



BANGKO SENTRAL NG PILIPINAS

**OFFICE OF THE DEPUTY GOVERNOR
FINANCIAL SUPERVISION SECTOR**

MEMORANDUM NO. M- 2018-029

To : All BSP-Supervised Financial Institutions (BSFIs)

Subject : Reminder to Consider the Results of the National Risk Assessment in the Risk Assessment Process

Pursuant to Part 8¹ of the Manual of Regulations for Banks (MORB)/Manual of Regulations for Non-Bank Financial Institutions (MORNBFI), particularly Subsection X805.5/4805Q.5 on risk assessment, covered persons are required to identify, understand and assess their money laundering (ML)/terrorist financing (TF) risks, arising from customers, countries or geographic areas of operations, products, services, transactions or delivery channels and apply appropriate measures to manage and mitigate the ML/TF risks.

In this regard, BSFIs are reminded to take into consideration the results of the National Risk Assessment (NRA) on Money Laundering and Terrorist Financing in the risk assessment process and in implementing risk-based measures to manage and mitigate identified risks. The NRA is a government-wide assessment of the overall exposure of the country to money laundering, and its related predicate offenses, terrorism and terrorist financing. It is a comprehensive process of identifying and analyzing the ML/TF risks within the realm of the supervised sectors, financial institutions, and covered persons and entities under the AMLA, as amended.

The first (1st)² NRA covering the period 2011-2014 and second (2nd)³ NRA covering 2015-2016 were published in 2016 and 2017, respectively.

BSFIs are reminded that violation of the rules provided under Part 8 of the MORB/MORNBFI shall be subject to applicable sanctions and penalties provided under Section X811/4811Q of the MORB/MORNBFI.

For guidance and strict compliance.


CHUCHI G. FONACIER
Deputy Governor

8 October 2018

¹ BSP Circular 950 dated 15 March 2017 was incorporated as Part 8 of the MORB/MORNBFI

² www.amlc.gov.ph/images/PDFs/NRAREport.pdf

³ www.amlc.gov.ph/images/PDFs/NRAREport20152016.pdf