



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



Circular Letter (CL) No.:	2017-07
Date:	31 January 2017
Supersedes:	CL No. 22-2012 dated 27 September 2012

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 Covered Persons under the Supervision and Regulation of the Insurance Commission

SUBJECT : Dissemination of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9160, as Amended

Attached herewith is a copy of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9160, as Amended for your information and guidance.

DENNIS B. FUNA
Insurance Commissioner

Encl.: A/S



Republic of the Philippines
Anti-Money Laundering Council
Bangko Sentral ng Pilipinas Complex
Manila, Philippines

**2016 REVISED IMPLEMENTING RULES AND REGULATIONS
OF REPUBLIC ACT NO. 9160, AS AMENDED**

Pursuant to Sections 7(7) and 18 of Republic Act No. 9160, also known as the "*Anti-Money Laundering Act of 2001*", as amended, the following Revised Implementing Rules and Regulations (RIRR) are hereby promulgated:

**RULE I
TITLE**

Rule 1. *Title.* - This RIRR shall be known as the "*2016 Revised Implementing Rules and Regulations of Republic Act No. 9160, as Amended*".

**RULE II
DECLARATION OF POLICY**

Rule 2. *Declaration of Policy.* - It is hereby declared the policy of the State to protect and preserve the integrity and confidentiality of bank accounts and to ensure that the Philippines shall not be used as a money laundering site for the proceeds of any unlawful activity.

Consistent with its foreign policy, the Philippines shall extend cooperation in transnational investigations and prosecutions of persons involved in money laundering activities wherever committed.

**RULE III
DEFINITION OF TERMS**

Rule 3. *Definition of Terms.* - For purposes of this RIRR, the following terms are hereby defined as follows:

- A. "**Anti-Money Laundering Act**" (AMLA) refers to Republic Act No. 9160, as amended by Republic Act Nos. 9194, 10167 and 10365.

- B. **"Anti-Money Laundering Council"** (AMLC) refers to the financial intelligence unit of the Republic of the Philippines which is the government agency tasked to implement the AMLA.
- C. **"Supervising Authority"** refers to the Bangko Sentral ng Pilipinas (BSP), the Securities and Exchange Commission (SEC), the Insurance Commission (IC), and the relevant regulatory bodies of the Designated Non-Financial Businesses and Professions enumerated under Rule 3.E.4, or other government agencies designated by Law.
- D. **"Person"** refers to any natural or juridical person.
- E. **"Covered Persons"** refers to the following:
1. Persons supervised or regulated by BSP, such as:
 - a. Banks;
 - b. Non-banks;
 - c. Quasi-banks;
 - d. Trust entities;
 - e. Pawnshops;
 - f. Non-stock savings and loan associations;
 - g. Electronic money issuers; and
 - h. All other persons and their subsidiaries and affiliates supervised or regulated by the BSP.

For purposes of this RIRR, foreign exchange dealers, money changers, and remittance and transfer companies are covered persons under the regulation of the BSP.

2. Persons supervised or regulated by IC, such as:
 - a. Insurance companies;
 - b. Pre-need companies;
 - c. Insurance agents;
 - d. Insurance brokers;
 - e. Professional reinsurers;
 - f. Reinsurance brokers;
 - g. Holding companies;
 - h. Holding company systems;
 - i. Mutual benefit associations; and
 - j. All other persons and their subsidiaries and affiliates supervised or regulated by the IC.

3. Persons supervised or regulated by SEC, such as:
 - a. Securities dealers, brokers, salesmen, investment houses, and other similar persons managing securities or rendering services such as investment agents, advisors, or consultants.
 - b. mutual funds or open-end investment companies, close-end investment companies or issuers and other similar entities;
 - c. other entities administering or otherwise dealing in commodities, or financial derivatives based thereon, valuable objects, cash substitutes and other similar monetary instruments or properties supervised and regulated by the SEC.

4. The following Designated Non-Financial Businesses and Professions (DNFBPs):
 - a. Jewelry dealers, dealers in precious metals, and dealers in precious stones.

"Dealer" refers to an individual or entity who buys and/or sells precious metals, precious stones and/or jewelry in the course of its business activities. The purchases or sales of precious metals, precious stones and/or jewelry as referred to herein exclude those carried out for, connected with, or for the purpose of extracting precious metals or precious stones from a mine, or

cutting or polishing precious stones.

"Jewelry" refers to finished goods deriving fifty percent (50%) or more of their value from jewels, precious metals or precious stones constituting, forming part of or attached to said finished goods.

"Jewel" refers to organic substances that have a market-recognized gem level of quality, beauty and rarity, such as pearl, amber and coral.

"Precious metals" refers to gold, silver, platinum, palladium, rhodium, ruthenium, iridium and osmium at a level of purity of five hundred (500) parts per one thousand (1,000), singly or in any combination, and alloys of precious metals, solders, and plating chemicals such as rhodium and palladium plating solutions, potassium gold cyanide containing at least sixty-eight and three-tenths percent (68.3%) gold, potassium silver cyanide containing at least sixty-eight percent (68%) silver and silver cyanide in salt solution containing at least fifty-four percent (54%) silver.

"Precious stones" refers to all gems and stones used in jewelry making, such as gemstones, jewels and those substances that have market-recognized gem level of quality, beauty, and rarity such as diamond; corundum (including rubies and sapphires); beryl (including emeralds and aquamarines); chrysoberyl, spinel, topaz, zircon, tourmaline, garnet, crystalline and cryptocrystalline quartz, olivine peridot, tanzanite, jadeite jade, nephrite jade, spodumene, feldspar, turquoise, lapis lazuli, opal and pearl.

- b. Company service providers which, as a business, provide any of the following services to third parties:
 - i. acting as a formation agent of juridical persons;
 - ii. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons;
 - iii. providing a registered office; business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement; and

- iv. acting as (or arranging for another person to act as) a nominee shareholder for another person.
- c. Persons, including lawyers and accountants, who provide any of the following services:
- i. Managing of client money, securities or other assets;
 - ii. Management of bank, savings, securities or other assets;
 - iii. Organization of contributions for the creation, operation or management of companies; and
 - iv. Creation, operation or management of juridical persons or arrangements, and buying and selling business entities.

Notwithstanding the foregoing, lawyers and accountants who are: (1) authorized to practice their profession in the Philippines; and are (2) engaged as independent legal professionals in relation to information concerning their clients, or where disclosure of information would compromise client confidences or the attorney-client relationship, are not covered persons.

"Independent legal professional" are lawyers and accountants working in a private firm or as a sole practitioner who by way of business provides purely

legal, notarial or accounting services to their clients.

- F. "Transaction" refers to any act establishing any right or obligation, or giving rise to any contractual or legal relationship between the parties thereto. It also includes any movement of funds by any means with a covered person.
- G. "Covered transaction" refers to:
1. A transaction in cash or other equivalent monetary instrument exceeding *Five Hundred Thousand pesos (Php500,000.00)*
 2. A transaction exceeding *One Million pesos (Php1,000,000.00)* in cases of jewelry dealers, dealers in precious metals and dealers in precious stones.
- H. "Suspicious Transaction" refers to a transaction, regardless of amount, where any of the following circumstances exists:
1. there is no underlying legal or trade obligation, purpose or economic justification;
 2. the client is not properly identified;
 3. the amount involved is not commensurate with the business or financial capacity of the client;
 4. taking into account all known circumstances, it may be perceived that the client's transaction is structured in order to avoid being the subject of reporting requirements under the AMLA;
 5. any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client's past transactions with the covered person;
 6. the transaction is in any way related to an unlawful activity or any money laundering activity or offense that is about to be committed, is being or has been committed; or
 7. any transaction that is similar, analogous or identical to any of the foregoing.

I. **“Client/Customer”** refers to any person who keeps an account, or otherwise transacts business with a covered person. It includes the following:

1. any person or entity on whose behalf an account is maintained or a transaction is conducted, as well as the beneficiary of said transactions;
2. beneficiary of a trust, an investment fund or a pension fund;
3. a company or person whose assets are managed by an asset manager;
4. a grantor of a trust; and
5. any insurance policy holder, whether actual or prospective.

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

The term PEP shall include immediate family members, and close relationships and associates that are reputedly known to have:

1. Joint beneficial ownership of a legal entity or legal arrangement with the main/principal PEP; or
2. Sole beneficial ownership of a legal entity or legal arrangement that is known to exist for the benefit of the main/principal PEP.

K. **“Immediate Family Member”** refers to spouse or partner; children and their spouses; and parents and parents-in-law.

- L. **"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 arrangement.
- M. **"Official Document"** refers to any of the following identification documents:
1. For Filipino citizens: Those issued by any of the following official authorities:
 - a. Government of the Republic of the Philippines, including its political subdivisions, agencies, and instrumentalities;
 - b. Government-Owned or -Controlled Corporations (GOCCs);
 - c. Covered persons registered with and supervised or regulated by the BSP, SEC or IC;
 2. For foreign nationals: Passport or Alien Certificate of Registration;
 3. For Filipino students: School ID signed by the school principal or head of the educational institution; and
 4. For low risk customers: Any document or information reduced in writing which the covered person deems sufficient to establish the client's identity.
- N. **"Monetary Instrument"** shall include, but is not limited to the following:
1. Coins or currency of legal tender of the Philippines, or of any other country;

2. Credit instruments, including bank deposits, financial interest, royalties, commissions and other intangible property;
 3. Drafts, checks and notes;
 4. Stocks or shares, participation or interest in a corporation or in a commercial enterprise or profit-making venture and evidenced by a certificate, contract, instrument, whether written or electronic in character, including those enumerated in Section 3 of the Securities Regulation Code;
 5. A participation or interest in any non-stock, non-profit corporation;
 6. Securities or negotiable instruments, bonds, commercial papers, deposit certificates, trust certificates, custodial receipts or deposit substitute instruments, trading orders, transaction tickets and confirmations of sale or investments and money market instruments;
 7. Contracts or policies of insurance, life or non-life, contracts of suretyship, pre-need plans and member certificates issued by mutual benefit association; and
 8. Other similar instruments where title thereto passes to another by endorsement, assignment or delivery.
- O. "Property" refers to any thing or item of value, real or personal, tangible or intangible, or any interest therein, or any benefit, privilege, claim, or right with respect thereto, including:
1. Personal property, including proceeds derived therefrom, traceable to any unlawful activity, such as, but not limited to:
 - a. Cash;
 - b. Jewelry, precious metals, and other similar items;
 - c. Works of art such as paintings, sculptures, antiques, treasures and other similar precious objects;

- d. Perishable goods; and
 - e. Vehicles, vessels or aircraft, or any other similar conveyance.
2. Personal property, used as instrumentalities in the commission of any unlawful activity, such as:
- a. Computers, servers and other electronic information and communication systems; and
 - b. Any conveyance, including any vehicle, vessel and aircraft.
3. Real estate, improvements constructed or crops growing thereon, or any interest therein, standing upon the record of the registry of deeds in the name of the party against whom the asset preservation order is issued, or not appearing at all upon such records, or belonging to the party against whom the asset preservation order is issued and held by any other person, or standing on the records of the registry of deeds in the name of any other person, which are:
- a. derived from, or traceable to, any unlawful activity; or
 - b. used as an instrumentality in the commission of any unlawful activity.
- P. **"Proceeds"** refers to an amount derived or realized from any unlawful activity.
- Q. **"Monetary Instrument or Property Related to an Unlawful Activity"** refers to:
- 1. All proceeds of an unlawful activity;
 - 2. All monetary, financial or economic means, devices, accounts, documents, papers, items or things used in or having any relation to any unlawful activity;

3. All moneys, expenditures, payments, disbursements, costs, outlays, charges, accounts, refunds and other similar items for the financing, operations, and maintenance of any unlawful activity; and
4. For purposes of freeze order and bank inquiry: related and materially-linked accounts.

R. **"Related Accounts"** refers to those accounts, the funds and sources of which originated from and/or are materially-linked to the monetary instruments or properties subject of the freeze order or an order of inquiry.

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

S. **"Offender"** refers to any person who commits a money laundering offense.

- T. **"Unlawful Activity"** refers to any act or omission, or series or combination thereof, involving or having direct relation, to the following:
1. **"Kidnapping for Ransom"** under Article 267 of Act No. 3815, otherwise known as the Revised Penal Code, as amended;
 2. Sections 4, 5, 6, 8, 9, 10, 11, 12,13, 14, 15 and 16 of Republic Act No. 9165, otherwise known as the **"Comprehensive Dangerous Drugs Act of 2002"**;
 3. Section 3 paragraphs b, c, e, g, h and i of Republic Act No. 3019, as amended, otherwise known as the **"Anti-Graft and Corrupt Practices Act"**;
 4. **"Plunder"** under Republic Act No. 7080, as amended;
 5. **"Robbery"** and **"Extortion"** under Articles 294, 295, 296, 299, 300, 301 and 302 of the Revised Penal Code, as amended;
 6. **"Jueteng"** and **"Masiao"** punished as illegal gambling under Presidential Decree No. 1602;
 7. **"Piracy on the High Seas"** under the Revised Penal Code, as amended, and Presidential Decree No. 532:
 8. **"Qualified Theft"** under Article 310 of the Revised Penal Code, as amended;
 9. **"Swindling"** under Article 315 and **"Other Forms of Swindling"** under Article 316 of the Revised Penal Code, as amended:
 10. **"Smuggling"** under Republic Act No. 455 and under Republic Act No. 1937, as amended, otherwise known as the **"Tariff and Customs Code of the Philippines"**;
 11. Violations under Republic Act No. 8792, otherwise known as the **"Electronic Commerce Act of 2000"**;
 12. **"Hijacking"** and other violations under Republic Act No. 6235, otherwise known as the **"Anti-Hijacking Law"**;

- "Destructive Arson"; and "Murder", as defined under the Revised Penal Code, as amended;*
13. *"Terrorism" and "Conspiracy to Commit Terrorism" as defined and penalized under Sections 3 and 4 of Republic Act No. 9372;*
 14. *"Financing of Terrorism" under Section 4 and offenses punishable under Sections 5, 6, 7 and 8 of Republic Act No. 10168, otherwise known as the "Terrorism Financing Prevention and Suppression Act of 2012";*
 15. *"Bribery" under Articles 210, 211 and 211-A of the Revised Penal Code, as amended, and "Corruption of Public Officers" under Article 212 of the Revised Penal Code, as amended;*
 16. *"Frauds and Illegal Exactions" and Transactions under Articles 213, 214, 215 and 216 of the Revised Penal Code, as amended;*
 17. *"Malversation of Public Funds" and Property under Articles 217 and 222 of the Revised Penal Code, as amended;*
 18. *"Forgeries" and "Counterfeiting" under Articles 163, 166, 167, 168, 169 and 176 of the Revised Penal Code, as amended;*
 19. *Violations of Sections 4 to 6 of Republic Act No. 9208, otherwise known as the "Anti-Trafficking in Persons Act of 2003", as amended by Republic Act No. 10364;*
 20. *Violations of Sections 78 to 79 of Chapter IV of Presidential Decree No. 705, otherwise known as the "Revised Forestry Code of the Philippines, as amended";*
 21. *Violations of Sections 86 to 106 of Chapter IV of Republic Act No. 8550, otherwise known as the "Philippine Fisheries Code of 1998";*
 22. *Violations of Sections 101 to 107, and 110 of Republic Act No. 7942, otherwise known as the "Philippine Mining Act of 1995";*

23. Violations of Section 27(c), (e), (f), (g) and (i) of Republic Act No. 9147, otherwise known as the *"Wildlife Resources Conservation and Protection Act"*;
24. Violations of Section 7(b) of Republic Act No. 9072, otherwise known as the *"National Caves and Cave Resources Management Protection Act"*;
25. Violation of Republic Act No. 6539, otherwise known as the *"Anti-Carnapping Act of 2002, as amended"*;
26. Violation of Sections 1, 3, and 5 of Presidential Decree No. 1866, as amended, otherwise known as the decree *"Codifying the Laws on Illegal/Unlawful Possession, Manufacture, Dealing In, Acquisition or Disposition of Firearms, Ammunition or Explosives"*;
27. Violation of Presidential Decree No. 1612, otherwise known as the *"Anti-Fencing Law"*;
28. Violation of Section 6 of Republic Act No. 8042, otherwise known as the *"Migrant Workers and Overseas Filipinos Act of 1995"*, as amended by Republic Act No. 10022;
29. Violation of Republic Act No. 8293, otherwise known as the *"Intellectual Property Code of the Philippines, as amended"*;
30. Violation of Section 4 of Republic Act No. 9995, otherwise known as the *"Anti-Photo and Video Voyeurism Act of 2009"*;
31. Violation of Section 4 of Republic Act No. 9775, otherwise known as the *"Anti-Child Pornography Act of 2009"*;
32. Violations of Sections 5, 7, 8, 9, 10 (c), (d) and (e), 11, 12 and 14 of Republic Act No. 7610, otherwise known as the *"Special Protection of Children Against Abuse, Exploitation and Discrimination"*;
33. Fraudulent practices and other violations under Republic Act No. 8799, otherwise known as the *"Securities Regulation Code of 2000"*;

34. Felonies or offenses of a nature similar to the aforementioned unlawful activities that are punishable under the penal laws of other countries.

In determining whether or not a felony or offense punishable under the penal laws of other countries is "of a similar nature", as to constitute an unlawful activity under the AMLA, the nomenclature of said felony or offense need not be identical to any of the unlawful activities listed above.

- U. "**Probable Cause**" refers to such facts and circumstances which would lead a reasonably discreet, prudent or cautious man to believe that any monetary instrument or property sought to be frozen, inquired into or preserved is in any way related to any unlawful activity and/or money laundering offense.

RULE IV MONEY LAUNDERING

Rule 4. **Money Laundering.** - Money laundering is committed by:

- A. Any person who, knowing that any monetary instrument or property represents, involves, or relates to the proceeds of any unlawful activity:
1. transacts said monetary instrument or property;
 2. converts, transfers, disposes of, moves, acquires, possesses or uses said monetary instrument or property;
 3. conceals or disguises the true nature, source, location, disposition, movement or ownership of or rights with respect to said monetary instrument or property;
 4. attempts or conspires to commit money laundering offenses referred to in (1), (2) or (3) above;
 5. aids, abets, assists in or counsels the commission of the money laundering offenses referred to in (1), (2) or (3) above; and

6. performs or fails to perform any act as a result of which he facilitates the offense of money laundering referred to in (1), (2) or (3) above.
- B. Any covered person who, knowing that a covered or suspicious transaction is required under the AMLA to be reported to the AMLC, fails to do so.

RULE V
JURISDICTION OVER MONEY LAUNDERING CASES

Rule 5. *Jurisdiction over Money Laundering Cases.* -

- A. ***Regional Trial Court.*** - The regional trial courts shall have the jurisdiction to try money laundering cases committed by private individuals, and public officers not covered by the jurisdiction of the Sandiganbayan.
- B. ***Sandiganbayan.*** - The Sandiganbayan shall have jurisdiction to try money laundering cases committed by public officers under its jurisdiction, and private persons who are in conspiracy with such public officers.

RULE VI
PROSECUTION OF MONEY LAUNDERING CASES

Rule 6. *Prosecution of Money Laundering Cases.* -

- A. ***Independent Proceedings.*** - The prosecution of money laundering and the unlawful activity shall proceed independently. Any person may be charged with and convicted of both money laundering and the unlawful activity.
- B. ***Separate and Distinct Elements.*** - The elements of money laundering are separate and distinct from the elements of the unlawful activity. The elements of the unlawful activity, including the identity of the perpetrators and the details of the commission of the unlawful activity, need not be established by proof beyond reasonable doubt in the case for money laundering.
- C. ***Knowledge.*** - The element of knowledge may be established by direct or circumstantial evidence.

- D. **Rules of Procedure.** - The Rules of Court shall govern all proceedings concerning the prosecution of money laundering.

RULE VII. ANTI-MONEY LAUNDERING COUNCIL

Rule 7. **The Anti-Money Laundering Council.** - The AMLC is composed of the Governor of the BSP as Chairperson, and the Commissioner of the IC and the Chairperson of the SEC, as Members.

- A. **Unanimous Decision.** - The AMLC shall act unanimously in discharging its functions. In case of incapacity, absence, or disability of any member, the officer duly designated or authorized to discharge the functions of the Governor of the BSP, the Commissioner of the IC, and the Chairperson of the SEC, as the case may be, shall act in his stead in the AMLC.
- B. **Functions.** - The functions of the AMLC are:
1. to require and receive covered or suspicious transaction reports from covered persons;
 2. to issue orders addressed to the appropriate Supervising Authority or the covered person to determine the true identity of the owner of any monetary instrument or property subject of a covered or suspicious transaction report, or request for assistance from a foreign State, or believed by the AMLC, on the basis of substantial evidence, to be, in whole or in part, wherever located, representing, involving, or related to, directly or indirectly, in any manner or by any means, the proceeds of any unlawful activity;
 3. to institute civil forfeiture proceedings and all other remedial proceedings through the Office of the Solicitor General;
 4. to file complaints with the Department of Justice or the Office of the Ombudsman for the prosecution of money laundering offenses and other violations under the AMLA;
 5. to investigate suspicious transactions and covered transactions deemed suspicious after investigation by the

AMLC, money laundering activities and other violations of the AMLA;

6. to file with the Court of Appeals, *ex parte*, through the Office of the Solicitor General:
 - a. a petition for the freezing of any monetary instrument or property that is in any way related to an unlawful activity; or
 - b. an application for authority to inquire into or examine any particular deposit or investment, including related accounts, with any banking institution or non-bank financial institution.
7. to formulate and implement such measures as may be necessary and justified under the AMLA to counteract money laundering.
8. to receive and take action in respect of any request from foreign states for assistance in their own anti-money laundering operations as provided in the AMLA.
9. to develop educational programs, including awareness campaign on the pernicious effects, the methods and techniques used, and the viable means of preventing money laundering and the effective ways of prosecuting and punishing offenders;
10. to enlist the assistance of any branch, department, bureau, office, agency or instrumentality of the government, including government-owned and -controlled corporations, in undertaking any and all anti-money laundering operations, which may include the use of its personnel, facilities and resources for the more resolute prevention, detection and investigation of money laundering offenses and prosecution of offenders.
11. to impose administrative sanctions for the violation of laws, rules, regulations, orders, and resolutions issued pursuant thereto.

12. to require the Land Registration Authority and all its Registries of Deeds to submit to the AMLC, reports on all real estate transactions involving an amount in excess of Five hundred thousand pesos (P500,000.00) within fifteen (15) days from the date of registration of the transaction, in a form to be prescribed by the AMLC. The AMLC may also require the Land Registration Authority and all its Registries of Deeds to submit copies of relevant documents of all real estate transactions.

RULE VIII AMLIC SECRETARIAT

Rule 8. *The AMLC Secretariat.* - The AMLC shall be assisted by the AMLC Secretariat in the discharge of its functions.

- A. *Executive Director.* - The AMLC Secretariat shall be headed by an Executive Director who shall be appointed by the AMLC for a term of five (5) years. He must be a member of the Philippine Bar, at least thirty-five (35) years of age, must have served for at least five (5) years either at the BSP, the SEC or the IC, and of good moral character, unquestionable integrity and known probity. He shall be considered a full-time, permanent employee of the BSP with the rank of Assistant Governor, and shall be entitled to such benefits and subject to rules and regulations, as well as prohibitions, as are applicable to officers of similar rank.
- B. *Composition.* - In organizing the Secretariat, the AMLC may choose from those who have served, continuously or cumulatively, for at least five (5) years in the BSP, the SEC or the IC. All members of the Secretariat shall be considered regular employees of the BSP and shall be entitled to such benefits and subject to such rules and regulations as are applicable to BSP employees of similar rank.
- C. *Detail and Secondment.* - The AMLC may enlist the assistance of the BSP, the SEC or the IC, or any other branch, department, bureau, office, agency or instrumentality of the government, including government-owned and controlled corporations, in undertaking any and all anti-money laundering operations. This includes the use of any member of their personnel who may be detailed or seconded to the AMLC, subject to existing laws and Civil Service Rules and Regulations.

Detailed personnel shall continue to receive their salaries, benefits and emoluments from their respective mother units. Seconded personnel shall receive, in lieu of their respective compensation packages from their respective mother units, the salaries, emoluments and all other benefits which their AMLC Secretariat positions are entitled to.

RULE IX PREVENTIVE MEASURES

Rule 9. *Preventive Measures.* -

- A. ***Customer Due Diligence.*** - Covered persons shall establish and record the true identity of their clients based on official documents, as defined under Rule 3.M of this RIRR. They shall maintain a system of verifying the true identity of their clients based on reliable, independent source data, documents of information and, in case of corporate clients, require a system of verifying their legal existence and organizational structure, as well as the authority and identification of all persons purporting to act on their behalf. Covered persons shall establish appropriate systems and methods and adequate internal controls, compliant with the AMLA, this RIRR, other AMLC issuances, the guidelines issued by the Supervising Authorities and internationally accepted anti-money laundering standards, for verifying and recording the true and full identity of their customers.

In conducting customer due diligence, a risk-based approach shall be undertaken depending on the type of customer, business relationship or nature of the product, transaction or activity.

1. ***Customer Identification.*** -

- a. ***Face-to-Face Contact.*** - Covered persons shall conduct face-to-face contact at the commencement of the relationship, or as reasonably practicable so as not to interrupt the normal conduct of business, taking into account the nature of the product, type of business and the risks involved; provided that money laundering risks are effectively managed.

The use of Information and Communication Technology in the conduct of face-to-face contact may be allowed, provided that the covered person is in possession of and has verified the identification documents submitted by the prospective client prior to the interview and that the entire procedure is documented.

b. ***Minimum Customer Information and Identification Documents. -***

i. For individual customers and authorized signatories of juridical entities, covered persons shall gather the following customer information:

- a. Name of customer;
- b. Date and place of birth;
- c. Name of beneficial owner, if applicable;
- d. Name of beneficiary (in case of insurance contracts or remittance transactions);
- e. Present address;
- f. Permanent addresses;
- g. Contact number or information;
- h. Nationality;
- i. Specimen signatures or biometrics of the customer;