

# ADVISORY

<b>Subject</b>	<b>KNOW YOUR CUSTOMERS (KYC) REQUIREMENTS BY AMLA, ₱5.0M+ SINGLE CASINO CASH TRANSACTION</b>
<b>Date</b>	<b>November 16, 2017</b>

Philippine authorities have been revolutionizing and have implemented more stringent policies in the Anti-Money Laundering Act (AMLA) as a strong response to last year's stolen and laundered USD \$81 Million from a Bangladesh Bank that involved a Philippine local bank. The Casino Implementing Rules and Regulations (CIRR) of RA No. 10927, "An Act Designating Casinos as Covered Persons under RA No. 9160", otherwise known as AMLA of 2001, as amended is effective on November 4, 2017 to combat money laundering (ML) and terrorist financing (TF) in the Philippines.

Basic principles and policies are required as enumerated: (1) Conform with high ethical standards and observe good corporate governance consistent with Appropriate Government Agency's (AGA) guidelines, (2) Know sufficiently one's customer, (3) Adopt and effectively implement an appropriate ML and TF risk management system, (4) Ensure awareness and proper execution of officers' and employees' responsibilities in accordance with its Money Laundering Prevention Program (MLPP) and (5) Cooperation with AMLC and AGA for effective implementation.

### Covered Persons and Transactions

This CIRR covers and regulates all casinos, including internet and ship-based casinos, with respect to their casino cash transactions related to their gaming operations, operating within the territorial jurisdiction of the Philippines and authorized by the AGA to engage in gaming operations. Gaming Operations as defined shall exclude (1) Traditional bingo operations authorized by the AGA; (2) Lotteries and Sweepstakes of the Philippine Charity Sweepstakes Office (PCSO); and (3) Others as may be declared exempt by the AGA and AMLC.

Its covered transaction is a single casino cash transaction involving an amount in excess of Five Million Pesos (PHP 5M) or its equivalent in other currency. Suspicious transaction pertains to transaction with covered persons regardless of the amount involved where there is presence of any of the following: (1) No underlying legal or trade obligation, purpose or economic justification, (2) Client is not properly identified; (3) Does not commensurate with the business or financial capacity of the client; (4) Perceived to have been structured to avoid being the subject of reporting requirements under the AMLA; (5) Any transaction related circumstance observed to deviate from the profile of the client and/or the client's past transactions with the covered person; (6) 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) Other similar cases.

### Reporting of Covered and Suspicious Transactions

Within five (5) working days, casinos are required to report to AMLC all covered transactions and suspicious transactions, unless the AMLC prescribes a different period not exceeding fifteen (15) working days, from its occurrence. CIRR further defines "occurrence" for suspicious transactions as "the date of determination of the suspicious nature of the transaction, which determination shall be made not exceeding ten (10) calendar days from the date of transaction. However, if the transaction is in any way related to, or the person transacting is involved in or connected to, a predicate offense or money laundering offense, the 10-day period for determination shall be reckoned from the date the covered person knew or should have known the suspicious transaction indicator. "

Within ninety (90) days from the effectivity of this CIRR, all casinos shall enroll with the AMLCs electronic reporting system. The compliance officer shall submit within 90 days as well to AMLC and AGA a sworn certification that a new or updated MLPP has been prepared embodying the provisions stated in the CIRR and duly noted and approved by the Casino's Board of Directors. The said program shall be made available for inspection.

For your reading pleasure, enclosed herewith is Casino Implementing Rules and Regulations (CIRR) of RA No. 10927.



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