



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION & EXAMINATION SECTOR

CIRCULAR-LETTER

Series of 2002

TO : ALL BANKS

Pursuant to the provisions of Item 8, Circular No. 251 dated 7 July 2000, requiring banks to adopt reasonable measures to prevent the use of their facilities for laundering of proceeds of crimes and other illegal activities, all banks are hereby enjoined to adopt stricter policy guidelines in the acceptance of second-endorsed checks to ensure that they are not being used as instruments for money laundering or other illegal activities.

For this purpose, banks should limit the acceptance of second-endorsed checks from properly identified clients and only after establishing that the nature of the business of said client justifies, or at least, makes practical the deposit of second-endorsed checks. In case of isolated transactions involving deposits of second-endorsed checks by clients who are not engaged in trade or business, the identity of the first endorser should be established and the record of the identification shall also be kept for five (5) years. It is also understood that banks shall at all times follow the Know-Your-Customer (KYC) rules whenever they handle or transact second endorsement checks.

This Circular-Letter shall take effect immediately.


ALBERTO V. REYES
Deputy Governor

16 July, 2002

ITAGUYOD ANG PHILIPPINES 2000



MAG-IMPOK SA BANGKO