



BANGKO SENTRAL NG PILIPINAS

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

CIRCULAR LETTER NO. CL-2019-076

To : All BSP-Supervised Financial Institutions

Subject : Anti-Money Laundering Council (AMLC) Procedural Issuance – Rules of Procedure in Administrative Cases under Republic Act (R.A.) No. 9160 or the Anti-Money Laundering Act (AMLA), as Amended, and its Implementing Rules and Regulations (IRR)

This is to disseminate the AMLC's Rules of Procedure in Administrative Cases (RPAC) under the AMLA, as amended, and its IRR, and Guidelines and Other Issuances of the AMLC, and the Imposition of Administrative Sanction, dated 26 July 2019 (copy attached).

The RPAC covers administrative cases against covered persons (CPs) and/or their directors, officers, and employees, for violations of the AMLA, as amended, and its IRR, and guidelines and issuances of the AMLC, committed from the date of effectivity of R.A. 10365, or 7 March 2013.

The RPAC shall have a retroactive effect unless prejudicial to the respondent. It supersedes AMLC Resolution No. 46 dated 24 May 2017, also known as the "Rules on Imposition of Administrative Sanctions".

For information and guidance.


CHUCHI G. FONACIER
Deputy Governor

Att.: A/S

9 October 2019



**AMLC PROCEDURAL ISSUANCE (API)
A, B and C, No. 1
Series of 2019**

Subject: Rules of Procedure in Administrative Cases under Republic Act No. 9160 or the Anti-Money Laundering Act of 2001, as Amended, and its Implementing Rules and Regulations, and Guidelines and Other Issuances of the Anti-Money Laundering Council, and the Imposition of Administrative Sanctions

Pursuant to the authority vested upon the Anti-Money Laundering Council (AMLC) under Sections 7(7), 7(11) and 14(f) of Republic Act (RA) No. 9160 or the Anti-Money Laundering Act of 2001, as amended (AMLA), the Rules of Procedure in Administrative Cases under Republic Act No. 9160, as Amended, and its Implementing Rules and Regulations, and Guidelines and Other Issuances of the Anti-Money Laundering Council, and the Imposition of Administrative Sanctions, are hereby promulgated:

**RULE I
GENERAL PROVISIONS**

Section 1. Title. - These Rules shall be known as the ***Rules of Procedure on Administrative Cases under Republic Act No. 9160 or the Anti-Money Laundering Act of 2001, as Amended, and its Implementing Rules and Regulations, and Guidelines and Other Issuances of the Anti-Money Laundering Council.***

Section 2. Declaration of Policy. - It is the declared policy of the State to protect and preserve the integrity and confidentiality of bank accounts, and to ensure that the Philippines shall not be used as a money laundering and terrorism financing site for the proceeds of any unlawful activity. Consistent thereto, the State shall ensure compliance by covered persons with the AMLA, its Implementing Rules and Regulations (IRR) and all issuances of the Anti-Money Laundering Council (AMLC).

Section 3. Applicability. - These Rules shall apply to administrative cases under the AMLA, and its IRR, and guidelines and other issuances of the AMLC, committed from the date of effectivity of RA No. 10365, or 07 March 2013.

Section 4. Nature of Proceedings. – The proceedings under these Rules shall be summary in nature, and shall be conducted without necessarily adhering to the technical rules of procedures and evidence applicable to judicial trials.

In the absence of applicable provision in these Rules, and pursuant to the summary nature of these proceedings, the pertinent provisions of the Rules of Court may be applied suppletorily.

Section 5. Repealing Clause. – The *Rules on the Imposition of Administrative Sanctions under Republic Act No. 9160, as Amended (RIAS)*, are hereby repealed.

Section 6. Separability Clause. – If any part or provision of these Rules is declared invalid or unconstitutional, other provisions not affected thereby shall remain in force and effect.

Section 7. Definition of Terms. – For purposes of these Rules, the following definitions are hereby adopted:

- (a) **Administrative Sanction.** – refers to the action taken by the AMLC involving a respondent found to have committed a violation. It may include penalty and non-penalty measures, such as assessment, reprimand, warning, or such other measures as may be necessary and justified to prevent and counteract money laundering and terrorism financing.
- (b) **Assessment.** – refers to the monetary penalty imposed under Rule IV of these Rules.
- (c) **Covered Person.** – refers to persons and entities referred to as such under the AMLA and its amendments.
 - (1) Persons supervised and/or regulated by the Bangko Sentral ng Pilipinas (BSP), including their subsidiaries and affiliates, which are also covered persons, supervised and/or regulated by the BSP such as:
 - (a) Banks;
 - (b) Quasi-banks;
 - (c) Trust entities
 - (d) Pawnshops;
 - (e) Non-stock savings and loan associations;

- (f) Other non-bank financial institutions, which under special laws are subject to BSP supervision and/or regulation;
 - (g) Electronic money issuers; and
 - (h) Foreign exchange dealers, money changers, and remittance and transfer companies.
- (2) Persons supervised or regulated by the Insurance Commission (IC), such as:
 - (a) Insurance companies;
 - (b) Pre-need companies;
 - (c) Insurance agents;
 - (d) Insurance brokers;
 - (e) Professional reinsurers;
 - (f) Reinsurance brokers;
 - (g) Holding companies;
 - (h) Holding company systems;
 - (i) Mutual benefit associations; and
 - (j) All other persons and their subsidiaries and affiliates supervised or regulated by the IC.
- (3) Persons supervised or regulated by the Securities and Exchange Commission (SEC), such as:
 - (a) Securities dealers, brokers, salesmen, investment houses, and other similar persons managing securities or rendering services, such as investment agents, advisors, or consultants;
 - (b) Mutual funds or open-end investment companies, close-end investment companies or issuers, and other similar entities; and
 - (c) Other entities, administering or otherwise dealing in commodities, or financial derivatives based thereon, valuable objects, cash substitutes, and other similar monetary instruments or properties, supervised or regulated by the SEC.
- (4) The following Designated Non-Financial Businesses and Professions (DNFBPs):
 - (a) Jewelry dealers.
 - (b) Dealers in precious metals, and dealers in precious stones.
 - (c) Company service providers, which, as a business, provide any of the following services to third parties:

- (i) Acting as a formation agent of juridical persons;
 - (ii) Acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons;
 - (iii) Providing a registered office; business address or accommodation, correspondence or administrative address for a company, a partnership or any other juridical person or legal arrangement; and
 - (iv) Acting as (or arranging for another person to act as) a nominee shareholder for another person.
- (d) Persons, including lawyers, accountants and other professionals, who provide any of the following services:
- (i) Managing of client money, securities or other assets;
 - (ii) Management of bank, savings, securities or other assets;
 - (iii) Organization of contributions for the creation, operation or management of companies; and
 - (iv) Creation, operation or management of juridical persons or arrangements, and buying and selling business entities.
- (5) Casinos, including internet-based casinos and ship-based casinos, with respect to their casino cash transactions related to their gaming operations.
- (d) **Formal Charge.** – refers to the initiation of an administrative case upon a finding by the Litigation and Evaluation Group of the AMLC Secretariat of the existence of a *prima facie* case.
- (e) **Prima Facie Case.** – refers to an administrative case as herein provided, based on evidence as may be sufficient to establish a given fact, or the group or chain of facts constituting the basis of a Formal Charge, and which, if not rebutted or contradicted, will sustain the imposition of administrative sanctions against the respondent.
- (f) **Report of Compliance (ROC).** – refers to the findings of the Compliance and Supervision Group of the AMLC Secretariat relative to the compliance issues discovered in the (i) course of a money laundering and terrorism financing investigation

and prosecution; (ii) exercise of its compliance checking functions; or (iii) evaluation of findings of the supervising authorities.

- (g) **Reprimand.** – refers to a sanction of formal censure.
- (h) **Respondent.** – refers to the covered person, its director, partners, proprietor, officer or employee, who is the subject of a formal charge.
- (i) **Restoration.** – refers to the restitution of the value of a monetary instrument or property that was released in violation of a freeze order, provisional asset preservation order or asset preservation order.
- (j) **Substantial Evidence.** – refers to that quantum of proof which a reasonable mind might accept as adequate to justify that a specific violation was committed.
- (k) **Violation.** – refers to non-compliance with any provision of the AMLA, its IRR and all AMLC issuances. A violation is committed either on a ‘per order/resolution’, ‘per account’, ‘per transaction’, ‘per customer’, ‘per examination’ or ‘daily’ basis. One violation shall be considered as one count.
- (l) **Warning.** – refers to the AMLC’s action that effectively puts the respondent on guard against the consequence of impending or future violations.

RULE II PROCEDURE

Section 1. Administrative Investigation: How Initiated. – Administrative investigation may be initiated upon referral of the ROC to the Litigation and Evaluation Group (LEG) of the AMLC Secretariat.

Section 2. Preliminary Administrative Investigation. – Upon receipt of the ROC, the LEG shall conduct a fact-finding investigation, which involves an *ex-parte* evaluation of documents, to determine whether a *prima facie* case exists to warrant the filing of a Formal Charge.

In the absence of a *prima facie* case, the LEG shall notify the Compliance and Supervision Group (CSG) of the AMLC Secretariat accordingly.

Section 3. Formal Charge. –

- (a) Upon determination of the existence of a *prima facie* case, the LEG shall file a Formal Charge before the Adjudication and Enforcement Unit (AEU) against the respondent. The Formal Charge shall contain the following:
 - (1) Name and address of respondent;
 - (2) Specific violation of laws, rules and regulations;
 - (3) Date or period when the violation is committed;
 - (4) Statement of Facts;
 - (5) Statement of Attendant Circumstances;
 - (6) Statement of Findings;
 - (7) Statement that a *prima facie* case exists for a specific violation; and
 - (8) Relevant documents.
- (b) At any time prior to the actual receipt of the respondent's Answer, the Formal Charge may be withdrawn, without prejudice to the re-filing of the Formal Charge within a reasonable period of time, both as a matter of right, or on the following grounds:
 - (1) Additional or newly-discovered evidence which could not have been discovered and/or produced at the time of filing of the Formal Charge; and
 - (2) Amendment of the ROC, requiring substantial amendments to the Formal Charge.
- (c) After actual receipt of the Answer, the LEG may withdraw the Formal Charge, for good cause shown, without prejudice to the re-filing of the Formal Charge, which shall be done within a reasonable period of time.
- (d) In both instances under (b) and (c), the respondent shall be given ten (10) working days to file its Answer to the re-filed Formal Charge.

Once the answer has been filed and revised by the respondent, all the parties involved should be accordingly furnished with all motions and resolutions.

- (e) At any time before the submission of the case for Resolution, the respondent, upon motion, may propose to the AMLC payment of the assessment. The AMLC, upon good cause shown by the

respondent, may grant the proposal, which shall have the effect of striking out the case against the respondent, as if no case was filed.

Section 4. Modes of Service. - Service of notices, orders, resolutions or pleadings and motions shall be by way of personal delivery, courier service or registered mail. In case the whereabouts of the respondents cannot be reasonably determined, service of orders or notices shall be by a publication in a newspaper of general circulation.

In case of filing by registered mail, the pleading or motion shall be deemed filed on the date shown by the postmark on the envelope. In case of filing using other modes, it shall be deemed filed on the date stamped "Received" by the AMLC Secretariat.

Section 5. Notice of Formal Charge. - The AEU shall notify the respondent of the filing of Formal Charge in the manner stated in the immediately preceding section.

Section 6. Prohibited Pleadings. - No motions or requests for clarification, bills of particulars, dismissal, quashal, or reconsideration on the filing of the Formal Charge and other interlocutory orders shall be entertained.

Section 7. Answer. - The Answer shall be in writing, under oath, indicate the date of receipt of the Notice, and contain all material facts and certified true copies of supporting evidence. Non-compliance with these requirements shall render the Answer insufficient in form and substance.

The Answer shall be filed with the AEU within ten (10) working days from receipt of the Notice of Formal Charge. Upon motion filed prior to the expiration of the period to file Answer, and for good cause shown, an extension of time to file Answer may be granted for a non-extendible period of ten (10) working days reckoned from the expiration of the original ten (10) working days.

If the respondent fails to file the Answer within the prescribed period, files an Answer that is insufficient in form and substance, or files any document other than an Answer, the respondent shall be considered to have waived the right to file an Answer, and the case shall be submitted for resolution based on available records.

Section 8. Clarificatory Meeting. - The AEU may, at its discretion, call the parties to a clarificatory meeting, concerning the facts, evidence, issues and other relevant matters.

Section 9. Disposition of the Case. – After giving all the parties the opportunity to be heard, the AEU shall, based on the evidence, recommend to the AMLC the imposition of appropriate administrative sanctions or to the Executive Director of the AMLC Secretariat or, in his absence, the Officer-in-Charge, the dismissal of the Formal Charge.

Section 10. Resolution. – Upon finding of substantial evidence that the respondent committed violations as charged, the AMLC shall issue a Resolution imposing such administrative sanctions as may be proper, setting forth the factual and legal basis thereof. In case of dismissal of the Formal Charge, the Executive Director of the AMLC Secretariat or, in his absence, the Officer-in-Charge, shall issue the Resolution.

Section 11. Motion for Reconsideration. – The respondent may file a motion for reconsideration of the AMLC Resolution within ten (10) working days from receipt thereof.

No second, or extension of time to file, motion for reconsideration shall be allowed.

The filing of a motion for reconsideration shall stay the execution of the Resolution sought to be reconsidered.

Section 12. Grounds. – The motion for reconsideration shall be based on any of the following grounds:

- (a) Newly-discovered evidence which could not have been discovered and produced at the time the respondent filed its Answer, and which if presented, would materially affect the Resolution rendered;
- (b) Substantial mistake in the appreciation of evidence; or
- (c) Erroneous computation of assessment.

Section 13. Finality of the Resolution. – The Resolution shall immediately become final and executory if no motion for reconsideration is filed within the prescribed period.

Section 14. Notice of Execution. – If the Resolution involves the payment of assessment and restoration, if applicable, the AEU shall issue a Notice of Execution directing the respondent to make payment and restoration, if applicable, within ten (10) working days from receipt thereof.

Payment of assessments shall be in the form of Manager's Check payable to the account of the "Anti-Money Laundering Council", or through direct debit to the Demand Deposit Account, at the option of the respondents in cases of restoration, the respondent shall submit a proof of its compliance within the same period.

Section 15. Surcharge. – A surcharge equivalent to six percent (6%) per annum of the outstanding assessment shall be imposed upon the respondent for its failure to pay the assessment within the prescribed period.

RULE III ATTENDANT CIRCUMSTANCES

Section 1. Attendant Circumstances. – The following attendant circumstances shall be considered in determining the imposition of appropriate administrative sanctions for a specific violation:

- (a) **Asset Size.** – the financial capability of respondents to comply with the requirements of the AMLA, its IRR and all AMLC issuances in relation to: (1) the money laundering and terrorism financing risks the respondents face or their financial capability poses; or (2) the respondents' impact on public interest.

For juridical persons, the total assets, as indicated in the audited financial statement or its equivalent, as of the year the violation was committed, shall be the basis for determining the asset size. In case of natural persons, asset size shall be the gross income as indicated in the income tax return for the year the violation was committed.

For this purpose, respondents shall be classified as follows:

- (1) Micro - Php10,000,000.00 and below
- (2) Small - Php10,000,000.01 to Php100,000,000.00
- (3) Medium - Php100,000,000.01 to Php1,000,000,000.00
- (4) Large A - Php1,000,000,000.01 to Php50,000,000,000.00
- (5) Large B - Php50,000,000,000.01 and above

- (b) **Gravity of Violations.** – The gravity of violations refers to the importance or significance of the specific provision of the AMLA, its IRR and all AMLC directives and issuances, in relation to its effect on the AMLC's discharge of its mandate. It shall take into account all relevant facts and circumstances.

For this purpose, violations shall be classified by gravity as *Grave*, *Major*, *Serious*, *Less Serious*, and *Light* as provided in Table A, Section 2, Rule IV of these Rules.

Non-compliance with covered transaction reporting requirements shall be governed by separate matrix as provided in Table B, Section 2, Rule IV of these Rules.

(c) **Aggravating Circumstances.** – These refer to circumstances or conditions relating to the commission of an act that increase the liability of the respondent. These include the following:

(1) **History of Non-Compliance.** – violations of a similar nature for which a respondent has been previously sanctioned within the two (2)-year period immediately preceding the examination or investigation under consideration, shall be considered as an *aggravating* circumstance.

For purposes hereof, the nature of violations shall be classified as follows:

- (a) Customer Due Diligence;
- (b) Record Keeping;
- (c) Transaction Reporting;
- (d) Compliance on freeze, bank inquiry and asset preservation orders; and orders relating to AMLC investigation;
- (e) Money Laundering and Terrorism Financing Prevention Program; and
- (f) Violations of orders, resolutions and other issuances of the AMLC.

(2) **Concealment or Deliberate Effort to Hide the Violation.** – The deliberate effort to hide the violation with the intention to deceive shall be considered as an *aggravating* circumstance.

Concealment is presumed in cases where the officers or employees of the respondent complicate the transaction to make it difficult to uncover, which may also include refusal to provide information/documents that would support a finding of liability, or employment of any other means to cover up any violation.

(3) **Material Misrepresentation.** – The act of misstating a fact, knowing or believing that: (i) what he is saying is not true or

(ii) is not sure whether or not his statement is true, but passes it off as true anyway; and is likely to induce a reasonable person to assent or that the maker knows is likely to induce the recipient to assent, is an *aggravating* circumstance.

(d) **Mitigating Circumstances.** – These are conditions or circumstances attendant in the commission of the offense and may serve to lessen the degree of liability of the respondent. These include the following:

(1) **Voluntary Disclosure.** – Voluntary disclosure by the respondent of the offense or violation committed before its discovery by the CSG or the Supervising Authorities or Appropriate Government Agencies shall be considered a *mitigating* circumstance.

(2) **Corrective Measures.** – Actions taken by respondents to correct the findings of the CSG or Supervising Authorities prior to the referral of the ROC to the LEG shall be considered a *mitigating* circumstance.

(3) **AML Rating.** – An AML Rating of 3 or 4 shall be considered a *mitigating* circumstance.

(4) Such other circumstances that are proven to be beyond the control of the covered person shall be considered *mitigating*.

RULE IV ADMINISTRATIVE SANCTIONS AND WARNINGS

Section 1. Administrative Sanctions and Warnings. – The AMLC shall, where the circumstances warrant, impose administrative sanctions and warnings as provided herein upon any respondent for the violation of the AMLA and its IRR, or for failure or refusal to comply with the orders, resolutions and other issuances of the AMLC.

Assessments shall be in amounts as may be determined by the AMLC to be appropriate, which shall not be more than Five Hundred Thousand Pesos (Php500,000.00) per violation. In no case shall the aggregate assessment exceed five percent (5%) of the asset size of the respondent based on its audited financial statements as of the year of the compliance testing covered by the sampled data. If the violations were committed over several years, as of the last year of violation covered by the sampled data during the

compliance testing. Otherwise, the audited financial statements as used of the supervising authorities shall be the basis of the respondent's asset size.

Section 2. Table of Violations and Corresponding Sanctions. – The following are the specific violations and their corresponding sanctions:

A. The following are the specific violations and their corresponding sanctions based on the entity size and gravity of violations:

TABLE A:

A. GRAVE VIOLATION						
Administrative Sanctions						
	Micro	Small	Medium	Large A	Large B	
Minimum	₱25,000 per violation, but not exceeding ₱1 Million	₱62,500 per violation, but not exceeding ₱2.5 Million	₱125,000 per violation, but not exceeding ₱5 Million	₱187,500 per violation, but not exceeding ₱7.5 Million	₱250,000 Per violation, but not exceeding ₱10 Million	
Medium	₱37,500 per violation, but not exceeding ₱1.5 Million	₱93,750 per violation, but not exceeding ₱3.75 Million	₱187,500 per violation, but not exceeding ₱7.5 Million	₱281,250 per violation, but not exceeding ₱11 Million	₱375,000 per violation, but not exceeding ₱15 Million	
Maximum	₱50,000 per violation, but not exceeding ₱2 Million	₱125,000 per violation, but not exceeding ₱5 Million	₱250,000 per violation, but not exceeding ₱10 Million	₱375,000 per violation, but not exceeding ₱15 Million	₱500,000 per violation, but not exceeding ₱20 Million	
1.	Non-compliance with the requirement to immediately freeze, upon receipt of the notice of the Freeze Order (FO), Provisional Asset Preservation Order (PAPO), and Asset Preservation Order (APO), the monetary instrument or property identified in the FO, and related accounts, the PAPO and the APO.		Assessment is on per Resolution (FO) or Order (PAPO, APO) basis, plus restoration, whenever applicable.			
2.	Lifting the effects of the FO, PAPO, and/or APO during its effectivity.		Assessment is on a per account basis, plus restoration, whenever applicable.			
3.	Non-compliance with the requirement to immediately give the AMLC and/or its Secretariat full access to all information, documents or objects pertaining to the deposit, investment, account, transaction, and/or person subject of inquiry or investigation.		Assessment is on a per account basis.			
4.	Non-compliance with the Guidelines on Digitization of Customer Records.		Assessment is on a per customer basis			
B. MAJOR VIOLATION						
Administrative Sanctions						

	Micro	Small	Medium	Large A	Large B
Minimum	₱15,000 per violation, but not exceeding ₱500 Thousand	₱37,500 per violation, but not exceeding ₱ 1.5 Million	₱75,000 per violation, but not exceeding ₱2.5 Million	₱112,500 per violation, but not exceeding ₱3.5 Million	₱150,000 per violation, but not exceeding ₱5 Million
Medium	₱22,500 per violation, but not exceeding ₱750 Thousand	₱56,250 per violation, but not exceeding ₱2 Million	₱112,500 per violation, but not exceeding ₱3.5 Million	₱168,750 per violation, but not exceeding ₱5.5 Million	₱225,000 per violation, but not exceeding ₱7.5 Million
Maximum	₱30,000 per violation, but not exceeding ₱1 Million	₱75,000 per violation, but not exceeding ₱2.5 Million	₱150,000 per violation, but not exceeding ₱5 Million	₱225,000 per violation, but not exceeding ₱7.5 Million	₱300,000 per violation, but not exceeding ₱10 Million
1.	Non-compliance with the requirement to obtain all information to establish and record the true identity of each customer and/or the person on whose behalf the transaction is being conducted.		Assessment is on a per customer basis.		
2.	Non-compliance with the requirement to retain and safely keep records beyond the five (5)-year period, where the account is the subject of a case, until it is officially confirmed by the AMLC Secretariat that the case has been resolved, decided or terminated with finality.		Assessment is on a per account basis.		
3.	Non-compliance with the requirement to report to the AMLC suspicious transactions.		Assessment is on a per account or suspicious transaction report (STR) basis.		

C. SERIOUS VIOLATION

Administrative Sanctions					
	Micro	Small	Medium	Large A	Large B
Minimum	₱10,000 per violation, but not exceeding ₱100 Thousand	₱25,000 per violation, but not exceeding ₱250 Thousand	₱50,000 per violation, but not exceeding ₱500 Thousand	₱75,000 per violation, but not exceeding ₱750 Thousand	₱100,000 per violation, but not exceeding ₱1 Million
Medium	₱15,000 per violation, but not exceeding ₱250 Thousand	₱37,500 per violation, but not exceeding ₱750 Thousand	₱75,000 per violation, but not exceeding ₱1.5 Million	₱112,500 per violation, but not exceeding ₱2 Million	₱150,000 per violation, but not exceeding ₱2.5 Million

Maximum		₱20,000 per violation, but not exceeding ₱500 Thousand	₱50,000 per violation, but not exceeding ₱1 Million	₱100,000 per violation, but not exceeding ₱2.5 Million	₱150,000 per violation, but not exceeding ₱3.75 Million	₱200,000 per violation, but not exceeding ₱5 Million
1.	Non-compliance with the requirement to conduct institutional risk assessment.	Assessment is on a per examination basis.				
2.	Non-compliance with the requirement to formulate a Money Laundering / Terrorism Financing Prevention Program (MTPP).	Assessment is on a per examination basis				
3.	Allowing the opening of anonymous accounts, accounts under fictitious names, and all other similar accounts.	Assessment is on a per account basis.				
4.	Allowing the opening of checking numbered accounts.	Assessment is on a per account basis.				
5.	Non-compliance with the requirements on "Customer Verification Process."	Assessment is on a per customer basis.				
6.	Non-compliance with the requirement to obtain more than three (3) but not all information to establish and record the true identity of each customer and/or the person on whose behalf the transaction is being conducted.	Assessment is on a per customer basis.				
7.	Non-compliance with the requirements on "Identification and Verification of Agents."	Assessment is on a per customer or on a per account basis, as the case may be.				
8.	Non-compliance with the requirements on "Beneficial Ownership Verification."	Assessment is on a per account basis.				
9.	Non-compliance with the requirements on "Determination of the Purpose of Relationship."	Assessment is on a per account basis.				
10.	Non-compliance with the requirements on "Ongoing Monitoring Process."	Assessment is on a per account basis.				
11.	Non-compliance with the requirement to Risk Profile customers.	Assessment is on a per customer basis.				

12.	Non-compliance with the requirements on "Life Insurance and Other Investment-related Insurance Policies."	Assessment is on a per customer basis.
13.	Non-compliance with the requirements of the provisions on "Politically-Exposed Persons."	Assessment is on a per customer basis.
14.	Non-compliance with the requirements of the provisions on "Correspondent Banking."	Assessment is on a per transaction basis.
15.	Non-compliance with the requirements on "New Technologies."	Assessment is on a per examination basis.
16.	Non-compliance with the requirements of the provisions on "Wire Transfers", including the requirements on "Money or Value Transfer Services Provider" and "Implementation of Targeted Financial Sanctions."	Assessment is on a per transaction basis.
17.	Non-compliance with the requirements of the provisions on "Shell Bank, Shell Company and Bearer Share Entity."	Assessment is on a per transaction basis.
18.	Non-compliance with the requirements of the provisions on "High-Risk Jurisdiction or Geographical Location."	Assessment is on a per customer basis.
19.	Non-compliance with the requirements of the provisions on Foreign Branches and Subsidiaries.	Assessment is on a per examination basis.
20.	Non-compliance with the requirement to establish a transaction monitoring system.	Assessment is on a per examination basis.
21.	Non-compliance with the requirement to maintain and safely store for five (5) years from the dates of transactions, or from dates the accounts were closed, all records of transactions, including customer identification documents.	Assessment is on a per account basis.
22.	Non-compliance with the requirement to register with the AMLC's electronic reporting system within the prescribed period.	Assessment is on a per examination basis.

23.	Non-compliance with the requirement to secure a written confirmation from the AMLC before the expiration of the freeze order.	Assessment is on a per account basis, plus restoration in cases where there is civil forfeiture or money laundering case filed and the monetary instruments were withdrawn, transferred or dissipated.			
24.	Non-compliance with the requirement to submit certified true copies of the documents pertaining to deposit, investment, account, transaction, and/or person subject of inquiry or investigation, within five (5) working days from receipt of the court order or AMLC Resolution.	Assessment is on a per account basis.			
25.	All other violations of orders, resolutions and other issuances of the AMLC.	Assessment is on a per resolution, rule, regulation, circular, order and guideline basis.			
D. LESS SERIOUS VIOLATION					
Administrative Sanctions					
	Micro	Small	Medium	Large A	Large B
Minimum	₱5,000 per violation, but not exceeding ₱50 Thousand	₱12,500 per violation, but not exceeding ₱125 Thousand	₱25,000 per violation, but not exceeding ₱250 Thousand	₱37,500 per violation, but not exceeding ₱375 Thousand	₱50,000 per violation, but not exceeding ₱500 Thousand
Medium	₱7,500 per violation, but not exceeding ₱75 Thousand	₱18,750 per violation, but not exceeding ₱200 Thousand	₱37,500 per violation, but not exceeding ₱375 Thousand	₱56,250 per violation, but not exceeding ₱550 Thousand	₱75,000 per violation, but not exceeding ₱750 Thousand
Maximum	₱10,000 per violation, but not exceeding ₱100 Thousand	₱25,000 per violation, but not exceeding ₱250 Thousand	₱50,000 per violation, but not exceeding ₱500 Thousand	₱75,000 per violation, but not exceeding ₱750 Thousand	₱100,000 per violation, but not exceeding ₱1 Million
1.	Non-compliance with the other requirements on the contents of the MTPP (Insufficient Contents). Where the basis of the Major and Serious violations are absence of MTPP provisions, in such case, the penalty under such violations will apply		Assessment is on a per examination basis.		
2.	Non-compliance with the requirement on "Continuing Education and Training Program."		Assessment is on a per examination basis.		

3.	Non-compliance with less than three (3) of the required information to establish and record the true identity of each customer and/or the person on whose behalf the transaction is being conducted.	Assessment is on a per account basis.
4.	Non-compliance with the requirement to obtain at least three (3) criteria for risk profiling (Deficient Risk Profiling Mechanism).	Assessment is on a per account basis.
5.	Non-compliance with the requirement to indicate the true name of the account holder in covered transaction reports (CTRs) and STRs involving non-checking numbered accounts.	Assessment is on a per transaction basis.
6.	Non-compliance with the requirement on the accuracy and completeness of covered and suspicious transactions reports.	Assessment is on a per transaction basis.
7.	Non-compliance with the requirement to submit to the AMLC within twenty-four (24) hours from receipt of the freeze order a detailed written return on the accounts subject of the freeze order. For related accounts, the twenty-four (24) hours shall be reckoned from the determination thereof.	Assessment is on a per Resolution (FO) basis.

E. LIGHT VIOLATION

Administrative Sanctions					
	Micro	Small	Medium	Large A	Large B
Minimum	₱2,500 per violation, but not exceeding ₱25 Thousand	₱6,250 per violation, but not exceeding ₱50 Thousand	₱12,500 per violation, but not exceeding ₱125 Thousand	₱18,750 per violation, but not exceeding ₱150 Thousand	₱25,000 per violation, but not exceeding ₱250 Thousand
Medium	₱3,750 per violation, but not exceeding ₱37.5 Thousand	₱9,375 per violation, but not exceeding ₱100 Thousand	₱18,750 per violation, but not exceeding ₱150 Thousand	₱28,125 per violation, but not exceeding ₱250 Thousand	₱37,500 per violation, but not exceeding ₱375 Thousand
Maximum	₱5,000 per violation, but not exceeding ₱50 Thousand	₱12,500 per violation, but not exceeding	₱25,000 per violation, but not exceeding	₱37,500 per violation, but not exceeding	₱50,000 per violation, but not exceeding

		₱125 Thousand	₱250 Thousand	₱350 Thousand	₱500 Thousand
1.	Non-compliance with the requirement to submit complete information on the detailed return on the FO.	Assessment is on a per account basis			
2.	Non-compliance with the requirement to submit to the AMLC an electronic detailed return of the FO in a format prescribed by the latter.	Assessment is on per Resolution (Freeze Order) basis.			
3.	Non-compliance with the requirement to keep electronic copies of all CTRs or STRs for, at least, five (5) years from the dates of submission to the AMLC.	Assessment is on a per violation basis.			

A. Assessments involving non-compliance with submission of CTRs within the required period shall be as follows:

TABLE B:

A. MAJOR VIOLATIONS:	Administrative Sanctions					
		Micro	Small	Medium	Large A	Large B
	Minimum	₱1,500.00 per CT, but not exceeding ₱1 Million	₱3,750.00 per CT, but not exceeding ₱2.5 Million	₱7,500.00 per CT, but not exceeding ₱5 Million	₱11,250.00 per CT, but not exceeding ₱7.5 Million	₱15,000.00 per CT, but not exceeding ₱10 Million
	Medium	₱2,250.00 per CT, but not exceeding ₱1.5 Million	₱5,625.00 per CT, but not exceeding ₱3.75 Million	₱11,250.00 per CT, but not exceeding ₱7.5 Million	₱16,875.00 per CT, but not exceeding ₱11 Million	₱22,500.00 per CT, but not exceeding ₱15 Million
B. SERIOUS VIOLATIONS:	Maximum	₱3,000.00 per CT, but not exceeding ₱2 Million	₱7,500.00 per CT, but not exceeding ₱5 Million	₱5,000.00 per CT, but not exceeding ₱10 Million	₱22,500.00 per CT, but not exceeding ₱15 Million	₱30,000.00 per CT, but not exceeding ₱20 Million
		Micro	Small	Medium	Large A	Large B
	Minimum	₱1,000.00 per CT, but not exceeding ₱500 Thousand	₱2,500.00 per CT, but not exceeding ₱1.25 Million	₱5,000.00 per CT, but not exceeding ₱2.5 Million	₱7,500.00 per CT, but not exceeding ₱3.75 Million	₱10,000.00 per CT, but not exceeding ₱5 Million
	Non-compliance with the covered transaction					

reporting requirement representing more than 5% but not more than 25% of the total sampled population of CTRs filed within the examination period.	Medium	₱1,500.00 per CT, but not exceeding ₱750 Thousand	₱3,750.00 per CT, but not exceeding ₱1.875 Million	₱7,500.00 per CT, but not exceeding ₱3.75 Million	₱11,250.00 per CT, but not exceeding ₱5.5 Million	₱15,000.00 per CT, but not exceeding ₱7.5 Million
	Maximum	₱2,000.00 per CT, but not exceeding ₱1 Million	₱5,000.00 per CT, but not exceeding ₱2.5 Million	₱10,000.00 per CT, but not exceeding ₱5 Million	₱15,000.00 per CT, but not exceeding ₱7.5 Million	₱20,000.00 per CT, but not exceeding ₱10 Million
C. LESS SERIOUS VIOLATIONS: Non-compliance with the covered transaction reporting representing 5% or less of the total sampled population of CTRs filed within the examination period.	Administrative Sanctions					
		Micro	Small	Medium	Large A	Large B
	Minimum	₱500.00 per CT, but not exceeding ₱100 Thousand	₱1,250.00 per CT, but not exceeding ₱250 Thousand	₱2,500.00 per CT, but not exceeding ₱500 Thousand	₱3,750.00 per CT, but not exceeding ₱750 Thousand	₱5,000.00 per CT, but not exceeding ₱1 Million
	Medium	₱750.00 per CT, but not exceeding ₱250 Thousand	₱1,875.00 per CT, but not exceeding ₱625 Thousand	₱3,750.00 per CT, but not exceeding ₱1.25 Million	₱5,625.00 per CT, but not exceeding ₱1.875 Million	₱7,500.00 per CT, but not exceeding ₱2.5 Million
	Maximum	₱1,000.00 per CT, but not exceeding ₱500 Thousand	₱2,500.00 per CT, but not exceeding ₱1.250 Million	₱5,000.00 per CT, but not exceeding ₱2.5 Million	₱7,500.00 per CT, but not exceeding ₱3.750 Million	₱10,000.00 per CT, but not exceeding ₱5 Million

Section 3. Determination of the Amount of Assessment. –

- (a) In determining the amount of the assessment, a three (3)-stage assessment shall be conducted as follows:

Step 1:

Determine the nature of offense, whether: (a) Grave; (b) Major; (c) Serious; (d) Less Serious or (e) Light Violation;

Step 2:

Determine the classification of respondent as to asset size, whether: (a) Micro; (b) Small; (c) Medium; (d) Large A or (e) Large B; and

Step 3:

Determine the presence of aggravating and/or mitigating circumstances, as listed under Section 1 of Rule III hereof.

- (b) The minimum penalty must be imposed if the mitigating circumstances outweigh the aggravating circumstances. On the other hand, maximum penalty must be imposed if the aggravating circumstances outweigh the mitigating circumstances. In the absence of mitigating or aggravating circumstances, the medium penalty must be imposed.
- (c) Both the aggravating and mitigating factors shall be considered for initial penalty imposition and subsequent request for reconsideration.

Section 4. Warnings and Non-monetary Sanctions. – The AMLC may impose against the respondent warnings or non-monetary sanctions that may include, but are not limited to, any, or a combination of, the following:

- (a) Warning that future infractions or other acts of a similar nature shall be dealt with more sternly;
- (b) Reprimand of the respondent, with directive to correct the deficiencies within a reasonable period of time;
- (c) Submission of a Compliance Commitment signed by the respondent indicating the specific timelines of concrete measures to correct the respondent's deficiencies, and of regular reporting of updates on said corrective measures;
- (d) Revocation of the certificate of registration issued by the AMLC;
- (e) Referral of the administrative Resolution to the appropriate Supervising Authority or Appropriate Government Agency for appropriate action; and
- (f) Publication of the administrative Resolution involving (assessment) grave or major violations or repeat significant non-compliance.

Section 5. Dispensing of Imposition of Monetary Sanctions. – The AMLC may dispense with the imposition of monetary sanctions in the following cases:

- (a) Where a light violation was committed, provided that corrective action was immediately taken after its attention was called by the CSG or Supervising Authorities;
- (b) Where a less serious violation was committed, provided that the case refers to a first-time violation and the respondent took corrective action within a reasonable time after its attention was called by the CSG or Supervising Authorities;
- (c) Where a serious or major violation was committed, provided that the case refers to a first-time violation and the respondent took corrective action within a reasonable time after its attention was called by the CSG or Supervising Authorities, and there is no aggravating circumstance.

In the foregoing cases, a reprimand, or warning that another violation shall be sternly dealt with, or both, may be imposed; and

- (d) The AMLC may suspend any imposition of monetary sanctions and instead, impose a warning or any of the non-monetary sanctions or a combination thereof.

Section 6. Retroactive Effect. – This Issuance shall have retroactive effect unless prejudicial to the respondent.

Section 7. Effectivity. – This Issuance shall take effect immediately upon publication in a newspaper of general circulation.

FOR THE AMLC:

(original signed)

MEL GEORGIE B. RACELA

Executive Director

Anti-Money Laundering Council Secretariat

26 July 2019