

903 SCOPE OF REGULATIONS

These regulations shall apply to all covered persons supervised and regulated by the Bangko Sentral. The term “covered persons” shall refer to banks, non-banks, QBs, trust entities, NSSLAs, pawnshops, foreign exchange dealers, money changers, remittance and transfer companies, EMIs and other financial institutions which under special laws are subject to Bangko Sentral supervision and/or regulation, including their subsidiaries and affiliates, which are also covered persons, wherever they may be located. For this purpose, subsidiary and affiliate shall be defined as:

- a. A *subsidiary* means an entity more than fifty percent (50%) of the outstanding voting stock of which is owned by a covered person.
- b. An *affiliate* means an entity the voting stock of which, at least twenty percent (20%) to not more than fifty percent (50%), is owned by a covered person.

Pursuant to Section 20 of the General Banking Law of 2000, a bank authorized by Bangko Sentral to establish branches or other offices within or outside the Philippines shall be responsible for all business conducted in such branches and offices to the same extent and in the same manner as though such business had all been conducted in the head office. A bank and its branches and offices shall be treated as one (1) unit.

If the host country does not permit the proper implementation of this Part or any of the provisions of the AMLA, as amended, the Terrorism Financing Prevention and Suppression Act (TFPSA), or their Implementing Rules and Regulation (IRR), and other Anti-Money Laundering Council (AMLC) and Bangko Sentral issuances by reason of local laws, regulations or a supervisory directive, the covered person shall (1) formally notify the Bangko Sentral of this situation and furnish a copy of the applicable laws and/or regulations or the supervising authority’s directive, as the case may be; and (2) apply appropriate additional measures or mitigating controls to manage the ML and TF risks.

In cases where the minimum AML/CFT requirements of the host country are less strict, covered persons, including their foreign branches and majority-owned subsidiaries abroad, shall apply AML/CFT measures consistent with the AMLA and the TFPSA and their respective RIRR, and regulations of the host country permit.

(Circular No. 1022 dated 26 November 2018, 950 dated 15 March 2017)