Securities and Exchange Commission
PHILIPPINES

SEC Memorandum Circular No. 29
Series of 2020

TO : **ALL SEC COVERED PERSONS**

SUBJECT : **2020 GUIDELINES ON THE SUBMISSION AND MONITORING OF THE MONEY LAUNDERING AND TERRORIST FINANCING PREVENTION PROGRAM (MTPP)**

Whereas, SEC Memorandum Circular No. 16, Series of 2018 or the 2018 Guidelines on Anti-Money Laundering and Combating the Financing of Terrorism for SEC Covered Institutions (hereinafter referred to as the "2018 AML/CFT Guidelines") require all SEC Covered Institutions, as defined therein, to revise their Money Laundering and Terrorist Financing Prevention Programs (hereinafter referred to as the "MTPP");

Whereas, under the 2018 AML/CFT Guidelines, the revised MTPPs are required to be submitted to the Commission through the Operating Departments having supervision over such Covered Institutions, copy furnished the Anti-Money Laundering Division of the Enforcement and Investor Protection Department (AMLD-EIPD), within six (6) months from the effectivity of the said guidelines;

Whereas, the 2018 AML/CFT Guidelines became effective on 23 November 2018, thus, the deadline for the submission of the revised MTPPs fell on 23 May 2019;

Whereas, the revision of the MTPPs refers to the revision of the Anti-Money Laundering Operating Manual for SEC Covered Institutions and required under SEC Memorandum Circular No. 2, Series of 2010;

Whereas, the 2018 AML/CFT Guidelines referred only to the submission of MTPPs by Covered Institutions registered with the Commission prior to its effectivity;

Whereas, all Covered Institutions registered after the effectivity of the said 2018 AML/CFT Guidelines are also required to submit their respective MTPPs;

Whereas, there is a need to clarify the provisions of the 2018 AML/CFT Guidelines regarding the submission and monitoring of MTPPs;

Whereas, part of the documentary requirements for applications for secondary license of the covered persons is the Anti-Money Laundering Manual, which is being submitted to the appropriate Operating Department;

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WHEREFORE, by virtue of the authority vested in the Commission as Supervising Authority by the Anti-Money Laundering Act (AMLA), as amended, and its Implementing Rules and Regulations (IRR), the Securities Regulation Code (SRC) and the Revised Corporation Code of the Philippines (RCCP), and as approved by the Commission *En Banc*, the following **"2020 Guidelines on the Submission and Monitoring of the Money Laundering and Terrorist Financing Prevention Program (MTPP)"** hereinafter referred to as the *"2020 MTPP Submission and Monitoring Guidelines"* is hereby promulgated.

SECTION 1. This Circular shall apply to all Covered Institutions (hereinafter referred to as "Covered Persons") as defined in the 2018 AML/CFT Guidelines.

SECTION 2. All Covered Persons registered after the effectivity of the 2018 AML/CFT Guidelines but before the effectivity of this Circular and who have not yet submitted their MTPPs/revised MTPPs shall do so within two (2) months from the effective date of this Circular by submitting hard and soft copies of their MTTPs duly approved by their Board of Directors or by the country/regional/area head or its equivalent for local branches of foreign covered persons to the AMLD-EIPD.

A Covered Person registered or issued its secondary license on or after the effective date of this Circular shall submit hard and soft copies of its MTTP in accordance with its undertaking in its sworn certification as provided for in Section 4 hereof.

SECTION 3. The MTPP supersedes the Anti-Money Laundering Operating Manual referred to in SEC Memorandum Circular No. 2, Series of 2010 which is required to be submitted to the appropriate Operating Department as part of the documentary requirements for registration of covered persons. The MTPP must conform to and embody the principles and policies enunciated in the 2018 AML/CFT Guidelines.

SECTION 4. The MTPP shall no longer be included among the documents required to be submitted to the Company Registration and Monitoring Department (CRMD) by Covered Persons applying for registration and issuance of a secondary license. In lieu thereof, an applicant Covered Person shall submit, together with its application, a sworn certification signed by the Compliance Officer, Corporate Secretary or Resident Agent that the applicant's MTPP has been prepared, noted, and approved by its Board of Directors or by the country/regional/area head or its equivalent for local branches of foreign covered persons. The applicant shall furnish the AMLD-EIPD a copy of said sworn certification which should be stamped received by the AMLD-EIPD before they can be accepted by the CRMD.

The sworn certification shall include an undertaking that the applicant shall submit hard and soft copies of its MTPP to the AMLD-EIPD within ten (10) days from receipt of its Certificate of Registration and/or secondary license from the Commission. Attached herewith as Annex "A" is the Sworn Certification Form.

SECTION 5. Financing Companies (FCs) and Lending Companies (LCs) whose minimum paid-up capital shall at any time reach Ten Million Pesos (Php10,000,000.00) or whose foreign equity shall reach more than forty percent (40%), must submit hard and soft copies of their MTPPs to the AMLD-EIPD within sixty (60) days from the fact that the foreign ownership threshold or the minimum paid-up capital has been reached. An FC

or LC that has reached the minimum thresholds for capitalization or foreign equity that qualifies it as a Covered Person shall continue to be considered as such for purposes of compliance with the AMLA, as amended, the 2018 AML/CFT Guidelines, and these Guidelines even if such capitalization or foreign equity is later on reduced to less than the minimum capitalization or applicable foreign equity unless otherwise declared by the Commission.

SECTION 6. Failure to comply with these Guidelines in the revision and submission of the MTPP shall subject the Covered Person to the penalties provided for under the 2018 AML/CFT Guidelines.

SECTION 7. The AMLD-EIPD in coordination with the other Operating Departments of the Commission shall monitor and ensure compliance with the requirement to submit the MTPP and impose the prescribed penalties for non-compliance thereto.

SECTION 8. All rules, regulations, orders, circulars and issuances of the Commission that are inconsistent with this Memorandum Circular are hereby amended and/or repealed accordingly.

SECTION 9. This Memorandum Circular shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation and its posting in the Commission's website.

Pasay City, Philippines, 13 October 2020.

FOR THE COMMISSION:

EMILIO B. AQUINO
Chairperson

ANNEX "A"

SWORN CERTIFICATION

(Name of Corporation)

I, _____, (position) of (company name) (hereinafter referred to as "APPLICANT" for brevity) in compliance with Section 4 of SEC Memorandum Circular No._____ dated _____, hereby certify that the APPLICANT's Money Laundering and Terrorist Financing Prevention Program (MTPP) has been prepared, noted, and approved by its Board of Directors / the country/regional/area head or its equivalent (for local branches of foreign covered persons), and undertake to submit to the Anti-Money Laundering Division of the Enforcement and Investor Protection Department of the Securities and Exchange Commission (SEC) hard and soft copies of its MTPP within ten (10) days from receipt of its Certificate of Registration and/or secondary license from the SEC.

(Signature of Compliance Officer/Corporate Secretary/Resident Agent)

SUBSCRIBED AND SWORN TO before me this ____ day of _____ , 20___ at _____. Affiant personally appeared before me and exhibited to me his/her competent evidence of identity _____ issued on _____ at _____ .

NOTARY PUBLIC

Notarial Commision _____
Commision Expires on December 31, _____
Roll of Attorney Number _____
PTR No. _____
IBP No. _____
Office Address _____

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 20_____.