



BANGKO SENTRAL NG PILIPINAS

**OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION AND EXAMINATION SECTOR**

CIRCULAR LETTER NO. CL-2012- 006

To : All Banks and Non-Bank Financial Institutions Under BSP Supervision

Subject : Circular Letter - Anti-Money Laundering Council (AMLC) Resolution No. 130 dated 17 November 2011

Pursuant to Anti-Money Laundering Council (AMLC) Resolution No. 130 dated 17 November 2011 (copy attached), you are hereby informed that on 1 July 2010, President Barack Obama of the United States of America signed into law the Comprehensive Iran Sanctions Accountability and Divestment Act of 2010 (CISADA). CISADA builds upon United Nations Council Resolution 1929 (UNSCR 1929) – the fourth in the series of UNSC resolutions imposing sanctions for Iran for its nuclear activities, and imposes potentially serious limits on foreign financial institutions' access to the US financial system for engaging in certain transactions involving Iran and specific Iran-linked entities and individuals. CISADA is consistent with the global consensus regarding Iranian behavior and is in line with the US Government's core role of protecting its domestic financial system from exposure to Iran's illicit and deceptive financial practices.

The financial provisions of the CISADA are implemented through the Iranian Financial Sanctions Regulations (IFSR) which was issued by the US Department of Treasury in August 2010. The IFSR prohibits entities owned or controlled by the US financial institutions from knowingly engaging in transactions with or benefiting Iran's Islamic Revolutionary Guard Group Corps (IRCG). Additionally, foreign financial institutions that engage in certain transactions with specific, troubling Iran-linked individuals and entities risk impeding their access to the US financial system. Under IFSR, the Secretary of the Treasury may prohibit or impose strict conditions on the opening or maintaining in the US of correspondent accounts or payable-through accounts for foreign financial institutions that the Secretary finds knowingly engage in one or more sanctionable activities.

For your guidance and strict implementation.


NESTOR A. ESPENILLA, JR.
Deputy Governor

17 January 2012

Att: A/S



Anti-Money Laundering Council

Bangko Sentral ng Pilipinas Complex
Manila, Philippines

RESOLUTION No. 130 Series of 2011

In its Memorandum dated 21 October 2011, the AMLC Secretariat (AMLCS) reported to the Council that:

On 01 July 2010, President Barack Obama of the United States of America (U.S.A.) signed into law the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 (CISADA). CISADA builds upon United Nations Security Council Resolution 1929 (UNSCR 1929)- the fourth in a series of UNSC resolutions imposing sanctions on Iran for its nuclear activities, and imposes potentially serious limits on foreign financial institutions' access to the U.S. financial system for engaging in certain transactions involving Iran and specific Iran-linked entities and individuals. CISADA is consistent with the global consensus regarding Iranian behavior and is in line with the U.S. Government's core role of protecting its domestic financial system from exposure to Iran's illicit and deceptive financial practices.

Accordingly, Mr. Brian P. Doherty, Counselor for Economic Affairs, Embassy of the United States of America-Manila, and Assistant Secretary Patricia Ann V. Paez, Office of American Affairs, Philippine Department of Foreign Affairs, in letters dated 31 August 2011 and 17 October 2011, respectively, requested that the provisions of the CISADA be disseminated to the Bangko Sentral ng Pilipinas (BSP)- supervised institutions, agencies represented in the Anti-Money Laundering Council (AMLC), and the Anti-Terrorism Council, and/or other parties and agencies that the AMLC deems appropriate.

The financial provisions of the CISADA are implemented through the Iranian Financial Sanctions Regulations (IFSR) which was issued by the U.S. Department of Treasury in August 2010. The IFSR prohibits entities owned or controlled by U.S. financial institutions from knowingly engaging in transactions with or benefiting Iran's Islamic Revolutionary Guard Group Corps (IRGC). Additionally, foreign financial institutions that engage in certain transactions with specific, troubling Iran-linked individuals and entities risk impeding their access to the U.S. financial system. Under the IFSR, the Secretary of the Treasury may prohibit or impose strict conditions on the opening or maintaining in the U.S.

of correspondent accounts or payable-through accounts for foreign financial institutions that the Secretary finds knowingly engage in one or more sanctionable activities, to wit:

- Facilitating the efforts of the Government of Iran (GOI) to acquire or develop Weapons of Mass Destruction (WMD) or delivery systems for WMD or to provide support for terrorist organizations or acts of international terrorism;
- Facilitating the activities of a person subject to financial sanctions pursuant to UNSCRs 1737, 1747, 1803, or 1929, or any other Security Council resolution that imposes sanctions with respect to Iran;
- Engaging in money laundering, or facilitating efforts by the Central Bank of Iran or any other Iranian financial institution, to carry out either of the facilitating activities described above; or
- Facilitating a significant transaction or transactions or providing significant financial services for: (i) the IRGC or any of its agents or affiliates whose property and interests in property are blocked pursuant to the International Emergency Economic Powers Act (IEEPA), or (ii) a financial institution whose property and interests in property are blocked pursuant to IEEPA in connection with Iran's proliferation of WMD, Iran's proliferation of delivery systems for WMD, or Iran's support for international terrorism.

Section 7 paragraph 8 of Republic Act No. 9160, as amended, provides:

"Section 7. Creation of Anti-Money Laundering Council (AMLC). – xxx. The AMLC shall act unanimously in the discharge of its functions as defined hereunder:

xxxx.

(8). To receive and take action in respect of, any request from foreign states for assistance in their own anti-money laundering operations provided in this Act;

xxx."

Rule 13.7.2. of the Revised Implementing Rules and Regulations of R.A. No. 9160, as amended, likewise provides:

"Rule 13.7.2. Authority to Assist in the United Nations and Other International Corporations and Foreign States. -- The AMLC is authorized under Section 7 (8) and 13 (b) and (d) of the AMLA to receive and take action in respect of any request of foreign states for assistance in their own anti-money laundering operations. It is also authorized under Section 7 (7) of the AMLA to cooperate with the National Government and/or take appropriate action in respect of conventions, resolutions and other directives of the United Nations (UN), the UN Security Council, and other international organizations of which the Philippines is a member. xxx."

As a charter member of the United Nations and as part of the international coalition against terrorism, the Philippines, through the Anti-Money Laundering Council, must actively support the actions required under the subject UNSC Resolutions.

The Council resolved to:

- (i) Authorize the dissemination of the financial provisions of the CISADA to all covered institutions;
- (ii) Request the Supervising Authorities to disseminate copies of this Resolution to all covered institutions under their respective jurisdictions; and
- (iii) Authorize the AMLCS to inform the US Embassy Manila of the foregoing action.

17 November 2011, Manila, Philippines.


AMANDO M. TETANGCO, JR.
Chairman
(Governor, Bangko Sentral ng Pilipinas)


TERESITA J. HERBOSA
Member
(Chairperson, Securities and Exchange Commission)


EMMANUEL F. DGOC
Member
(Commissioner, Insurance Commission)