

[BSP Memorandum No. M-2015-007, January 26, 2015]

FUND/WIRE TRANSFERS

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Under Subsection X806.2.i of the Manual of Regulations for Banks, given the risk associated with fund/wire transfers, covered institutions are required to establish policies and procedures designed to prevent them from being utilized for the transmission of proceeds of unlawful activities. In this regard, covered institutions are reminded to observe relevant prudential safeguards in processing fund/wire transfer transactions, especially cross border transfers, to ensure that they will not be transmitting proceeds of unlawful or unauthorized activities, to wit:

1. As part of monitoring of transactions, it is necessary that a covered institution has a system that will enable it to understand the normal and reasonable account activity of customers and detect unusual or suspicious patterns of account activity. Thus, a risk and materiality based on-going monitoring of customer's accounts and transactions should be part of a covered institution's customer due diligence.
2. The beneficiary institution shall not accept instructions to pay-out fund transfers to non-customer beneficiary, unless it has conducted the necessary customer due diligence to establish the true and full identity and existence of said beneficiary.
3. In cross border transfers, if the originator is a high risk customer, the beneficiary institution shall conduct enhanced due diligence on the beneficiary and the originator. Where additional information cannot be obtained, or any information or document provided is false or falsified, or result of the validation process is unsatisfactory, the beneficiary institution shall refuse to effect the fund/ wire transfer or the pay-out of funds without prejudice to the reporting of a suspicious transaction to the Anti-Money Laundering Council when circumstances warrant.
4. Cross border and domestic fund/wire transfers and related message amounting to P50,000 or more or its equivalent shall include accurate and meaningful originator information.
For guidance and compliance.

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