlled corporations and important politically part officails] **["International Transactions"** *refer to premium payments and disbursements remitted from/to abroad.]*	
Availability and Access to Beneficial Ownership Information	21. Does the company require clients to disclose the identities of their beneficial owners? 22.If yes, what are the steps undertaken by the company to verify the identities of said beneficial owners?
Availability of Reliable Identification Infrastructure	23. Does the company have rules/policies on client profiling? 24. How does the company profile/monitor each client? Describe the risk profiling process; documentary requirements; and/or procedures in updating and verifying client information.
Availability of Independent Information Sources	25. Does the company have comprehensive and reliable historical financial information and other information about clients? Please specify. 26.Are these information easily accessible to the company?
Data on total volume and average transaction size for each product/service/chan nel The amount of associated assets/liabilities/turnov er can serve as an indicator of the volume.	27. Please use the template below.

Year	Product Classification	Type of Intermediary/Distribution Channel	Total Peso Amount (Volume; actual premiums paid) Sold per year	Average Transaction Size Per Policy Sold/Issued
2021				
2022				

Average transaction size doesn't need to be precise and can be estimated based on sampling					
	2023				
	2024 (1st Qtr)				

(NOTE: Covered Period is January 2021 - April 2024)

Definition: in-depth focus on individual sectors and vulnerabilities therein	28. Please describe the sector the company belongs to and its vulnerabilities to Money Laundering/Terrorist Financing (ML/TF).
What record keeping systems are available for each of the individuals sectors?	29. Does the company have a record keeping system/policy? 30. Describe the record keeping system that the company utilizes/implements?
How easy is it for authorities to get access to these record keeping system?	31. Are the company's documents/information/data/records accessible to the regulators (IC, AMLC)? 32. Are there restrictions on access to company's document/information/data/recrds by the regulators? If yes, explain briefly.

Survey to Industry Associations

TFS-related Guidance/Reminders	Are you aware of these guidelines/reminders issued by the IC?	Kindly indicate the sources of the information	Have you disseminated these guidelines/reminders to your branches/ offices or personnel?	How did you disseminate these guidelines/reminders to your institution?	Have these guidelines/reminders been considered in the institutional risk assessment (IRA)?	Based on IRA, have these resulted in an increase/decrease/no impact in the ML risk rating of the institution?	Which of the IC guidelines/reminders warranted changes or enhancements to policies and procedures?	Which of the IC guidelines/reminders resulted in heightened monitoring and/or recalibration of AML/CFT systems such as transaction monitoring tool?

1.	(Y/N)	(i.e., IC website, industry association, publication, others)	(Y/N)	(i.e., email communication; issuance of memorandum to all concerned units; advisories/bulletins posted in the intranet; during meetings/regular huddles; during trainings; during audit and compliance testing; others- please specify)	(Y/N)	(Y/N)	(Y/N)	(Y/N)
2.								
Insert table for more…								

TFS-related Guidance/Reminders	Kindly provide the newly-added parameter or scenario in the transactions monitoring system, if any, and the type of alerts that is expected to be generated?	Which of the IC guidelines/reminders updated and/or expanded the scope of compliance testing and audit?	Which of the IC guidelines/reminders were included in the training modules?	Which of the IC guidelines/reminders prompted client database clean-up or review and/or updating of customer records, profile, and tagging of risk?	Which of the IC guidelines/reminders resulted in freezing of accounts or prohibition of dealings with certain types of customers/transactions?	Details of freezing of accounts and/or prohibition of dealings with certain types of customers/transactions	Other actions taken by the ICREs
1.	(for example, alerts related to high-risk customers/accounts such as sanctioned individuals or high-risk jurisdictions)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	[kindly indicate total amount frozen and TF resolution no.] [kindly indicate types of customers and transactions]	
2.							
Insert table for more…							