

§ X806.2.i. Fund/Wire transfer- Because of the risk associated with dealing with fund/wire transfers, where a covered institution may unknowingly transmit proceeds of unlawful activities or funds intended to finance terrorist activities, it shall establish policies and procedures designed to prevent it from being utilized for that purpose which shall include, but not limited to, the following:

(a) 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. Should the originator and beneficiary be the same person, the beneficiary institution may rely on the customer 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 AMLC when circumstances warrant;

(d) Whenever possible, manually initiated fund transfer (MIFT) instructions should not be the primary delivery method. Every effort shall be made to provide client with an electronic banking solution. However, where MIFT is utilized, the existing rules on validation procedures as prescribed by Circular No. 436 dated 18 June 2004 shall apply;

(e) 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. The following are the originator information that shall remain with the transfer or related message through the payment chain:

1. Name of the originator;
2. Address or in its absence the national identity number or date and place of birth of the originator; and
3. Account number of the originator or in its absence, a unique reference number must be included.

(f) Should any wire transfer amounting to P50,000 or more or its equivalent be unaccompanied by the required originator information, the beneficiary institution shall exert all efforts to establish the true and full identity and existence of the originator by requiring additional information from the originating institution or intermediary institution. It shall likewise apply enhanced due diligence to establish the true and full identity and existence of the beneficiary. 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 AMLC when circumstances warrant.