



BANGKO SENTRAL NG PILIPINAS

MEMORANDUM NO. M-2021-047

OFFICE OF THE DEPUTY GOVERNOR FINANCIAL SUPERVISION SECTOR

To : **ALL BSP-SUPERVISED FINANCIAL INSTITUTIONS (BSFIs)**

Subject : **Advisory on Modus Operandi (MO) of Organized Crime Groups (OCG) through Auto Loans**

The Philippine National Police-Highway Patrol Group (PNP-HPG) issued public warnings¹ against emerging MOs of OCGs (hereafter referred to as "Carnapping Syndicates"). The warnings emphasized that Carnapping Syndicates acquire high-end motor vehicles (MV) through auto loans under fictitious identities. The mortgaged MVs are subsequently sold to the public using fake conduction stickers and plate numbers.

It was noted that the MO possibly involves the use by carnapping syndicates of fictitious identities and falsified documents, such as identification cards and employment certificates, to successfully avail of auto loans. Carnapping Syndicates may sometimes resort to identity theft, using an actual person's name, address, and company profile, but with a different photo. These may be prevented by reinforcing the conduct of, among others, customer identification and verification procedures as part of the Customer Due Diligence (CDD). Other reported typologies of carnapping syndicates² include the rent-tangay, rent-sangla, and assume balance schemes, among others (details in Annex A).

BSFIs are cautioned to strictly observe and strengthen the implementation of the requirements pursuant to the Anti-Money Laundering Regulations provided in the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions³ (MORNBFI), particularly on customer identification and verification procedures, ongoing monitoring of customers and their transactions, suspicious transaction reporting, and continuing AML training program, including controls relating to partner/accredited car dealers. BSFIs are also reminded to file suspicious transaction reports, when warranted.

For guidance and strict compliance.

Digitally signed by
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CHUCHI G. FONACIER
Deputy Governor

26 August 2021

Att: a/s

¹ <https://news.abs-cbn.com/business/11/25/20/pnp-hpg-warns-banks-vs-carnapping-accomplices>;

<https://journal.com.ph/editorial/opinion/pnp-hpg-warns-public-to-be-wary-of-technical-carnapping/>

² <https://www.philstar.com/pang-masa/police-metro/2021/01/28/2073541/carnapping-group-may-bagong-modus-hpg>

³ Part Nine of the MOR and Q-Regulations, Part Six of the S-Regulations, Part Five of the P-Regulations, and Part Six of the N-Regulations.

Typologies/Modus Operandi (MO) of Carnapping Syndicates

1. Rent-Tangay Scheme
 - refers to the act of obtaining a motor vehicle (MV) by virtue of a rental contract; and the subsequent failure to return the MV, upon the lapse of said contract.
2. Rent-Sangla/Benta Scheme
 - refers to the act of pawning or selling an MV obtained by virtue of a rent/lease contract. Perpetrator (lessee) pawns or sells the MV using falsified documents and without the knowledge and consent of the registered owner (lessor).
3. Assume Balance/Pasalo Scheme (also known as Pasalo-Benta Scheme)
 - refers to the act of selling an MV obtained by way of assuming the mortgage loan attached thereto. Rather than paying the promised monthly amortization in relation to the mortgage, perpetrator sells the MV to an unwitting buyer using falsified documents.
4. Loan Accommodator Scheme
 - refers to an arrangement whereby the perpetrator utilizes a legitimate business (i.e., Car Rental Company) which will accommodate/co-sign the loan. Perpetrator then sells MV using falsified documents and without the knowledge and consent of the accommodator.
5. Labas Casa Scheme
 - refers to the act of using so-called "artista" who will acquire an auto loan from a car dealership using spurious documents. Perpetrators then sells MV by virtue of a Deed of Sale with Assumption of Monthly Amortization, to the unwitting buyer using falsified documents.