



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

Circular No. 302
Series of 2001

Pursuant to Monetary Board Resolution No. 1641 dated 11 October 2001, the following rules and regulations implementing Section 9 of R.A. No. 9160, otherwise known as the "Anti-Money Laundering Act of 2001" are hereby issued as follows:

Section 1. Banks, quasi-banks, trust entities and all other institutions, and their subsidiaries and affiliates supervised or regulated by the Bangko Sentral ng Pilipinas (covered institutions) are hereby directed to strictly comply with the following provisions of Section 9 of R.A. No. 9160 upon its effectivity on 17 October 2001:

Sec. 9. Prevention of Money Laundering: Customer Identification Requirements and Record Keeping –
(a) Customer identification. – Covered institutions shall establish and record the true identity of its clients based on official documents. They shall maintain a system of verifying the true identity of their clients 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.

The provisions of existing laws to the contrary notwithstanding, anonymous accounts, accounts under fictitious names, and all other similar accounts shall be absolutely prohibited. Peso and foreign currency non-checking numbered accounts shall be allowed. The BSP may conduct annual testing solely limited to the determination of the existence and the identity of the owners of such accounts.

(b) Record Keeping. – All records of all transactions of covered institutions shall be maintained and safely stored for five (5) years from the dates of transactions. With respect to closed accounts, the records on customer identification, account files and business correspondence, shall be preserved and safely stored for at least five (5) years from the dates when they were closed.



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(c) Reporting of Covered Transactions. - Covered institutions shall report to the AMLC all covered transactions within five (5) working days from occurrence thereof, unless the Supervising Authority concerned prescribes a longer period not exceeding ten (10) working days.

When reporting covered transactions to the AMLC, covered institutions and their officers, employees, representatives, agents, advisors, consultants or associates shall not be deemed to have violated Republic Act. No. 1405, as amended; Republic Act. No. 6426, as amended; Republic Act. No. 8791 and other similar laws, but are prohibited from communicating, directly or indirectly, in any manner or by any means, to any person the fact that a covered transaction report was made, the contents thereof, or any other information in relation thereto. In case of violation thereof, the concerned officer, employee, representative, agent, advisor, consultant or associate of the covered institution, shall be criminally liable. However, no administrative, criminal or civil proceedings, shall lie against any person for having made a covered transaction report in the regular performance of his duties and in good faith, whether or not such reporting results in any criminal prosecution under this Act or any other Philippine law.

When reporting covered transactions to the AMLC, covered institutions and their officers, employees, representatives, agents, advisors, consultants or associates are prohibited from communicating, directly or indirectly, in any manner or by any means, to any person, entity, the media, the fact that a covered transaction report was made, the contents thereof, or any other information in relation thereto. Neither may such reporting be published or aired in any manner or form by the mass media, electronic mail or other similar devices. In case of violation thereof, the concerned officer, employee, representative, agent, advisor, consultant or associate of the covered institution, or media shall be held criminally liable.

Section 2. Sanction and Penalties. Whenever a covered institution violates the provisions of Section 9 of R.A. No. 9160 or of this Circular, the officer(s) or other persons responsible for such violation shall be punished by a fine of not less than Fifty Thousand Pesos (P50,000) nor more than Two Hundred Thousand Pesos (P200,000) or by imprisonment of not less than two (2) years nor more than ten (10) years, or both, at the discretion of the court pursuant to Section 36 of R.A. No. 7653, otherwise known as "The New Central Bank Act".

Without prejudice to the criminal sanctions prescribed above against the culpable persons, the Monetary Board may, at its discretion, impose upon any covered institution, its directors and/or officers for any violation of Section 9 of R.A. No. 9160, the administrative sanctions provided under Section 37 of R.A. No. 7653.

This Circular shall take effect immediately.

FOR THE MONETARY BOARD:



ARMANDO L. SURATOS
Officer-in-Charge

October 11, 2001