



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR | FINANCIAL SUPERVISION SECTOR

MEMORANDUM No. M-2023-030

To : **All BSP-Supervised Financial Institutions (BSFIs)**

Subject : **Reminder Against Possible Digital Vote-Buying/Vote-Selling Schemes**

In line with the National Government and the Commission on Election's (COMELEC) efforts to curb vote-buying and vote-selling¹, especially in the upcoming Synchronized Barangay and Sangguniang Kabataan Elections, the BSP strongly calls for the adoption of enhanced surveillance and monitoring measures to prevent the misuse of the financial institutions as conduits for this illegal activity. BSFIs are likewise urged to tighten their existing controls in detecting or preventing the possible influx of fraudulent accounts and transactions as the election date approaches.

To mitigate the heightened risk of the possible use or misuse of digital channels (i.e., online banking, mobile wallet applications) in vote-buying/selling activities, BSFIs should reinforce their measures and controls to ensure that appropriate customer onboarding processes, effective fraud management system (FMS) and ongoing account and transaction monitoring capabilities, are commensurate to respond to these fraudulent activities. BSFIs should consider the following possible scenarios in calibrating their FMS and account and transaction monitoring rules/parameters:

1. Concentration and/or significant number of account registrations in the area or locality where vote-buying/selling is identified to be rampant;
2. Large cash transactions during election period;
3. Unusual transaction flows between accounts, including the velocity and frequency of transactions (i.e., many-to-one, one-to-many); or
4. Unusual volume and/or value in cash in/cash out channels (agents).

Pursuant to Section 922 of the Manual of Regulations for Banks/Section 922Q of the Manual of Regulations for Non-Bank Financial Institutions, in relation to Section 3 (b-1) and Section 9(c) of the Anti-Money Laundering Act of 2001 (AMLA), as amended, and Section 1, Rule 3 and Rule 22 of its 2018 Implementing Rules and Regulations, BSFIs should submit suspicious transaction reports (STR) to the Anti-Money Laundering Council (AMLC), when warranted, after due investigation of complex, unusually large transactions, unusual patterns of transactions, which have no underlying legal/trade obligation, purpose or economic justification, or the amount involved is not commensurate with the business or financial profile of the client, and other transactions that may be considered suspicious.

For information, guidance, and implementation.

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CHUCHI G. FONACIER
Deputy Governor

10 October 2023

¹ The COMELEC issued Resolution No. 10946 dated 30 August 2023 for the Creation of the Committee on Kontra Bigay, Establishment of Kontra Bigay Complaint Center and Rules and Regulations in Connection with the Disqualification of Candidates for vote buying under section 68 of the Omnibus Election Code and Prosecution of Vote-Buying and Vote-Selling as an Election Offense under Section 261 (a) of the Same Code.