UCPB GENERAL INSURANCE

COMPANY, INC.

(Also known as COCOGEN)

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING MANUAL

OUTLINE OF CONTENTS

I. DECLARATION OF POLICY.

COCOGEN adheres and adopts the policy of the state in relation to Anti-Money Laundering and to Combat Terrorism Financing. COCOGEN aims to contribute in strengthening the Insurance Industry to prevent any attempt or disallow any unlawful activity as regards money laundering or to be an avenue for terrorism financing. COCOGEN likewise supports the efforts of the Bangko Sentral ng Pilipinas, the Anti-Money Laundering Council (AMLC) and the Insurance Commission (IC) in combating money laundering and the financing of terrorism.

II. DESCRIPTION OF MONEY LAUNDERING and DEFINITION OF TERMS

MONEY LAUNDERING

1. Money Laundering is a process intended to mask the benefits derived from serious offenses or criminal conduct as described under the Anti-Money Laundering Act, so that they will appear to have originated from a legitimate source.
2. It also covers all procedures to change, obscure, conceal the beneficial ownership or audit trail of illegally obtained money or valuables so that it appears to have originated from a legitimate source.
3. In general, the process of money laundering comprises three stages, during which there maybe numerous transactions that could alert a regulated institution to the money laundering activity.

    a. **Placement**- the physical disposal of cash proceeds derived from illegal activity. The aim to remove cash from the location of acquisition to avoid detection.

    b. **Layering**-is the separation of criminal proceeds from their source by the creation of layers of transactions designed to disguise the audit trail and provide the appearance of legitimacy.

    c. **Integration**- the final stage is the process at which the money is integrated into the legitimate economic and financial systems and is assimilated with all other assets in the system. Integration of laundered money into the economy is accomplished by making it appear to have been legally earned.Thus, exceedingly difficult to distinguish between legal and illegal wealth

DEFINITION OF TERMS

A. **Anti-Money Laundering Act (AMLA)** refers to Republic Act No 9160, as amended by Republic Act Nos. 9194, 10167, 10365 and 10927.

B. **Anti-Money Laundering Council (AMLC)** refers to the financial intelligence unit of the Philippines which is the government agency tasked to implement the AMLA.

C. **Competent authorities** - refers to all public authorities with designated responsibilities for combating money laundering and/or terrorist financing. In particular, this includes the AMLC; the authorities that have the function of investigating and/or prosecuting money laundering unlawful activities and terrorist financing, and seizing/freezing and confiscating any monetary instrument or property that is in anyway related to an unlawful activity; Authorities receiving reports on cross-border transportation of currency & bearer negotiable instruments (BNls); and authorities that have Anti-Money Laundering (AML)/Countering Financing of Terrorism (CFT) supervisory or monitoring responsibilities aimed at ensuring compliance by financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs) with AML/CFT requirements.

D. **Customer** – refers to any person who keeps an account, or otherwise transacts business with COCOGEN. It includes the following:

1. Any person or entity on whose behalf an account is maintained or a transaction is conducted, as well as the beneficiary of the said transactions;

2. Beneficiary of a trust, an investment fund of a pension fund;

3. A company or person whose assets are managed by an asset manager;

4. A grantor of a trust; and

5. Any insurance policy holder, pre-need plan holder or health insurance and allied services provider enrolled member, whether actual or prospective; and

6. Juridical Persons, which shall refer to an entity other than a natural person as defined under the Civil Code of the Philippines.

E. **Financing of Terrorism** - is a crime committed by a person who, directly or indirectly, willfully and without lawful excuse, possesses, provides, collects or uses property or funds or makes available property, funds or financial service or other related services, by any means, with the unlawful and willful intention that they should be used or with the knowledge that they are to be used, in full or in part: (i) carry out or facilitate the commission of any terrorist act; (ii) by a terrorist organizations, association or group; or (iii) by an individual terrorist.

F. **Materially-linked Accounts -** shall include the following:

1. All accounts or monetary instruments under the name of the person whose accounts, monetary instruments, or properties are the subject of the freeze order or an order of inquiry;

2. All accounts or monetary instruments held' owned, or controlled by the owner or holder of the accounts, monetary instruments, or properties subject of the freeze order or order of inquiry, whether such accounts are held, owned or controlled singly or jointly with another Person;

3. All "In Trust For" accounts where either the trustee or the trustor pertains to a person whose accounts, monetary instruments, or properties are the subject of the freeze order or order of inquiry;

4. All accounts held for the benefit or in the interest of the person whose accounts, monetary instruments, or properties are the subject of the freeze order or order of inquiry; and

5. All other accounts, shares, units, or monetary instruments that are similar, analogous, or identical to any of the foregoing

G. **Money Laundering**. - Money laundering is committed by:

1. Any person who, knowing that any monetary instrument or property represents, involves, or relates to the proceeds of any unlawful activity:

a. Transacts said monetary instrument or property;

b. Converts, transfers, disposes of, moves, acquires, possesses or uses said monetary instrument or property;

c. Conceals or disguises the true nature, source, location, disposition, movement or ownership of or rights with respect to said monetary instrument or property;

d. Attempts or conspires to commit money laundering offenses referred to in (a), (b), or (c) above;

e. Aids, abets, assists in, or counsels the commission of the money laundering offenses referred to in (a), (b)' or (c) above; and

f. Performs or fails to perform any act as a result of which he facilitates the offense of money laundering referred to in (a), (b), or (c) above.

2. Any covered person who, knowing that a covered or suspicious transaction is required under the AMLA to be reported to the AMLC, fails to do so.

H. **Monetary Instrument or Property Related to an Unlawful Activity** - refers to:

1. All proceeds of an unlawful activity;

2. All monetary, financial or economic means, devices, accounts, documents, papers, items, or things used in or having any relation to any unlawful activity;

3. All moneys, expenditures, payments, disbursements, costs, outlays, charges, accounts, refunds, and other similar items for the financing, operations, and maintenance of any unlawful activity; and

4. For purposes of freeze order and bank inquiry: related and materially-linked accounts.

I. **Person** - refers to any natural or juridical person.

J. **Politically Exposed Person (PEP)** - refers to an individual who is or has been entrusted with prominent public position in (1) the Philippines with substantial authority over policy, operations or the use or allocation of government-owned resources; (2) a foreign State; or (3) an international organization.

J.1 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.

J.2 **Immediate Family Member of PEPs** – refers to spouse or partner; children and their spouses; siblings and parents and parents-in-law.

J.3 **Close Associates of PEPs** – refer to persons who are widely and publicly known to maintain a particularly close relationship with the PEP, and include persons who are in a position to conduct substantial domestic and international financial transactions on behalf of the PEP.

J.4 **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. Ultimate effective control refers to situation in which ownership/control is exercised through actual or a chain of ownership or by means other than direct control.

K. **Monetary Instrument** - shall include, but is not limited to the following:

1. Coins or currency of legal tender of the Philippines, or of any other country;

2. Credit instruments, including bank deposits' financial interest, royalties, commissions, and other intangible property;

3. Drafts, checks, and notes;

4. Stocks or shares, participation or interest in a corporation or in a commercial enterprise or profit-making venture and evidenced by a certificate, contract, instrument, whether written or electronic in character, including those enumerated in Section 3 of the Securities Regulation Code;

5. A participation or interest in any non-stock, non-profit corporation;

6. Securities or negotiable instruments, bonds, commercial papers, deposit certificates, trust certificates' custodial receipts, or deposit substitute instruments, trading orders, transaction tickets, and confirmations of sale or investments and money market instruments;

7. Contracts or policies of insurance, life or non-life, contracts of suretyship, pre-need plans, and member certificates issued by mutual benefit association; and

8. Other similar instruments where title thereto passes to another by endorsement, assignment, or delivery.

L. **Official Document** – refers to any of the following identification 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);

c. Covered persons registered with and supervised or regulated by the Bangko Sentral ng Pilipinas, Securities and Exchange Commission or Insurance Commission;

2. For foreign nationals: Passport or Alien Certificate of Registration;

3. For Filipino students: School ID signed by the school principal or head of the educational institution; and

4. For low risk clients: Any document or information reduced in writing which the covered person deems sufficient to establish the customer's identity

M. **Offender –** refers to any person who commits a money laundering offense.

N. **Property -** refers to any thing or item of value, real or personal, tangible or intangible, or any interest therein, or any benefit, privilege, claim, or right with respect thereto, including:

1. Personal property, including proceeds derived therefrom, or traceable to any unlawful activity, such as, but not limited to:

a. Cash;

b. Jewelry, precious metals and stones, and other similar items;

c. Works of art, such as paintings, sculptures, antiques, treasures, and other similar precious objects;

d. Perishable goods; and

e. Vehicles, vessels, aircraft, or any other similar conveyance.

2. Personal property, used as instrumentalities in the commission of any unlawful activity, such as:

a. Computers, servers, and other electronic information and communication systems; and

b. Vehicle, vessel, and aircraft or any other similar conveyance.

3. Real estate, improvements constructed or crops growing thereon, or any interest therein, standing upon the record of the registry of deeds in the name of the party against whom the freeze order or asset preservation order is issued, or not appearing at all upon such records, or belonging to the party against whom the asset preservation order is issued and held by any other person, or standing on the records of the registry of deeds in the name of any other person, which are:

a. derived from, or traceable to, any unlawful activity; or

b. used as an instrumentality in the commission of any unlawful activity.

O. **Proceeds –** refers to an amount derived or realized from any unlawful activity.

P. **Related Accounts -** refers to those accounts, the funds and sources of which originated from and/or are materially-linked to the monetary instruments or properties subject of the freeze order or an order of inquiry.

Q. **Transaction** – refers to any act establishing any right or obligation, or giving rise to any contractual or legal relationship between the parties thereto. It also includes any movement of funds by any means with a covered Person

R. **Unlawful Activity** – refers to any act or omission, or series or combination thereof, involving or having direct relation, to the following:

1. "Kidnapping for Ransom" under Article 267 of Act No 3815, otherwise known as the Revised Penal Code, as amended;

2. Sections 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15 and 16 of Republic Act No. 9165, otherwise known as the "Comprehensive Dangerous Drugs Act of 2002;

3. Section 3 paragraphs b, c, e, g, h and i of Republic Act No. 3019, as amended, otherwise known as the "Anti-Graft and Corrupt Practices Act';

4. "Plunder" under Republic Act No. 7080, as amended;

5. "Robbery" and "Extortion" under Articles 294, 295, 296, 299, 300, 301 and 302 of the Revised Penal Code, as amended;

6. "Jueteng' and "Masiao" punished as illegal gambling under Presidential Decree No. 1602;

7. "Piracy on the High Seas" under the Revised Penal Code, as amended, and Presidential Decree No. 532;

8. "Qualified Theft" under Article 310 of the Revised Penal Code, as amended;

9. "Swindling" under Article 315 and "Other Forms of Swindling" under Article 316 of the Revised Penal Code, as amended:

10."Smuggling' under Republic Act No. 455, and Republic Act No. 1937, as amended, otherwise known as the "Tariff and Customs Code of the Philippines";

11. Violations under Republic Act No. 8792, otherwise known as the "Electronic Commerce Act of 2000";

l2."Hijacking" and other violations under Republic Act No. 6235, otherwise known as the "Anti-Hijacking Law'; "Destructive Arson"; and "Murder", as defined under the Revised Penal Code, as amended;

'l3."Terrorism" and "Conspiracy to Commit Terrorism" as defined and penalized under Sections 3 and 4 of Republic Act No 9372;

14."Financing of Terrorism" under Section 4 and offenses punishable under Sections 5, 6, 7 and I of Republic Act No. 10168, otherwise known as the " Terrorism Financing Prevention and Suppression Act of 2012";

15."Bribery" under Articles 210, 211 and 211-A of the Revised Penal Code, as amended, and "Corruption of Public Officers" under Article 212 of the Revised Penal Code, as amended;

16."Frauds and Illegal Exactions and Transactions" under Articles 213, 214, 215 and 216 of the Revised Penal Code, as amended;

17. "Malversation of Public Funds and Property" under Articles 217 and 222 of the Revised Penal Code, as amended;

18."Forgeries" and "Counterfeiting" under Articles 163, 166, 167, 168, 169 and 176 of the Revised Penal Code, as amended;

19. Violations of Sections 4 to 6 of Republic Act No. 9208, otherwise known as the "Anti-Trafficking in Persons Act of 2003, as amended";

20. Violations of Sections 78 to 79 of Chapter lV of Presidential Decree No. 705, otherwise known as the "Revised Forestry Code of the Philippines, as amended",

21. Violations of Sections 86 to 106 of Chapter Vl of Republic Act No. 8550, otherwise known as the "Philippine Fisheries Code of 1998":

22. Violations of Sections 101 to 107, and 110 of Republic Act No. 7942, otherwise known as the "Philippine Mining Act of 1995";

23. Violations of Section 27(c), (e), (f), (g) and (i) of Republic Act No. 9147, otherwise known as the "Wildlife Resources Conservation and Protection Act";

24. Violations of Section 7(b) of Republic Act No. 9072, otherwise known as the "National Caves and Cave Resources Management Protection Act";

25. Violation of Republic Act No. 6539, otherwise known as the "Anti-Carnapping Act of 1972, as amended".

26. Violation of Sections 1, 3, and 5 of Presidential Decree No. 1866, as amended, otherwise known as the decree "Codifying the Laws on Illegal/Unlawful Possession, Manufacture, Dealing In, Acquisition or Disposition of Firearms, Ammunition or Explosives";

27. Violation of Presidential Decree No. 1612, otherwise known as the "Anti-Fencing Law";

28. Violation of Section 6 of Republic Act No 8042, otherwise known as the "Migrant Workers and Overseas Filipinos Act of 7995, as amended";

29. Violation of Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines, as amended';

30. Violation of Section 4 of Republic Act No. 9995, otherwise known as the "Anti-Photo and Video Voyeurism Act of 2009";

31. Violation of Section 4 of Republic Act No. 9775, otherwise known as the "Anti-Child Pornography Act of 2009";

32. Violations of Sections 5, 7, 8, 9, 10 (c), (d) and (e), 11, 12 and 14 of Republic Act No. 7610, otherwise known as the "Special Protection of Children Against Abuse, Exploitation and Discrimination";

33. Fraudulent practices and other violations under Republic Act No. 8799, otherwise known as the "Securities Regulation Code of 2004';

34. Felonies or offenses of a nature similar to the aforementioned unlawful activities that are punishable under the penal laws of other countries.

In determining whether or not a felony or offense punishable under the penal laws of other countries is "of a similar nature" as to constitute an unlawful activity under the AMLA, the nomenclature of said felony or offense need not be identical to any of the unlawful activities listed above.

III. COVERED AND SUSPICIOUS TRANSACTION.

Developing a program in identifying Covered and Suspicious Transactions are very essential to protect COCOGEN from any money laundering activity or terrorism financing. Timely reporting will help AMLC to protect the insurance industry from any persons or organization to facilitate money laundering and terrorism financing.

a) Covered Transactions (CTRs)

A. A transaction in cash or other equivalent monetary instrument exceeding Five Hundred Thousand Pesos (Php500,000.00) or its equivalent in any other currency.

B. A transaction, regardless of frequency of payment (monthly, quarterly, semi-annually or annually), where the total premiums/fees paid for a policy, plan or agreement for the entire year exceeds Five Hundred Thousand Pesos (Php500,000.00) or its equivalent in any other currency.

b) Suspicious Transactions (STRs)

A transaction, regardless of amount, where any of the following circumstances exists:

1. There is no underlying legal or trade obligation, purpose or economic justification;

2. The customer is not properly identified;

3. The amount involved is not commensurate with the business or financial capacity of the customer or the amount appears unusual in relation to the occupation or business of the customer;

4. Taking into account all known circumstances, it may be perceived that the customer'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 customer and/or the customer'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.

Any unsuccessful attempt to transact with the company, the denial of which is based on any of the foregoing circumstances.

Other suspicious transactions include, but are not limited to:

1. Purchase of a single premium contract especially by a policy holder whose previous policies are with smaller regular modes of payment
2. Payment by means of a third-party check or multiple blank checks or money order
3. Payment in cash when, normally, this would be handled by checks
4. Lump sum payments with foreign currency or foreign wire transfers
5. Accelerating premium payments
   Early surrender of a single premium policy
6. Applications for jumbo policies beyond the policyholder's apparent means, as in business coming from BIR or Customs personnel, military, policemen and politically exposed persons (PEPs).

The records concerning the CTRs and STRs reported internally, and the decision-making whether to file the said reports with the AMLC, shall be maintained for at least a period of five (5) years after the date of transaction.

IV. RISK MANAGEMENT

COCOGEN shall develop sound risk management policies and practices to ensure that risks associated with money laundering and terrorist financing such as counterparty, reputational, operational and compliance risks are identified, assessed, monitored, mitigated and controlled, as well as to ensure effective implementation of these Guidelines, to the end that COCOGEN shall not be used as a vehicle to legitimize proceeds of unlawful activity or to facilitate or finance terrorism.

The four (4) areas of sound risk management practices are adequate and active board and senior management oversight, acceptable policies and procedures embodied in a money laundering and terrorist financing prevention compliance program, appropriate monitoring and Management Information System and comprehensive internal controls and audit.

1. Risk Assessment. COCOGEN shall:

    a. Take appropriate steps to identify, assess and understand its ML/TF risks in relation to its customers, its business, products and services, geographical exposures, transactions, delivery channels, and size, among others; and appropriately define and document its risked-based approach. The risk assessment shall include both quantitative and qualitative factors.
    b. Institute the following processes in assessing their ML/TF risks:
        i. Documenting risk assessments and findings;
        ii. Considering all the relevant risk factors, including the results of national and sectoral risk assessment, before determining what is the level of overall risk and appropriate level and type of mitigation to be applied;
        iii. Keeping the assessment up-to-date through periodic review; and
        iv. Ensure submission of the risk assessment information as may be required by the IC.
    c. Maintain ML/TF prevention policies, procedures, processes and controls that are relevant up-to-date in line with the dynamic risk associated with its business, products and services and that of its customers.
    d. Establish, implement, monitor and maintain satisfactory controls that are commensurate with the level of ML/TF risk and take enhance measures on identified high risk areas, which should be incorporated in the COCOGEN's Money Laundering and Terrorism Financing Prevention Program (MTPP).
    e. Conduct additional assessment as and when required by the IC; and
    f. Institutional risk assessment shall be conducted at least once every two (2) years, or as often as the Board or senior management may direct, depending on the level of risks identified in the previous assessment, or other relevant ML/TF developments that may have an impact on COCOGEN's operation.

2. Risk Management Policies.

    COCOGEN shall:

    a. Develop sound risk management policies, controls and procedures which are approved by the Board of Directors, to enable them to manage and mitigate the risks that have been identified in the National Risk Assessment (NRA), or by the AMLC, the IC or COCOGEN itself;
    b. Monitor the implementation of those controls and to enhance them if necessary; and
    c. Take enhanced measures to manage and mitigate the risks where higher risks are identified.

The Board of Directors of COCOGEN shall exercise active control and supervision in the formulation and implementation of institutional risk management.

V. COMPLIANCE FRAMEWORK

BOARD OVERSIGHT

The covered persons' board of directors, partners, or sole proprietors, shall be ultimately responsible for the covered persons' compliance with the AMLA and TFPSA, their respective IRR, and other AMLC issuances. (Section 2.2, Rule 4 of 2018 Implementing Rules and Regulation of AMLA as amended)

The Board of Directors shall ensure that COCOGEN will not be used as a site or a party of money-laundering or financing terrorism.

The Board of Directors shall appoint a Compliance Officer that shall directly report as regards the day-to-day transaction or any concerns arising in relation to money laundering or financing of terrorism. Should the Board of Directors delegate audit, whether announced or unannounced, the auditor, both internal and external, shall directly report to the Board of Directors.

The Board of Directors shall approve manuals, prevention programs and policies, to strengthen the steps taken, in relation to money laundering and terrorism financing and shall exercise active oversight together with the Compliance Officer who will be the lead implementer.

The manual and programs are also applicable and must be followed by all Branches.

COMPLIANCE OFFICER

The Compliance Officer shall directly report to the Board of Directors of COCOGEN or any board-level or approved committee on all matters involving money laundering and combating terrorism.

For Branches or Satellite Offices, COCOGEN designated the Regional Head to ensure compliance to the AML/CTF. The Compliance Officer for the Branch or Satellite Office shall directly report to the AML Compliance officer of COCOGEN. For Head Office, all Division and Department Heads shall ensure compliance of staff and must directly report to the AML Compliance Officer.

The Compliance Officer shall also ensure that compliance measures reflect readily available information concerning new trends in ML and TF and detection techniques.

The Compliance Officer shall be principally responsible for the following functions among other functions that may be delegated by senior management and the Board, to wit:

1. Ensure compliance by all responsible officers and employees with this Guidelines, the AML and CTF Laws, their respective implementing rules and regulations, other directives, guidance and issuances from the IC and AMLC and its own ML/TFPP. It shall conduct periodic compliance checking which covers, among others, evaluation of existing processes, policies and procedures including on-going monitoring of performance by staff and officers involved in ML and TF prevention, reporting channels, effectiveness of AML and CFT transaction monitoring system and record retention system through sample testing and review of audit or checking reports. It shall also report compliance findings to the Board.
2. Ensure that infractions, discovered either by internally initiated audits, or by special or regular compliance checking conducted by the IC and/or AMLC are immediately corrected;
3. Inform all responsible officers and employees of all resolutions, circulars and other issuances by the IC and/or the AMLC in relation to matters aimed at preventing ML and TF;

4. Alert senior management and the Board if he believes that COCOGEN is failing to appropriately address AML/CFT issues; and
5. Organize the timing and content of AML/CFT training of officers and employees including regular refresher trainings.

The qualifications of a Compliance Officer are as follows:

1. Must be a senior level officer of the company;
2. Directly reporting to the Board of Directors; and

The current Compliance Officer is Mr. Edgardo D. Rosario, Senior Vice-President, until and unless he will be replaced.

A Deputy Compliance Officer will be appointed, who will assist the Compliance Officer to ensure departmental compliance with all AML/CFT policies and programs.

Attached as **Annex "A" the AML/CTF Flow of Reporting of Covered and Suspicious Transactions.*

MANAGEMENT/OFFICERS

Members of the Management Committee, Division Heads, Department Heads and all Officers are responsible for ensuring that staff adhere consistently to the AML policies and procedure to prevent ML/TF.

EMPLOYEES BACKGROUND CHECKING AND TRAINING

COCOGEN aims to have all its employees knowledgeable as regards AMLA and Terrorism Financing Prevention and Suppression Act (TFPSA) especially its front liners in dealing with clients. Employees/staff should carry out their duties in accordance with the AML/CTF Manual.

COCOGEN aims to take measure in hiring employees to ensure that it is not related or involved in any money laundering business or a member of any organization supporting terrorism by doing the following:

1. Background checking which includes the immediate family, the current residence and other closely related persons to the employee hired or to be hired.
2. Confirming Education Attainment and previous employment.

COCOGEN will also conduct training of employees, at least twice (2) a year in order to ensure the following:

a. Role of Board of Directors, Officers and Employees in relation to Anti-Money Laundering and Combatting Terrorism Financing.
b. Risk Management
c. Preventive Measures
d. Compliance to AMLC's directive and issuances
e. Reporting and Coordination with AMLC

Annex "B": **HR AMLA Training Plan*

GROUP-WIDE AML/CTF COMPLIANCE

For the branches or satellite offices located within the Philippines, the group-wide Compliance Officer, represented by the Regional Head or in its absence, the Compliance Officer of COCOGEN, shall oversee the Anti-Money Laundering and Combatting Terrorism Financing (AML/CTF) Compliance of the entire group with reasonable authority over the Compliance Officer of said branches or offices.

INTERNAL AUDIT AND INTERNAL CONTROLS

In order to preserve the integrity of the program in relation to AML and CFT and the risk management framework, the internal audit team shall, from time-to-time, conduct an in-depth audit to check whether the departments and or employees involved are following the policies and programs as stated herein and to test the effectiveness of the policies and programs. The independent internal audit examination shall be conducted at least once every 2 years or at such frequency as necessary.

The internal audit shall directly report to the Board of Directors in relation to the result of its audit. In cases of high risk covered and suspicious transaction, it must be reported to the Board of Directors immediately to avoid tipping off.

COCOGEN shall establish internal controls to ensure day-to day compliance with its AML/CTF obligations under the AM and CTF laws, their respective implementing rules and regulations, the AML/CTF Guidelines for Insurance Commission Regulated Entities, and other applicable IC and AMLC issuances, taking into consideration the size and complexity of its operation.

Attached as **Annex "C" INTERNAL AUDIT AMLA PLAN*

IMPLEMENTATION OF A MONEY LAUNDERING AND TERRORISM-FINANCING PREVENTION PROGRAM (MTPP)

COCOGEN shall implement internal policies, controls and procedures on the following:

a. Risk assessment and management;
b. Detailed procedures of COCOGEN's compliance and implementation of customer due diligence, record-keeping and transaction reporting requirements;
c. An effective and continuous AML/CTF training program for all directors and responsible officers and employees, to enable them to full comply with their obligations and responsibilities under the AML and CTF Laws, their respective implementing rules and regulations, the Anti-Money Laundering/Counter-Terrorism Financing Guidelines for Insurance Commission Regulated Entities and other applicable IC and AMLC issuances, their own internal policies and procedures, and such other obligations as may be required by the IC and/or the AMLC;
d. An adequate risk-based screening and recruitment process to ensure that only qualified and competent personal with no criminal record or integrity-related issues are employed or contracted by COCOGEN;
e. Independent audit function to test the system. COCOGEN shall specify in writing the examination scope of independent audits, which shall include evaluation or examination of the following:
    i. Risk assessment and management;
    ii. MTPP;
    iii. Accuracy and completeness of customer identification information, covered and suspicious transaction reports, and all other records and internal controls pertaining to compliance with the AML and CTF Laws, their respective Implementing Rules and Regulations, the Anti-Money Laundering/Counter-Terrorism Financing Guidelines for Insurance Commission Regulated Entities and other relevant t IC and AMLC issuances.
f. A mechanism that ensures all deficiencies noted during inspection and/or regular or special compliance checking are immediately and timely corrected and acted upon;
g. Cooperation with the IC, AMLC and other competent authorities;
h. Designation of a Compliance Officer at the management level, as the lead implementer of COCOGEN's compliance program or creation of compliance unit;
i. The identification, assessment and mitigation of ML/TF risks that may be arise from new business practices, services, technologies and products;
j. Adequate safeguards on the confidentiality and use of information exchange, including safeguards to prevent tipping off;

k. A mechanism to comply with freeze, inquiry and asset preservation orders and all directives of the AMLC;
l. A mechanism to comply with the prohibitions from conducting transactions with designated persons and entities, as set out in relevant United Nations Security Council Resolutions (UNSCRs) relating to the preservation and suppression of terrorism financing and financing of proliferation of weapons of mass destruction.

The MTPP shall be regularly updated at least once every two (2) years to incorporate changes in the AML policies and procedures, latest trends in ML and TF typologies, and latest pertinent IC and/or AMLC issuances. Any revisions or update in the MTPP shall likewise be approved by the Board of Directors.

The Compliance Officer shall submit to the IC not later that fifteen (15) days from the approval of the Board of Directors of the new/updated MTPP a sworn certification that a new/updated MTPP has been prepared, duly noted and approved by the Board of Directors.

VI. COCOGEN's POLICIES, CONTROLS and PROCEDURES.

A. COCOGEN's clients acceptance policy.

In order to comply with the requirements of AMLC as regards accepting clients, the following are the standards that will be implemented by COCOGEN in relation to accepting new clients or renewal of clients, businesses or partnership with COCOGEN:

1. It shall be the policy of COCOGEN for all clients, regardless of the nature of transaction, to require the risk-based and tiered policy;
2. In all instances, the Company shall document how a specific customer was profiled (low, normal or high) and what standard of CDD (reduced average or enhanced) was applied.
3. COCOGEN shall require a more extensive due diligence for high risk clients, such as those known in public as controversial personalities, those individuals holding high-profile public position or PEPs;
4. Decisions to enter into business relationships with high risk clients shall be taken exclusively by senior management officers or the Board of Directors, on case to case basis considering the risk;
5. It shall be the policy of COCOGEN not to accept or enter into business relationship with clients who refuse to produce the required identification documents and to discontinue business relationship with clients, who after a series of follow up requests, failed to submit customer identification documents.

Further, COCOGEN will not accept as customers or conduct transactions with persons oentities in the following circumstances:

i. The customer has been identified by reliable sources as being a criminal or terrorist or being associated with criminal or groups;
ii. The customer is involved in certain criminal or such other activities that are considered to be of high risk, given the nature of the source of funds;
iii. The customer is from a jurisdiction which has been identified as an area/country of high risk by the financial intelligence unit and/or supervisory authority;
iv. The customer is from a jurisdiction identified by reliable sources as one that has high levels of criminal or terrorist activities; and
v. The employee has reason to believe, based on the behavior of the customer or other factors that the transaction may be related to money laundering or the findings of terrorism.

In case where COCOGEN form a suspicion of ML/TF and associated unlawful activities and reasonably believes that performing the CDD process would tip off the customer, COCOGEN is permitted not to pursue

the CDD process. In such circumstances, COCOGEN may proceed with the transaction, immediately file a Suspicious Transaction Report with the AMLC, closely monitor the account, and review the business relationship

6. In designing a customer acceptance policy, the following factors are considered:
    - Background and source of funds;
    - Country of origin and residence or operations;
    - Public/high profile position of the customer or its directors/trustees, stockholders, officers and/or authorized signatory
    - Linked accounts;
    - Watchlist of individuals and entities engaged in illegal activities or terrorist related activities as circularized by BSP, AMLC, and the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury and United Nations Sanctions List
    - Business activities; and
    - Type of services/products/transactions to be entered with COCOGEN

B. Risk Classification.

It is relevant in COCGEN to identify and classify each clients whether, it is a high, moderate or low risk clients. The classification of clients will be the basis for the due diligence required to be observed by its employees.

The following are the classification of clients and the corresponding description:

1. Low Risk

Individual Clients:

a. Individuals who are able to produce major requirements for identification;
b. Individuals with confirmed regular employment in a legitimate business or office.

Corporate, Partnership or Sole Proprietor clients

c. Publicly listed companies subject to regulatory disclosure requirements
d. Government agencies including government owned and controlled corporations (GOCCs)
e. DTI or SEC-registered company
f. Publicly-listed company subject to regulatory disclosure requirements by the SEC/PSE
g. Registered Partnership
h. Registered Association
i. Unincorporated company

2. Normal Risk

a. .Individual customer or entities not falling under “Low Risk” or “High Risk”
b. .Individual or Authorized Signatory (in case of Corporation) who is a Rank and File PEP or PEPs who are no longer in office for the last 5 years or more.

3. High Risk

a. Individuals who are publicly known to be a threat in the Philippines or related by affinity or consanguinity.
b. Individuals who are under investigation by the government or under the watch-list of any government agency or any other international agency which are communicated to the Philippine government.

c. Individual/Authorized Signatory (in case of Corporation) who is an incumbent Politically Exposed Persons (PEPs):

i. National and Local Government Officials
ii. Head of Foreign States
iii. Judicial Officials
iv. Uniformed Personnel:
v. Appointive Government Officials: Cabinet Secretary and Undersecretary
vi. Head of Government Owned or Controlled Corporations
vii. Leaders of major National Political Parties

*A Barangay Chairman may be considered as PEP but may not be a high risk, except if it has assets which are unexplainable or not commensurate with his status or source of income.

d. Those who are nationals or citizens from foreign jurisdiction or geographical location that presents greater risk for ML/TF or its associated unlawful activities or is recognized as having inadequate internationally accepted AML/CTF standards, as determined by domestic or international bodies.

C. Client Assessment Procedures

1. The front-liner staff shall determine classification by assessing the client as provided above, whether it is a low, normal or high risk.
2. Before entering into a transaction, the Account Officer/Staff or agent shall also check the name of the client or broker if it is one of the names under the watchlist of any government agencies or the AMLC
3. After determining the client classification, the Account Officer shall require client to submit information and identification documents according to the level of required customer due diligence.

Attached as **Annex "D" Risk Assessment Form*

VII. CUSTOMER IDENTIFICATION AND CUSTOMER DUE DILIGENCE

COCOGEN maintains a system wherein the identification and information of its clients are monitored and verified.

1. Customer Identification Policies and Procedures

- Satisfactory evidence of the true and full identity, representative capacity, domicile, legal capacity, occupation or business purpose/s of the clients, as well as other identifying information on those clients, whether they be occasional or usual, shall be strictly obtained.

For New Individual Clients:

1. Full Name of Client;
2. Date and Place of birth;
3. Name of beneficial owner, if applicable;
4. Name of Beneficiary, if applicable;
5. Present Address;
6. Permanent Address;
7. Contact Number or information;
8. Nationality;

9. Specimen Signature or biometrics of the customer;
10. Proof of Identification and Identification number;
11. Nature of work and name of employer or nature of self-employment/business, if applicable;
12. Source of funds or property; and
13. TIN,SSS or GSIS, if applicable

- COCOGEN shall also verify the identity of any person purporting to act on behalf of the customer and whether or not he is so authorized by the customer.

Corporate, Partnership and Sole Proprietor Clients

- **Minimum Information;**

1. Name of entity;
2. Name, present address, date and place of birth, nationality, nature of work and source of funds of the beneficial owner, beneficiary, if applicable, and authorized signatories;
3. Official address;
4. Contact number or information;
5. Nature of business;
6. Specimen signature or biometrics of the authorized signatory;
7. Verified identification of the entity as a corporation, partnership, sole proprietorship;
8. Verified identification of the entity's source of funds and business nature of the entity;
9. Verification that the entity has not been or is not in the process of being dissolved, struck-off, wound-up, terminated, placed under receivership , or undergoing liquidation; and
10. Verifying the relevant supervisory authority the status if the entity.

Corporate Documents:

1. Certificates of registration issued by the DTI for sole proprietorship and SEC for corporation and partnership;
2. Secondary License or Certificate of Authority issued by the Supervising Authority or other government agency;
3. Articles of Incorporation or Association and by-laws;
4. Latest General Information Sheet which list the names of directors/trustees/partners, principal stockholders owning at least 25% of the outstanding capital stock and primary officers. (President, Treasurer. etc.)

- Identification documents of the owners, partners, directors, principal officers, authorized signatories and stockholders owning at least 25% of the business of outstanding capital stock, as the case may be.

- For entities registered outside the Philippines, similar documents and/or information duly authenticated by a senior officer of the covered person assigned in the country of registration; in the absence of said officer, the documents shall be authenticated by the Philippine Consulate, company register or notary public, where said entities are registered.

Face-to-Face contact

There must be a face-to face contact with the clients. Without such, no transaction shall be processed. However, the use of Information and Communication Technology may be allowed, provided that COCOGEN is in possession of and has verified the identification documents submitted by the protective customer prior to the interview and that the entire procedure is documented.

CUSTOMER DUE DILIGENCE

COCOGEN shall undertake satisfactory Customer Due Diligence measures:

a. Before establishing business relationship;
b. There is any suspicion of Money Laundering or Terrorist Financing; and
c. There is doubt about the integrity or adequacy of previously obtained customer identification information.

Provided, that where the ML/TF risks are assessed as low and verification is not possible at the point of establishing the business relationship, COCOGEN may complete verification after the establishment of business relationship so as not to interrupt normal conduct of business. The verification of the identity of the customer shall be conducted within the duration of the policy/plan/agreement or at the time the customer files his/her claim, as the case may be.

The Relationship Management Division and Strategy and Customer Experience Management Division shall comply with the following guidelines for establishing the true and full identity of the clients:

a. Reduced Due Diligence for Low Risk Clients

COCOGEN shall observe the following:

i. For individual clients, upon presentation of acceptable identification card or official document as defined in this Manual or other reliable, independent source documents, data or information may avail of the products of COCOGEN.
ii. For corporate, partnership, and sole proprietorship entities, upon submission of the required documents may avail of the products of COCOGEN or may invest with COCOGEN.

b. Average Due Diligence for Normal Risk Clients and for New Individual/Corporate Clients.

COCOGEN shall obtain at the time of insurance application all the minimum information and confirming this information with the valid identification documents hereof from individual clients before establishing any business relationship.

New Corporate and Juridical Entity.

COCOGEN shall obtain the minimum information and/or documents and authorized signatory/ies of corporate and juridical entities before establishing business relationships.

c. Enhanced Due Diligence for High Risk Clients.

COCOGEN's Relationship Management Division and Strategy and Customer Experience Management Division shall, in addition to the minimum KYC identification requirements, shall do the following as enhanced due diligence:

1. Obtain additional information other than the minimum information and/or documents required for the conduct of average due diligence;

(a) In cases of individual clients;

i. supporting information on the intended nature of the business relationship/source of funds/source of wealth,

ii. Reasons for the intended or performed transactions,
iii. list of companies where he is a director, officer or stockholder,
iv. List of banks where the individual has maintained or is maintaining an account, and
v. Other relevant information available through public databases or internet.

(b) For entities assessed as high risk clients, such as shell companies;

i. prior or existing bank references,
ii. the name, present address, nationality, date of birth, nature of work, contact number, and source of funds of each of the primary officers (President, Treasurer and authorized signatory/ies), stockholders owning at least 20% of the voting stock, and directors/trustees/partners as well as their respective identification documents;
iii. volume of assets, other information available through public databases or internet;
iv. supporting information on the intended nature of the business relationship, source of funds or source of wealth; and
v. reasons for the intended or performed transactions.

2. Conduct validation procedures on any or all of the information provided.

3. Secure senior management approval or Board Committee approval to commence business relationship.

4. Conduct enhanced ongoing monitoring of the business relationship.

5. Where additional information cannot be obtained, or any information or document provided is false or falsified, or the result of the validation process is unsatisfactory, COCOGEN shall deny business relationship with the client without prejudice to the reporting of a suspicious transaction to the AMLC when so warranted.

6. In addition to profiling of clients and monitoring of their transactions, shall see to it that the requisites for the conduct of enhanced due diligence has been complied with and the Relationship Management Division and Strategy and Customer Experience Management Division has obtained the abovementioned additional information and/or documents from its clients and has secured senior officer's approval.

Enhanced Due Diligence, Minimum Validation

Individual Clients–Validation procedures include but are not limited to the following:

a) Confirming the date of birth from a duly authenticated official document

b) Verifying the address through evaluation of utility bills, bank or credit card statement, sending thank you letters or other documents showing address or through on –site visitation

c) Contacting the customer by phone or email

d) Determining the authenticity of the identification documents through validation of its issuance by requesting a certification from the issuing authority or by any other effective and reliable means. Determining the veracity of the declared source of funds.

Corporate or Juridical Entities– Verification procedures shall include, but are not limited to the following:

a) Validating the source of funds or source of wealth from reliable documents such as audited financial statements, ITR, bank references, etc.

b) Inquiring from the supervising authority the status of the entity

c) Verifying the address through on-site visitation of the Company, sending thank you letters, or other documents showing address

d) Contacting the entity by phone or email.

*** High Risk Clients–A client that is from a foreign jurisdiction and recognized as having inadequate internationally accepted AML standards, or presents greater risk for ML/TF or its associated unlawful activities, shall be subject to Enhance Customer Due Diligence. Information relative to these are available from publicly available information such as the websites of Financial Action Task Force (FATF), FATF Style Regional Bodies (FSRB) like the Asia Pacific Group on Money Laundering and the Egmont Group, national authorities like the OFAC of the U.S. Department of the Treasury, or other reliable third parties such as regulators or exchanges, which shall be a component of the Company's customer identification process.

**** Shell Company/ Shell Bank –COCOGEN must exercise with extreme caution and always apply EDD on both the entity and its beneficial owner/s. Because of the dubious nature of shell banks, no shell bank shall be allowed to operate or be established in the Philippines.

Attached as **Annex "E" ENHANCED DUE DILIGENCE FORMS for INDIVIDUAL/LEGAL ENTITY*

Politically Exposed Persons (PEP)

COCOGEN shall establish and record the true and full identities of PEPs, as well as their family members, close relationships/associates and entities related to them. PEPs' position and the position's attendant risk with respect to ML/TF shall be carefully considered especially in determining what standard of due diligence shall apply to the same.

In case of domestic PEPs or persons who have been entrusted with a prominent function by an international organization, or their immediate family members or close associates, in addition to performing the applicable due diligence measures, COCOGEN shall:

a. Take reasonable measures to determine whether a customer, and his agent and the beneficial owner are PEPs; and
b. In cases when there is a higher business relationship risk, adopt the following measures:
    i. Obtain senior management approval before establishing/ refusing or, for existing customers, continuing, such business relationships;

ii. Take reasonable measures to establish the source of wealth and the source of funds of customers and beneficial owners identified as PEPs; and
iii. Conduct enhanced ongoing monitoring on that relationship.

In relation to foreign, in addition to performing the applicable customer due diligence measures, COCOGEN shall:

a. Put in place risk management systems to determine whether a customer or the beneficial owner is a PEP;
b. Seek the approval of the Senior Management, if necessary before establishing, or continuing or existing customers, such business relationship;
c. Take reasonable measures to establish the source of wealth and the source of funds of customers and beneficial owners identified as PEP;
d. Conduct enhanced ongoing monitoring on that relationship; and
e. Follow the Customer Acceptance Policy.

COCOGEN shall have clear, written and graduated accepted policies and procedures that will seek to prevent suspicious individuals or entities from transacting with, establishing or maintaining business relationship with them.
If the prospective customer is unable to comply with any of the Customer Due Diligence measures, COCOGEN shall refuse to commence business relations or perform the transaction.

Comprehensive Compliance Testing Program

COCOGEN shall implement a Comprehensive Compliance Testing Program (CCTP) to assess its own risk areas. The CCTP shall cover all divisions of COCOGEN, including its Branches which shall be conducted annually.

At the minimum, the scope of the CCTP shall include the following:

1. Adoption of the AMLA Manual;
2. Customer Due Diligence or Know-Your-Customer (KYC) Rule;
3. Monitoring, Recording and Reporting;
4. Internal Control and Procedures, Compliance and Training; and
5. Other issues regarding compliance with AML and CTF Laws, implementing Rules and Regulations, IC and AMLC Issuances.

Attached as **Annex "F" Comprehensive Compliance Testing Program.*

Outsourcing. COCOGEN may outsource the conduct of customer due diligence and record-keeping to a counter-party intermediary or agent.

Third Party Reliance

COCOGEN may rely on a third party in conducting customer due diligence procedures. For this purpose, the third party shall be:

i. A covered person; or
ii. A financial institution operating outside the Philippines that is covered by equivalent customer due diligence and record-keeping procedures.

In cases of high-risk customers, COCOGEN relying on the third person shall also conduct enhanced due diligence procedure

New Products and Business Practices. COCOGEN shall identify and assess the ML/TF risks that may arise in relation to the development of new products and business practices, including new delivery mechanisms and the use of new or developing technologies for both new and pre-existing products.

New Technologies. COCOGEN shall take reasonable measures to prevent the use of new technologies for ML/TF purposes:

COCOGEN shall:

a. Undertake the risk assessments prior to the launch or use of such products, practices and technologies; and
b. Take appropriate measures to manage and mitigate the risks.

Trust Accounts. Where trusts or similar arrangements are used, or where the customer is a trust, COCOGEN shall verify the identity of the trustees, any other person exercising effective control over the trust property, the settlors and the beneficiaries. Verification of the beneficiaries will be carried out prior to any payments being made to them.

VIII. ON-GOING MONITORING OF ACCOUNTS AND TRANSACTIONS

On-going monitoring of accounts and transactions is an essential aspect of effective KYC procedures. The front-line staff members of COCOGEN, including senior management who are directly in contact with high-net worth clients shall have an understanding of the normal and reasonable account activity of the clients.

The process of on-going monitoring of accounts includes the following:

1. Customer information and identification documents should be kept up to date once every three (3) years in conformity with the Revised Implementing Rules and Regulation (RIRR). A risk-and-materiality based on-going monitoring of customer's accounts and transactions is to be part of customer due diligence.

2. Timely information like reports on critical customer data not obtained/disclosed despite diligent follow up, or such reports on clients with unusual activities that may lead to suspicious transactions shall be provided to the Relationship Management Division and Strategy and Customer Experience Management Division copy furnished the Compliance Officer/Coordinator who will analyze and effectively monitor high risk customer accounts.

3. Members of senior management who are in direct contact with high net worth/important clients shall endeavor to know the personal circumstances of these clients and be alert to sources of third party information. Unusual activities of these types of clients that may put the Company at risk shall be reported to the AMLC Committee.

Enhanced Due Diligence – Relationship Management Division and Strategy and Customer Experience Management Division shall examine the background and purpose of all complex, unusually large transactions, all unusual patterns of transactions which have no apparent economic or lawful purpose, and other transactions that may be considered suspicious.

To this extent, the Company shall apply enhanced due diligence on its customer if it acquires information in the course of its customer account or transaction monitoring that:

1. Raises doubt as to the accuracy of any information or document provided or the ownership of the entity.

2. Justifies reclassification of the customer from low or normal risk to high-risk pursuant to its own criteria; or

3. Any of the circumstance for the filing of a suspicious transaction exists such as but not limited to the following:

a. Transacting without any underlying legal or trade obligation, purpose or economic justification;

b. Transacting an amount that is not commensurate with the business of financial capacity of the customer or deviates from his profile;

c. Structuring of transactions in order to avoid being the subject of covered transaction reporting; or

d. Knowing that a customer was or is engaged or engaging in any unlawful activity as herein defined.

4. 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 Company shall immediately close the account and refrain from further conducting business relationship with the customer without prejudice to the reporting of a suspicious transaction to the AMLC when circumstances warrant.

IX. MAINTENANCE OF RECORDS AND RETENTION

A. Record Keeping

1. All customer identification records and transaction documents of COCOGEN shall be maintained and safely stored for five (5) years from the date of the transaction.

2. Client relationships and transactions shall be properly documented. In this regard, adequate records on customer identification shall be maintained to ensure that:

   a. Any transaction can be reconstructed and an audit trail is established when there is suspected money laundering; and

   b. Any inquiry or order from the regulatory agency or appropriate authority can be satisfied within a reasonable time such as disclosure of information (e.g., whether a particular person is the client or beneficial owner)

3. In the instance that a case has been filed in Court involving the account, records must be retained and safely kept beyond the five (5) year perion until it is officially confirmed by the AMLC Secretariat that the case has been resolved, decided or terminated with finality.

B. Safekeeping of Records and Documents–COCOGEN shall designate at least two (2) Officers who will be jointly responsible and accountable in the safekeeping of all records and documents required to be retained by the AMLA, as amended, its RIRR and this Manual. They shall have the obligation to make these documents and records readily available without delay during SEC/AMLC regular or special examinations.

Records of Covered and Suspicious Transaction reporting shall be maintained and safekept by the Financial Management Division. A register of all reports made to the AMLC, as well as reports made by the directors, officers or employees relative to suspicious transactions, whether or not such were reported to the Council, shall be maintained. Said register shall contain details of the date on which the report is made, the person who makes the report and information sufficient to identify the relevant papers involving the transaction.

C. 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 the e-commerce act and its implementing rules and regulations, and the applicable rules promulgated by the Supreme Court. Further, electronic copies of all covered and suspicious transaction reports shall be kept for at least five (5) years from the date of submission to the AMLC

X. REPORTING

COCOGEN has a system of reporting all covered transactions and develops a manner of reporting of suspicious transactions to avoid tipping off. Any member of the management or staff who discovers or suspects fraudulent or other criminal activity, including terrorist financing, must contact the Compliance Officer and complete a suspicious transaction report.

Notification and Reporting of Suspected Criminal activities.

Any member of the management or the staff who discovers or suspects fraudulent or other criminal activity/ies, including terrorist financing, must contact the compliance and complete a suspicious transaction report.

Covered Transactions and Suspicious Transactions.

Should a transaction be determined to be both a covered and a suspicious transaction, the same shall be reported as a suspicious transaction. In this regard, it shall l be reported first as a CTR, subject to updating if it is finally confirmed to be reportable as STR.

Timing of Reporting

1. Covered transaction shall be filed within five (5) working days, unless the AMLC prescribes a different period not exceeding fifteen (15) working days, from the occurrence thereof. Transactions that are considered as *"non-cash, no/low risk covered transactions"* are subject to deferred reporting.

2. Suspicious Transaction shall be reported not later than five (5) days after the date of occurrence of facts that may constitute a basis for filing a suspicious transaction report. 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. Additionally, the following rules shall be observed:

    a. COCOGEN shall adopt policies, procedures, processes and controls in place that would enable an employee to report to the Compliance Officer any suspicion or knowledge of ML/TF activity and/or transaction that is detected or identified;
    b. It is the duty of every employee to report any suspicious transaction/s or activity/ies to the Compliance Officer. Reporting should be done using the reporting procedures set out in this section.
    c. Employees encountering suspicious and/or high risk transaction should immediately report the same to Compliance Officer.

        Note: No administrative, criminal or civil proceedings shall lie against the employee reporting the suspicious transaction in the regular performance of his duties of any restriction upon the disclosure of information imposed by law, contract or rules of professional conduct.

    d. All internal reports must reach the Compliance Officer and must not be blocked at the department level. No administrative sanction shall be imposed against the employee who directly reports covered or suspicious transaction to the Compliance Officer or Deputy Compliance Officer.

    e. The Compliance Officer shall promptly file and STR with the AMLC should there be reasonable grounds to suspect that funds concerning an

actual or proposed transaction are the proceeds of any criminal activity or are related to ML/TF.

f. The Compliance Officer shall ensure that every employee is aware of his role and duty to receive or submit internal STRs;
g. The Compliance Officer shall investigate STRs internally, build an internal report outlining the outcome of his investigation including the decision on whether or not to file an STR with the AMLC; If upon determination that there is a reasonable ground to report the matter as suspicious transaction, it must be within 10 working days after determination of occurrence.
h. The Compliance Officer may discuss the report with:

- Senior Management or members of the board level committee; or
- Board of Directors

i. Where applicable, the background and purpose of the activity in question may be examined by the Compliance Officer and the findings may be established in writing;
j. In the event the Compliance Officer concludes that no external report should be submitted to the AMLC, the justification of such a decision should be documented;
k. COCOGEN shall institute disciplinary measures against any employee who fails to make an internal suspicious activity report where there is evidence for him/her to do so;
l. Electronic copies of CTRs and STRs shall be preserved and safely stored for at least five (5) years from the dates the same were reported to the AMLC

*Attached as ***Annex "G" PROCEDURE OF REPORTING COVERED OR SUSPCIOUS TRANSACTIONS***

3. The reporting shall meet the standard of quality of reporting which are as follows:

a. COCOGEN ensures that all reports are complete, true and timely filed.
b. It shall be submitted and addressed to the EXECUTIVE DIRECTOR of AMLC located in Bangko Sentral ng Pilipinas, Roxas Boulevard, Manila City.
c. Must provide the details as to, 5Ws and 1H (who, what, where, when, why and how)

Who

For the subject profile, the data in the name address and date of birth fields are considered essential information for analysis and investigation. Thus, Covered Persons should ensure that these information are provided when filing STRs. In addition, data for the subject of suspicion in the STR should contain the name of the entity or individual suspected to be engaged in the predicate crime and/or money laundering activity

What

The Covered Persons should ensure that the transaction code field is filled-up with the appropriate code. Additional information, such as the amount and currency code used, should also be provided by the CP

Where

In order to determine where the place of the suspicious transaction occurred, AMLC looks for the branch of the covered person/reporting institution where the transaction was made. This is the reason why the AMLC requires, under the revised reporting procedure, that all CTRs/STRs must be reported by the branch of covered persons where the transactions occurred. Further, in cases wherein the head office files the CTRs/STRs, the reporting guidelines emphasized that CT/ST report submission should identify the CP up to the branch level

When

The transaction date should be provided by the CP

Why

Suspicious transaction as defined under the AMLA, as amended, should be filed by covered persons based on its suspicious indicator. In filing an STR, the covered persons should be able to properly assess if the activity falls under any of the suspicious indicators or predicate crimes of the AMLA, as amended. Thus, the covered persons should be able to indicate the correct suspicious circumstance or predicate crime in relation to the reported transaction.

How

The narrative should describe the basis for suspicion by providing details such as the pattern of transactions and description of the information in the account opening form, nature of business, sources of income, affiliations, internal database alerts on the subject, and open source information, which serve as the foundation that money laundering or terrorism financing has occurred or is about to occur. The covered persons should clearly describe the nature of the suspicious activity, taking into account important details such as the pattern of transactions and if available customer due diligence information. It may include the nature of business/profession, sources of income, affiliations, internal database alerts on the subject, open source information, and the like.

Confidentiality of Reporting. When reporting covered or suspicious transactions, COCOGEN and its directors, officers and employees are prohibited from communicating, directly or indirectly, in any manner or by any means, to any non-authorized person or entity, or to the media, the fact that the same has been or is about to be reported, the contents of the report, or any other information in relation thereto. Any violation will be dealt with in accordance with the AML/CTF Laws or AMLC issuances.

Attached as **Annex "H" SUSPICIOUS TRANSACTION REPORT FORM*

XI. PERIODIC AUDIT

The Internal Audit group of COCOGEN shall perform a periodic review of the implementation of the policies and procedures indicated on the Anti-Money Laundering Manual to determine compliance with existing laws and regulations, evaluate adequacy and measure effectiveness. Any adverse findings shall be advised to the Compliance Officer or directly to the Board of Directors, if necessary.

XII. ON-GOING TRAINING

COCOGEN's Anti-Money Laundering Policy and Procedure shall be included in all orientation programs for newly hired employees, officers and directors.

The education and training programs shall include the following topics:

1. Overview on ML/TF and AMLA;
2. Roles of Directors, Officers and Employees in ML/TF prevention;
3. Risk Management
4. Preventive Measures;
5. Compliance with freeze, bank inquiry and asset prevention orders, and all directives of the AMLC;
6. Cooperation with the AMLC and the IC; and
7. International standards and best practices.

In addition, higher training will also be provided to COCOGEN's Compliance Officer, Internal Auditors, other Officers and staff responsible for complying with AMLA Procedures and Requirements.

Attendance by COCOGEN's Directors, Officers and Employees in all education and training programs, whether internally or externally organized, shall be documented. Copies of AML/CTF continuing education and training programs, training certificates, attendance and materials shall be made available to the IC and the AMLC, upon request.

A refresher training course shall also be conducted every two (2) years which may include inviting outside resource persons for this purpose.

This Manual shall be posted on the intranet to ensure that all employees and sales force are aware of the provisions of the Anti-Money Laundering Act and its implementing rules and regulations. Updated guidelines and specific responsibilities with regard to implementation on threshold amounts, verification of customer's identification, determining sources of funds and reporting procedures, etc. will be issued by e-mail and likewise posted on the intranet to ensure that all employees do not forget their reportorial and compliance responsibilities.

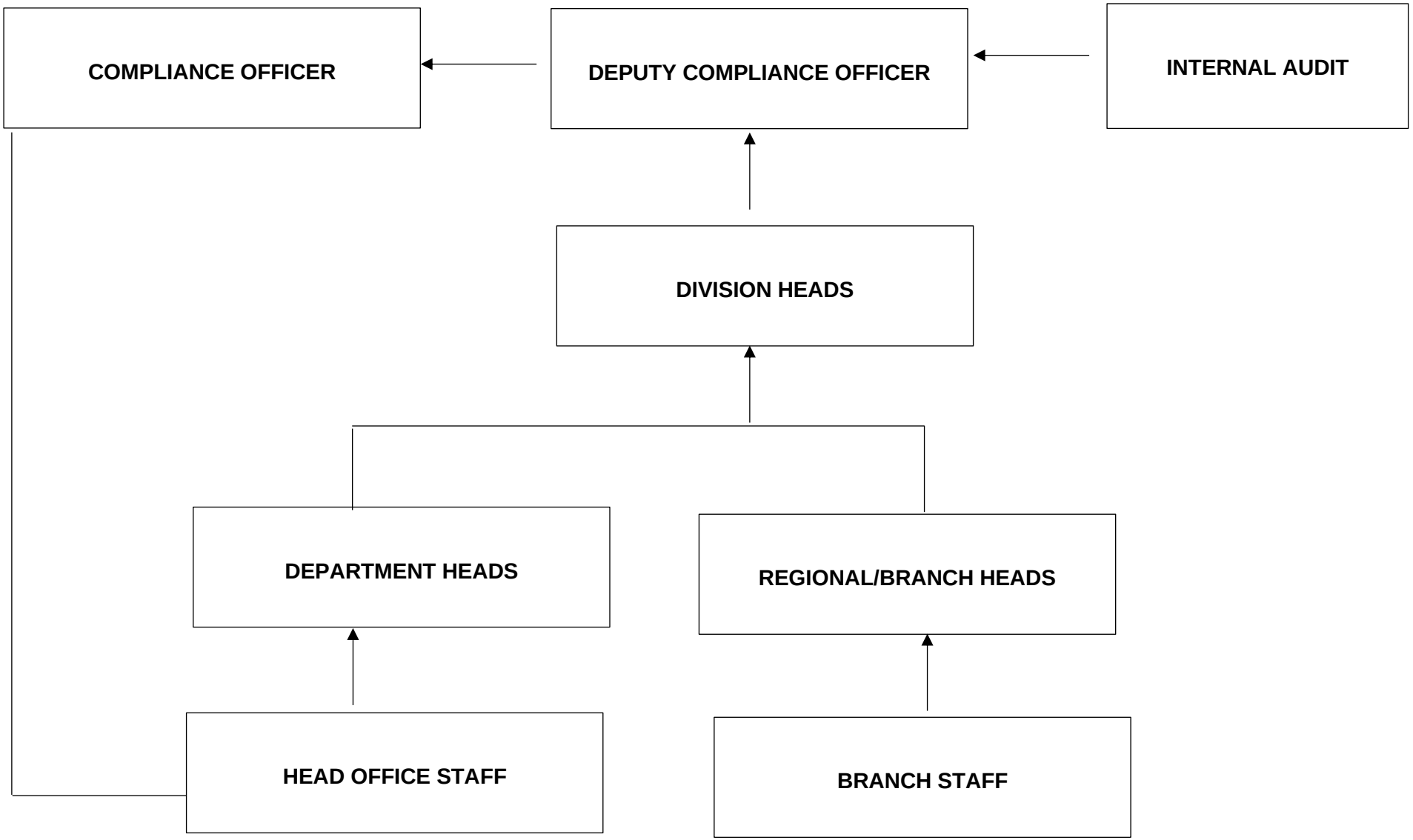
In cases where there are new developments brought about by new legislations, rules and regulations, and other IC and/or AMLC issuances, COCOGEN shall immediately cascade these information to its responsible Directors, Officers and Employees through the intranet system.

XIII. REVISION

Subject to the revisions and/or new implementing rules, this manual will be updated accordingly.

COCOGEN INSURANCE

AML/CFT FLOW OF REPORTING COVERED OR SUSPICIOUS TRANSACTIONS



- In highly suspicious transactions and depending on the urgency, the Staff, Department Heads or Division Heads may go directly to the Compliance Officer, without any threat of reprisal or administrative sanction.

COCOGEN INSURANCE

HR AMLA TRAINING PLAN

BACKGROUND

Aligned with the company's thrust to support the campaign against Money Laundering and Terrorism Financing, the Human Resource Services Department is submitting this AMLA Training Plan in compliance to the Insurance Commission's requirements.

PROPOSED PLAN AND TIMELINES

PARTICIPANTS	TYPE OF PROGRAM	FACILITATOR	TIMELINE / FREQUENCY
Directors, Management Committee Members, Division Heads andHeads of Departments and Key Departments - Relationship Management - Finance - Marketing - Human Resources - Legal - Internal Audit - Operations - Risk Management - *Trainers and subject-matter-experts (SMEs) **to conduct AMLA to internal employees**	Exclusive In-House or E-Learning (virtual learning) seminar with external resource.	Center for Global Best Practices	2nd week of March (one time run only)
All other officers and rank-and-file employees of COCOGEN. Front liners are prioritized.	In-house or E-Learning program facilitated.	COCOGEN's lawyers and/or subject-matter-experts	Monthly conduct until all employees are able to attend the training and seminar.
All newly hired employees	Step ONE (Orientation for New Employees)	HR L&D	Step ONE schedule (at least twice a month)

*refresher modules to be facilitated every 2 years or as required by BSP/IC. Mode of conduct will be facilitated through E-Learning.

GENERAL GUIDELINES FOR AMLA AUDIT PROGRAM

ANTI-MONEY LAUNDERING (AML) AUDIT PROGRAM

GENERAL

The procedures described in this audit program are intended to ascertain whether COCOGEN is in compliance with the rules and regulations mandated by Anti Money Laundering Council per Republic Act No. 9160, as amended.

OBJECTIVE

To provide reasonable assurance that internal control system in complying Anti-Money Laundering/Combating the Financing of Terrorism (ML/CFT) regulations are followed and implemented.

SCOPE

1. Money Laundering /Terrorism Financing Prevention Program (MTPP)
2. Compliance
3. Screening and Hiring of Employees
4. Account Acceptance
5. Customer Identification and Verification
6. Account Monitoring
7. Record-Keeping
8. Reporting

PRELIMINARY ACTIVITIES

1. Review Republic Act No. 9160 as amended, AMLA Implementing Rules and Regulations, and Insurance Commission AMLA related Circular Letters.
2. Creation of AMLA questionnaires for respective covered departments.
3. Send an audit notice to the auditee/s (Department Heads) and meet with them to discuss the purpose, objective, scope, and time table of audit.
4. Send out the questionnaires to respective department heads.
5. Conduct an assessment to the accomplished questionnaires and do a review and testing.
6. Request for additional documents, as necessary.

GENERAL GUIDELINES FOR AMLA AUDIT PROGRAM

AUDIT STEPS

PROCEDURE/CHECKLIST	YES	NO	EVIDENCE OF NON-COMPLIANCE/REF.NO.
A. Money Laundering /Terrorism Financing Prevention Program (MTPP)			
1. Check whether the company maintains a Money Laundering /Terrorism Financing Prevention Program (MTPP).			
2. Check whether the MTPP is updated, approved by the board of directors and submitted to the commission.			
3. Check whether the MTPP is complete as to the general requirements of AMLA IRR.			
4. Check whether the Board of Directors are aware of their responsibility in the approving and exercising active oversight in the implementation of MTPP.			
5. Check whether the MTPP was disseminated to all officers and staff responsible in implementing the same.			
B. Compliance			
1. Check whether the company has a designated Compliance Officer/Alternate Compliance Officer and whether he or she is aware of his or her duties.			
2. Check whether the company has compliance unit.			
3. Check the existence of record officer.			
4. Check whether the company has Customer Due Diligence measures.			
5. Check on whether the company is registered with the AMLC's electronic reporting system.			

GENERAL GUIDELINES FOR AMLA AUDIT PROGRAM

C. Screening and Hiring of Employees			
1. Check the screening procedures when hiring employees and the corresponding verification process done.			
2. Check whether the company has continuing education, training, and refresher training program for AMLA.			
3. Check whether the education and training program covers the relevant topics as provided in AMLA IRR.			

D. Account Acceptance			
1. Check whether the company accepts anonymous accounts, accounts under fictitious names, and numbered accounts.			

E. Customer Identification and Verification			
1. Check whether the employees require customers to provide a photo-bearing ID.			
2. From the given samples, check completeness of information written in Application Forms for natural person: 2.1. Full name 2.2. Date of birth 2.3. Place of birth 2.4. Sex 2.5. Citizenship and nationality 2.6. Address 2.7. Contact number or information 2.8. Source of fund 2.9. Specimen signature or biometric 2.10. Name, address, date and place of birth, contact number or information, sex, and citizenship or nationality of beneficiary			

GENERAL GUIDELINES FOR AMLA AUDIT PROGRAM

and/or beneficial owner, whenever applicable. 2.11. Identification documents (PhilID or other identification documents.			
3. From the given samples, check completeness of information written in Application Forms for juridical person: 3.1. Full name 3.2. Name of authorized representative/transactor/signer 3.3. Current office address 3.4. Contact number or information 3.5. Nature of business 3.6. Source of fund 3.7. Specimen signature or biometrics of the authorized representative/transactor/signer 3.8. Name, address, date and place of birth, contact number or information, sex and citizenship or nationality of beneficiary and/or beneficial owner, if applicable. 3.9. Certificate of Registration issued by DTI for sole proprietors, or Certificate of Incorporation or Partnership issued by SEC for corporations and partnerships, and by BSP for money changers/foreign exchange dealers and remittance agents, and by the AMLC for covered persons. 3.10. Articles of Incorporation/Partnership 3.11. Registration Data Sheet/Latest General Information Sheet 3.12. Secretary's Certificate citing the pertinent portion of the Board or Partners' Resolution authorizing			

GENERAL GUIDELINES FOR AMLA AUDIT PROGRAM

the signatory to sign on behalf of the entity 3.13. For entities registered outside of the Philippines, similar documents and/or information duly authenticated by a senior officer of the covered person assigned in the country of registration; in the absence of said officer, the documents shall be authenticated by the Philippine Consulate, company register or notary public, where said entities are registered.			
4. From the given samples, check completeness of information written in Application Forms for legal arrangements: 4.1. Full name of legal arrangement 4.2. Current office address and country of establishment 4.3. Contact number or information, if any 4.4. Nature, purpose and objects of the legal arrangement 4.5. The names of the settlor, the trustee, the trustor, the protector, if any, the beneficiary and any other natural person exercising ultimate effective control over the legal arrangement 4.6. Deed of trust and/or other proof of existence; and 4.7. Other requirements for juridical persons, as applicable			
5. Check on the modes of verifying customer identification data of a customer, which includes verification of agents and beneficial ownership.			

GENERAL GUIDELINES FOR AMLA AUDIT PROGRAM

F.	**Account Monitoring**			
1.	Check whether the company conducts ongoing monitoring process.			
2.	Check whether the documents collected under the Customer Due Diligence (CDD) process are kept-to-date and relevant.			
3.	Check the company's process when conducting Enhanced Due Diligence (EDD).			

G.	**Record-Keeping**			
1.	Check whether the company maintains and safely store for five (5) years from the dates of transactions all customer records and transaction documents.			
2.	Check whether the company keep all records obtained through Customer Due Diligence (CDD), account files and business correspondence, and the results of any analysis undertaken, for, at least, five (5) years following the closure of account, termination of the business or professional relationship or after the date of the occasional transaction			

H.	**Reporting**			
1.	Review the company's CTR and STR and check if these reports were accurately and timely reported to AMLC.			

GENERAL GUIDELINES FOR AMLA AUDIT PROGRAM

FINAL ACTIVITIES

1. Prepare an observation memo and submit to the concerned auditee/s for matters that need clarification.
2. Reply to observation memo must be submitted within five (5) working days.
3. Consolidate the audit findings and discuss with the auditee/s for possible reconciliation.
4. Finalize the audit report.
5. Distribute the audit report to the President and Department Heads.
6. Present the audit report to the Audit Committee.
7. Conduct a monitoring on the required action items of the auditee/s, if any.

COCOGEN INSURANCE

CUSTOMER AML/CFT RISK ASSESSMENT RATING
(For Individual Customers)

Name of Customer:			Application Number:
☐Resident ☐Non-resident		☐Occasional ☐One-off	Type of occupation:
Delivery channels: ☐face-to-face ☐non-face to face ☐ cash-based ☐cross border movement of cash			Purpose of Transaction:
Nature of Business/or transaction:			
Amount:		Number of Transaction/s:	Duration/Period covered:

Associate	UW	MINIMUM KNOW-YOUR-CUSTOMER (KYC)/CUSTOMER DUE DILIGENCE (CDD) REQUIREMENTS:
☐	☐	Valid ID
☐	☐	Complete Application form
☐	☐	Source of fund declared in the form
☐	☐	Not purporting to act on behalf of the customer. (If yes, please require authorization from the customer i.e. SPA, Sec. Cert, etc.)
☐	☐	Customer has no Beneficial Owner (If yes, ask the client to fill up the *Certification of Beneficial Owner Form)*

Associate	UW	Does the Customer have all the checks in the Minimum KYC/CDD Requirements?
☐	☐	Yes. (Check if with High Risk Factor)
☐	☐	No. (Hold the application and follow up Customer/ secure additional documents being required. After completion, check if with high risk factor) (Applicable to SF only)

Associate	UW	HIGH RISK FACTORS:
		•Large Case
☐	☐	Annualized Premium or single premium of atleast PhP 9 Million or USD200,000
☐	☐	Annualized Premium of ALL Policies aggregate amount of at least PhP 12.5M or USD 270,000
		•Funds/Documents
☐	☐	Source of fund not established/unclear or amount involved not commensurate with the business or financial capacity of the Customer ID or proof of source of fund appears to be tampered or fake
☐	☐	Know-Your-Customer (KYC) document(s) or information is/are questionable/Raises doubt as to the accuracy
☐	☐	Warrants the filing of a Suspicious Transaction Report (STR)

Associate	UW	HIGH RISK FACTORS:
		•Status/Occupation
☐	☐	Owner/Insured/Beneficiary is a known Politically Exposed Person (PEP). State PEP Classification, if applicable _____
☐	☐	With known negative media information or suspected to be associated with convicted of an unlawful activity
☐	☐	Foreigner from Iran, Syria, Belarus, Burma/Myanmar, Cuba, Democratic Republic of Congo, North Korea, Somalia, Sudan and Zimbabwe (or countries in high-risk and non cooperative jurisdictions).
☐	☐	Confirmed match in World-Check or AML Watchlist or U.N. Sanctions List (Applicable to underwriting only)

Associate	UW	Does the Customer have at least one (1) High Risk Factor?
☐	☐	Yes. (Check if EDD requirements are complete)
☐		No. Submit Application form to Underwriting.

Associate	UW	ENHANCED DUE DILIGENCE (EDD) REQUIREMENTS:
☐	☐	Submitted EDD Form
☐	☐	Additional documents to show proof of source of funds/income was submitted
☐	☐	Others _____

SF	UW	Are requirements for EDD complete?
☐	☐	Yes. Submit Application for to Underwriting
☐	☐	None. Hold the application and follow up Customer (for SF) Proceed with the Application (for UW)

*__Associate-__ To be checked Associate (HO or Branch)
*__UW__ - To be checked by Underwriting

Sales Force Agent's Declaration:	Underwriter's Declaration:
I have performed the appropriate know-your-client process in accordance with the anti-money laundering laws and policies of the Company. Should there be any adverse change in my opinion regarding the integrity or reputation of the Customer, I shall inform the Company's Compliance Officer through a Suspicious Transaction Report. _____ Name/Signature Date: _____	I have reviewed the documents submitted by the Sales Force personnel in compliance with the know-your-client process and customer due diligence requirement of the Company and anti-money laundering laws. Should there be any adverse change in my opinion regarding the risk assessment of the Customer, I shall inform the Company's Compliance Officer through a Suspicious Transaction Report. _____ Name/Signature Date: _____

REMARKS/COMMENTS:

Reminders:

A. List of Acceptable IDs include:

- Passport
- Driver's License
- Professional Regulations Commission (PRC) ID
- Police Clearance
- Postal ID
- Voter's ID
- Photo-Bearing Barangay ID/ Certification
- GSIS e-Card
- SSS Card
- Philhealth Card
- Senior Citizen's Card
- Overseas Workers Welfare Administration ID
- OFW ID
- Alien Cert. of Registration/ Immigrant Certificate of Registration
- Government Office ID (e.g. AFP, HDMF)
- Department of Education IDs and IDs issued by government instrumentalities
- Photo-Bearing ID/Certification from the National Council for Welfare of Disabled Persons (NCWDP)
- Department of Social Welfare and Development ID/Certification
- Firearms License
- ID issued by the Bureau of Internal Revenue
- Integrated Bar of the Philippines ID; and
- Company IDs issued by private entities or institutions registered with or supervised or regulated by BSP, SEC or IC
- Photo bearing credit card
- Photo bearing health card issued by HMO
- Seaman's Book

B. PEP is defined as:

1. Person who is and has been entrusted with prominent public function:
a. Head of State/Head of Government
b. Senior Politician – holds elected position in a city/municipal level and above
c. Senior National or Local Government Officer
d. Member of the Judiciary (Judges and Justices)
e. Military Official (at least with a rank of Major)
f. Police Official (at least with a rank of Police Chief Inspector)

(PEP) - refers to an individual who is or has been entrusted with prominent public position in (1) the Philippines with substantial authority over policy, operations or the use or allocation of government-owned resources; (2) a foreign State; or (3) 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 of PEPs - Spouse or partner; children and their spouses; and parents and parents-in-law.
- Close Associates of PEPs – refer to persons who are widely and publicly known to maintain a particularly close relationship with the PEP, and include persons who are in a position to conduct substantial domestic and international financial transactions on behalf of the PEP.

C. Proof of income or source of funds should always be consistent with the Customer's declaration in the Application Form. Examples of documents as proof of income or source of funds include:

1. Income Tax Return
2. Payslip
3. Certificate of Employment with Salary
4. Employment Contract
5. Current Bank Statement or photocopy of Passbook
6. Bank Certificate
7. Latest Audited Financial Statement

*__Associate-__ To be checked Associate (HO or Branch)
*__UW__ - To be checked by Underwriting

COCOGEN INSURANCE

ENHANCED DUE DILIGENCE FORM
(for LEGAL ENTITIES)

Name of Customer/Applicant:

Application Number:

Complete Current Address of Customer/Applicant:

I. List of banks where the entity has maintained or is maintaining an account:

Name of Bank	Maintaining Branch

II. Details of Primary Officers (i.e. President, Treasurer, authorized signatories, etc.), directors, trustees, partners, as well as all stockholders owning five percent (5%) or more of the business or voting stock of the entity: (Please use another sheet if necessary)

Name and Nationality	Present Address	Date and Place of Birth	Nature of Work	Sources of assets

III. Intended nature of Business relationship:

IV. Source of funds/wealth (i.e. ITR, Audited Financial Statement, etc.)

V. Are you a Politically Exposed Person? If yes, please check the applicable box below. _____

☐National and Local Government Official
☐Head of Government Owned or Controlled Corporations
☐Head of Foreign States
☐Leader of Major National Political Parties
☐Uniformed Personnel
☐Judicial Officials
☐Appointive Government Official (Cabinet Secretary and Undersecretary)

DECLARATION: I hereby declare under the penalties of perjury, that I have examined this form, to the best of my knowledge and belief; it is true, correct and complete. (If you are being represented by an attorney or other third party, a properly executed Special Power of Attorney authorizing the representative to act for the applicant must be included in this form)

_____
Name & Signature of Applicant
(Authorized Representative)
Date: _____

TO BE CHECKED BY: _____

☐ Volume of Assets of the applicant.
☐ Other information is available in the public database, internet and other records.
☐ The declared residence address is correct.
☐ Conducted a face-to-face contact with the customers, and their agents and beneficial owners.

COCOGEN INSURANCE

ENHANCED DUE DILIGENCE FORM
(for INDIVIDUAL CUSTOMERS)

Name of Customer/Applicant:

Application Number:

Complete Current Address of Customer/Applicant:

I. Nature of occupation/ and or business:

II. Source of Funds:

☐Salary/Professional Fees/Commission ☐Business ☐Sale of Assets
☐Savings ☐Maturing Investments ☐Insurance Proceeds
☐Inheritance ☐Remittance from abroad ☐Pension
☐Others (Please specify): _____

III. Reasons for intended or performed transactions:

☐Family Protection ☐Education ☐Investment ☐Retirement
☐Others (Please specify): _____

IV. List of Company/ies where the customer is a stockholder, director, officer or authorized signatory:

Name of Company/Entity	Designation

V.. List of banks where the customer has maintained or is maintaining an account:

Name of Bank/Entity	Maintaining Branch

VI. Are you a Politically Exposed Person? If yes, please check the applicable box below. _____

☐National and Local Government Official ☐Head of Government Owned or Controlled Corporations
☐Head of Foreign States ☐Leader of Major National Political Parties
☐Uniformed Personnel ☐Judicial Officials
☐Appointive Government Official (Cabinet Secretary and Undersecretary)

DECLARATION: I hereby declare under the penalties of perjury, that I have examined this form, to the best of my knowledge and belief; it is true, correct and complete. (If you are being represented by an attorney or other third party, a properly executed Special Power of Attorney authorizing the representative to act for the applicant must be included in this form)

_____
Name & Signature of Applicant
Date: _____

TO BE ACCOMPLISHED BY: _____

☐ Volume of Assets of the applicant.
☐ Other information is available in the public database, internet and other records.
☐ The declared residence address correct.
☐ Conducted a face-to-face contact with the customers, and their agents and beneficial owners.

COCOGEN INSURANCE

ANTI-MONEY LAUNDERING ACT (AMLA)
COMPREHENSIVE COMPLIANCE TESTING PLAN

FREQUENCY	Annually
COVERAGE	All Divisions of the UCPB GENRAL INSURANCE COMPANY, INC. including Branch and Satellite Offices
SCHEDULE OF TESTING	Every July
SCOPE	I. Adoption of the AMLA Manual II. Customer Due Diligence or Know-Your-Customer (KYC) Rule a. Completeness of information obtained from customers and their representatives, if any, pursuant to Insurance Commission regulations b. Completeness of supporting documentation obtained from individual and corporate clients c. Closure of Prohibited Accounts d. Accounts without Face-to-Face Contacts e. Beneficial Ownership f. Trust Accounts g. Effect of New Technologies h. Identification of New Products and Business Practices i. Policy Not to Transact with Clients who Fail to Provide Sufficient Evidence of Identity j. Renewal of Identification k. Cleaning out of Old Accounts l. Simplified or Reduced Customer Due Diligence m. Enhanced Customer Due Diligence n. Customer Verification 1. Accounts without Face-to Face Contacts 2. Corporate Accounts 3. Trust, Nominee and Fiduciary Accounts 4. High Risk Customers 5. Politically Exposed Persons, their Immediate Family Members and their Close Relationships/Associates o. Risk Profiling III. Monitoring, Recording and Reporting a. Monitoring of Transactions and Reports b. Recordkeeping c. Reporting to the Anti-Money Laundering Council IV. Internal Control and Procedures, Compliance and Training a. Internal Control and Procedure 1. Confidentiality Safeguards

	b. Executive Level Oversight c. Compliance d. Training e. Screening of Employees and Agents V. Other Issues regarding Compliance with AML and CTF Laws, Implementing Rules and Regulations, Insurance Commission and Anti-Money Laundering Council Issuances

UCPB GENERAL INSURANCE

COMPANY, INC.

(Also known as COCOGEN)

PROCEDURE FOR REPORTING SUSPICIOUS TRANSACTIONS AND SPECIFIC RESPONSIBILITIES WITH REGARD TO IMPLEMENTATION OF THE ML/TF PROGRAM

OUTLINE OF CONTENTS

ASSOCIATES

(Customer Service/ Branch Sales Associate/ Bancassurance)

I. **For Individual customers:**

1. Interview walk-in client face-to-face .

2. Require individual clients to present **original** and **unexpired** ID issued by an official authority; the ID must bear client's photo and specimen signature.

List of Valid Id's

- Passport
- Government Office ID (e.g. AFP, HDMF)
- Driver's License
- Department of Education IDs and IDs issued by government instrumentalities
- Professional Regulations Commission (PRC) ID
- Photo-Bearing ID/Certification from the National Council for Welfare of Disabled Persons (NCWDP)
- Police Clearance
- Postal ID
- Voter's ID
- Department of Social Welfare and Development ID/Certification
- Photo-Bearing Barangay ID/ Certification
- Firearms License
- GSIS e-Card
- ID issued by the Bureau of Internal Revenue
- SSS Card
- Integrated Bar of the Philippines ID; and
- PhilHealth Card
- Company IDs issued by private entities or institutions registered with or supervised or regulated by BSP, SEC or IC
- Senior Citizen's Card
- Overseas Workers Welfare Administration ID
- Photo bearing credit card
- OFW ID
- Photo bearing health card issued by HMO
- Seaman's Book
- Alien Cert. of Registration/Immigrant Certificate of Registration

i. For Foreign Nationals**:** Passport or Alien Certificate of Registration;

ii. For self-employed**:** Department of Trade and Industry (DTI) Certificate of Registration and/or Business Permit issued by the local government unit.

a. In case of any doubt, double check genuineness of the ID presented by calling and confirming with the issuer of the ID.

b. Customer with false or falsified identification documents should be reported as **Suspicious Transaction.**

3. In case the identification document presented does not bear any photo of the customer or authorized signatory, or the photo-bearing ID or a copy thereof does not clearly show the face of the customer or authorized signatory, COCOGEN shall utilize its own technology to take the photo of the customer or authorized signatory.
4. Have the ID photocopied.
5. Sign on the photocopy to certify to the authenticity of the ID presented.
6. The Associate must ensure that the Application Form is filled out by the Client. He must also ensure that the Client confirm the details in the form before personally affixing his/her signature in the presence of the Associate, if applicable. The Application form must have the following minimum information:

    a. Name of Customer;
    b. Date and Place of birth;
    c. Name of beneficial owner (if applicable, the customer should fill up the **Certification of Beneficial Owners Form);**
    d. Sex/Gender;
    e. Name of beneficiary;
    f. Present address;
    g. Permanent address;
    h. Contact number or information;
    i. Nationality;
    j. Specimen signature or biometrics of the customer;
    k. Proof of identification and identification number;
    l. Nature of work and name of employer or nature of self-employment/ business, if applicable;
    m. Sources of funds or property; and
    n. Tax identification Number (TIN), Social Security System (SSS) number or Government Service Insurance System (GSIS) number, if applicable

7. Attach the attested photocopy to the application form.

8. Do **NOT** accept an application from a client who refuses to comply with the ID requirement.

    File a **suspicious transaction report** regarding these cases.

9. Where the customer or authorized representative is a *foreign national*, the company shall require said foreign national to present valid passport, Alien Certificate of Registration, Alien Employment Permit' or any government issued identification document bearing the photograph of the customer or beneficial owner, provided that the company can be satisfied with the authenticity of the document.
10. The Associate will fill out the **AML Risk Assessment Form (ARAF).** ARAF is a restricted and confidential form and should not be shown to the Customer.

11. If the Customer falls under the category of ***high risk***, the Associate shall follow the enhanced due diligence procedure (see page 16) with a duly accomplished **enhanced due diligence form** and ST Form, if any ground exists.
12. Check the consistency of the information provided in the ID(s) presented with the minimum information in the application form.
13. Submit the ARAF together with the application forms and supporting documents to Underwriting for its validation and assessment of risk. If satisfied, issue policy. Otherwise, proceed in conducting enhanced due diligence procedure. (see Page 16)
14. Conduct on-going monitoring of customers, Accounts and transaction/ CDD once every 2 years.

II. For corporations and other juridical entities:

1. The following information should be obtained before establishing business relationship:

    a. Name of entity;
    b. Name, present address, date and place of birth, nationality, nature of work and source of funds of the beneficial owner, beneficiary, if applicable, and authorized signatories;
    c. Official address;
    d. Contact number or information;
    e. Nature of business;
    f. Specimen signature or biometrics of the authorized signatory;
    g. Verified identification of the entity as a corporation, partnership, sole proprietorship;
    h. Verified identification of the entity's source of funds and business nature of the entity;
    i. Verification that the entity has not been or is not in the process of being dissolved, struck-off, wound-up, terminated, placed under receivership, or undergoing liquidation;
    j. Verifying with the relevant supervisory authority the status of the entity.

2. Require the corporation through its authorized representative to submit the following documents:

    a. Certificates of registration issued by the Department of Trade and industry (DTI) for single proprietors; and the SEC for corporations and partnerships;
    b. Secondary License or certificate of Authority issued by the supervising Authority or other government agency;
    c. Articles of incorporation or association and the entity's by-laws;
    d. A resolution by the ownership (board of directors or other governing body, partners, sole proprietor, etc.), authorizing the signatory to sign on behalf of the entity;
    e. Latest General information sheet which lists the names of directors/ trustees/partners, principal stockholders owning at least twenty five percent (25%) of the outstanding capital stock and primary officers such as the President and Treasurer.
    f. Identification documents of the owners, partners, directors, principal officers, authorized
    g. Attach all the required documents to the application form.

h. Do **NOT** submit the application if the client refuses to comply with these requirements. File a **suspicious transaction report** regarding these cases.

i. For entities registered or incorporated outside the Philippines' equivalent documents/information duly authenticated by the Philippine Consulate where said entities are registered shall be obtained.

3. For Legal arrangements applications and other legal entities:

a. Same information as stated in the preceding item.

b. Require the submission of the following documents:

i. list of banks where the entity has maintained or is maintaining an account;

ii. the verified name, nationality, present address, date and place of birth, nature of work, and sources of assets of the primary officers of the entity (i.e. President, Treasurer, authorized signatories, etc.), directors, trustees, partners, as well as all stockholders owning five percent (5%) or more of the business or voting stock of the entity, as the case may be;

iii. volume of assets, other information available through public databases or internet and supporting information on the intended nature of the business relationship, source of funds or source of wealth of the customer (ITR, Audited Financial statement, etc.);

iv. reasons for intended or performed transactions; and

v. obtaining a copy of the written document evidencing the relationship between account holder or transact or and beneficial owner.

BROKER SERVICING DEPARTMENT /SPECIAL ACCOUNTS

1. For applications coming from corporations and other juridical entities,

a. Require the following documents:

i. Certificates of registration issued by the Department of Trade and industry (DTl) for single proprietors; and the SEC for corporations and partnerships;

ii. Secondary License or certificate of Authority issued by the supervising Authority or other government agency;

iii. Articles of incorporation or association and the entity's by-laws;

iv. A resolution by the ownership (board of directors or other governing body, partners, sole proprietor, etc.), authorizing the signatory to sign on behalf of the entity;

v. Latest General information sheet which lists the names of directors/trustees/partners, principal stockholders owning at least twenty five percent (25%) of the outstanding capital stock and primary officers such as the President and Treasurer;

vi. Identification documents of the owners, partners, directors, principal officers, authorized signatories and stockholders owning at least twenty five percent (25%) of the business or outstanding capital stock, as the case may be.

* *The originals or true copies certified by the issuing government agency should be produced for verification*.

b. Attach all the required documents to the application form.
c. Do NOT accept the application if the client refuses to comply with these requirements. File a **suspicious transaction report** regarding these cases.
d. It is not necessary for Account Assistant to re-identify transferred accounts; provided all client records are acquired with the business and they are satisfied that the previous carrier or insurer has complied with AMLC procedures and requirements.

2. For applications coming from individuals:

a. Whose annual premiums or placements exceed P500,000 or its equivalent in US$ (regardless of mode) or whose single premium payment exceeds P500,000 or its equivalent in US$; or where the total premiums/fees paid for a policy, plan or agreement for the entire year exceeds Php500,000.00 or its equivalent in any other currency.

* *Follow the same procedures and requirements as for solicitation of individual clients.*

b. Report all suspicious transactions using Suspicious Transactions Report form to the company designated Compliance Officer. Refer to II. B of this Manual for an enumeration of suspicious transactions.

3. Create and maintain records for each individual and corporate applicant or policy owner.
4. Keep records of all **active** files as originals, on microfilm or in electronic form.
5. Keep records of all **inactive** files for at least five (5) years from dates of cancellation, termination or full settlement.
6. Incorporate these procedures in their Work Instructions and Procedures Manuals.

UNDERWRITING

1. For policies, with premiums which will exceed Php 500,000.00 (regardless of mode) or its equivalent in US$, without the photocopy of client's ID bearing his photo and specimen signature, as certified by the agent or failed to provide necessary corporate documents, MUST first inform the Senior Management Officers, whether or not to underwrite or issue the policy. Additionally, the Underwriter must observe the following:

a. Ensure that all required client information has been recorded on the application form, and supporting documents from the Sales Agent.
b. Conduct a separate assessment if the customer is high risk or not.
c. If the Customer is high risk, follow the enhanced due diligence (EDD) procedure.
d. The underwriting head shall also certify the same ARAF and make his/her remarks/recommendations.
e. Furnish the Compliance Officer the list of accounts where EDD is necessary.

f. Double check genuineness /authenticity of the ID's by calling and confirming with the issuer of the ID or by any legal, effective and reliable means.
g. Verify the consistency of client's financial/business capacity through the source of funds, declared occupation, average monthly income, and other sources of financial/business/capacity;
h. Validate legitimate existence of the business of the employer and of the existence of legal relationship i.e. employer-employee relationship or corporation-stockholder relationship;
i. Screen Customers through World Check One, an online AML screening database.
j. Do NOT accept and process applications from corporations and other juridical entities without the required documents.
k. File a suspicious transaction report on individual and juridical applicants who fail not only to provide evidence of their identity, but also to prove the purpose and intended nature of the insurance relationship.
l. Report all suspicious transactions using **Suspicious Transactions Report** to the company-designated Compliance Officer.
m. Issue all policy contracts only in the true and full name of the policy owner.
n. Create and maintain records for each individual and corporate applicant or policy owner.
o. Keep records of all **active** files as originals, on microfilm or in electronic form.
p. Keep records of all **inactive** files for five (5) years from dates of NTO, cancellation or termination.
q. Incorporate these procedures in their Work Instructions and Procedures Manuals.

CASH MANAGEMENT AND FIELD OPERATIONS

1. Report to the company-designated AML Compliance Officer:

a. all cash payments received that exceed P500,000 or its equivalent in US$ in a day.
b. all large payments in cash, even if below P500,000 when, normally, this would be handled by checks
c. all payments using third party check or multiple checks
d. all payments by foreign wire transfers (regardless of amount)
e. all payments in foreign currency coming from abroad (regardless of amount)
f. if payment for a policy, plan or agreement for the entire year exceeds Php500,000.00 or its equivalent in any other currency.

2. Incorporate these procedures in their Work Instructions and Procedures Manuals.

ACCOUNTING

1. Keep all **active** records originals, on microfilm or in electronic form.
2. Keep all **inactive** records for five (5) years from dates of termination.

Incorporate these procedures in their Work Instructions and Procedures Manuals.

HUMAN RESOURCES AND SALES TRAINING

1. Have adequate screening procedures when hiring employees, regardless of level, and of agents, AMs and BMs.
2. Include COCOGEN'S anti-money laundering policy, guidelines and procedures in all orientation programs for all newly hired employees, officers and directors of the company, as well as sales agents, agency managers and branch managers.
3. As needed, schedule refresher training courses for all staff and agency force on anti-money laundering, verifying customer's identification, determining sources of funds and other related matters, inviting outside resource persons for this purpose.
4. Provide/source higher level training for the company's Compliance and Reporting Officers, Internal Auditors, Administration and Operations managers and supervisors responsible for complying with the AMLA procedures and requirements.

INTERNAL AUDIT

1. Conduct a regular audit of all affected units to ensure compliance with the Anti-Money Laundering Law, its implementing rules and regulations and this Manual.

2. Report all non-conformities as audit exceptions.

3. Conduct periodic and independent evaluation of the company's risk management, as well as the sufficiency and degree of adherence to its compliance measures. The 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.

4. Internal audits shall be conducted at such frequency as necessary, consistent with the risk assessment of the company.

REPORTING OFFICER/CUSTOMER SERVICE HEAD

1. Report all covered transaction within the prescribed period.

2. If confirmed by the Compliance Officer as suspicious, report the transaction within ten (10) calendar days of the occurrence of the transaction, following the prescribed guidelines and procedures of the AML/CFT.

3. Maintain a complete file of all reported covered and suspicious transaction report forms received, even if not reported to the AMLC.

COMPLIANCE OFFICER

1. Evaluate all suspicious transactions reports received and determine if reasonable grounds exist. If so, have it reported by the Reporting Officer to the AMLC within ten (10) calendar days after initial detection of facts that may constitute a basis for filing such reports. If reasonable grounds do not exist, the Compliance Officer should record an opinion to that effect on the company's STR Form and return the same to the Reporting Officer.
2. All accounts received from the Associates and/or underwriting department where EDD was conducted must be elevated to the Board Level Committee for their approval to commence or continue business relationship.
3. Advise the management and staff on all matters relating to the prevention of money laundering.
4. Generally, ensure compliance with the provisions of the Anti-Money Laundering Law and its implementing rules and regulations.
5. Act as liaison between COCOGEN and the Anti-Money Laundering Council (AMLC).
6. Represent COCOGEN in industry discussions on anti-money laundering.
7. Prepare and submit to the AMLC and IC written reports on the company's compliance with AMLA and its implementing rules and regulations.
8. Update and maintain the company's Manual on Anti-Money Laundering. Have the same posted on the intranet.
9. Reissue guidelines and reporting procedures as updated by the Insurance Commission or AMLC.

These measures are being undertaken to ensure that the Philippines shall not be used as a money laundering site for proceeds of any unlawful activity.

For your guidance and compliance.

\

COCOGEN INSURANCE

SUSPICIOUS TRANSACTIONS REPORT FORM

TO: COMPLIANCE OFFICER

Policy No. / Application No.:

Name: _____ Transaction Date/ Period_____

Address: _____ Transaction Amount: _____

Name and Address of Person/s Involved (if known) : _____

NATURE

- ☐ Application for jumbo-policy beyond applicant's means
- ☐ Payment of large sum with foreign currency (Attach Foreign Currency Form)
- ☐ Large sum PDF/ FBR/ mutual fund placement
- ☐ Source of fund doubtful
- ☐ Payment by third party/ multiple checks
- ☐ Amount not commensurate with financial capacity/ business
- ☐ Application for single-pay policy
- ☐ Payment of large sum in cash
- ☐ No proper ID
- ☐ Unidentified Beneficial Owner
- ☐ Others (Please specify): _____

Reported by: _____ Position: _____ Contact No./ E-mail: _____

Date of Reporting: _____ Noted by (*Department Head):* _____

Reason/s for considering the incident suspicious:
Recommendation from Department Head:

Compliance Officer's Evaluation/ Comment:

Date Received: _____

☐ No grounds exist (state findings) _____

☐ For Endorsement to the Senior Management/Board of Directors

- ☐ Acceptance and conduct enhanced ongoing monitoring of the account
- ☐ For reporting to the AMLC

_____ _____

Signature over Printed Name Date