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

CN: AJA 16-0061

MEMORANDUM

FOR	:	All Insurance and Pre-need Companies, Mutual Benefit Associations, Insurance and Reinsurance Brokers and Other Supervised Entities
DATE	:	24 April 2017
SUBJECT	:	Anti-Money Laundering Council (AMLC) National Risk Assessment (NRA) Project Data/Information Collection For Period 2014 to 2016

In June 2014, the Philippines conducted its National Risk Assessment (NRA) on Money Laundering/Terrorist Financing (ML/TF) and the final Report of the same was adopted in July 2016.

Part of the NRA was the assessment of the insurance sector risk and vulnerability to ML/TF based on the relevant data, statistics and information gathered for the years 2011 to 2013.

In preparation for the Philippines' Mutual Evaluation (ME), which is scheduled on the fourth quarter of 2018, there is a need to update the NRA to cover the years 2014 to 2016.

Updating the NRA requires collection of pertinent data, statistics and information for the years 2014 to 2016 from covered entities under the supervision of the Insurance Commission.

In this regard, all covered entities are directed to provide the information and data required in the attached Updated Data/Information Collection Questionnaire, which is based on the NRA Tool Guidance Manual for the Insurance Sector Vulnerability issued by the World Bank Group in March 2015.

Please submit the duly accomplished Updated Data/Information Collection Questionnaire to this Commission at **1071 United Nations Avenue, Ermita, Manila**, including softcopy of the same through email address nra.insurancesector@insurance.gov.ph, **on or before 04 May 2017.**

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For questions, concerns or clarification, you may contact the following members of the Insurance Sector Vulnerability Group:

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You may also contact the AMLC Secretariat:

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DENNIS B. FUNA
Insurance Commissioner

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

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, MBAs, etc. and Pre-need Companies:

Year	Product Classification	Premium Income	No. of Issued Policies	No. of Outstanding Policies as of year end	% of Turnover	No. of Policies Surrendered / Cancelled	No. of Policies Lapsed	No.of Policies with Changed Beneficiaries
2014	Ex. Investment Linked	PhP	100	90	10%	10	0	1
2015								
2016								

(NOTE: Covered period is January 2014-December 2016)

For Non-Life Companies:

Year	Product Classification	Premium Income	No. of Issued Policies	No. of Outstanding Policies as of year end	% of Turnover	No. Of Policies Surrendered/cancelled
2014	Ex. Residential Fire	Php	Ex. 100	90	10%	10
	Motor Vehicle					
2015						
2016						

(NOTE: Covered period is January 2014-December 2016)

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?
	6. Are there existing rules or policies on confidentiality in reporting suspicious or other relevant transaction?

Integrity of Staff in Insurance Companies	7. Please describe the company's staff vetting[1] and training programs to its officers and employees? 8. Please provide the company's statistics from 2010 to 2015 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 trainings 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
2014	Ex. Board of Directors	Ex. 10	10	100%			
	New employees	100	90	90%			
	Agents						
	Regular employees						
2015							
2016							

(NOTE: Covered period is January 2014-December 2016)

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[1] **Vetting** is the process of performing a background check on someone before offering them employment, conferring an award, etc.

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.* *["Politically 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 local government, judicial or military officials, senior executives of government or state owned or controlled*	15. Please use the template below: (table below) 16. What are the financial flows into and out of 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 comply 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?

15. Please use the template below:

Year	No. of PEPs	No. of Other High Risk Customers	No. of International Transanction (indicate country)	No. of Transactions with Offshore Centers/High risk regions/tax havens (Indicate country)
2014	Ex. 1	Ex. 1	Ex. 1 (Canada)	Ex. 1 (Indonesia)
2015				
2016				

(NOTE: Covered period is January 2014-December 2016)

corporations and important political party officials] *["International Transactions" refer to premium payments and disbursements remitted from/to abroad.]* *[High Risk jurisdictions – Iran, Democratic People's Republic of Korea (DPRK);* *Non-cooperative jurisdictions - Algeria, Ecuador, Indonesia, Myanmar) based on FATF Public Statement – 27 June 2014]* *For more information, please see website: http://www.fatf-gafi.org/*	20. Does the company have mechanisms to identify, record or report complex, unusually large and suspicious transaction? Please provide a description thereof.
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	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.

Identification Infrastructure	
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/ channel.

The amount of associated assets/liabilities/turnover can serve as an indicator of the volume.

Average transaction size doesn't need to be precise and can be estimated based on sampling

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
2014	Ex. Life	Agent	Ex. 10M	Ex. 100k (PhP10M/100 policies)
		Broker	50M	500k (PhP50m/100 policies)
		Bank	5M	1M (PhP5M/5 policies)
		Direct Mktg.-TeleMktg.		
2015				
2016				

(NOTE: Covered period is January 2014 to December 2016)

Definition: in-depth focus on individual sectors and vulnerabilities therein	28. Please provide a description of 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/records by the regulators? If yes, explain briefly.

Important:

1. This questionnaire is based on the Annex A attached in the IC Circular Letter 2014-33 with additional sub-questions to guide the companies in providing the data/information requirement.
2. All companies shall provide the required data/information and submit to the insurance Commission Main Office or may be coursed through industry association, including soft copy of the same through email address nra.insurancesector@insurance.gov.ph.
3. Deadline of submission is on **04 May 2017.**

For further inquiries/clarifications, please contact:

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