SEC Memorandum Circular No.1

Series of 2002

RE: ANTI-MONEY LAUNDERING OPERATING MANUAL FOR COVERED INSTITUTIONS

The Securities and Exchange Commission, pursuant to its regulatory and supervisory authority under the Securities Regulation Code, the Corporation Code, PD 902-A, as amended, the Anti-Money Laundering Act of 2001 and all other pertinent laws, rules and regulations administered and enforced by the Commission, hereby issues its Anti-Money Laundering Model Operating Manual to combat money laundering.

Section 1. The Manual shall cover all Institutions where the Commission is vested by law the jurisdiction to regulate and supervise under the foregoing enumerated laws. These institutions are hereinafter referred to as �Regulated Intermediaries�.

Section 2. All Regulated Intermediaries are hereby directed to comply with the Manual�s procedural guidelines on the implementation of the Anti-Money Laundering Act of 2001, as follows:

a. Filing of Covered Transaction Report
b. Filing of Suspicious Transaction Report
c. Establishment of Customer Identification System
d. Maintenance and Retention of Record of Transactions
e. Institution of Reporting Procedures and Compliance Manuals
f. Establishment of Training and Internal Control Procedures

Section 3. Regulated Intermediaries shall submit to the Commission their Statements of Policies and Procedures in accordance with the Operating Manual for review and approval by the Commission, on or before July 01, 2002.

Section 4. A Regulated Intermediary that fails to submit its Statement of Policies and Procedures shall be subject to a penalty of P500.00 per day of delay and which penalty shall continue until said Statement has been submitted.

Section 5. This Circular shall take effect immediately.

Mandaluyong City, January 22, 2002.

FOR THE COMMISSION:

(Original Signed)

LILIA R. BAUTISTA
Chairperson