

**[AMLC REGULATORY ISSUANCE (ARI) A, B AND C,
NO. 2, S. 2018, September 28, 2018]**

GUIDELINES ON DIGITIZATION OF CUSTOMER RECORDS

Adopted: 17 September 2018

Date Filed: 28 September 2018

By the authority vested upon the Anti-Money Laundering Council (AMLC) to implement measures as may be necessary and justified to counteract money laundering, in accordance with Section 7(7) of Republic Act (RA) No. 9160, also known as the Anti-Money Laundering Act of 2001, as amended (AMLA), the Council, in its Resolution No. 149, dated 11 September 2018, approved the adoption of the Guidelines on Digitization of Customer Records.

Section 1. Declaration of Policy.

It is hereby declared a policy that any revelation by any person of an ongoing investigation of the Anti-Money Laundering Council (AMLC) is considered inimical to the public interest as it leads to immediate movement of funds from accounts subject of investigation to another account, thereby depriving the State the opportunity to recover proceeds of unlawful activity.

Thus, covered persons should take measures to ensure that its officers and employees are aware of their respective responsibilities in maintaining the confidentiality of financial investigations, and that no officer or employee communicates to any person any information in relation to any request for details and documents by the AMLC in the course of its investigation.

Swift retrieval of documents is likewise essential in the AMLC's financial investigations. It is therefore declared a policy that covered persons should take measures to ensure that customer records are submitted in the manner, quality and period as would assist the AMLC in its prompt financial investigations and institution of legal actions.

Section 2. Definition of Terms.

Customer records shall refer to:

1. Those obtained by covered persons to establish the true and full identity of customers in accordance with their Customer Due Diligence (CDD) policies and procedures, such as customer information files where the customers provide minimum information; copies or records of official identification documents or similar documents, establishing the true and full identity of customers; account files and business correspondence, including the results of any analysis undertaken, such as inquiries, to

establish the background and purpose of complex, unusually large transactions, collectively referred to as CDD records or CDD documents; and

2. Account transaction histories or statements of accounts, whether in Philippine pesos or other currency.

Other terms used in these Guidelines shall be as defined under Republic Act (RA) No. 9160 or the Anti-Money Laundering Act of 2001, as amended (AMLA), its Implementing Rules and Regulations, and resolutions, directives and other issuances of the AMLC.

Section 3. Duties of Covered Persons.

Under these Guidelines, covered persons shall:

a. *In General.*

Act promptly, and treat with utmost confidentiality all requests for information and/or documents, as well as orders, to provide customer records pursuant to the AMLC's functions to investigate or conduct bank inquiry;

b. *Digitization of Customer Records.*

Digitize all customer records in accordance with the timelines set in Section 6 hereof, including those pertaining to accounts existing prior to implementation period thereof, but excluding customer records of closed accounts beyond the five (5)-year record keeping requirement of the AMLA, as amended, and its Implementing Rules and Regulations.

The requirements to digitize all customer records existing prior to implementation period as stated in Section 6.a shall not apply to covered persons engaged in money service business operations as defined by issuance of the Bangko Sentral ng Pilipinas, except when the business model of said covered persons is such that the customer is able to open, keep and maintain an account as an electronic wallet or other similar electronic product or service;

c. *Development and Access to Central Database.*

Develop a central database of customer records to be maintained in their respective head offices or main branches of foreign banks operating in the Philippines, and authorized the compliance officer, or any duly authorized officer, or representative, to have direct, immediate, and unimpeded access to the database;

d. *Security and Integrity of the Database.*

Ensure compliance with prevailing laws related to data privacy, data protection and security in developing their respective databases, and their adoption of retrieval procedures;