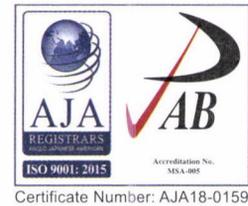




Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



ANNEX "A"

AML AND CTF COMPLIANCE QUESTIONNAIRE

NAME OF ICRE

Date Accomplished

A. BOARD OF DIRECTOR AND SENIOR MANAGEMENT OVERSIGHT

1. Board Of Director (BOD) And Senior Management (SM) Oversight

- a. Is there a clear guidance from the BOD of the entity's strategic and operational plans and objectives in ensuring that the entity shall not be used as a ML and TF conduit? If so, please describe including the budget allocations to implement these plans and objectives. Have these plans and objectives been cascaded to Senior Management and responsible officers and employees? If so, state how this was done.
- b. In relation to question no. 1, please describe the control policies and mechanisms (e.g. reportorial requirements, rewards and disciplinary system, training program, etc.) adopted by the BOD to attain these policies and objectives.
- c. Please describe the entity's framework for ML and TF prevention. What are the roles of the BOD, Senior Management, Compliance Office, Internal Audit and other Offices in ML and TF prevention? What reports are required to be submitted to the BOD to assist them in their decision-making processes?
- d. Please describe the risk management system relative to ML and TF prevention.
- e. Does the Compliance Office/Officer report directly to the BOD? If not, to whom does the Compliance office/officer report? How frequent is this done?

- f. Please describe the authorities delegated by the BOD to the Compliance Office and the AML and CTF Compliance Officer related to ML and TF prevention.
- g. What other relevant oversight does the BOD and Senior Management exercise to ensure attainment of the entity's plans and objectives relative to ML and TF prevention?

2. Identification, Measurement, Monitoring And Controlling Of Risks And Problems Related To ML And TF

- a. Have you conducted risk profiling of all existing customers? If not all, what percentage of the total customers count had been profiled?
- b. Have you conducted an assessment of the risks and vulnerabilities that your entity is exposed into? Please describe how the assessment was done.
- c. What identified risks and vulnerabilities is the entity exposed into and how are these risks and vulnerabilities measured, monitored and controlled by the BOD and/or SM?

3. Self Assessment Systems That Are Either Pro-Active, Through Compliance-Testing, Or Reactive, Through Internal Audit

- a. Have you conducted an over-all assessment of the entity's level of compliance with the Anti-Money Laundering Act of 2001 (AMLA), under Republic Act (R.A.) No. 9160, as amended by R.A. Nos. 9194, 10167, 10365 and 10927, the Terrorism Financing Prevention and Suppression Act (TFPSA), under R.A. No. 10168, their respective Implementing Rules and Regulations (IRR), Circular Letter (CL) No. 2018-48, as amended and other relevant laws, IC and AMLC issuances? Please describe how this was done and state the frequency of the assessment.
- b. Based on the assessment, please state in percentage the level of compliance of the entity.
- c. How are deviation from pre-set guidelines as well as deficiencies and weaknesses noted during internal and external audits corrected and what are the mechanisms undertaken to monitor implementation of corrective measures?
- d. Has your entity recently undergone an internal audit on AML and CTF Compliance? If yes, please summarize the key findings and/or

recommendations that were noted in the most recent internal audit report and set out the measures that the BOD has undertaken to address these findings and to monitor the same.

KEY FINDINGS	RECOMMENDED ACTIONS	PROGRESS/ DEVELOPMENT

- e. Has your entity recently undertaken compliance testing of other departments, units, offices and branches that is independent of the internal audit? If yes, please describe the process (whether on-site inspections were conducted) and summarize the key findings and/or recommendations that were noted in the most recent compliance testing report and set out the measures that the BOD has undertaken to address these findings and to monitor the same.

KEY FINDINGS	RECOMMENDED ACTIONS	PROGRESS/DEVELOPMENT

4. Management Information System

- a. Has the entity carried out an assessment of the effectiveness of the management information system as well as the AML and CTF electronic or manual, as applicable, monitoring system? Please specify how this is done.
- b. What reports are being submitted to the BOD or Board level/approved Committee to assist them in their decision making processes relative to ML and TF prevention, who signs them and how frequent are they being required?
- c. Does the entity keep annual statistics on red flags systems alerts, ML investigations, CT reports, ST reports broken down as to the nature? If so, which Office requires and maintains the same? Please provide copies of the statistics.
- d. Does the entity keep track dispositions of red flag systems alerts? If so, which Office requires and maintains the same? Please provide copies of the tracking report.

5. Capability Of Compliance Office In Managing The Entity's MTPP

- a. Provide the names and contacts details of AML and CTF Compliance and Alternate Compliance officers. Also, provide the name of another officer designated by the company who is responsible and accountable for all record keeping requirements under the AMLA, as amended, TFP SA, their respective IRR, CL No. 2018-48, as amended and other relevant laws, IC and AMLC issuances.
- b. Describe the structure of the Compliance Office including the financial, human and technical resources, delegated authorities, reporting and communication line, duties and responsibilities of the Office as a whole and of individual officers and staff together with their qualifications and experience as well as standards in hiring new employees, and control mechanisms (such as the power to monitor and ensure compliance including the authority to impose sanctions or give incentives or rewards when necessary) of the Office in ensuring that the pre-set objectives are adhered by responsible officers and employees in the different Departments, Groups, Units and/or Branches?
- c. How are newly adopted policies and procedures as well as subsequent changes thereto assessed (as adequate or inadequate) and how are the results of the assessment communicated to the BOD, to Senior Management, to different Departments, Units, Groups, Sub-groups and to the Branches up to the frontliners and/or agents?
- d. How is the adequacy of AML and CTF training assessed? Please specify in detail.
- e. Have you taken the necessary measures to prevent criminals or their associates from holding or being the beneficial owners of a significant or controlling interest or holding a management function, including membership in the Board or any Committee within your entity? If yes, please describe the measures taken.
- f. Do you have a screening process that ensures high standards when hiring employees? If yes, please indicate the specific policy provisions applicable.
- g. Are the directors and senior management subject to internal "fit and proper" requirements including a check on their expertise and integrity? If yes, please provide the relevant policy provisions. If election, selection or appointment is based on family ties, please indicate.
- h. Do you ensure that your foreign branches and subsidiaries observe AML and CTF measures consistent with the Philippine's legal requirements? If yes, please indicate the specific policy provisions.

- i. In connection with the last question, was there an instance when the home country supervisor where a foreign branch or subsidiary is located has prohibited the branch or subsidiary from observing the Philippine laws, rules and regulations because it is prohibited by local (i.e. host country) laws, regulations or other measures? If yes, have you notified the Insurance Commission (IC) of this directive? Please indicate the specific legal provision(s) that provide(s) the legal basis for this requirement.
- j. How are the provisions of the Money Laundering And Terrorist Financing Prevention Program (MTPP) disseminated to responsible officers, employees and agents and how are their compliance assessed and monitored?
- k. What other relevant management practices does the Compliance Office exercise to manage its MTPP and ensure attainment of the entity's plans and objectives relative to ML and TF prevention?

6. Nature Of Weaknesses Noted And Ability To Address Existing And Potential Risks And Problems

- a. Has your entity undergone a previous AML and CTF Compliance Checking by the IC? If yes, please summarize the key findings and/or recommendations that were noted in the most recent AML and CTF report and set out the measures that the BOD has undertaken to address the findings and to monitor the same.

KEY FINDINGS	RECOMMENDED ACTIONS	PROGRESS/DEVELOPMENT

- b. How are deviation from pre-set guidelines as well as deficiencies and weaknesses noted during internal and external audits corrected and what are the mechanisms undertaken to monitor implementation of corrective measures?

7. Institutional Risk Assessment

- a. Has your entity undergone an Institutional Risk Assessment? If yes, when was this conducted?
- b. Has your entity documented the risk assessment and findings? If yes, please summarize the key findings and/or recommendations that

were noted in the most recent Institutional Risk Assessment and set out the measures undertaken to address the findings and to monitor the same.

KEY FINDINGS	RECOMMENDED ACTIONS	PROGRESS/DEVELOPMENT

- c. Has your entity considered 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? If yes, please provide a summary.

B. MONEY LAUNDERING AND TERRORIST FINANCING PREVENTION PROGRAM

1. *Customer Identification, Verification and Ongoing Monitoring Process*

- a. Does the entity apply a risk-based approach to combating money laundering and terrorist financing? If so, please provide an overview of these policies and procedures. The overview should (1) portray the entity's philosophy towards risk-based (does it form an integral part of the entity's business framework?), (2) indicate how the relevant risk assessments are undertaken and their bases to help determine the policy and its practical application, and (3) describe the mechanism by which permitted variations from the generally applicable standards are promulgated, and what arrangements, if any, are in place to monitor the continuing suitability of the exceptions. Please provide the basis in the entity's MTPP.
- b. Does your entity permit the opening of anonymous accounts, accounts in fictitious names and other accounts not otherwise under the true and full name of the customer/client? If yes, please indicate the approximate number of accounts, pertinent policies and procedures for opening and the level of approving authority.
- c. Does your entity undertake customer due diligence (CDD) measures when:
 - i. Establishing business relations?

- ii. Carrying out transactions with non-clients?
- iii. Carrying out occasional transactions?
- iv. Dealing with trustee, nominee, agent, or intermediary, applying CDD not only on the latter but also on the trustors or principals?
- v. Dealing with juridical entities that have no business substance in their own right but through which transactions may be conducted, applying CDD on the entities' beneficial owner?
- vi. The entity has doubts about the veracity of previously obtained customer identification document or data?

For each of the above, please describe in detail the CDD process and the specific provision in the MTPP that apply.

- d. Does your entity undertake customer due diligence (CDD) measures on the beneficiary(ies) of life insurance and other investment related insurance policies? Please describe in detail the CDD process and the specific provision in the MTPP that apply.
- e. Explain the CDD requirements applicable to potential individual customers stating the minimum information to be obtained, IDs acceptable and its classification based on reliability, if any, and policy in updating identification information citing the specific internal policy provisions.
- f. Explain the CDD requirements applicable to potential customers that are juridical entities and the persons acting on their behalf such as but not limited to the President and the authorized signatory/ies stating the minimum information to be obtained, IDs acceptable and its classification based on reliability, if any, measures to prevent the unlawful use of legal persons in relation to money laundering and terrorist financing and policy in updating identification information citing the specific internal policy provisions.
- g. Does your entity identify the beneficial owner of juridical entities dealing with your entity and verify the information acquired? If yes, please describe in detail including the specific internal policy provisions.
- h. Does your entity verify the true identity of customers, 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? If yes, please describe in detail including the specific internal policy provisions.