922 COVERED AND SUSPICIOUS TRANSACTION REPORTING

Covered persons shall report to the AMLC all covered and STs within five (5) working days, unless the AMLC prescribes a different period not exceeding fifteen (15) working days, from the occurrence thereof.

For STs, *"occurrence"* refers to the date of determination of the suspicious nature of the transaction, which determination should 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, an unlawful activity or money laundering offense, the ten (10)-day period for determination shall be reckoned from the date the covered person knew or should have known the suspicious transaction indicator.

Should a transaction be determined to be both a covered and suspicious transaction, the covered person shall be required to report the same as an ST.

Covered persons shall ensure the accuracy and completeness of covered and ST report, which shall be filed in the forms prescribed by the AMLC and submitted in a secured manner to the AMLC in electronic form.

Deferred reporting of certain covered transactions. *Covered persons* shall refer to the issuances of the AMLC from time to time on transactions that are considered as "non-cash, no/low risk covered transactions", hence subject to deferred reporting.

The Bangko Sentral may consider other transactions as "no/low risk covered transactions" and propose to the AMLC that they be likewise subject to deferred reporting by covered persons.

Electronic monitoring systems for AML/CFT. Covered persons required under Sec. 911 (*Monitoring and reporting tools*) to have an electronic monitoring system for AML/CFT should ensure that the system, at a minimum, shall detect and raise to the covered person's attention, transaction and/or accounts that qualify either as CT or ST as herein defined. The covered person shall endeavor to interface the electronic monitoring system with the systems of its branches, subsidiaries and affiliates, if any, for group-wide AML/CFT monitoring.

The system must have at least the following automated functionalities:

a. Covered and suspicious transaction monitoring – performs statistical analysis, profiling and able to detect unusual patterns of account activity;
b. Watch list monitoring – checks transfer parties (originator, beneficiary, and narrative fields) and

the existing customer database for any listed undesirable individual or corporation;

c. Investigation – checks for given names throughout the history of payment stored in the system;

d. Can generate all the CTRs of the covered person accurately and completely with all the mandatory field properly filled up;

e. Must provide a complete audit trail;

f. Capable of aggregating activities of a customer with multiple accounts on a consolidated basis for monitoring and reporting purposes; and

g. Has the capability to record all STs and support the investigation of alerts generated by the system and brought to the attention of senior management whether or not a report was filed with the AMLC.

Covered persons with existing electronic system of flagging and monitoring transactions already in place shall ensure that their existing system is updated to be fully compliant with functionalities as those required herein.

Manual monitoring. Covered persons which are not required, under this Part, to have an electronic system of flagging and monitoring transactions shall ensure that they have the means of flagging and monitoring the transactions mentioned in this Section on *Electronic monitoring systems for AML/CFT*. They shall maintain a register of all STs that have been brought to the attention of senior management whether or not the same was reported to the AMLC.

Electronic submission of reports. The CTR and STR shall be submitted to the AMLC in a secured manner, in electronic form and in accordance with the reporting procedures prescribed by the AMLC. The covered persons shall provide complete and accurate information of all the mandatory fields required in the report. In order to provide accurate information, the covered person shall regularly update customer identification information at least once every three (3) years.

For the purpose of reporting in a secured manner, all covered persons shall register with the AMLC within ninety (90) days from 27 January 2011 by directly coordinating with that office for the proper assignment of their institution code and facilitation of the reporting process. All covered institutions that have previously registered need not re-register.

Only their respective compliance officers shall electronically sign their CTRs and STRs.

Electronic copies of CTRs and STRs shall be preserved and safely stored for at least five (5) years from the dates the same were reported to the AMLC.

Exemption from bank secrecy laws. When reporting covered or suspicious transactions to the AMLC, covered persons and their officers and employees shall not be deemed to have violated R.A. No.

1405, as amended, R.A. No. 6426, as amended, R.A. 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 or suspicious transaction report was made, the contents thereof, or any other information in relation thereto. In case of violation thereof, the concerned officer and employee of the covered person shall be criminally liable in accordance with the provision of the AMLA, as amended.

Confidentiality provision. When reporting CTs and STs to the AMLC, covered persons, their directors, officers and employees, are prohibited from communicating, directly or indirectly, in any manner or by any means, to any person or entity, or the media, the fact that a covered or suspicious transaction report was made, the contents thereof, or any other information in relation thereto. Any information about such reporting shall not be published or aired, in any manner or form, by the mass media, or through electronic mail, or other similar devices. In case of violation thereof, the concerned director, officer and employee of the covered person shall be criminally liable.

Safe harbor provision. No administrative, criminal or civil proceedings shall lie against any person for having made a CTR or an STR in the regular performance of his duties in good faith, whether or not such reporting results in any criminal prosecution under the AMLA, as amended, its RIRR or any other law.

(Circular No. 950 dated 15 March 2017)