



BANGKO SENTRAL NG PILIPINAS

**OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION AND EXAMINATION SECTOR**

CIRCULAR LETTER NO. CL-2011- 035

**To : All Banks and Non-Bank Financial Institutions Under BSP
Supervision**

**Subject : Anti-Money Laundering Council (AMLC) Resolution No. 38 dated
26 April 2011**

The Anti-Money Laundering Council (AMLC), in its Resolution No. 38 dated 26 April 2011, resolved to adopt the following policies on the submission of Covered Transaction Report (CTR) on transactions settled via fund transfers between existing bank accounts of the brokers/dealers and their customers, to wit:

- 1) The filing of a CTR by a broker is deferred when the mode of payment is by checks inasmuch as these checks will ultimately pass through banks which are mandated to file the required CTR thereon.
- 2) In the same manner, if the settlement between the brokers/dealers and their customers is made through fund transfers or "debiting and crediting" of their respective accounts (in which case there is no physical movement of funds but only a book-entry transfer of funds), the broker need not file a CTR thereon inasmuch as the said transactions are akin to a transaction in check, the reporting of which pertains to the concerned bank/s.

Attached is a copy of AMLC Resolution No. 38 dated 26 April 2011 for your guidance and strict implementation.


NESTOR A. ESPENILLA, JR.
Deputy Governor

25 May 2011

Att.: A/S



Anti-Money Laundering Council
Bangko Sentral ng Pilipinas Complex
Manila, Philippines

RESOLUTION No. 38
Series of 2011

In its Memorandum dated 26 April 2011, the Secretariat reported that:

AMLC Resolution No. 292, Series of 2003 provides that:

*"3. Covered institutions, other than banks, shall file covered transaction reports (CTRs) on transactions in cash or foreign currency or other monetary instruments (**other than checks**) or properties. Due to the nature of the transactions in the stock exchange, only the brokers-dealers shall be required to file CTRs and STRs. They, are however, required to file STRs when the transactions that pass through them are deemed to be suspicious."*
(Emphasis supplied)

Relative to the aforequoted provision, the AMLC Secretariat has been receiving requests for clarification on whether transactions settled via fund transfers, or "debiting and crediting" of the respective accounts of brokers and customers within the same bank, are also included among the covered transactions the reporting of which is deferred pursuant to the said Resolution No. 292, Series of 2003.

To finally settle the issue, it is deemed best to adopt a policy on the matter.

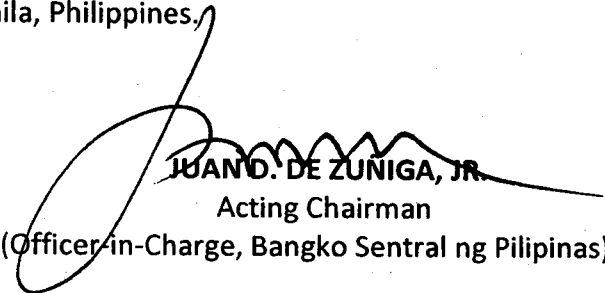
The Council resolved to adopt the following policies on the submission of Covered Transaction Reports (CTR) on transactions settled via fund transfers between existing bank accounts of the brokers/dealers and their customers, to wit:

- (1) The filing of a Covered Transaction Report (CTR) by a broker is deferred when the mode of payment is by **checks** inasmuch as these checks will ultimately pass through banks which are mandated to file the required CTR thereon.

- (2) In the same manner, if the settlement between the brokers/dealers and their customers is made through fund transfers or "debiting and crediting" of their respective accounts (in which case there is no physical movement of funds but only a book-entry transfer of funds), the broker need not file a CTR thereon inasmuch as the said transactions are akin to a transaction in check the reporting of which pertains to the concerned bank/s.

The Council further resolved to request the Supervising Authorities to disseminate this Resolution to all covered institutions under their respective jurisdictions.

26 April 2011, Manila, Philippines.


JUAND. DE ZUNIGA, JR.
Acting Chairman
(Officer-in-Charge, Bangko Sentral ng Pilipinas)


JE B. BARIN
Member

(Chairman, Securities and Exchange Commission)


EMMANUEL F. DOOC
Member

(Commissioner, Insurance Commission)