



# Bangko Sentral ng Pilipinas

OFFICE OF THE DEPUTY GOVERNOR  
SUPERVISION AND EXAMINATION SECTOR

CIRCULAR LETTER NO. CL -2007- 010

To : **ALL BANKS**

Subject : **Anti-Money Laundering Council (AMLC)  
Resolution No. 10 dated 31 January 2007**

Attached is the Anti-Money Laundering Council (AMLC) Resolution No. 10 dated 31 January 2007 enjoining all banks to strictly comply with the requirement on reporting suspicious transactions and reminding them of the following:

1. A bank through which a fraudulent or spurious check passes, either as depository, presenting, or drawee bank, shall file the corresponding Suspicious Transaction Report (STR) pursuant to Section 9 (c) of R.A. No. 9160, as amended.
2. The STR shall be filed within five (5) working days from the occurrence of the transaction, or from the time the concerned bank is notified or becomes aware of the spurious character of the check or the fraudulent nature of the transaction.
3. The filing with the Bangko Sentral ng Pilipinas of a Report on Crimes and Losses relating to the deposit of a fraudulent or spurious check does not dispense with the filing of an STR with the Anti-Money Laundering Council pursuant to Section 9 (c) of R.A. No. 9160, as amended.

For your guidance and strict compliance.

  
NESTOR A. ESPENILLA JR.  
Deputy Governor

28 February 2007

Att.: A/S

PANANALAPING MATATAG, BANSANG PANATAG



## *Anti-Money Laundering Council*

Bangko Sentral ng Pilipinas Complex  
Manila, Philippines

### RESOLUTION NO. 10 Series of 2007

It has come to the Council's attention that a number of banks failed to file Suspicious Transaction Reports (STRs) in cases involving deposit of fraudulent or spurious checks based on the impression that only either the original depository bank or the drawee bank has the obligation to file the required STR.

Some banks are also of the impression that the filing with the Bangko Sentral ng Pilipinas (BSP) of Reports on Crimes and Losses involving deposit of fraudulent or spurious checks dispenses with the filing of STR with the Anti-Money Laundering Council (AMLC).

A check deposit usually involves three parties: the **depositor, the depository bank and the drawee bank**. In cases where the depository bank has no clearing facilities, the check is deposited to another bank (**presenting bank**) which has clearing facilities, which shall then present the check to the drawee bank for payment. Necessarily, each movement of the check creates a contractual relationship between the transacting parties, *i.e., between the depositor and the depository bank; between the depository bank and the presenting bank; and between the presenting bank and the drawee bank*. In other words, the initial deposit of a check with a depository bank, its deposit with another bank (in case the original depository bank has no clearing facilities), and its presentment to the drawee bank for payment are all deemed separate or individual "transactions", as defined under Section 3 (h) of R.A. 9160, as amended.

In case a fraudulent or spurious check is deposited and the drawee bank detects the fraudulent issuance and/or negotiation thereof, it necessarily informs the presenting bank of the dishonor of the check and the reason for such dishonor. It becomes incumbent upon the drawee bank to report to the AMLC the fraudulent transaction. The presenting bank, in turn, informs the depository bank of the dishonor of the check. Evidently, all the transacting banks are actually informed of the fraudulent character of the check.

As the deposit and presentment of the fraudulent check are related to the unlawful activity of Estafa, such transactions are deemed suspicious and all transacting banks should file STRs with the AMLC within five (5) working days from occurrence thereof, or from the time they are notified or become aware of the fraudulent or spurious character of the check involved in the transactions, pursuant to Section 9 (c) of the AMLA.

The Council resolved to enjoin all banks to strictly comply with the requirement on reporting of suspicious transactions and remind them of the following:

1. A bank through which a fraudulent or spurious check passes, either as depository, presenting, or drawee bank, shall file the corresponding STR pursuant to Section 9 (c) of R.A. No. 9160, as amended.
2. The STR shall be filed within five (5) working days from the occurrence of the transaction, or from the time the concerned bank is notified or becomes aware of the spurious character of the check or the fraudulent nature of the transaction.
3. The filing with the Bangko Sentral ng Pilipinas of a Report on Crimes and Losses relating to the deposit of a fraudulent or spurious check does not dispense with the filing of an STR with the Anti-Money Laundering Council pursuant to Section 9(c) of R.A. 9160, as amended.

The Council further resolved to request the Bangko Sentral ng Pilipinas to circularize this Resolution to all banks under its supervision.

31 January 2007, Manila, Philippines.



**AMANDO M. TETANGCO, JR.**

Chairman

(Governor, Bangko Sentral ng Pilipinas)



**DE B. BARIN**

Member

(Chairman, Securities & Exchange Commission)



**EVANGELINE CRISOSTOMO-ESCOBILLO**

Member

(Commissioner, Insurance Commission)