

ENSURING SECURITY & COMPLIANCE: **LABOR, SOCIAL BENEFITS &** **ANTI-MONEY LAUNDERING**

07.04.25 [SATURDAY] 8-5

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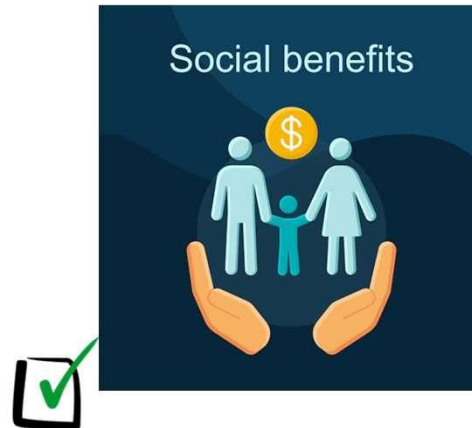
ENSURING SECURITY & COMPLIANCE: LABOR, SOCIAL BENEFITS & ANTI-MONEY LAUNDERING

Security Compliance

- ❑ Ensuring security & compliance in labor, social benefits, & anti-money laundering (AML) involves a multifaceted approach that includes legal frameworks, robust internal controls, & proactive monitoring.
- ❑ This includes adhering to labor laws, providing appropriate social benefits, & implementing strong AML programs to prevent financial crimes.

Overview of Regulatory Framework

International service provision, also known as **cross-border services**, includes:




A close-up photograph of a wooden gavel with a brass band resting on a book. The book's cover is white with the title 'LABOR LAW' in a large, black, serif font. Above the title is a decorative flourish. The gavel is made of dark wood and has a brass band around its head. The background shows a portion of a map with orange and brown tones.

LABOR LAW

Labor Law

[PRESIDENTIAL DECREE NO. 442, May 01, 1974]

*A DECREE INSTITUTING A LABOR CODE, THEREBY REVISING AND CONSOLIDATING
LABOR AND SOCIAL LAWS TO AFFORD PROTECTION TO LABOR, PROMOTE
EMPLOYMENT AND HUMAN RESOURCES DEVELOPMENT AND INSURE INDUSTRIAL
PEACE BASED ON SOCIAL JUSTICE*



ART. 3. Declaration of Basic Policy. — The State shall afford protection to labor, promote full employment, ensure equal work opportunities regardless of sex, race or creed, & regulate the relations between workers & employers. The State shall assure the rights of workers to self-organization, collective bargaining, security of tenure & just & humane conditions of work.

Labor Law

- ❑ Labor law, or employment law, governs the relationship between employers & employees. It covers wages, working conditions, employee rights, union representation, & workplace safety. Its goal is to ensure fair treatment, prevent exploitation, & promote harmonious labor relations.

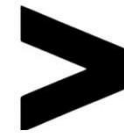


Minimum Labor Standards

Book III of the Philippine Labor Code, specifically Presidential Decree No. 442

Normal Hours of Work

- ☐ Maximum: **8 hours per day**
- ☐ Work beyond 8 hours is **entitled to overtime pay**



Wages & Wage Protection

- ☐ **Minimum wage** as prescribed by regional wage boards
- ☐ **Prohibition on illegal deductions**
- ☐ Wages must be paid **in legal tender** or through authorized banks/payroll systems



OVERTIME PAY

- ☐ If an employee works for **more than 8 hours** in a day, they are entitled to an **additional 25%** of their regular hourly rate as overtime pay.

+ **25%**

- ☐ If the work falls on a **rest day or holiday**, they are entitled to an **additional 30%** of their hourly rate.

+ **30%**



Holiday Pay

- ☐ **100% pay** for unworked regular holidays
- ☐ **200% pay** for work on a regular holiday

REST DAYS & HOLIDAYS

FACTS:

- ❑ **ART. 91. Right to Weekly Rest Day.** – (a) It shall be the duty of every employer, whether operating for profit or not, to provide each of his employees a rest period of not less than twenty-four (24) consecutive hours after every six (6) consecutive normal work days. *(P.D. No. 442 of the Labor Code of the Philippines)*



NORMAL WORKING DAYS



REST DAYS & HOLIDAYS

FACTS:

- ❑ **Proclamation No. 368 the Regular Holidays & Special (non-working) days for the year 2024 in the Philippines, including New Year's Day, Holy Week, Independence Day, Christmas Day, Chinese New Year, & All Souls Days, with the dates for Islamic holidays to be determined by the Islamic calendar & the Department of Labor & Employment proving implementing guidelines.**

Night Shift & Hazard Pay

- ❑ **ART. 86. Night-Shift Differential.** – Every employee shall be paid a night shift differential of not less than ten percent (10%) of his regular wage for each hour of work performed between ten o'clock in the evening & six o'clock in the morning.



- ❑ **Hazard pay** is additional compensation for employees exposed to hazards or physical hardships during their work.

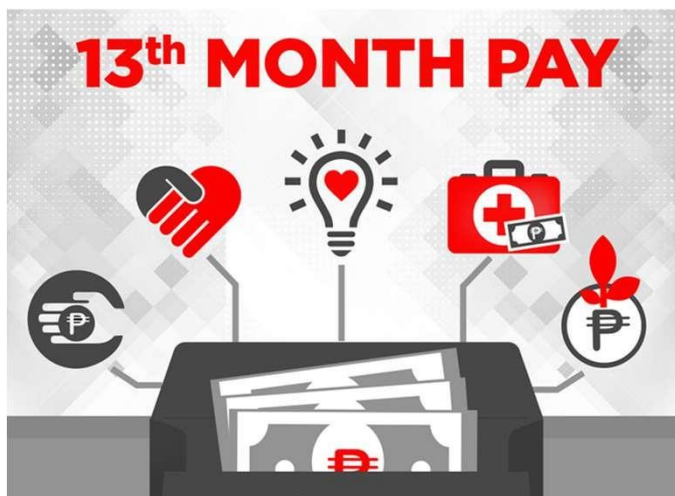
Leave Benefits

- ❑ **Under Article 95 of the Philippine Labor Code**, employees who have worked for at least one year are entitled to a Service Incentive Leave (SIL) of 5 days per year with pay



- ❑ **Republic Act No. 11210 (Expanded Maternity Leave Law)** provides 105 days of paid leave for female workers, with an option to extend for 30 more days without pay, & an additional 15 days for solo parents.

- ❑ Republic Act 8187, **Paternity Leave Act** of 1996, grants married male employees in the Philippines seven (7) days of fully paid paternity leave for the first four (4) deliveries of their legitimate spouse with whom they are cohabiting.
- ❑ This leave is intended to allow the employee to provide support to his wife during her recovery & /or the nursing of the newborn child.



- ❑ **Presidential Decree No. 851**, also known as the 13th Month Pay Law, mandates that all employers in the Philippines must provide their rank & file employees with a 13th-month pay, equivalent to at least one-twelfth ($1/12$) of their total basic salary earned within a calendar year. This payment is to be given no later than December 24th of each year.

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

March 16, 2011

REVENUE REGULATIONS NO. 5-2011

SUBJECT : Further Amendments to Revenue Regulations Nos. 2-98 and 3-98,
as Last Amended by Revenue Regulations No. 5-2008, with
Respect to "De Minimis Benefits"

TO : All Internal Revenue Officials and Others Concerned.

Pursuant to Sections 4 and 244 in relation to Section 33 of the Tax Code of 1997, these Regulations are hereby promulgated to further amend Revenue Regulations (RR) No. 2-98, as last amended by RR No. 5-2008, with respect to "De Minimis" benefits which are exempt from income tax on compensation as well as from fringe benefit tax.

Tax Treatment of Allowances & Benefits

Tax-exempt De Minimis benefits under Revenue Regulations:

- ☐ **Monetized unused vacation leave credits** of private employees, provided the total does not exceed ten (10) days in a year.
- ☐ **Medical cash allowance to dependents of employees**, not exceeding ₱750 per semester or ₱125 per month.
- ☐ **Rice subsidy** of up to ₱1,500 per month or one (1) sack of 50 kilograms of rice per month, not exceeding ₱1,500 in value.

Tax-exempt De Minimis benefits under Revenue Regulations:

- ☐ **Uniform & clothing allowance** not exceeding ₱4,000 per year.
- ☐ **Actual medical assistance**, such as annual medical or executive check-ups, maternity assistance, & routine consultations, not exceeding ₱10,000 annually.
- ☐ **Laundry allowance** not exceeding ₱300 per month.



Tax-exempt De Minimis benefits under Revenue Regulations:

- ☐ **Employee achievement awards**, such as for length of service or safety milestones, must be given in the form of tangible personal property (not cash or gift certificates), with a value not exceeding ₱10,000 annually. These must be granted under a written plan that does not favor highly paid employees.



Tax Treatment of Allowances & Benefits

Tax-exempt De Minimis benefits under Revenue Regulations:

☐ **Gifts during Christmas & major company anniversaries, not exceeding ₱5,000 per employee per year.**

☐ **Daily meal allowances for overtime or night/graveyard shift work, provided they do not exceed 25% of the basic minimum wage applicable in the region.**

☐ **It is important to note that any benefit not included in this list is not considered a De Minimis benefit & is therefore subject to both income tax & withholding tax on compensation income.**

Employment Contract Compliance



Employment contract in the Philippines must include essential elements like:

- ☐ **Consent:** Both the employer & employee must freely & voluntarily agree to the terms of the contract.
- ☐ **Object:** The contract must clearly define the work or services the employee will perform.
- ☐ **Cause:** There must be a valid reason for the contract, usually the of work for compensation.

Labor Inspection & Compliance

☐ Under **Art. 128(b) of the Labor Code**, as amended by **RA 7730**, the **DOLE** is fully empowered to make a determination as to the existence of an employer-employee relationship in the exercise of its visitorial & enforcement power, subject to judicial review, not review by the NLRC.

☐ The **Labor Law Compliance System (LLCS)** is a framework aimed at assisting employers with compliance to labor laws & social legislations through a mixture of voluntary compliance & enforcement by the Department of Labor & Employment (DOLE).

Common Violations & Penalties

- ❑ **Non-payment** of wages occurs when an employer fails to pay an employee the compensation they are legally owed for work performed.



- ❑ The **Constitution** enshrines the right to security of tenure for employees. This means that an employee cannot be dismissed from their job except for **just** or **authorized** causes under the Labor Code, & only after **due process** is accorded.

Apply Proper Payroll Documentation & Record-Keeping Practices



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

February 22, 2019

REVENUE MEMORANDUM CIRCULAR NO. 29-2019

SUBJECT : Keeping, Maintaining and Registration of Books of Accounts

TO : All Internal Revenue Officers and Other Concerned

- ☐ Proper payroll documentation & systematic record-keeping are essential components of legal compliance & audit readiness. Both the **Bureau of Internal Revenue (BIR)** & the **Department of Labor & Employment (DOLE)** impose specific rules & standards that employers must follow. Non-compliance may result in penalties, disallowances, or legal sanctions.

Apply Proper Payroll Documentation & Record-Keeping Practices

BIR Requirements (Per NIRC Sec. 235 & RR No. 17-2013, RMC No. 29-2019):

Required Records:

- ☐ Payroll register or summary
- ☐ Payslips (manual or electronic)
- ☐ Compensation tax withheld (**BIR Form 2316, BIR Form 1601-C**)
- ☐ Books of accounts (General Ledger, Cash Disbursement Book)
- ☐ Alpha List of Employees (Annual submission)
- ☐ Employee contributions (**SSS, PhilHealth, Pag-IBIG**) with proof of remittance



REQUIREMENTS

BIR Requirements (Per NIRC Sec. 235 & RR No. 17-2013, RMC No. 29-2019):

☐ **Retention Period:** Payroll records must be retained for **10 years** from the date of the last entry, especially if the company is subject to ongoing tax investigations.

☐ **Format:** May be in physical or digital form, but must be ready for presentation upon request by the BIR.

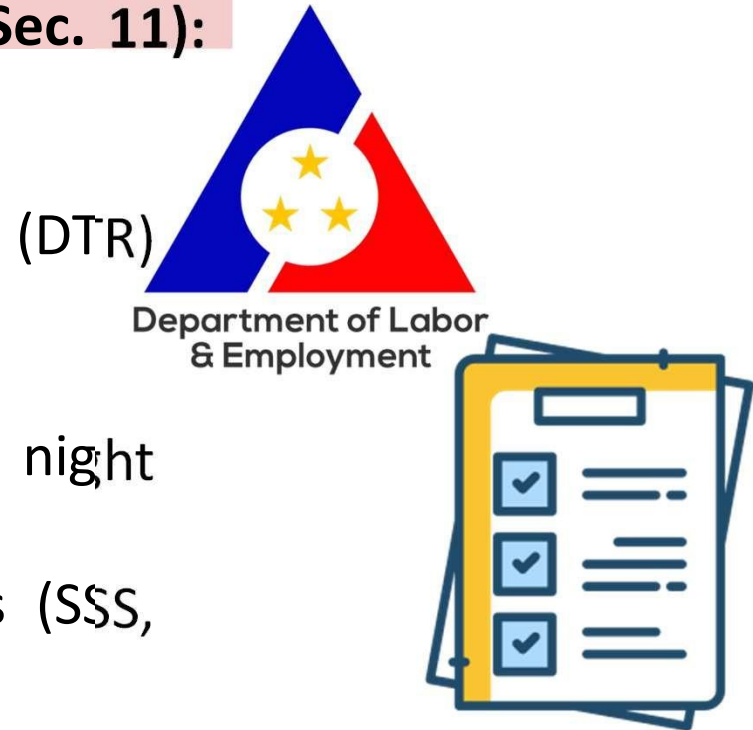
☐ **E-invoicing:** For large taxpayers & those covered by e-invoicing mandates, digital payroll integrations must align with e-receipt regulations.

Apply Proper Payroll Documentation & Record-Keeping Practices

DOLE Requirements (Labor Code Book III, Rule X, Sec. 11):

Required Records:

- ☐ Daily time records (DTR)
Payroll sheets
- ☐ Employment contracts
- ☐ Payslips with breakdown of wages, OT, night differential, & deductions
- ☐ Proof of payment of statutory benefits (SSS, Pag-IBIG, PhilHealth)
- ☐ Leave records (SIL, Maternity, Paternity)



Apply Proper Payroll Documentation & Record-Keeping Practices

- ❑ Employers are required by DOLE to retain payroll & employment records for **at least 3 years** from the date of the last entry. These records are essential during **labor inspections** & serve as key evidence in resolving **wage disputes, termination issues, & employee complaints**.



3 YEARS



Case Study: DOLE Compliance Audit



1987 Constitution, Article XIII, Section 3 Labor Code of the Philippines (PD 442)

Case Study: Fast Food Chain (Region IV-A) – DOLE Compliance Audit

Violation: A major fast-food chain operating nationwide was audited under DOLE's **Labor Laws Compliance System (LLCS)**.

- ☐ Underpayment of wages
- ☐ Non-payment of overtime & holiday pay
- ☐ Absence of safety protocols & Personal Protective Equipment (PPE)
- ☐ No registration of service contractors with DOLE



SOCIAL BENEFIT COMPLIANCE

Statutory Contributions Overview

Mandatory Agencies:

- ☐ **SSS:** R.A. No. 11199 (Social Security Act of 2018)
- ☐ **PhilHealth:** R.A. No. 11223 (Universal Health Care Act)
- ☐ **Pag-IBIG Fund:** R.A. No. 9679



Providing mandated social benefits like health insurance, retirement plans, & unemployment insurance is crucial for employee welfare & legal compliance.

Employer Obligations

- ☐ **Registration of employees** within 30 days of employment
- ☐ **Monthly Remittances:** On or before the prescribed deadline
- ☐ **Issuance of employment records** (e.g., contribution reports)



Sanctions for Non-Compliance

- ☐ **SSS:** Up to ₱5,000 fine per employee + imprisonment (Sec. 28, R.A. 11199)
- ☐ **PhilHealth:** Fine of ₱5,000 to ₱10,000 per affected employee (Sec. 44, R.A. 11223)
- ☐ **Pag-IBIG:** Fine + imprisonment of 6 years & 1 day to 12 years

Introduction to SSS Law (R.A. 11199)



SOCIAL SECURITY SYSTEM

- ❑ An Act Rationalizing & Expanding the Powers & Duties of the Social Security Commission to Ensure the Long-Term Viability of the Social Security System, Repealing for the Purpose Republic Act No. 1161, as Amended by Republic Act No. 8282, Otherwise Known as the "Social Security Act of 1997.

SSS Membership & Registration

- ☐ Employers in the Philippines are legally obligated to register with the Social Security System (SSS) & ensure their employees are also registered.
- ☐ For both member & employer registration, ensure all information provided is accurate & truthful.
- ☐ For online registration, carefully review the email instructions & follow the prompts provided.
- ☐ For manual registration, always present original or certified true copies of documents when submitting photocopies.

Computation of SSS Contributions

- ❑ First determine the Monthly Salary Credit (MSC) based on the employee's compensation bracket, then apply the 15% contribution rate, & finally add the applicable Employees' Compensation (EC) amount. The 15% rate is split with 10% borne by the employer & 5% deducted from the employee's salary.
- ❑ For employed individuals, the total contribution rate is 13%, with the employer contributing 8.5% & the employee contributing 4.5% of their monthly salary.

SSS Membership Coverage

Mandatory Members:

- ☐ Private sector employees, including domestic workers, not over 60 years old
- ☐ Self-employed individuals earning at least ₱1,000/month
Overseas Filipino Workers (OFWs), land-based & sea-based
- ☐ Non-working spouses of SSS members (voluntary basis)

Voluntary Membership:

- ☐ Informal sector workers
- ☐ Previously covered individuals who want to continue paying



SSS Remittances & Reports

Employer's Duties (Section 18, R.A. 11199):

- ☐ Starting January 2025, the total contribution rate is **15%** of the Monthly Salary Credit, with **10% shouldered by the employer & 5% by the employee.**
- ☐ The minimum MSC is ₱5,000, & the maximum is ₱35,000.
- ☐ Employers must file **R3 (Contribution Collection List) & R5 (Employer Payment Return)** or use the **Electronic Collection System (e-CS).**

Deadlines:

- ☐ Based on the 10th digit of employer's SS number (e.g., '1' is due every 10th of the month)

SSS Benefits & Required Documents:

- ☐ SSS provides sickness, maternity, disability, retirement, death, funeral, & unemployment benefits.
- ☐ Required forms vary per benefit (e.g., Sickness Notification & medical certificate for sickness, MAT-1 & MAT-2 for maternity).
- ☐ Proper documentation, such as valid IDs & supporting medical or legal documents, is required.



Loans, Payments, & Reporting:

- ☐ SSS offers salary, calamity, educational, & pension loans. Employers must deduct amortizations & remit monthly through ML-1 (Member Loan Payment Return) & RPL (Remittance List). Late or incorrect remittance results in penalties.



PAG-IBIG FUND

PAG-IBIG Membership Coverage

- ☐ **Under R.A. 9679**, Pag-IBIG membership is compulsory for SSS- or GSIS-covered employees, self-employed individuals, OFWs, & household helpers. Voluntary members include non-working spouses, barangay officials, & others with capacity to pay.



PAG-IBIG Remittances & Reports:

- ☐ The standard contribution is **2% of the monthly compensation each from the employee & employer**, up to a maximum of ₱5,000.
- ☐ Contributions & loan payments are submitted via the **Monthly Contribution Remittance Form (MCRF) & Multi-Purpose Loan Remittance Form (MPL RF)**.
- ☐ Deadlines are usually on or before the **10th day** of the following month. Employers may use the **Virtual Pag-IBIG** platform.

PAG-IBIG Benefits & Required Documents:

- ❑ Pag-IBIG offers Provident Savings (MP1 & MP2), **Multi-Purpose Loans, Calamity Loans, & Housing Loans.**
- ❑ Requirements include the MDR, loan application form, **valid ID, payslip, Certificate of Employment,** & (for calamity loans) **certification from LGUs** declaring a state of calamity.



PAG-IBIG Loans & Employer Responsibility:

- ☐ Employers are responsible for deducting & remitting loan payments monthly.
- ☐ Failure to remit on time may result in penalties & legal liabilities under Section 22 of R.A. 9679.



Philippine Health Insurance Corporation (PhilHealth)

Universal Health Care Act (R.A. No. 11223)

- ☐ Ensures that every Filipino is covered under the National Health Insurance Program. For private-sector workers, coverage is mandatory, & the employer is tasked with registering employees & remitting the required contributions on their behalf.



Philippine Health Insurance Corporation (PhilHealth)

Employer Registration & Contribution

- ❑ Employers must register themselves & all employees with PhilHealth. They must deduct the employee's share from the employee's monthly salary & add the employer's share. These contributions must be paid on or before the prescribed deadlines set by PhilHealth.



Philhealth Membership & Registration

- ❑ Under the **Universal Health Care Act (R.A. 11223)**, all Filipino citizens are automatically covered. Formal economy workers, self-employed persons, OFWs, & government employees are categorized as **direct contributors**. Indigents & sponsored members fall under **indirect contributors**.



Remittances & Reports:

- ❑ Effective 2025, the **premium rate is 5%** of the employee's monthly basic salary, with a floor of ₱10,000 & a ceiling of ₱100,000. Employers shoulder **3%**, & employees shoulder **2%**. Monthly reports must be filed using the **RF-1 (Employer Remittance Report) & PhilHealth Employer Form (PEF)** through the **Electronic Premium Remittance System (EPRS)**. Remittances are due on the 11th, 26th, or last working day of the month.

Benefits & Documents:

- ☐ PhilHealth covers inpatient & outpatient services, Z Benefits for critical illnesses, & the Konsulta Package for primary care. Claiming benefits requires submission of **Claim Form 1 (CF1)**, **Member Data Record (MDR)**, valid ID, & hospital records. Claims must be filed within **60 days** of discharge or treatment.



☐ What is Money Laundering?

Money Laundering

- ❑ A financial crime in which the source of illegally acquired money or goods is hidden from law enforcement & financial regulators by generating the appearance of legitimacy for the illicit gains



Anti-Money Laundering Act (AMLA)

- ❑ The Anti-Money Laundering Act of the Philippines, officially known as **Republic Act No. 9160**, aims to prevent & suppress money laundering in the Philippines. It was signed into law on September 29, 2001, & took effect on October 17, 2001. The AMLA defines money laundering as the act of concealing the identity, source, & ownership of illegal proceeds.



Three stages of AML

1. Placement: This is when the money that has been gained through criminal activity is introduced into the legal economy. This is usually done by putting the money into a range of investments.

2. Layering: The money is then moved around, in & out of various accounts or investments, to disguise where it has originally come from.

3. Integration: The money is then taken back to its owners – who gained it through crime – so they can use it as legitimate, “clean” currency.

AMLA Covered persons & transactions

COVERED INSTITUTIONS



Banks & non-bank
financial institutions



Insurance companies
& securities dealers



Money service businesses
& remittance centres



Real estate brokers
& casinos

Covered persons & transactions

MONITORED TRANSACTIONS

“(b) ‘Covered transaction’ is a transaction in cash or other equivalent monetary instrument involving a total amount in excess of Five hundred thousand pesos (P500,000.00) within one (1) banking day.”

Section 3(b) of Republic Act No. 9160
(as amended by RA 9194)

> 500k



Penalties for Non-compliance

Criminal Penalties

☐ **Money Laundering:** 7–14 years imprisonment & a fine of ₱3M to twice the value of the laundered amount. (SEC. 14. Penal Provisions.)

☐ **Failure to Report/Covered Transactions:** Fines & imprisonment as specified for violations.

☐ **Malicious or Unauthorized Disclosure:** Subject to criminal penalties.



Penalties for Non-compliance

Administrative Penalties

- ☐ Warnings, fines, suspension/revocation of license
- ☐ Fines can reach up to **5%** of assets for severe violations



Red flags in deposits, withdrawals, & loan applications

DEPOSITS

- ☐ Aggregation of Deposits
- ☐ Sudden Deposits
- ☐ Rapid Transfer
- ☐ Multiple checks or Promissory Notes
- ☐ Large Cash Transactions
- ☐ Frequent Small Deposits

WITHDRAWALS

- ☐ Immediate Cash Withdrawals
- ☐ Unusual Withdrawal Pattern
- ☐ Large Cash Withdrawals

Red flags in deposits, withdrawals, & loan applications

LOAN APPLICATION

- ☐ Forged or Altered documents
- ☐ Inconsistent Information
- ☐ Lack of Documentation
- ☐ Usually High Income
- ☐ Sudden Changes of Financial Behaviour
- ☐ Frequent changes in Address
- ☐ Unusual Loan Purpose
- ☐ Falsified Employment Information
- ☐ Unusual Collateral or Guarantors:
- ☐ Pressure to Rush the Process



Role of the Anti-Money Laundering Council (AMLC)

- ☐ The primary role of the AMLC is to implement & enforce the Anti-Money Laundering Act in the Philippines. It has the authority to receive, analyze, & investigate suspicious transaction reports (STRs) & currency transaction reports (CTRs) from covered institutions, such as banks, money remittance companies, & casinos.
- ☐ The AMLC also collaborates with local & international law enforcement agencies, financial intelligence units, & other relevant organizations to exchange information & coordinate efforts in combating money laundering & terrorist financing activities.

SUSPICIOUS BEHAVIOUR & DOCUMENTATION ISSUE

- ☐ Reluctance to provide required identification
- ☐ Use of forged or inconsistent documents
- ☐ Frequent changes in ownership or signatories
- ☐ Incomplete or evasive answers during due diligence



CASES EXAMPLES & SCENARIOS

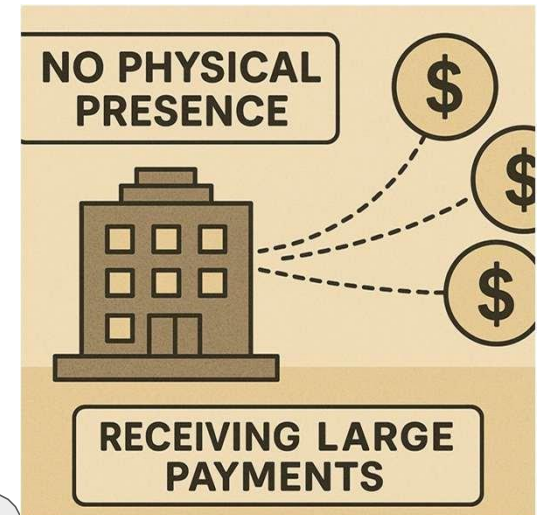
- ☐ A small business depositing large amounts of cash daily



- ☐ A company with no physical presence receiving large payments



- ☐ An individual wiring funds to multiple offshore accounts



Know Your Customer & Customer Due Diligence

- ❑ **KYC** is the initial step, where businesses verify the identity of their customers.

- ❑ **CDD**, on the other hand, is an ongoing process that involves continuously monitoring customer behavior & assessing risks associated with it

Know Your Customer (KYC): Basic vs. Enhanced Due Diligence

KYC vs CDD: A Comparison Table

This table outlines the difference between KYC and CDD:

Aspect	Know Your Customer	Customer Due Diligence
Objective	<ol style="list-style-type: none">1. Identity verification2. Customer risk assessment3. Compliance with legal requirements	<ol style="list-style-type: none">1. Understanding customer activities2. Monitoring transactions3. Identifying and mitigating risks
Focus	Initial onboarding process	Ongoing monitoring and updates
Process Intensity	Basic customer information collection and verification	Detailed customer profiling and risk assessment
Regulatory Emphasis	Compliance and identity verification	Risk management and ongoing monitoring
Steps Involved	Identification, verification, record-keeping	Identification, ongoing monitoring, risk assessment

What is a Suspicious Transaction Report (STR)?

- ❑ A **formal report** filed to the **Financial Intelligence Unit (FIU)** (e.g., AMLC in the Philippines).
- ❑ Filed by **financial institutions & covered persons** when they detect **unusual, suspicious, or potentially criminal activity** in financial transactions.
- ❑ A **key tool in AML/CFT** frameworks worldwide.

Importance of STRs

- ❑ Vital to the **fight against money laundering** & financial crimes.
- ❑ Assists law enforcement in **tracking illicit funds**.
- ❑ Ensures **compliance** with local & international AML/CFT regulations.

What is a Suspicious Transaction Report (STR)?

Purpose of Filing an STR

- ☐ Alert authorities about **potential money laundering, terrorist financing**, or other financial crimes.
- ☐ Help in the **detection, investigation, & prevention** of illegal financial activities.
- ☐ Provide a **trail of evidence** that could lead to identifying criminal networks.



When & How to Report?

When is an STR Required?

- ☐ Transactions that lack economic or legal purpose.
- ☐ Customer attempts to **hide identity or ownership**.
- ☐ Large, frequent, or **inconsistent transactions**.
- ☐ Use of **shell companies** or **complex structures** without justification.



When Should It Be Reported?


- ☐ **Within five (5) working days** from the date of the transaction being determined as suspicious.

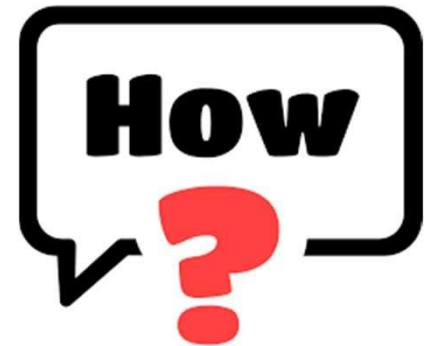
(Section 4 of RA 9160, as amended by RA 9194)

No minimum threshold required—file based on suspicion, not just the

When and how to report

How to File a Suspicious Transaction Report (STR)

1. **Detect** suspicious activity during customer due diligence, transaction monitoring, or internal review.
2. **Analyze** & determine if the transaction meets any of the red flags listed above.
3. **Prepare** a formal Suspicious Transaction Report using the official format provided by the **Anti-Money Laundering Council (AMLC)**.
4. **Submit** the STR **electronically through the AMLC Reporting Portal (ARP)**:  <https://arp.amlc.gov.ph>
5. **Maintain strict confidentiality**



Role of the Anti-Money Laundering Council (AMLC)

- ❑ **Anti-Money Laundering Council (AMLC)** is the Philippines' Financial Intelligence Unit. It enforces the Anti-Money Laundering Act (AMLA) by detecting, investigating, & helping prosecute money laundering & terrorism financing. It also ensures that financial institutions follow AML laws & works with global partners to fight financial crime.



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A large, stylized red question mark is positioned to the right of the text. It has a thick, rounded shape with a small circle at the bottom, and its tail curves upwards and to the left, framing the word 'WEEKLY'.