

## **[ BSP CIRCULAR NO. 251, July 07, 2000 ]**

### **ON MONEY LAUNDERING**

Pursuant to Monetary Board Resolution No. 1116 dated July 6, 2000, the following rules and regulations for banks and non-bank financial institutions under the supervision and regulation of the Bangko Sentral ng Pilipinas (BSP) are hereby issued in order to combat money laundering:

1. When establishing business relations or conducting transactions (particularly opening of deposit accounts, accepting deposit substitutes, entering into trust and other fiduciary transactions, renting of safety deposit boxes, performing remittances and other large cash transactions), banks/Non-Bank Financial Institutions (NBFIs) should take reasonable measures to establish and record the true identity of their clients. Said client identification may be based on official or other reliable documents and records.

In cases of corporate and other legal entities, the following measures should be taken, when necessary:

- a. Verification of the legal existence and structure of the client from the appropriate agency or from the client itself or both, proof of incorporation, including information concerning the customer's name, legal form, address, directors, principal officers and provisions regulating the power behind the entity.
- b. Verification of the authority and identification of the person purporting to act on behalf of the client.

2. In case of doubt as to whether their purported clients or customers are acting for themselves or for another, reasonable measures should be taken to obtain the true identity of the persons on whose behalf an account is opened or a transaction conducted.

3. Unless otherwise prescribed under existing laws, anonymous accounts or accounts under fictitious names should not be kept/allowed. In case where numbered accounts is allowed (i.e. foreign currency deposits), banks/NBFIs should ensure that the client is identified in an official or other identifying documents.

4. The identity of existing clients or beneficial owners of deposits and other funds held or being managed by the bank should be renewed/updated at least every other year.

5. All necessary records on transactions, both domestic or international, should be maintained for at least five (5) years. Such records must be sufficient to permit reconstruction of individual