



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



CIRCULAR LETTER (CL) No.	: 2018-23
DATE	: 4 APRIL 2018

CIRCULAR LETTER

**TO : ALL MUTUAL BENEFIT ASSOCIATIONS (MBAs)
AUTHORIZED TO DO BUSINESS IN THE PHILIPPINES**

**SUBJECT : FILING OF 2017 ANNUAL STATEMENT – MUTUAL
BENEFIT ASSOCIATIONS (MBAs)**

Section 413 with Republic Act (RA) No. 10607, otherwise known as the “Amended Insurance Code,” directs every mutual benefit association (MBA) authorized to do business in the Philippines, annually on or before the thirtieth (30th) day of April of each year, to render to the Commission an annual statement in such form and detail as may be prescribed by the Commission, signed and sworn to by the president, secretary, treasurer, and actuary of the association, showing the exact condition of its affairs on the preceding thirty-first (31st) day of December.

Pursuant to the above-quoted provision, the following guidelines are being issued in relation to the submission of the 2017 Annual Statements (AS).

1. Two (2) hard copies of the AS, as of 31 December 2017, are required to be submitted to the Life Division;
2. The AS must be signed and sworn to by the President, Chief Operating Officer/ General Manager, Secretary, Treasurer, Actuary and Chief Accountant;
3. The cover must be “**soft bound**,” permanent adhesive, and in color “**yellow**”;
4. It shall be on a legal size bond paper (8 1/2 x 14 inches), using either the Times New Roman font size #12 or Arial font size # 10 printed at one hundred percent (100%) normal size;

5. The AS shall be accompanied by an updated list of the required documents and other schedules, referred in this CL as **ANNEX A**, which shall form part as attachments in the submission of the AS. The documents in the list must be submitted in a separate folder (for items required to be submitted in **hard copy** and in flash drives (for items to be submitted in **soft copy**);
6. The Anti-Money Laundering Compliance Form, attached as **ANNEX B**, must be completely accomplished in **hard copy** and submitted in a separate folder.
7. The exact formats, columnar headings and footnote instruction found in every page of the attached blank forms of the prescribed AS, including those required formats attached to **ANNEX A**, shall be strictly observed;
8. Any AS not in accordance with the prescribed format, with missing data/information, and incomplete attachments shall not be accepted.

Pursuant to Section 413 of the Amended Insurance Code, all AS are required to be submitted on or before 30 April 2018. The prescription of the guidelines in the CL is without prejudice to the power of the Commission under Section 437(k) of the Amended Insurance Code to conduct an examination to determine compliance with laws and regulations if circumstances so warrant as determined by appropriate rules and regulations. Further, any instance of noncompliance with the prescribed guidelines shall be subject of penalties in accordance with CL No. 2014-15, dated 15 May 2014, and pursuant to Section 437(o) of the Amended Insurance Code, which authorizes the Commission to fix and assess fees, charges and penalties in the exercise of regulation.


DENNIS B. FUNA
Insurance Commissioner



**CHECKLIST OF SUPPORTING DOCUMENTS
OF MUTUAL BENEFIT ASSOCIATIONS
For the Year Ended 31 December 2017**

NAME OF COMPANY

DOCUMENT		HARD COPY	SOFT COPY
1.	2017 Audited Financial Statements with comparative figures for 2016, signed by an External Auditor accredited by the Insurance Commission, and duly received by the Bureau of Internal Revenue (BIR)	✓	✓ (PDF/ scanned format)
2.	Adjusted Trial Balance as of 31 December 2017 signed by the Chief Accountant	✓	✓ (PDF/ scanned format)
3.	Reconciliation Statement of the Audited Financial Statements versus the Annual Statement figures	✓	✓
4.	Reconciliation of figures/accounts in the Adjusted Trial Balance (breakdown/groupings) to tally with the figures/accounts in the Annual Statement	✓	✓
5.	Computation of Risk-based Capital Ratio of the company	✓	✓
6.	2017 General Information Sheet filed with Securities and Exchange Commission	✓	
7.	Accredited actuary's certification on actuarial and all related accounts / Statement of Opinion on Policy Loans (e.g. <i>Basic contingent benefit reserve, Optional benefit reserve, Liability on individual equity, Members' certificate/Policy loans, Member's contributions/Net premiums due & uncollected, Members' assessment receivable, Claims payable on basic contingent benefit/Optional benefits</i>)	✓	✓ (PDF/ scanned format)
8.	Certification of the association's comptroller or any responsible officer with the rank of at least Vice President for the accounts: <i>Members' fees, dues & fees receivable, Liability on individual equity, Unremitted members' contributions, dues & fees/premiums, Members' deposit, Members' contributions/premiums received in advance</i>	✓	✓ (PDF/ scanned format)
9.	Statement of Securities Account of BTR-ROSS/ Securities Account for Tax Tracking as of 31 December 2017	✓	
10.	Certification from the Custodian Bank for Dollar-denominated Bonds as of 31 December 2017	✓	

	DOCUMENT	HARD COPY	SOFT COPY
11.	Schedule of Dollar-denominated Bonds using the attached MBA – Required Format No.2	✓	✓
12.	Supporting documents of all investments not presented during the inventory	✓	
13.	Detailed schedule showing the computation of Fair Market or Book Value of Schedule of Bonds and Treasury Bills, together with the pricing documents (Column 13 of Schedule A1 and A2 of Annual Statement. Refer to MBA– Required Format No. 8)	✓	✓ (Microsoft Excel format)
14.	Complete set of financial statements for IMA accounts	✓	
15.	Supporting documents as of purchase date and NAVPU as of 31 December 2017 for Mutual Fund, Unit Investment Trust and Real Estate Investment Trust	✓	
16.	Certification from Philippine Depository & Trust Corp. (PDTC) for the Scriptless Stock Certificates as of 31 December 2017	✓	
17.	Breakdown/Computation/Schedule of Fluctuation Reserve-Bonds/Stocks and Revaluation Reserve – Real Estate as reported in the Annual Statement	✓	
18.	Bank Statements/Passbooks of all Current, Savings and Time Deposit accounts as of 31 December 2017 and 31 January 2018, together with the pertinent Bank Reconciliation statements	✓	
19.	Detailed schedule of Deposits-in-Transit and Undeposited Collections, showing in columns the Official Receipt Number, Official Receipt Date, Date Deposited and Name of Depository Bank	✓	
20.	Certification of Receivables from Government Agencies/Government-owned and Controlled Corporations as of 31 December 2017	✓	
21.	Sales Invoices and Official Receipts to support purchases of Electronic Data Processing (EDP) Equipment during the year ended 31 December 2017	✓	
22.	Official Receipts to support payments of Premium Tax, Documentary Stamps Tax and Real Estate Tax during the year ended 31 December 2017	✓	
23.	Schedule of Reinsurance Recoverable and Due to Reinsurers as of year-end, if any, using the attached MBA - Required Format No. 6.	✓	✓
24.	Summary of in-force certificates and policies by plan of insurance as of December 31, 2017 using the attached MBA - Required Format No. 1.	✓	✓
25.	Copy of MBA – Required Format No. 4	✓	✓

DOCUMENT		HARD COPY	SOFT COPY
26.	Schedule showing balance sheet items in foreign currency, if any, and their peso equivalent, including a sub-schedule showing the currency breakdown in case an account consists of multiple currencies.		✓
27.	Detailed schedule of the following actuarial accounts (with printed copies of the (i) First Page and (ii) Last Page (Showing the total of the said schedules)	✓ (1st and last page only)	✓ (Microsoft Excel format)
	a. Seriatim List of all members indicating therein the minimum basic information using the attached Life-Required Format No. 3	✓ (1st and last page only)	✓ (Microsoft Excel format)
	b. Membership certificate/policy Loans (Cash Loan & Automatic Premium Loan)if any, indicating therein the minimum basic information: <i>Membership certificate/Policy number, Name of member/policyholder, Membership date, Policy /Effectivity Date, Plan, Basic Benefit, Amount of Insurance, Maturity Date of Insurance, Date of Loan, Maturity Date of Loan granted, Amount of Loan granted, Interest (Earned & Unearned), Outstanding Balance of Loan, Cash values as of 31 December 2017, Reserves as of 31 December 2017;</i>	✓ (1st and last page only)	✓ (Microsoft Excel format)
	c. Members' fees, dues & fees receivable, Unremitted members contributions, dues & fees, unremitted premiums, Members' assessment receivable indicating therein the minimum basic information : <i>Membership certificate/Policy number, Name of Member/Policyholder, Membership/Policy Date, Basic benefit, Amount of Insurance, Last payment of contribution/premium, Account balance as of 31 December 2017, Equity value as of 31 December 2017;</i>	✓ (1st and last page only)	✓ (Microsoft Excel format)
	d. Claims payable on basic contingent benefit, Claims payable on optional benefit, Other benefit payable on Basic/Optional policies Members' contributions/Premiums received in advance indicating therein the minimum basic information (if applicable): <i>Membership certificate/Policy number, Name of member/policyholder, Membership date, Policy /Effectivity Date, Plan, Basic benefit, Amount of Insurance, Date of claim filed, Amount of claim paid, Amount of equity value paid, Unpaid account balance as of 31 December 2017;</i>	✓ (1st and last page only)	✓ (Microsoft Excel format)
	e. All claims filed and paid in the first quarter of 2018 indicating therein the minimum information: <i>Membership certificate/Policy number, Name of member/policyholder, Membership date, Policy /Effectivity Date, Plan, Basic benefit, Amount of Insurance, Date of claim filed, Amount of claim paid (Basic & Optional)</i>	✓ (1st and last page only)	✓ (Microsoft Excel format)

DOCUMENT		HARD COPY	SOFT COPY
28.	Copy of the 2017 Annual Statements.	✓	✓
29.	List of current members of board of directors and trustees, independent directors/trustees and their respective addresses, positions and also the chairman and members of Audit, Remuneration and Nomination committees.		✓ (Microsoft Excel format)
30.	Minutes of Meetings of the Board and Executive Committees, including a copy of Board Resolutions made during the year ended 31 December 2017		✓ (PDF/ scanned format)
31.	For companies with Microinsurance business		
a.	Enhanced Performance Indicators and Standard in Microinsurance (i.e., SEGURO) using Insurance Commission Circular 2016-63 dated 16 December 2016; and		✓ (Microsoft Excel format)
b.	Report/assessment of Institute of Corporate Director (ICD) on company's corporate governance score card for the year 2016	✓	
c.	Copy of the following :		
	c.1. Production:		
	Schedule showing separately in columns the Certificate Number, Policy Number, Name of the Member/Assured, Sum Assured, Premium, Premium Tax, Documentary Stamp Tax, and Other Taxes (per Product Line), Total Premium Production		✓ (Microsoft Excel format)
	c.2. Collections:		
	Schedule showing separately in columns the Certificate Number, Policy Number, Name of the Assured, Sum Assured, Premium, Premium Tax, Documentary Stamp Tax, Other Taxes, Amount Collected, Official Receipt Number, and Official Receipt Date, Total Collections		✓ (Microsoft Excel format)
	c.3. Claims paid duly signed by General Manager/Claims Manager		
	Schedule showing separately in columns the Certificate Number, Policy Number, Name of Assured, Name of Claimant, Relationship to the Member, Claim Number, Date Filed, Sum Insured, Date of Loss, Amount of Loss, Nature of Claim, Date Paid, and Voucher Number, Total Amount of Claims	✓	✓ (Microsoft Excel format)
32.	Schedule on Benefits Payable (MBA - Required Format No. 5).	✓	✓

DOCUMENT		HARD COPY	SOFT COPY
33.	Claims paid/denied during the year (MBA - Required Format No. 7).	✓	✓ (Microsoft Excel format)
34.	Contact Details of the Company's representative from:		✓ (Microsoft Excel format)
	a. Accounting Unit/Division/Department:		
	a.1. Full name (i.e., First Name, Middle Initial, Last Name)		
	a.2. Designation		
	a.3. Official Telephone Number		
	a.4. Official Fax Number		
	a.5. Official E-mail Address		
	b. Actuarial Unit/Division/Department:		
	b.1. Full name (i.e., First Name, Middle Initial, Last Name)		
	b.2. Designation		
	b.3. Official Telephone Number		
	b.4. Official Fax Number		
	b.5. Official E-mail Address		
	c. Anti-money Laundering Unit/Division/Department:		
	c.1. Full name (i.e., First Name, Middle Initial, Last Name)		
	c.2. Designation		
	c.3. Official Telephone Number		
	c.4. Official Fax Number		
	c.5. Official E-mail Address		
35.	FLASH DRIVE NO. 1		✓
	- Containing requirements in soft copy format for Item Nos. 7, 8, 27, 32 and 33 related to actuarial accounts, due to huge file size		
36.	FLASH DRIVE NO. 2		✓
	- Containing all requirements in soft copy format, except Item Nos. 7, 27 (a-e), and 32		

Remarks: <hr/>
Received by: <hr/> Signature over Printed Name

Submitted by: <hr/> Signature over Printed Name <hr/> Designation
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MBA REQUIRED FORMAT NO. 4

Name of Company:

RECEIVABLES

Certificate No.	Name of Member	Months Due & Unpaid	General Fund	Basic Members' Fund	Optional Fund Unpaid Premium		Date Paid/Remitted
			Unpaid Fees/Dues	Unpaid Contributions	Regular	Micro	
1. Members' Fees/Dues/Contributions Due & Unpaid							
Allowance for Probable Losses							
2. Members' Premiums Due & Unpaid							
				NA			
Allowance for Probable Losses							
3. Members' Assessment Receivable							
Allowance for Probable Losses							
4. Members' Fees, Dues, Contribution Dues Unremitted							
	Name of partner						
Allowance for Probable Losses							

MBA REQUIRED FORMAT NO# 5

Name of Company:														
Benefits Payable														
	Date filed	Certificate Number	Name of Member	Name of claimant	Relationship to the member	Type of claim	Date of event	Amount of claim				Date paid	Amount paid	Remarks
								Basic Mutual Benefit	Optional Benefit	Equity value	Others			
Basic members' benefit														
1. Due and Unpaid														
2. Claims in course of settlement														
3. Resisted Claims														
4. Incurred But Unreported claims														
Total														
Optional Benefit														
a. Regular														
1. Due and Unpaid														
2. Claims in course of settlement														
3. Resisted Claims														
4. Incurred But Unreported claims														
Total														
b. Micro														
1. Due and Unpaid														
2. Claims in course of settlement														
3. Resisted Claims														
4. Incurred But Unreported claims														
Total														



Republic of the Philippines
 Department of Finance
INSURANCE COMMISSION

ANTI-MONEY LAUNDERING COMPLIANCE FORM

 NAME OF COMPANY

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE

I. ADOPTION OF THE MANUAL

Anti-Money Laundering Operating Manual			
1. Do you have an Anti-Money Laundering (AML) Operating Manual?			
2. Did you submit your AML Operating Manual to the Insurance Commission?			
3. Is your AML Operating Manual being followed by your personnel in your day-to-day operations?			

II. CUSTOMER DUE DILIGENCE OR KNOW-YOUR-CUSTOMER RULE

A. Questions Applying to All Covered Institutions Regulated by the Insurance Commission			
4. Do you obtain the following information from your customer (i.e., client/member)?			
4.1 Complete name(s) used?			
4.2 Present address or residence in the Philippines, or abroad, if customer is a non-resident?			
4.3 Residence telephone numbers?			
4.4 Permanent address for both resident and non-resident?			
4.5 Mailing address, if different from 4.2 and 4.4?			
4.6 Birth date and birth place?			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE
<p>4.7 Nationality?</p> <p>4.8 Nature of work or occupation of the customer e.g. attorney, cashier, physician (do not use non-descript terms such as businessman, employee, merchant, store owner (unless name of store is provided)?</p> <p>4.9 Name of employer, if employed, and the complete address and telephone numbers of the employer?</p> <p>4.10 Nature of self-employment or business, or name of the single proprietorship and its complete address and telephone numbers?</p> <p>4.11 Customer's Tax Identification Number?</p> <p>4.12 Customer's Social Security Numbers or Government Service Insurance System Numbers?</p> <p>4.13 Sources of funds?</p> <p>4.14 Complete name, address and contact information of beneficial owner?</p>			
<p>5. In addition to No. 4, do you require the following information in cases where the applicants are acting in a representative capacity?</p> <p>5.1 Legal capacity of the customer?</p> <p>5.2 Identity of the principal owner or beneficiary, including information from 4.1 to 4.14?</p> <p>5.3 If customer is a legal entity such as a corporation, the identity of the person authorized, including information from 4.1 to 4.9?</p> <p>5.4 Is there a designated officer or staff authorized to obtain from the customers the abovementioned information or documents relevant thereto? If yes, specify below the rank, office or designation:</p> <p>_____</p>			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE

B. Questions on Documentations

B.1 Individuals as Clients

<p>6. For purposes of No. 4, do you require from the customer the original copy of any of the following identification documents before opening of an account?</p> <p>6.1 Philippine passport or passport issued by a foreign government?</p> <p>6.2 Driver's license?</p> <p>6.3 Any official original identity card issued by the National Government of the Republic of the Philippines, its political subdivisions or instrumentalities, or government-owned and controlled corporations?</p>			
<p>7. Do you obtain from the customer prior to the opening of an account the following:</p> <p>7.1 Notarized special authorizations, for the representatives?</p> <p>7.2 Trust agreement, if acting as a trustee?</p> <p>7.3 Other pertinent and reasonable documents deemed necessary under the circumstances? Specify below the documents, if applicable.</p> <p>_____</p> <p>_____</p> <p>_____</p>			

B.2 Corporate/Partnership/Single Proprietors as Clients

<p>8. Do you obtain from your client copies of the following documents:</p> <p>8.1 Certificate of registration issued by the Securities and Exchange Commission (SEC), for corporation or partnership, or by the Department of Trade and Industry, for single proprietorship, including the Articles of Incorporation or Partnership?</p> <p>8.2 Latest General Information Sheet (GIS) and other documents such as clearance from the SEC that the company is active and compliant with reportorial requirements?</p>			
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PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE
<p>1.1 Appropriate board resolution?</p> <p>1.2 For customers who are non-residents, do you require that the documents under No. 7 be duly authenticated by the Philippine Embassy or Consulate where said companies are located?</p>			
C. Questions on Prohibited Accounts			
9. Do you maintain accounts only in the names of the policyholders?			
<p>10. Do you allow the opening, keeping or maintaining any of the following accounts:</p> <p>10.1 Anonymous accounts?</p> <p>10.2 Fictitious names accounts?</p> <p>10.3 Incorrect name accounts?</p> <p>10.4 Accounts similar to the foregoing</p>			
<p>11. Have you refused opening of accounts under any of the following circumstances:</p> <p>11.1 Those covered under No. 10 hereof?</p> <p>11.2 If customer fails to provide the requested evidence of identity?</p> <p>11.3 If contrary to the established policies and procedures of the covered institution? Specify below said policy or procedure, if applicable.</p> <p>_____</p> <p>_____</p> <p>_____</p>			
12. Have you closed prohibited accounts after the adoption of the AMLA, as amended, and its Implementing Rules and Regulations?			
13. How many prohibited accounts have been closed?			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE

D. Questions on Accounts without Face-to-Face Contacts

14. Are your prospective clients interviewed personally?			
15. Do you allow the opening of accounts thru any of the following circumstances: 15.1 Internet? 15.2 Post? 15.3 Telephone? 15.4 Other instances such as: _____ _____			
16. Do you have policies and procedures specifying reliance on an intermediary or third party for your Know-Your-Customer (KYC) or customer due diligence requirements?			
17. Is the intermediary or third party referred to in No. 16 a covered institution under the AMLA, as amended, or as defined and identified by foreign jurisdiction in so far as covered institutions in their respective jurisdictions are concerned?			
18. Where reliance is permitted, do you undertake the following: 18.1 Immediately take adequate steps to satisfy yourself that copies of identification data and other relevant documentation relating to the customer due diligence requirements are available from the intermediaries or third parties upon request without delay? 18.2 Satisfy yourself that the intermediaries or third parties are regulated and supervised, and have measures in place to comply with customer due diligence requirements? 18.3 Ensure that the customer identification program of the intermediaries or third party is similar to or equivalent to your customer identification program?			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE
18.4 That the ultimate responsibility for customer and/or beneficial owner identification and verification remains with you?			
E. Questions on New Technologies			
19. Do you pay special attention to any money laundering threats that may arise from new or developing technologies that might favor anonymity?			
20. Do you take measures to prevent money laundering schemes?			
F. Policy Not to Transact			
21. Do you inform your clients of your explicit policy that business transactions will not be conducted if they fail to provide sufficient evidence of their identity?			
G. Renewal or Identification			
22. Do you regularly update or renew identification of your clients particularly under any of the following situations:			
22.1 Changes of the applicable information required under Nos. 4 to 8, except No. 6?			
22.2 When there is doubt as to the identity of your client, beneficial owner, or the principal it purports to represent?			
22.3 Whenever necessary pursuant to your established policies and procedure?			
H. Old Accounts			
23. Have you taken actions to clean out old accounts?			
24. What actions have you taken to clean out old accounts? _____			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE

I. Simplified or Reduced Customer Due Diligence			
25. Do you apply simplified or reduced customer due diligence to the following customers:			
25.1 Financial institutions where they are subject to requirements to combat money laundering and the financing of terrorism consistent with the Recommendations of the Financial Action Task Force and are supervised for compliance with those controls?			
25.2 Public companies that are subject to regulatory disclosure requirements?			
25.3 Government institutions and its instrumentalities?			
J. Verification			
J.1 Accounts Without Face-to-Face Contacts			
26. Do you ensure that the customer identification procedures for non-face-to-face verification be as stringent as those for face-to-face verification?			
27. Do you have the following as risk mitigating measures:			
27.1 Certification by appropriate authorities and professionals of the documents provided?			
27.2 Requisition of additional documents to complement those which are required for face-to-face customers?			
27.3 Independent contact with the customer?			
27.4 Third party introduction, e.g. by an intermediary?			
27.5 Requiring the first payment to be carried out through an account in the customer's name with a bank subject to similar customer due diligence standards?			
28. Do you require that documents under Nos. 7 and 8 be authenticated by the Philippine Embassy or Consulate for those non-residents opening an account without face-to-face contact?			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE

J.2 Corporate Accounts			
29. Before establishing business relationship, do you ensure that corporate client or other kind of business applicant has not been, or is not in the process of being dissolved, struck off, wound-up or terminated?			
J.3 Trust, Nominee and Fiduciary Accounts			
30. Do you determine whether your customer is acting in behalf of another person as trustee, nominee or agent?			
31. Do you establish the identities of the agent/s and the authorized signatories, as well as the nature of their trustees or nominee capacity and duties?			
32. In case you suspect that the trustee, nominee or agent is only a dummy, do you undertake further verification to verify the business relationship between the parties?			
33. In case satisfactory evidence of the beneficial owners cannot be obtained, do you proceed to: 33.1 Conduct or continue transacting with the client? 33.2 Stop transacting with such account?			
34. For purposes of 33.1, do you undertake the following: 34.1 Record any misgivings? 34.2 Monitors said account?			
35. Do you conduct reasonable inquiries on the transactions whenever these transactions pass through accounts opened by a law firm or accountants that give cause for concern?			
36. Do you report to AMLC transactions under Nos. 33 and 34, pursuant to the provisions of the AMLA, as amended, and your established policies and procedures, if you have a basis for reporting under the provisions of the AMLA, as amended?			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE

J.4 High Risk Customers			
37. Do you give special attention to business relationships and transactions with persons, including companies and financial institutions, from countries which do not or insufficiently apply the Financial Action Task Force (FATF) Recommendations?			
38. Do you ensure that the principles applicable to your institution are also applied to your branches and majority owned subsidiaries located abroad, especially in countries which do not or insufficiently apply the anti-money laundering measures implemented in the Philippines?			
39. Do you consider costumers from countries which do not have or insufficiently apply anti-money laundering measures as high risk customers?			
40. Do you establish the source of wealth of higher risk customers?			
41. Are decisions on business relations with higher risk customers taken by your senior management?			

III. MONITORING, RECORDING AND REPORTING

A. Monitoring			
42. Do you conduct monitoring of the following business relationships and transactions: 42.1 Transactions involving trust, nominee and fiduciary accounts? 42.2 Transactions involving shell companies which have been allowed to transact after undertaking necessary verifications? 42.3 Complex, unusual large transactions, or unusual patterns of transactions? 42.4 Business relationships and transactions with persons, whether natural or juridical, from countries which do not or insufficiently apply the Financial Action Task Force Recommendations?			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE
<p>42.5 Transactions which are suspected to be made by a person included in the list of suspected terrorists, or terrorist organizations that may be furnished by the AMLC or by any other law enforcement agency or pursuant to internal policies and procedures?</p> <p>42.6 Transactions made by persons, whether individuals or corporate, who had been subjected to further verifications but nonetheless required to be monitored by the covered institution as part of its enhanced KYC application or AMLA compliance procedure?</p> <p>42.7 Any other transaction which you may deem necessary to be monitored based on surrounding facts or circumstances and your established policies and procedure?</p>			
<p>43. Is there a designated specific officer or staff authorized to monitor any of the transactions referred to above? Specify the rank, office or designation:</p> <p>_____</p> <p>_____</p>			
B. Recordkeeping			
<p>44. Do you keep and maintain documentations on the following:</p> <p>44.1 Customer relationships, identification and other pertinent data?</p> <p>44.2 Transactions?</p>			
<p>45. Is there documentation sufficient to permit reconstruction of individual transaction which will enable the AMLC to compile an audit trail should there be a report made pursuant thereto?</p>			
<p>46. Does the documentation include information on the customer/beneficiary's name, address, nature and date of transaction, type and amount of currency involved, the type and identifying number of account, and information on whether a particular person is a customer or beneficial owner of the transactions?</p>			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE
47. Are the documents referred to under Nos. 44 and 45 including recordings made under No. 34.1 and any analysis made to detect unusual or suspicious transactions available to the Commission and to the AMLC for its inspection?			
48. In case the company's recordkeeping is fully computerized, do you have an automatic back-up system which is maintained within the prescribed period?			
49. Do you apply the five (5) year retention period for purposes of recordkeeping?			
50. Do you maintain a complete file on all transactions that have been brought to the attention of your Compliance Officer, including transactions that are not reported to the AMLC?			
51. Do you require the production of the original documents referred to herein and do you retain certified copies of said documents, with the name of your employee certifying the documents clearly recorded?			
52. If the original copies of the documents cannot be produced or certified copies cannot be retained, do you record the reasons therefor?			
53. Is there a designated officer or staff authorized to keep or maintain the records referred to herein? Specify below the rank, office or designation. _____			
C. Reporting to the AMLC			
C.1 General Provisions			
54. Do you have a system of mandatory reporting of both covered transactions and suspicious transactions?			
55. Have you appointed a senior officer at management level with relevant qualifications and experience as Compliance Officer?			
56. Do you report to the AMLC all covered and suspicious transactions within ten (10) working days from occurrence thereof?			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE
57. Do you inform your customers when information relating to them or whenever their transaction is being reported to the AMLC?			
58. Do you have a system of ensuring confidentiality of the reports made to the AMLC?			
59. Whenever any of your officer or employee knows that the client has engaged in any of the predicate crimes under the AMLA, do you promptly make a report to the AMLC?			
C.2 Covered Transaction Reports			
60. Do you report to the AMLC transactions in cash or other equivalent monetary instrument involving a total amount in excess of the threshold of Five Hundred Thousand Pesos (PHP500,000.00) within one (1) banking day?			
C.2 General Provisions			
<p>61. Do you report to the AMLC transactions, regardless of the amounts involved, where any of the following circumstances exists:</p> <p>61.1 There is no underlying legal or trade obligation, purpose or economic jurisdiction?</p> <p>61.2 The client is not properly identified.</p> <p>61.3 The amount involved is not commensurate with the business or financial capacity or your client?</p> <p>61.4 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, as amended?</p> <p>61.5 Any circumstances relating to the transaction which is observed to deviate from the profile of the clients and/or past transactions with you?</p> <p>61.6 The transaction is in any way related to an unlawful activity or offense under the AMLA, as amended, that is about to be, is being or has been committed.</p>			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE
61.7 Do you inform your customers when information relating to them or whenever their transaction is being reported to the AMLC?			

IV. INTERNAL CONTROL AND PROCEDURES, COMPLIANCE AND TRAINING

A. Internal Control and Procedure			
62. Do you have internal control and procedures aimed at preventing and impeding money laundering?			
63. Are your internal policies and procedures on dealing with money laundering clearly set out and reflected in your Operating Manual?			
64. Does your internal written internal reporting procedure include the following? 64.1 Information to all key staff as to whom they should report any knowledge or suspicion or money laundering activity? 64.2 Clear reporting chain under which suspicions of money laundering activity will be passed to the Compliance Officer? 64.3 Access of the Compliance Officer to any other information which may be necessary in determining whether or not a suspicious transaction report is to be filed? 64.4 A provision that, upon determination of the suspicious nature of the report, the information contained therein is promptly disclosed to AMLC? 64.5 Maintenance of a register of all reports, including reports of suspicious transactions to the Compliance Officer but not reported to the AMLC, covered transactions which are not reported to the AMLC, details of the date on which the report is made, the person who made to the report to the Compliance Officer and information sufficient to identify the relevant papers related to the reports?			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE
65. Have you instituted an audit function or procedure to test the system to ensure adequate compliance with the program?			
66. Do you have an adequate screening procedure to ensure high standards in hiring employees?			
B. Compliance			
67. Have you appointed one or more senior officers or an appropriate unit to advise the management and staff on the issuance and enforcement of in-house instructions relative to the implementation of the AMLA, as amended, your Operating Manual, personnel training, reporting of covered and suspicious transactions?			
68. Does your Compliance Officer have the following duties? 68.1 Maintenance of a manual of compliance procedures? 68.2 Ensure compliance by the staff with the AMLC, its Implementing Rules and Regulations and your Operating Manual? 68.3 Act as liaison officer between you as a covered institution and the AMLC relative to your compliance with the AMLA? 68.4 Dissemination to the Board, officers and all employees, memoranda circulars, resolutions, instructions and policies issued by the AMLC or by the Commission in relation to money laundering prevention? 68.5 Prepare and submit to the AMLC written reports of the covered institution's compliance with the AMLA and its Implementing Rules and Regulations?			
69. If you are a branch, subsidiary or affiliate of a foreign company which is a covered institution in its home country, do you observe anti-money laundering measures consistent with home jurisdiction requirements to the extent allowed by the local laws?			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE

C. Training			
<p>70. Do you provide education and training for all your staff and personnel, including directors and officers? If you have conducted such training specify below topics presented, dates of the training and the names of the resource persons:</p> <p>70.1 _____</p> <p>70.2 _____</p> <p>70.3 _____</p> <p>70.4 _____</p>			
<p>71. Do you provide trainings to all new employees, regardless of level of seniority?</p>			
<p>72. Do you provide continuous trainings to your cashiers/dealers' representatives or investment representatives/advisory staff or "front-line" staff on matters such as, but not limited to, identification of suspicious transactions, the procedure to be adopted when a transaction is deemed suspicious, and your policy for dealing non-regular customers particularly where large case transactions or complex and unusual transactions are involved?</p>			
<p>73. Do you provide trainings to your supervisors and managers on matters such as, but not limited to, offenses and penalties under the AMLA, the procedures relating to service of production and restraint orders, internal reporting procedures, and the requirement for verification of identity and retention of records?</p>			
<p>74. Do you provide, at least once a year, refresher trainings, or do you conduct on-going training for your key staff on matters such as, but not limited to, updates or developments on money laundering techniques, methods and trends of money laundering and prevention, aspects of the AMLA and obligations thereunder, the requirements on customer identification and due diligence, covered transactions and suspicious transactions reporting?</p>			

PRACTICES AND ACTS REQUIRED UNDER AMLA, ITS IRR AND OPERATING MANUAL	YES	NO	COMPLIANCE AREA
			EXPLANATION/REASON FOR NON/COMPLIANCE

Assistance of the Insurance Commission			
75. Do you need assistance of the Commission in effectively implementing or complying with the AMLA, its Implementing Rules and Regulations, and Circulars issued by the AMLC and the Insurance Commission relative to the AMLA?			
76. If you need the assistance of the Commission, please specify below the kind or type of assistance you need: _____ _____ _____			

CERTIFIED CORRECT:

COMPLIANCE OFFICER