

**IMPLEMENTING RULES AND REGULATIONS
OF REPUBLIC ACT NO. 10927,
“AN ACT DESIGNATING CASINOS AS COVERED PERSONS UNDER
REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE ANTI-MONEY
LAUNDERING ACT OF 2001, AS AMENDED”**

Pursuant to Section 18 of Republic Act No. 9160, as amended by Section 5 of Republic Act No. 10927, otherwise known as “An Act Designating Casinos as Covered Persons under Republic Act No. 9160, otherwise Known as The Anti-Money Laundering Act of 2001, as amended”, the Anti-Money Laundering Council (AMLC), Philippine Amusement and Gaming Corporation (PAGCOR), Cagayan Economic Zone Authority (CEZA), and Aurora Pacific Economic Zone and Freeport Authority (APECO) hereby jointly adopt and promulgate the following Rules and Regulations:

**RULE I
TITLE, DECLARATION OF POLICY, AND SCOPE**

Section 1. Title. – These Rules shall be referred to as the Casino Implementing Rules and Regulations (CIRR) of Republic Act No. 10927.

Section 2. Declaration of Policy. – It is the policy of the State to ensure that the Philippines shall not be used as a money laundering and terrorist financing site for the proceeds of any predicate offense.

Consistent with its foreign policy, the Philippines shall extend cooperation in transnational investigations and prosecutions of persons involved in money laundering and terrorist financing activities wherever committed.

Section 3. Scope. – This CIRR shall apply to all casinos, including internet- and ship-based casinos, operating within the territorial jurisdiction of the Philippines and authorized by the Appropriate Government Agency (AGA) to engage in gaming operations.

The implementing rules applicable to other covered persons shall not apply to casinos unless it is expressly so provided under this CIRR.

Section 4. Basic Principles and Policies to Combat Money Laundering/Terrorist Financing. – Casinos shall be regulated to prevent money laundering and terrorist financing, as well as from undermining the Philippine financial system. Casinos shall therefore apply the following principles throughout their businesses:

- a. Conform with high ethical standards and observe good corporate governance consistent with the guidelines issued by the AGA in order to protect the integrity of their operations and that of the gaming industry;

- b. Know sufficiently their customer to prevent suspicious individuals or entities from transacting with, or establishing or maintaining relationship with casinos;
- c. Adopt and effectively implement an appropriate anti-money laundering (AML) and countering the financing of terrorism (CFT) risk management system that identifies, assesses, monitors, and controls risks associated with money laundering and terrorist financing;
- d. Ensure that officers and employees are aware of their respective responsibilities under this CIRR and carry them out in accordance with its Money Laundering Prevention Program; and
- e. Cooperate with the AMLC and the AGA for the effective implementation of the AMLA and this CIRR, and other applicable issuances.

**RULE II
DESIGNATION OF CASINOS AS COVERED PERSONS**

Section 5. *Designation of Casinos as Covered Persons.* – Casinos, including internet and ship-based casinos, with respect to their casino cash transactions related to their gaming operations, and such other entities as may be hereafter determined by AGA, are hereby designated as covered persons under the AMLA.

**RULE III
DEFINITION OF TERMS**

Section 6. *Definition of Terms* - For purposes of this Act, the following terms are hereby defined as follows:

- (A) “Account” – refers to membership account, customer’s credit account, check cashing account, deposit account or any other account opened with a casino by or on behalf of a customer.
- (B) “Ancillary Area” – refers to any of the following areas within the casino premises:
 - 1) Major aisles, the maximum area of which shall not exceed such limit within any part of the casino premises as the appropriate government agency may, from time to time, specify;
 - 2) Back-of-house facilities;
 - 3) Any reception or information counter;
 - 4) Any area designated for the serving or consumption of food and beverages;

- 5) Any retail outlet;
 - 6) Any area designated for performance;
 - 7) Any area designated for aesthetic or decorative display;
 - 8) Staircases, staircase landings, escalators, lifts and life lobbies;
 - 9) Toilet; and
 - 10) Such other areas not intended to be used for the conduct or playing of games or as a gaming pit as the appropriate government agency, when defining the boundaries of the casino premises or on the application of the casino, may allow.
- (C) “Anti-Money Laundering Act” (AMLA) – refers to Republic Act (RA) No. 9160, as amended by RA Nos. 9194, 10167, 10365 and 10927.
- (D) “Anti-Money Laundering Council” (AMLC) – refers to the financial intelligence unit of the Republic of the Philippines which is the government agency tasked to implement the AMLA, as amended.
- (E) “Appropriate Government Agency” (AGA) – refers to APECO, CEZA, PAGCOR or any other government agency, as may be determined by law.
- (F) “Beneficial Owner” – refers to any natural person who:
- 1) ultimately owns or controls the customer and/or on whose behalf a transaction or activity is being conducted; or
 - 2) has ultimate effective control over a legal person or arrangement.
- (G) “Cash” – refers to currency notes and coins considered as legal tender in the country of issue.
- (H) “Casino” – refers to a business authorized or operated by the appropriate government agency to engage in gaming operations, including ship-based and internet-based casinos.
- (I) “Casino Cash Transaction” – refers to transactions involving the receipt or payout of cash by and of a casino, paid or received by or on behalf of a customer, or such other cash transactions that may be determined by AMLC and the AGA.
- (J) “Casino Marketing Arrangement” – refers to arrangements whereby a person organises, promotes or facilitates the playing of any game in a casino, including the use of a gaming room, by one or more customers for which the first mentioned person receives from the casino or from the person for the time being in charge of the casino —
- 1) a commission based on the turnover of play in the casino attributable to the customer/s or otherwise derived from the play of the customer/s;
 - 2) a share of the casino’s gross gaming revenue from the customer/s; or
 - 3) such other form of payment or rebate, monetary or otherwise, as may be prescribed.

- (K) “Casino Transaction” – refers to the purchase or redemption of casino chips or tokens, or other gaming instruments, or purchase or redemption thereof by any other forms of payment, transfer, or delivery by, through, or to a casino, by whatever means effected.
- (L) “Covered Persons” – refers to casinos, including internet and ship-based casinos, with respect to their casino cash transactions related to their gaming operations.
- (M) “Covered Transaction” – refers to a single casino cash transaction involving an amount in excess of Five Million Pesos (P5,000,000.00) or its equivalent in any other currency.
- (N) “Customer/Client” – refers to any person who engages or attempts to engage in casino transactions or any person who places wager, or intends to place wager, in the casino’s gaming operations through a customer account of any casino marketing arrangement provider.
- (O) “Designated Non-Financial Business and Profession” (DNFBP) – includes casinos covered under RA No. 10927 and this CIRR in addition to those DNFBPs already covered under the AMLA.
- (P) “Gaming Area” – refers to any area within the casino premises other than an ancillary area;
- (Q) “Gaming Operations” – refers to games of chance and variations thereof offered by casinos, and approved by the AGA under their enabling laws and other applicable issuances. It shall exclude:
- 1) Traditional Bingo operations authorized by the AGA;
 - 2) Lotteries and sweepstakes of the Philippine Charity Sweepstakes Office (PCSO); and
 - 3) Such other games of chance and variations as may be declared exempt by the AGA based on the result of their money laundering and terrorist financing risk assessment in consultation with AMLC.
- (R) “Identification Document” – refers to any of the following documents:
- 1) For Filipino citizens: those issued by any of the following official authorities:
 - a. Government of the Republic of the Philippines, including its political subdivisions, agencies, and instrumentalities;

- b. Government-Owned or -Controlled Corporations (GOCCs); and
 - c. Covered persons registered with and supervised or regulated by the Bangko Sentral ng Pilipinas (BSP), the Securities and Exchange Commission (SEC), or the Insurance Commission (IC).
 - 2) For foreign nationals: valid passport or Alien Certificate of Registration.
- (S) “Internet-based Casinos” – refers to casino operations where persons participate by the use of remote communication facilities such as, but not limited to, internet, telephone, television, radio or any other kind of electronic or other technology to facilitate communication.
- (T) “Monetary Instrument” – refers to:
 - 1) Coins or currency of legal tender in the Philippines, or in any other country;
 - 2) Negotiable checks such as casino checks, personal checks, and bank drafts;
 - 3) Casino Value instruments such as casino chips, casino reward cards, Ticket/Voucher in or Ticket/Voucher out, markers, cashier’s orders, chip purchase orders/vouchers, chip checks, gift certificates, and casino drafts; and
 - 4) Other similar instruments where title thereto passes to another by endorsement, assignment or delivery.
- (U) “Money Laundering” (ML) – refers to money laundering under Section 4 of the AMLA.
- (V) “Person” – refers to any natural or juridical person.
- (W) “Politically Exposed Person” (PEP) – refers to an individual who is or has been entrusted with prominent public position in (a) the Philippines with substantial authority over policy, operations or the use or allocation of government-owned resources; (b) a foreign State; or (c) an international organization.

The term PEP shall include immediate family members, and close relationships and associates that are reputedly known to have:

- 1) Joint beneficial ownership of a legal entity or legal arrangement with the main/principal PEP; or

- 2) Sole beneficial ownership of a legal entity or legal arrangement that is known to exist for the benefit of the main/principal PEP.

“Immediate Family Member” – refers to spouse or partner; children or their spouses or partners; and parents or parents-in-law.

(X) “Predicate Offense” – refers to the unlawful activities under Section 3(i), of the AMLA.

(Y) “Proceeds of a Predicate Offense” – refers to an amount derived or realized from a predicate offense. It shall include:

- 1) All material results, profits, effects and any amount realized from any predicate offense;
- 2) All monetary, financial or economic means, devices, documents, papers or things used in, or having any relation to, any predicate offense; and
- 3) All moneys, expenditures, payments, disbursements, costs, outlays, charges, accounts, refunds and other similar items for the financing, operations, and maintenance of any predicate offense.

(Z) “Ship-based Casinos” – refers to casinos operating on board a vessel, ship, boat or any other water-based craft wholly or partly intended for gambling.

(AA) “Suspicious Transaction” – refers to transactions with covered persons, regardless of the amounts involved, where any of the following exist:

- 1) there is no underlying legal or trade obligation, purpose or economic justification;
- 2) the client is not properly identified;
- 3) the amount involved is not commensurate with the business or financial capacity of the client;
- 4) taking into account all known circumstances, it may be perceived that the client's transaction is structured in order to avoid being the subject of reporting requirements under the AMLA;
- 5) any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client's past transactions with the covered person;
- 6) the transaction is in any way related to an unlawful activity or any money laundering activity or offense that is about to be committed, is being or has been committed; or

- 7) any transaction that is similar, analogous or identical to any of the foregoing.
- (BB) “Terrorist Financing” (TF) – refers to those acts defined and punished under Sections 4, 5, 6, 7 and 8 of RA No. 10168.
- (CC) “Working Day” – refers to all calendar days excluding weekends, official national holidays, officially-declared national holidays, and officially-declared local holidays where the AMLC Secretariat office is located.

RULE IV
FUNCTIONS OF THE AMLC AND APPROPRIATE GOVERNMENT AGENCIES

Section 7. Functions of the AMLC.- The functions of the AMLC are:

- a) to require and receive covered or suspicious transaction reports from casinos;
- b) to issue orders addressed to the AGA or a casino to determine the true identity of the owner of any account subject of a covered or suspicious transaction report, or request for assistance from a foreign State, or believed by the AMLC, on the basis of substantial evidence, to be, in whole or in part, wherever located, representing, involving, or related to, directly or indirectly, in any manner or by any means, the proceeds of any unlawful activity;
- c) to institute civil forfeiture proceedings and all other remedial proceedings through the Office of the Solicitor General;
- d) to file complaints with the Department of Justice or the Office of the Ombudsman for the prosecution of money laundering offenses and other violations under the AMLA;
- e) to investigate suspicious transactions and covered transactions deemed suspicious after investigation by the AMLC, money laundering activities and other violations of the AMLA;
- f) to file with the Court of Appeals, *ex parte*, through the Office of the Solicitor General:
 - 1. a petition for the freezing of any monetary instrument or property that is in any way related to an unlawful activity; or
 - 2. an application for authority to inquire into or examine any particular deposit or investment, including related accounts, with any banking institution or non-bank financial institution;

- g) to formulate and implement such measures as may be necessary and justified under the AMLA to counteract money laundering;
- h) to receive and take action in respect of any request from foreign states for assistance in their own anti-money laundering operations as provided in the AMLA;
- i) to develop educational programs, including awareness campaign on the pernicious effects, the methods and techniques used, and the viable means of preventing money laundering and the effective ways of prosecuting and punishing offenders;
- j) to enlist the assistance of any branch, department, bureau, office, agency or instrumentality of the government, including government-owned and -controlled corporations, in undertaking any and all AML operations, which may include the use of its personnel, facilities and resources for the more resolute prevention, detection and investigation of money laundering offenses and prosecution of offenders; and
- k) to impose administrative sanctions for the violation of laws, rules, regulations, orders, and resolutions issued pursuant thereto.

Section 8. *Functions of the Appropriate Government Agency.* – The functions of the AGA are:

- a) To supervise, assess and monitor, compliance of casinos with obligations under the AMLA, this CIRR, and other applicable issuances;
- b) To accredit third party auditors to carry out AML audit on the comprehensiveness and effectiveness of the casinos' measures to prevent criminal behavior in general and to combat money laundering and terrorist financing in particular;
- c) Except for covered and suspicious transaction reports, to require casinos to submit necessary information and documentation on AML compliance and those relevant to any violation of the AMLA, this CIRR, and other applicable issuances;
- d) To implement the necessary measures for restoring the appropriate legal conditions in the event of violations of the AMLA, this CIRR, and other applicable issuances;
- e) To order precautionary measures for the duration of any investigation or legal proceedings of violations of the AMLA, this CIRR, and other applicable issuances, such as the suspension of the casinos' license; and
- f) To provide the AMLC with the results of its inspection in connection with item a) above.

Section 9. *Anti-Money Laundering and Countering the Financing of Terrorism Guidelines and Circulars of Appropriate Government Agency.* – The AGA shall issue their respective AML/CFT guidelines and circulars for the guidance and compliance of casinos under their respective jurisdictions, to assist the AMLC in effectively implementing the provisions of the AMLA, this CIRR, and other AMLC issuances.

RULE V RISK MANAGEMENT

Section 10. *Risk Management Policies.* – All casinos shall develop sound risk management policies and practices to identify, monitor, mitigate, and control risks associated with ML and TF.

The four (4) areas of sound risk management practices are:

- a. adequate and active board and senior management oversight;
- b. acceptable policies and procedures embodied in an ML and TF prevention compliance program, which takes into account customer, country, product and delivery channel risks;
- c. appropriate monitoring; and
- d. comprehensive internal controls and audit.

Section 11. *Institutional Risk Assessment.* – Casinos shall perform institutional risk assessment taking into account the four risks mentioned in Section 10.b. The assessment shall include both quantitative and qualitative factors. Institutional risk assessment shall be conducted at least once every two (2) years or as may be determined by AGA.

Section 12. *Active Board and Senior Management Oversight.* – The casino’s Board of Directors, or the partners or the sole proprietor, as the case may be, is ultimately responsible for ensuring compliance with the AMLA, its rules and regulations, and directives and guidance from the AMLC and AGA.

Section 13. *Designation of a Compliance Officer and/or Office.* – Casinos shall designate a compliance officer of senior management status with the authority and mandate to ensure day-to-day compliance with its AML/CFT obligations. The compliance officer shall have a direct line of communication to the casino’s Board of Directors, or the partners or the sole proprietor, as the case may be, to report on matters pertaining to its AML/CFT obligations, including the casino’s failure to manage ML/TF risks and new AML/CFT obligations issued in the form of circulars and correspondence from AMLC and AGA that require updates to the casino’s compliance measures. The compliance officer shall also ensure that compliance measures reflect readily available information concerning new trends in ML and TF and detection techniques.

If a casino’s activities are complex or if it maintains multiple business locations, it shall make and document a decision as to whether or not it will be necessary to create a compliance office or to appoint a compliance officer for each of the casino’s locations. This decision shall take into consideration the similarity of risks posed to the casino’s various

operations, including but not limited to, distinctions in customers/clients, transactions, services offered, as well as the location between business locations.

The casino shall also designate a separate officer to be responsible and accountable for all record-keeping requirements under this CIRR. These officers will also be responsible for making these records readily available to the AMLC upon request.

Section 14. *Internal Controls and Internal Audit Program.* – Casinos shall establish internal controls to ensure day-to-day compliance with its AML/CFT obligations under the AMLA, this CIRR, and other applicable issuances, taking into consideration the size and complexity of the casino operations.

Qualified personnel who are independent of the office being audited shall conduct internal audits for casinos. The auditors shall have the support and a direct line of communication to the casino's Board of Directors, or the partners or the sole proprietor, as the case may be. The casino's internal audit program shall include periodic and independent evaluation of the casino's risk management, as well as the sufficiency and degree of adherence to the casino's compliance measures. Internal audit examination scope shall cover the accuracy of customer identification information, covered and suspicious transaction reports, and all other records and internal controls pertaining to compliance with AML/CFT obligations. Internal audits shall be conducted at least once every two (2) years or at such frequency as necessary, consistent with the risk assessment of the casinos.

The results of the internal audit shall be timely and directly communicated to both the casino's Board of Directors, or the partners or the sole proprietor, as the case may be, and the compliance officer. There shall also be a written procedure by which deficiencies in a compliance program are promptly remedied once identified by an internal audit. Moreover, audit results relative to AML/CFT compliance shall promptly be made available to the AMLC and AGA upon request.

The internal audit function shall be periodically assessed by an independent third party auditor accredited by the AGA.

Section 15. *Implementation of a Money Laundering Prevention Program (MLPP).* – The casino's Board of Directors, or the partners or the sole proprietor, as the case may be, shall approve, and the compliance officer shall implement, a comprehensive, risk-based MLPP geared towards the promotion of high ethical and professional standards and the prevention of ML and TF. The MLPP shall be in writing, consistent with the AMLA, and its provisions shall reflect the casino's corporate structure and risk profile. It shall be readily available in user-friendly form, whether in hard or soft copy. Moreover, it shall be well disseminated to all officers and staff who are obligated, given their position, to implement compliance measures. The casino shall design procedures that ensure an audit trail evidencing the dissemination of the MLPP to relevant officers and staff.

Where a casino operates at multiple locations in the Philippines, it shall adopt an institution-wide MLPP to be implemented in a consolidated manner. Lastly, the MLPP shall be updated at least once every two years or whenever necessary to reflect changes in AML/CFT obligations, ML and TF trends, detection techniques and typologies.

At minimum, the MLPP's provisions shall include:

- a. Detailed procedures of the covered person's compliance and implementation of the following major requirements of the AMLA, and this CIRR:
 1. Customer identification process, including acceptance policies and an on-going monitoring process;
 2. Record-keeping and retention;
 3. Covered transaction reporting; and
 4. Suspicious transaction reporting, including the adoption of a system, electronic or manual, of flagging, monitoring and reporting of transactions that qualify as suspicious transactions, regardless of amount or that will raise a "red flag" for purposes of future reporting of such transactions to the AMLC when their aggregated amounts breached the threshold for a covered transaction report. Suspicious transaction reporting shall include a reporting chain under which a suspicious transaction will be processed and the designation of a Board-Level or approved Committee who will ultimately decide whether or not the covered institution should file a report to the AMLC.
- b. An effective and continuous AML/CFT training program for all directors, and responsible officers and employees, to enable them to fully comply with their obligations and responsibilities under the AMLA, this CIRR and other applicable issuances, their own internal policies and procedures, and such other obligations as may be required by the AMLC and AGA;
- c. An adequate risk-based screening and recruitment process to ensure that only qualified and competent personnel with no criminal record or integrity-related issues are employed or contracted by casinos;
- d. An internal audit system and an independent audit program that will ensure the completeness and accuracy of information obtained from customers. The casino shall specify in writing the examination scope of independent audits, which shall include ensuring checking the accuracy and completeness of identification documents, covered transaction report (CTR) and suspicious transaction report (STR) submitted to the AMLC, and records retained in compliance with this framework, as well as assuring adequacy and effectiveness of the casino's training programs;

- e. A mechanism that ensures all deficiencies noted during the audit and/or regular or special inspection/examination are immediately corrected and acted upon;
- f. Cooperation with the AMLC and AGA;
- g. Designation of an AML compliance officer, who shall, at least, be of a senior management level, as the lead implementer of the casino's compliance program; and
- h. The identification, assessment, and mitigation of ML/TF risks that may arise from new business practices, services, technologies, and products.

Section 15.a. *Customer Acceptance Policies & Ongoing Monitoring.* – Casinos shall have clear, written and graduated acceptance policies and procedures that will seek to prevent suspicious individuals or entities from transacting with, establishing or maintaining business relationship with them. Casinos shall develop guidelines to assist personnel to assess whether a customer's profile warrants refusal of service to protect the security and integrity of the business.

Casinos shall also provide for a mechanism by which customers' transactions and identification information will be continuously monitored and updated. They shall create a system that will enable them to understand the normal and reasonable account activity of their customers given the customer's activities, risk profile, and source of funds.

Section 15.b. *Monitoring and Reporting System.* – All casinos shall adopt an ML/TF monitoring system, including a name screening mechanism, whether electronic or manual, that is appropriate for their risk-profile and business complexity in accordance with this framework. The system shall be capable of generating timely, accurate and complete reports, including CTRs and STRs, and to regularly apprise the casino's Board of Directors, or the partners or the sole proprietor, as the case may be on AML and CFT compliance.

Section 15.c. *Employee Training Program.* – Casinos shall create employee training programs that detail ML and TF prevention roles and hiring standards that promote high ethical standards in order to protect the safety and integrity of the casino's business.

Training programs shall be ongoing programs that alert directors, officers, and employees on their collective and distinct roles in preventing ML and TF. The casino shall also provide for refresher trainings to review updates to compliance measures as they arise from new legislation, AMLC and AGA issuances, internal audit findings, and discoveries in ML/TF trends and detection techniques. In particular, the AML/CFT trainings shall explain the customer identification process, record keeping requirements, covered and suspicious transaction reporting, and the internal processes/chain of command for reporting and cooperation with the AMLC and AGA.

Attendance by casino personnel at all training programs and seminars, whether internally or externally organized shall be recorded. Copies of training materials shall be kept and submitted to the compliance officer, which shall be made available to the AMLC and AGA upon their request.

Section 15.d. *Submission of a Sworn Certification of Adoption of a duly approved MLPP duly approved by its Board within Ninety (90) days from the Effectivity of this CIRR.*

Within ninety (90) days from the effectivity of this CIRR, all casinos shall prepare and have available for inspection an updated MLPP embodying the principles and provisions stated in this CIRR. The compliance officer shall submit to the AMLC and AGA a sworn certification that a new MLPP has been prepared, duly noted and approved by the casino's Board of Directors.

RULE VI CUSTOMER IDENTIFICATION PROCESS AND CUSTOMER DUE DILIGENCE

A. *Customer Identification.* –

Section 16. *Customer Identification.* – Casinos shall establish and record the true identity of their customers based on identification documents, as defined under Section 6.R of this CIRR, upon opening of an account or redemption of casino chips or tokens or gaming instruments in an amount to be determined by the AMLC and AGA in the casino gaming area. They shall maintain a system of verifying the true identity of their customers based on reliable, independent sources, documents, data, or information. In case of corporate customers, including a trustee, agent, nominee, or intermediary arrangements, casinos are required to maintain a system of verifying their legal existence and organizational structure, as well as the authority and identification of all persons purporting to act on their behalf.

Once the customer's identification details have been recorded in the casino management system of the casino for which the customer is issued a membership card, loyalty card or other document which allows the casino to identify such customer, such membership card, loyalty card or other document shall be considered a valid identification document of the customer in the casino for purposes of the identification requirement under this CIRR.

Section 17. *Customer Identification System.* – Casinos shall establish appropriate systems and methods, and adequate internal controls, compliant with the AMLA, this CIRR, AMLC issuances, the guidelines issued by the AGA for verifying and recording the true and full identity of their customers.

B. *Customer Due Diligence.* –

Section 18. *Customer Due Diligence (CDD).* – Casinos shall know their customers and, to the extent possible, the intermediary and the person or entity on whose behalf the transaction is being conducted; provided, that the bettor/player shall be considered the beneficial owner if he has full and physical control over the bet placed on the table in the

Gaming Area of the casino. Casinos shall apply the same criteria for assessing risk profiles to both parties and apply the appropriate standard of due diligence to each party.

Casinos shall create a system that will first establish and then record the full identity of their customers and risk assessment results. In addition to using all information available to them, casinos shall require customers to furnish the required Identification Documents.

In conducting CDD, a risk-based approach shall be undertaken depending on the type of customer, business relationship, or nature of the product, casino transaction or activity.

Section 19. *Minimum Customer Information and Identification Documents when Conducting Customer Due Diligence.* – The following are the minimum customer information and identification documents required in the conduct of CDD:

- a. Name of customer;
- b. Date and place of birth;
- c. Present address;
- d. Permanent address;
- e. Contact number or information, if any;
- f. Nationality;
- g. Proof of Identification and Identification Number;
- h. Nature of work, name of employer or nature of self-employment/business; and
- i. Source of funds.

Customers who open an account in a casino shall be required to submit a copy of an identification document.

Provided that the absence of any of the foregoing information shall not be considered a violation of this provision so long as the identity of the customer is sufficiently known by the presence of the other identifying information and the covered person is able to risk profile the customer.

Where the customer or authorized representative is a foreign national, casinos shall require said foreign national to present valid passport or Alien Certificate of Registration.

Section 20. *Face-to-Face Contact.* – Casinos shall conduct face-to-face contact at the account opening, or as reasonably practicable so as not to interrupt the normal conduct of business, taking into account the nature of the product, type of business and the risks involved; provided that ML and TF risks are effectively managed. Provided further, that no withdrawal or transfer of funds from the account of the customer shall be processed without conducting a face-to-face contact.

The use of Information and Communication Technology in the conduct of face-to-face contact may be allowed, provided that the covered person is in possession of and has verified the identification documents submitted by the prospective customer prior to the interview and that the entire procedure is documented.

Section 21. Risk-Based CDD Standards. – Consistent with all AML/CFT compliance measures, a casino’s CDD procedures shall be risk-based, requiring enhanced diligence for customers posing a high-risk of ML/TF and permitting reduced due diligence for customers posing a low-risk of ML/TF. Casinos shall therefore document clear policies and procedures, including guidelines and criteria for determining which customers pose low, normal, or high risk of ML and TF. A casino’s internal risk classifications shall reflect the idiosyncratic risks to its operations, requiring an intimate knowledge of the risks inherent to their operations and the acquisition of relevant expertise to make such risk assessments.

The customer’s risk classification shall, on risk-based approach, be informed by the customer’s source of funds, occupation, residence or origin, status as politically exposed persons, adverse media exposure, appearance on government, international and industry watch lists; the types of services, products, and transactions sought by the customer; and the presence of linked accounts. Casinos shall document the risk classification and level of CDD applied to each customer.

A. *Customer Risk Assessment.* – Casinos shall develop clear, written and graduated customer acceptance policies and procedures, including a set of criteria for customers that are likely to pose low, normal, or high risk to their operations. The criteria may include:

- 1) the nature of the service or product to be availed of by the customers;
- 2) the purpose of the account or casino transaction;
- 3) the amount of funds to be deposited by a customer or the size of casino transactions undertaken or to be undertaken, including transactions in an amount to be determined by the AMLC and AGA;
- 4) the regularity or duration of the casino transaction;
- 5) the fact that a customer came from a high-risk jurisdiction;
- 6) the existence of suspicious transaction indicators; and
- 7) such other factors the casino may deem reasonable or necessary to consider in assessing the risk of a customer to ML and TF.

Casinos or AMLC and AGA shall set the standards in applying reduced, normal, and enhanced customer due diligence, including a set of conditions for the denial of account opening or services.

B. *Ongoing Monitoring of Customers, Accounts and Casino Transactions.* – Casinos shall, on the basis of materiality and risk, update all customer information and identification documents of existing customers required to be obtained under the AMLA, this CIRR, and other applicable issuances of the AMLC and the AGA.

Casinos shall install an electronic AML monitoring system that will enable them to understand the normal and reasonable account or gaming activity of customers to ensure that the customers' accounts and casino transactions are consistent with the casinos' knowledge of its customers, and the latter's gaming activities, risk profile, and source of funds.

- C. *Third Party Reliance.* - Casinos may rely on a third party to perform customer identification and face-to-face contact. The third party shall be:
- a. A covered person as herein defined and as defined in the Section 3 (A) of the AMLA; or
 - b. A financial institution or DNFBP operating outside the Philippines that is covered by equivalent customer identification and face-to-face requirements.

Notwithstanding the foregoing, the ultimate responsibility for identifying the customer remains with the casino relying on the third party.

Provided that, in cases of high-risk customers, the covered person relying on the third person shall also conduct enhanced due diligence procedure.

- D. *Outsourcing the Conduct of Customer Identification and Due Diligence.* – Casinos may outsource the conduct of customer identification and due diligence, including face-to-face contact, to a counterparty, intermediary or agent. The outsource, counterparty or intermediary shall be regarded as agent of the covered person that is, the processes and documentation are those of the covered person itself. The ultimate responsibility for identifying the customer and keeping the identification documents remains with the casino.

The casino outsourcing the conduct of customer identification, including face-to-face contact, shall ensure that the employees or representatives of the counterparty, intermediary or agent undergo equivalent training program as that of the covered person's own employees undertaking similar activity.

- E. *Prohibited Accounts.* – Anonymous accounts and accounts under fictitious names shall be prohibited, and casinos shall maintain customers' account only in the true and full name of the account owner or holder.

Section 22. Identification and Verification of a Beneficial Owner, Trustee, Nominee, or Agent. – Where an account is opened or a casino transaction is conducted by any person in behalf of another, the casinos shall establish and record the true and full identity and existence of both the account holder or transactor and the beneficial owner or person on whose behalf the casino transaction is being conducted. Provided, that the bettor/player shall be considered the beneficial owner if he has full and physical control over the bet placed on the table in the Gaming Area of the casino.

The casinos shall determine the true nature of the parties' capacities and duties by obtaining a copy of the written document evidencing their relationship and apply the same standards for assessing the risk profile and determining the standard of due diligence to be applied to both. In case it entertains doubts as to whether the account holder or transactor is being used as a dummy in circumvention of existing laws, it shall apply enhanced due diligence or file a suspicious transaction report, if warranted.

Section 23. *Prohibited Transactions.* – Casinos shall be prohibited from engaging in the following transactions or activities:

- 1) Any transaction involving the conversion of cash from one form to another without being used in gaming, and results therefrom, made through:
 - a. The receipt of cash for transmittal of all or part thereof through wire or telegraphic transfer for or on behalf of a customer;
 - b. Payments in cash of funds received through wire or telegraphic transfer;
 - c. The cashing of checks or other negotiable instruments;
- 2) Receiving cash, the purpose or ownership of which cannot be ascertained within a period of at least seven (7) days from the date of receipt; and
- 3) Using of casino chips in the premises other than the issuing casino, including betting and exchanging into cash or other forms of casino chips.

Section 24. *Politically Exposed Persons.* – In addition to establishing the full identities of PEPs, casinos shall also establish and record the identities of the immediate family members and entities if publicly known to be related to the PEP. Casinos shall carefully consider a PEP's position and the position's attendant risks with respect to money laundering and terrorist financing in determining what standard of due diligence shall apply to them.

RULE VII RECORD-KEEPING

Section 25. *Record-Keeping.* – All CDD records and casino transactions of customers shall be maintained and safely stored for at least five (5) years, except for records of video footage, where casinos may enforce a risk-based approach, provided that suspicious activities and STR-related footage are kept for 5 years or as otherwise allowed by the AMLC. If a case has been filed in court, records, including video footage, must be retained and safely kept beyond the five (5)-year period, until it is officially confirmed by the AMLC Secretariat that the case has been resolved, decided or terminated with finality.

Section 26. *Record Safekeeping.* – A casino shall designate an officer to be responsible and accountable for all record-keeping requirements explained in this CIRR. The officer will

also be responsible for making these records readily available to the AMLC and AGA upon request.

Casinos shall maintain records in an organized and confidential manner, which allows the AMLC, AGA, the courts, and any auditor acceptable to AGA to establish an audit trail for money laundering and terrorist financing activities, if any, and to assess its compliance program.

Section 27. *Form of Records.* – Records shall be retained as originals or copies in such forms as are admissible in court pursuant to existing laws, such as RA No. 8792 or the E-Commerce Act and its implementing rules and regulations, and the applicable rules promulgated by the Supreme Court.

RULE VIII TRANSACTION REPORTING

Section 28. *Reporting of Covered and Suspicious Transactions.* – Casinos shall report to the AMLC all covered transactions and suspicious transactions within five (5) working days, unless the AMLC prescribes a different period not exceeding fifteen (15) working days, from the occurrence thereof.

For suspicious transactions, “occurrence” refers to the date of determination of the suspicious nature of the transaction, which determination shall be made not exceeding ten (10) calendar days from the date of transaction. However, if the transaction is in any way related to, or the person transacting is involved in or connected to, a predicate offense or money laundering offense, the 10-day period for determination shall be reckoned from the date the covered person knew or should have known the suspicious transaction indicator.

Casinos shall take note and record instances where a transaction is initially flagged as potentially suspicious, even if they do not ultimately report the transaction through an STR, to facilitate ongoing monitoring of a given customer’s transactions.

Should a casino transaction be determined to be both a covered transaction and a suspicious transaction, it shall be reported as a suspicious transaction.

Section 29. *Substance and Form of Reports.* – Covered persons shall ensure the accuracy and completeness of CTRs and STRs, which shall be filed in the forms prescribed by the AMLC and shall be submitted in a secured manner to the AMLC in electronic form.

Casinos shall ensure the accuracy and completeness of CTRs and STRs in accordance with the reporting procedures prescribed by the AMLC. In order to provide accurate information, the casino shall regularly update customer identification information at least once every five (5) years on the basis of risk and materiality.

Section 30. *Confidentiality of Reporting.* – When reporting covered or suspicious transactions, casinos, and their officers and employees, are prohibited from communicating, directly or indirectly, in any manner or by any means, to any person or entity, or the media,

the fact that a covered or suspicious transaction has been or is about to be reported, the contents of the report, or any other information in relation thereto. Any information about such reporting shall not be published or aired, in any manner or form, by the mass media, or through electronic mail, or other similar devices.

In case of violation thereof, the concerned officer, and employee, of the casino and media shall be held criminally liable under Section 14(d) of the AMLA, as amended.

Section 31. *Safe Harbor Provision.* – No administrative, criminal or civil proceedings shall lie against any person for having made a covered transaction or suspicious transaction report in the regular performance of his duties and in good faith, whether or not such reporting results in any criminal prosecution under the AMLA or any other Philippine law.

Section 32. *Enrollment with the AMLC’s Reporting System.* – All casinos shall register with the AMLC’s electronic reporting system within ninety (90) days from the effectivity of this CIRR.

RULE IX

INQUIRY, FREEZING AND FORFEITURE OF MONETARY INSTRUMENT OR PROPERTY

Section 33. *Authority to Examine Customer’s Accounts.* – The AMLC or AGA may examine any particular account, as herein defined, including related accounts, with any covered person as herein defined, that is deemed related to a predicate offense or money laundering offense as defined under Republic Act No. 9160, as amended, or financing of terrorism as defined under RA No. 10168.

For purposes of this section, *‘related accounts’* shall refer to accounts, the funds and sources of which originated from and/or are materially linked to the accounts subject of a freeze order(s) issued by a competent authority or subject of an inquiry under the preceding paragraph.

Section 34. *Freezing and Forfeiture of Monetary Instruments or Properties.* – The freezing and forfeiture of monetary instruments or properties shall be governed by RA No. 9160, as amended, and its Revised Implementing Rules and Regulations. Upon expiration of a freeze order, casinos shall secure written confirmation from the AMLC whether or not a case has been filed.

For purposes of this CIRR, the freeze order or asset preservation order issued shall be limited only to the amount of cash or monetary instrument or value of property that the court finds there is probable cause to be considered as proceeds of a predicate offense, and the freeze order or asset preservation order shall not apply to amounts in the same accounts in excess of the amount or value of the proceeds of the predicate offense.

Section 35. *Rules of Procedure.* – Proceedings for the issuance of freeze order shall be governed by the Rule of Procedure in Cases of Civil Forfeiture, Asset Preservation, and Freezing of Monetary Instrument, Property, or Proceeds Representing, Involving, or Relating

to an Unlawful Activity or Money Laundering Offense under Republic Act No. 9160, as Amended (A.M. No. 05-11-04-SC).

RULE X
COMPLIANCE CHECKING AND INVESTIGATION BY THE AMLC

Section 36. Authority to Check Compliance and Conduct Investigation. – Pursuant to Section 7(5)(7), of the AMLA, the AMLC shall have the authority to conduct compliance checking and investigation:

A. *Compliance Checking.* –

- 1) *Authority of the AMLC in Compliance Checking.* – The AMLC shall have the power to conduct on-site compliance checking, with at least 24 hours prior notice, to validate the compliance of covered persons, as herein defined, on the requirements of the AMLA and this CIRR.
- 2) *Checking of Covered Person’s MLPP.* – Covered persons shall make available its MLPP upon request by the AMLC.

B. *Investigation.* –

- 1) *Authority to Investigate.* – The AMLC, shall investigate suspicious transactions and covered transactions deemed suspicious, ML and TF activities, and other violations of the AMLA, its implementing rules and regulations, this CIRR and other AMLC issuances.

In the exercise of its investigative function, the AMLC, through its Secretariat, may perform the following in accordance with law:

- a. Direct casinos to produce information, documents and objects, including video footages, clippings, recordings, and electronic data, necessary to determine the true identity of persons subject of investigation;
- b. Require responsible officers and employees of casinos and pertinent government agencies to give statements pertinent to the casino transaction, person or violation being investigated; and
- c. Request information, documents and objects from domestic government agencies; foreign states, including its financial intelligence units, law enforcement agencies, and financial regulators; or the United Nations and other international organizations or entities.

- 2) *Duty of Casinos to Cooperate with the AMLC.* – Casinos shall in accordance with law, immediately give the authorized personnel of the AMLC, full access to all information, documents or objects pertaining to the account, casino transaction and/or person subject of the investigation.

Certified true copies of the documents pertaining to account, casino transaction and/or person subject of the investigation shall be submitted within five (5) working days from receipt of the request or order from the AMLC.

RULE XI MISCELLANEOUS PROVISIONS

Section 37. *Penal and Administrative Sanctions.* – Non-compliance with the provisions of this CIRR shall be subject to such penalties and sanctions as the AMLC and AGA may impose under the AMLA, and AGA’s Charters, respectively, as well as the AMLC and AGA’s implementing rules and regulations and issuances made pursuant to Section 9 hereof.

The Rules on the Imposition of Administrative Sanctions under RA No. 9160, as amended shall apply to covered persons contemplated under this CIRR.

Section 38. *Separability Clause.* – If any provision of this CIRR is declared unconstitutional, the same shall not affect the validity and effectivity of other provisions hereof.

Section 39. *Repealing Clause.* – All AML/CFT rules and issuances, relating to casinos, which are inconsistent with the provisions of this CIRR, are hereby repealed, amended or modified accordingly.

Section 40. *Effectivity.* – This CIRR shall take effect fifteen (15) days following its publication in a newspaper of general circulation.

Approved:

ANTI-MONEY LAUNDERING COUNCIL
(AMLC Resolution No. 92, dated 11 October 2017)

(Sgd.) MARIA ALMASARA CYD N. TUAÑO-AMADOR
Acting Chairperson
(Officer-in-Charge, Bangko Sentral ng Pilipinas)

(Sgd.) TERESITA J. HERBOSA
Member
(Chairperson, Securities and Exchange Commission)

(Sgd.) DENNIS B. FUNA
Member
(Commissioner, Insurance Commission)

PHILIPPINE AMUSEMENT AND GAMING CORPORATION
(Board Meeting, dated 12 October 2017)

(Sgd.) ANDREA D. DOMINGO
Chairman and Chief Executive Officer

(Sgd.) ALFREDO C. LIM
President and Chief Operating Officer

(Sgd.) CARMEN N. PEDROSA
Director

(Sgd.) REYNALDO E. CONCORDIA
Director

(Sgd.) GABRIEL S. CLAUDIO
Director

CAGAYAN ECONOMIC ZONE AUTHORITY
(Resolution No. 10-002-17, dated 10 October 2017)

(Sgd.) ROWEL S. BARBA
Acting Chairman

(Sgd.) KATRINA PONCE ENRILE
Vice Chairman

(Sgd.) ARTURO P. BAUTISITA
Director

(Sgd.) MILTON A. ALINGOD
Director

(Sgd.) ERNESTO J. FUECONCILLO
Director

(Sgd.) JOSE D. BALAGAN, SR.
Director

(Sgd.) SHALIMAR D. TUMARU
Director

(Sgd.) JAIME R. ESCAÑO
Director

(Sgd.) GEARY L. BARIAS
Director

(Sgd.) ALLAN U. TY
Director

AURORA PACIFIC ECONOMIC ZONE AND FREEPORT AUTHORITY
(Board Resolution No. 2017-8, dated 18 October 2017)

(Sgd.) ISRAEL F. MADUCDOC
President and Chief Executive Officer