



ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

NOTICE

TO: SECURITIES BROKERS AND DEALERS, INVESTMENT HOUSES, UNDERWRITERS OF SECURITIES, GOVERNMENT SECURITIES ELIGIBLE DEALERS, INVESTMENT COMPANIES/MUTUAL FUND, INVESTMENT COMPANY ADVISERS, MUTUAL FUND DISTRIBUTORS, REIT FUND MANAGERS, FINANCING COMPANIES AND LENDING COMPANIES

SUBJECT: CUSTOMER DUE DILIGENCE (CDD) ON DESIGNATED NON-FINANCIAL BUSINESS AND PROFESSION (DNFBP) CUSTOMERS

All covered persons (CPs) supervised and regulated by the Securities and Exchange Commission (SEC) are expected to strictly perform CDD on their DNFBP customers, in accordance with Chapter 5 Customer Identification of SEC Memorandum Circular No. 16, series of 2018 or the 2018 AML/CFT Guidelines and pursuant to Chapter VI, Rule 18 of the 2018 Implementing Rules and Regulations of R.A. No. 9160 or the Anti-Money Laundering Act, as amended.

In performing CDD, all CPs shall identify and verify the true identity of DNFBP clients/customers and beneficial owner/s based on official documents or other reliable, independent source documents, data or information. CPs dealing with clients/customers who are DNFBPs¹ **should require the presentation of the Provisional Certificate of Registration (PCOR) and/or the Certificate of Registration (COR) with the AMLC** as part of the CDD. The AMLC Registration must be updated by the Compliance Officer every two (2) years in the AMLC portal. Furthermore, CPs must conduct continuing CDD on business relationships and transactions done with DNFBPs.

Under existing regulations, where a covered person is unable to comply with the relevant CDD measures, it shall (a) refuse to open an account, commence business

¹ See Rule 4 Section 1 (b) under 2018 IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE ANTI-MONEY LAUNDERING ACT OF 2001, AS AMENDED [JANUARY 2021 AMENDMENT] [http://www.amlc.gov.ph/images/PDFs/2018%20IRR%20\(2021%20JAN%20AMENDMENT\).pdf](http://www.amlc.gov.ph/images/PDFs/2018%20IRR%20(2021%20JAN%20AMENDMENT).pdf)

relations, or perform the transaction; or shall terminate the business relationship; and (b) file a suspicious transaction report (STR), if the circumstances warrant.

Failure to comply with the provisions of the 2018 AML/CFT Guidelines, as amended, is subject to appropriate enforcement actions under existing applicable laws and regulations.

For information and strict compliance.

AML/D/AMLCFT