

ANTI-MONEY LAUNDERING/  
COUNTER-TERRORISM  
POLICIES AND PROCEDURES

EASTWEST  
HEALTHCARE, INC.

## **I. POLICY STATEMENT**

Eastwest Healthcare, Inc. (the “Company”) is committed to full compliance with all applicable laws and regulations regarding anti- money laundering procedures including terrorist financing activities. The Company has establish ways and means to detect and prevent the commission of money laundering activities prohibited under Republic Act No. 9160 (“The Anti-Money Laundering Act of 2001, as amended”) (“Act”) and. Republic Act No. 10168, (“The Terrorism Financing Prevention and Suppression Act”)

This Compliance Statement is designed to assist all clients in adhering to the Company’s policy and procedures, which, if followed diligently, are designed to protect themselves, the Company, its Employees, its facilities and its business activities from money laundering activities.

## **II. OBJECTIVES**

- Comply with all Anti - Money Laundering and Anti-Terrorist Financing laws and regulations;
- Require every member, officer, director, and employee (each, an “Employee”) to prevent, detect and report to the Compliance Officer all potential instances in which the Company or its Employees, its facilities or its activities have been or are about to be used for money laundering activity;
- Provide for a Compliance Officer who shall ensure adherence to the Company’s Anti- Money Laundering Policies and Procedures;
- Require all appropriate Employees to attend anti-money laundering training sessions, so that all such Employees are aware of their responsibilities under the Company’s policies and procedures; this Compliance Manual; and as affected by current developments with respect to anti-money laundering events.

## **III. BASIC PRINCIPLES, POLICIES AND PROCEDURES**

The Company, in pursuing its commitment to assist in the detection, prevention, and reporting of money laundering activities shall be guided by the following principles:

A.) *Know your customer.*

The Company has established standards to ensure that the identities of all new and existing clients are verified to a reasonable level of certainty. It shall know its customers by obtaining satisfactory evidence of their identity and having effective procedures to verify for verifying the bona fides of new customers.

***B.) Compliance with laws.***

The Company shall ensure that its business is conducted in conformity with high ethical standards, that laws and regulations are adhered to, and no policy shall be issued and coverage shall be provided to any client where there is good reason to believe that money laundering activities could be involved.

***C.) Cooperation with law enforcement agencies.***

Should there be reasonable grounds for suspecting money laundering, the Company shall fully cooperate with proper law enforcement agencies subject to ethical and legal constraints relating to customer confidentiality. For purposes of the Anti-Money Laundering Act of 2001, as amended, disclosure of information regarding suspicious transactions and covered transactions shall be made to the Insurance Commissioner (IC), 1071 United Nations Avenue, Ermita, Manila, Philippines.

***D.) Policies, procedures and training.***

The Company shall adopt policies consistent with the principles set out in this Compliance Manual, and ensure that its Employees, wherever located, are informed of these policies and adequately trained in matters covered herein. To promote adherence to these principles, the Company shall implement specific procedures for customer identification, record keeping and retention of transaction documents and reporting of covered and suspicious transactions.

## **IV. CLIENT IDENTIFICATION**

### **A) GENERAL**

The Company's anti-money laundering policies and procedures are intended to ensure that, prior to premium payments from clients, all reasonable and practical measures are taken to confirm the clients' identities.

These Client Identification Procedures are based on the premise that the Company will

accept premium payments from a new and existing client only after it has confirmed the client's identify and obtained satisfactory evidence of the true and full identity, representative capacity, domicile, legal capacity, occupation or business purposes of clients, as well as other identifying information on those clients, whether they be occasional or usual, through the use of documents such as, but not limited to:

1) Identity documents, such as passports, birth certificates, driver's licenses, employment identification cards, and other similar identity documents, which are verifiable from the institution issuing the same; the identifying documents should provide evidence of true name or names used, permanent address, date of birth, nationality, and office address. They should include at least one bearing a photograph and be pre-signed. The identifying documents, which are considered most reliable, are official identity cards and passports. While identification documents that are easily obtained in any name, e.g., medical cards, credit cards and student identification cards may be used, they should not be accepted as the sole means of identification.

2) Incorporation and partnership papers, for corporate accounts. These documents should be certified as true copies from the issuing government agency.

3) Special authorizations for representatives, which must be duly notarized.

4) Other pertinent and reasonable documents as may be deemed necessary under the prevailing circumstances

Where initial checks fail to identify the applicant, or give rise to suspicions that the information provided by him is false, additional verification measures shall be undertaken to determine whether to proceed with the business. Details of the additional checks are to be recorded.

All clients' accounts shall be maintained only in the name of the policyholder. The Company shall not open or keep anonymous accounts, fictitious names accounts, incorrect name accounts and similar accounts.

All material information with respect to the Company's clients shall be kept current and accurate through the conduct of regular verification and updates.

## **B) CLIENT IDENTIFICATION PROCEDURES FOR NATURAL PERSONS**

The Company shall take reasonable steps to ascertain satisfactory evidence of an individual client's identity. <sup>[L]</sup><sub>[SEP]</sub>In order to confirm the identity of the client, copies of certain of the following documents will be obtained and retained for the Company's records:

- name and/or names used;
- present address
- permanent address;
- mailing address;
- date and place of birth;
- nationality;
- nature of work, name of employer or nature of self-employment or business;
- tax identification numbers, Social Security number or Government Service and Insurance System number;
- specimen signature;
- sources of funds.

The Company shall request applicants who present only photocopies of identifications and other documents to produce the original documents for verification purposes.

Approval of the Account or "new client" is subject to the following terms and conditions:

- The Client Account Information Form must be fully accomplished;
- Clear photocopy of a valid ID with photo of the client is submitted (any government issued ID i.e. passport, driver's license, PRC)
- Client is in good financial standing;
- Client was highly recommended by Sales/Agent; and
- The Company has conducted sufficient background checking.

### **VERIFICATION WITHOUT FACE-TO-FACE CONTACT**

Whenever possible, the Company shall request that prospective clients should be interviewed personally by the Sales/Agent;

There may be cases where clients can open an account without going to the office, but are well known to the Sales/Agent and he meets with them outside the office. In such cases, the accepting Sales/Agent should sign the client application form with the indication that

he has conducted a face-to-face meeting with the client.

The following are some counter checks being done by the Company to verify identity of clients without face to face contact.

- Telephone contact of the applicant at an independently verifiable home or business number;
- With the consent of the applicant, the Company shall confirm with his employer, his employment through their personnel department.
- Submission of Income tax return duly stamp by BIR, and also bank statement or any proof of income and;
- Confirmation of address through correspondence or presentation of proof of billing address like Meralco bill, or any utility bill.

Above procedures should be strictly implemented when opening of accounts is coursed via telephone or by mail; especially if the client is just referred by another client or any of the staff. Such requirements should be done preferably prior to executing the initial transaction. If it cannot be avoided, ensure that above are conducted prior to the settlement of the client's initial transaction.

For non-residents who seek to procure health insurance coverage in the Philippines, whenever applicable, and without face-to-face contact, documents as enumerated above issued by foreign authorities may be submitted, duly authenticated by the Philippine Consulate where such foreign authorities are located.

### **C) CLIENT IDENTIFICATION PROCEDURES FOR CORPORATIONS, PARTNERSHIPS, TRUSTS AND OTHER LEGAL ENTITIES**

Before establishing a business relationship, a company search and/or other commercial inquiries shall be made to ensure that the corporate/other business applicant has not been, or is not in the process of being dissolved, struck off, wound-up or terminated. In the event of doubt as to the identity of the company or its directors, or the business or its partners, a search or inquiry with the Securities and Exchange Commission or the relevant Supervising

Authority/Regulatory Agency shall be made.

The Company shall obtain the following relevant documents in respect of corporate/other business applicants that are regulated in the Philippines:

- Copies of the Certificate of Registration issued by the Department of Trade and Industry, for single proprietorships, or by the Securities and Exchange Commission, for corporations and partnerships, including Articles of Incorporation or Certificate of Partnership, as appropriate, copies of the By-Laws and latest General Information Sheet, which lists the names of directors/partners and principal stockholders, and secondary licenses, if any; and other documents such as, but not limited to clearance/certification from the Securities and Exchange Commission that the company is active and compliant with the latter's reportorial requirements.

The originals or certified copies of any or all of the foregoing documents, where required, should be produced for verification.

- Sworn statement as to existence or non-existence of beneficial owners.
- Appropriate Board of Directors' resolutions and signed application forms identifying the authorized signatories or principal officers of the corporation authorized to trade and their authorities and specimen signatures;
- Latest Audited Financial Statements;

Where necessary, additional information about the nature of the business of clients, copies of identification documents of shareholders, directors, officers and all authorized signatories may also be required.

For companies, businesses or partnerships registered outside the Philippines, comparable documents are to be obtained, duly authenticated by the Philippine Consulate where said companies are located.

If significant changes to the company structure or ownership occur subsequently, or suspicions are aroused by a change in the payment profile through a company account, further checks are to be made on the identities of the new owners.

Clients who fail to provide evidence of their full identity shall be made aware that business

transaction with them cannot be conducted as a policy of the Company.

As per policy of the Company, clients upon request for further verification, should be able to present original copies of documents aside from photocopies of identifications being presented/submitted to the staff responsible for safekeeping of documents. If originals are not presented, ensure that photocopies are certified true copies and the Sales/Agent accepting the account has signed/authenticated it indicating he has seen the original of the identification card and other documents presented. The Sales/Agent accepting the account should bear in mind that he is equally accountable by signing/authenticating that he has seen the original documents.

The Company always requires its clients to submit information particularly on the source of funds. If the client state that he has a business, always request some proof of the business documents, like SEC registration and by-laws, Business registration. Company search on the SEC website for registered companies is done to ensure that the corporate or other business applicant is an existing business entity.

Customer identification and information of existing clients should be updated and/or amended at least once every five (5) years. This refers to change of residential or business address, new identification cards, new passport, additional business information, new business investment/venture, and the like. For any change of information before the said period, the Company always requests a letter or document pertaining to the changes being made.

Shell companies are legal entities, which have no business substance in their own right but through which financial transactions may be conducted. The Company should note that shell companies may be abused by money launderers and therefore be cautious in their dealings with them.

In addition to the requirement set forth above, the Company should also obtain a Board of Directors' Certification as to the purposes of the owners in purchasing the shell company. There must likewise be satisfactory evidence of the identities of the beneficial owners, bearing in mind the "Know-Your- Customer" principle.

The Company shall establish whether the applicant for business relationship is acting on behalf of another person as trustee, nominee or agent. The Company shall obtain authorized evidence of the identity of such agents and authorized signatories, and the nature of their trustee or nominee capacity and duties.



Where applicable, the Company entertains doubts as to whether the trustee, nominee or agent is being used as a dummy in circumvention of existing laws, it shall immediately make further inquiries to verify the status of the business relationship between the parties. If satisfactory evidence of the beneficial owners cannot be obtained, the Company shall consider whether to proceed with the business, bearing in mind the "Know-Your-Customer" principle. If they decide to proceed, they are to record any misgiving and give extra attention to monitoring the account in question.

Where transactions are undertaken on behalf of policyholders of the Company, particular care shall be taken to ensure that the person giving instructions is authorized to do so by the holder. Transactions undertaken for non-account holders demand special care and vigilance. Where the transaction involves significant amounts, the customer should be asked to produce positive evidence of identity including nationality, especially in cases where the client is not a Filipino, the purposes of the transaction and the sources of the funds.

## **V. RECORD KEEPING**

### ***A) Objectives***

Documentation on customer relationships and transactions shall be properly prepared and maintained such that:

- the requirements of the Anti-Money Laundering Act are fully met;
- any transaction effected through the Company can be reconstructed and from which the Anti-Money Laundering Council (created under the Anti-Money Laundering Act) will be able to compile an audit trail for suspected money laundering, when such a report is made to it;
- the Company can satisfy within a reasonable time any inquiry or order from the Anti-Money Laundering Council as to disclosure of information, including, but not limited to, whether a particular person is the client or beneficial owner of transactions conducted through the Company.

## ***B) Client Records Retention***

The following document retention periods shall be followed:

- All records of all transactions of covered institutions, especially customer identification records, shall be maintained and safely stored for five (5) years from the dates of transactions.
- With respect to closed accounts, the records on customer identification, account files and business correspondence, shall be preserved and safely stored for at least five (5) years from the dates when they were closed.
- Transaction documents may be retained as originals or copies, on microfilm, or in electronic form, provided that such forms are admissible in court, pursuant to the Revised Rules of Court and the E- Commerce Act and its Implementing Guidelines.
- If the records relate to on- going investigations or transactions that have been the subject of a disclosure, they shall be retained beyond the stipulated retention period until it is confirmed that the case has been closed and terminated
- Where applicable, the Company shall designate at least two (2) persons responsible in the safekeeping of all records, reporting to the Insurance Commission any change in the person/s responsible, if there is any.

## ***C) Guidelines on Digitization of Client Records***

The Company shall develop and implement the Digitization Client Record Program. All client records and transaction documents shall be digitized in compliance with the AMLC issued AMLC Regulatory Issuance A, B and C No. 2 Series of 2018.

The Company shall adopt the following procedures in digitization of its client's records:

1. Perform a daily scanning of client records on a per Client basis using a filename convention as follows:

Name@AAA@MM-DD-YYYY

Where:

Name - represents the Client's Name

AAA - represents the Document Name

MM-DD-YYYY - represents the Transaction Date

@ - represents field separator

2. Upload the clear and complete scanned/digitized files to a newly created document archives folder.

3. The IT Department must develop and install a program to auto-push the digitized client records.

4. The designated Records Custodian shall approve the access of authorized officers to the digitized client records.

## **VI. COVERED AND SUSPICIOUS TRANSACTIONS**

A) Where applicable, the mandatory Covered Transaction Report (CTR), shall be filed before the Anti- Money Laundering Council, copy furnished the IC, for transactions in cash or other equivalent monetary instrument involving a total amount in excess of the threshold limit of P500,000.00 within one (1) banking day as provided under Section 3 (b) of R.A. 9160, the Company shall clarify the economic background and purpose of any transaction or business relationship if its form or amount appears unusual in relation to the business or financial capacity of the customer and the customer has not been properly identified, or if the economic purpose or legality of the transaction is not immediately clear, as where there is no underlying legal, trade obligation, purpose, origin or economic justification, or where the transaction is unusually large and complex.

B) Where the transaction or transactions do not fall within the threshold amount provided in the definition of a covered transaction, and the Company has reasonable grounds to believe that the source/s of the funds arise from or are in anyway related to an unlawful activity, the Company shall file a Suspicious Transaction Report before the Anti-Money Laundering Council ("Council"), copy furnished the IC. In this regard, the Company should exercise due diligence by implementing adequate systems for identifying and detecting suspicious transactions, especially where any

of the following circumstances exists:

- there is no justifying legal or trade obligation, purpose or economic justification;
- the client is not properly identified;
- the amount involved is not commensurate with the business or financial capacity of the client;
- taking into account all known circumstances, it may be perceived that the client's transaction is structured in order to avoid being the subject of reporting requirements under the Act;
- any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client's past transactions with the covered institution;
- the transaction is in any way related to an unlawful activity or offense under this Act that is about to be, is being or has been committed; or
- any transaction that is similar or analogous to the foregoing.

In this regard, the Company shall exercise due diligence by implementing adequate systems for identifying and detecting suspicious transactions.

The suspicion relates to a transaction considering all the circumstances of the transaction. As a general principle, any transaction which tends to cause a feeling of apprehension or mistrust about the lawfulness of the transaction considering (i) its unusual nature or circumstances, or (ii) the person or group of persons with whom the transaction was made, and considering further all other relevant factors including knowledge of the person's or persons' business or background (as well as behavioral factors); should be reported as a suspect transaction.

Identification of any suspicious transactions should prompt initial enquiries and, if necessary, further investigations on the source of funds. It is left to the better judgment of the Company to gauge the nature of each and every transaction that they would be involved in.

## **VII. REPORTORIAL REQUIREMENTS**

The Company shall institute a system for the mandatory reporting of covered transactions and suspicious transactions by appointing the Compliance Officer who is registered with the IC who shall be responsible for reporting to the Council, after approval by the Board or the President or Chairman. If an urgent disclosure is required when there is an on-going investigation, an initial notification by telephone should be made to the Executive Director, Anti-Money Laundering Council, Bangko Sentral ng Pilipinas.

To the extent practicable, the reporting system shall work as follows:

A) Where any employee or personnel, director or officer of the Company knows that a client has engaged in any of the predicate crimes under the Anti-Money Laundering Act, the matter must be promptly reported to the Compliance Officer within the organization who, in turn, must immediately report the details to the Anti-Money Laundering Council.

B) If there are reasonable grounds to suspect that the client has engaged in an unlawful activity, the Compliance Officer, on receiving such a report, must promptly evaluate whether there are reasonable grounds for such belief and must then immediately report the case to the Anti-Money Laundering Council unless the officer considers, and records an opinion, that such reasonable grounds do not exist.

Reports on mandatory covered and suspicious transactions must be done within ten (10) working days after initial detection of facts that may constitute a basis for filing such reports

The Company, as well as its directors, officers, and employees, shall not warn clients when information relating to them is being reported to the Anti-Money Laundering Council. Neither shall such information be communicated, directly or indirectly, to any other person other than the Anti-Money Laundering Council and IC. Any violation of this confidentiality provision shall render the person responsible therefor liable for criminal, civil and administrative sanctions under the Act.

The Company shall maintain a complete file on all transactions that have been brought to the attention of the Compliance Officer, including transactions that are not reported to the

Anti-Money Laundering Council.

A register of all covered transactions which are not reported to the Council pursuant to AMLC Resolution No. 292, Series of 2003 shall likewise be maintained. The register shall contain details of the date on which the report is made, the person who made the report to the Compliance Officer, and information sufficient to identify the relevant papers related to said reports.

## **VIII. INTERNAL CONTROL AND PROCEDURES**

Subject to the approval of the IC, the Company shall establish and implement internal control procedures aimed at preventing and impeding money laundering. Such procedures shall, among others things, ensure that the Company and its employees are aware of the provisions of the law, its implementing rules and regulations, as well as all reportorial and compliance control and procedures that shall be established by the Council, the IC and the Company itself.

The Company's policies and procedures for dealing with money laundering, reflecting the requirements under the Act and its implementing rules and regulations, are clearly set out and reflected in this Compliance Manual.

These internal policies and procedures shall cover:

- Communications of firm policies relating to money laundering, including timely disclosure of information and internal audits to ensure compliance with policies, procedures and controls relating to money laundering;
- Account opening and customer identification, including requirements for proper identification;
- Maintenance of records;
- Compliance with the requirement of the Act and all rules issued in connection thereto; and,
- Cooperation with the IC and other relevant Authorities.

Furthermore, written internal reporting procedures which shall:

- i. Enable all the Company's directors, officers, employees, and key staff to know to whom they should report any knowledge or suspicion of money

laundering activity;

- ii. Ensure that there is a clear reporting chain under which suspicions of money laundering activity will be passed to the appropriate person, duly identified and designated as the Compliance Officer.
- iii. Require the Compliance Officer to consider any report in the light of all relevant information available to the Officer for the purpose of determining whether or not it gives rise to a knowledge or suspicion of money laundering;
- iv. Ensure that the Compliance Officer has reasonable access to any other information which may be of assistance to the Officer and which is available to the relevant person;
- v. Require that the information contained in a report is disclosed promptly to the Council where the Compliance Officer knows, suspects or is made aware of any suspicious transactions; and,
- vi. Maintain a register of all reports made to the Council, as well as all reports made by its own staff relative to suspicious transactions, whether or not such were reported to the Council. 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.

## **IX. COMPLIANCE**

The Compliance Officer shall be tasked to advise management and the Company's staff on the issuance and enforcement of in-house instructions to promote adherence to this Compliance Manual, including personnel training, reporting of suspicious transactions, and generally, all matters relating to the prevention of money laundering and terrorist financing activities..

The Compliance Officer shall be:

- i. a senior officer with relevant qualifications and experience to enable him to respond sufficiently well to inquiries relating to the relevant person and the conduct of its business;
- ii. responsible for establishing and maintaining a manual of compliance procedures in relation to the business of the Company;
- iii. responsible for ensuring compliance by the officers and employees of the Company with the provisions of Act and its Implementing Rules;
- iv. responsible for disseminating to the Board of Directors, officers, and all employees memorandum circulars, resolutions, instructions, and policies issued by the Council and the IC in all matters relating to the prevention of money laundering;
- v. act as the liaison between the Company, the Council, and the IC in matters relating to compliance with the provisions of the Act and this Compliance Manual;
- vi. prepare and submit to the Council and IC written reports on the Company's compliance with the provisions of the Act, in such form and submitted at such time as the Council and IC may determine.

Although the reporting responsibility is with the Compliance Officer, the ultimate responsibility for proper supervision, reporting and compliance to the Act, as amended, and its Implementing Rules and Regulations shall rest with the Company and its Board of Directors.

## **X. TRAINING**

The Company shall provide education and training for all its staff and personnel, including its directors and officers, to ensure that they are fully aware of their personal obligations and responsibilities in combating money laundering and to be familiar with its system for reporting and investigating suspicious matters.

The Company shall determine the extent of training/orientation of its personnel with the



priority being given to the Compliance Officer who would be directly be exposed to situations involving money laundering activities. The general scope of the training programs that will be adopted shall be as follows:

a. New Staff

A general appreciation of the background to money laundering and the need to be able to identify suspicious transactions and report such transactions to the appropriate designated point within the Company. This training shall be provided to all new employees, regardless of level of seniority.

b. Billing Personnel, Collecting and Sales Agent

Personnel who deal directly with the public are the first point of contact with potential money launderers. Their efforts are therefore vital to the Company's reporting system for such transactions. They should be trained to identify suspicious transactions and on the procedure to be adopted when a transaction is deemed to be suspicious. "Front-line" staff should be made aware of the Company's policy for dealing with non-regular customers particularly where large cash transactions are involved, and the need for extra vigilance in cases under suspicious circumstances.

c. Supervisors and Managers

A higher level of instruction covering all aspects of money laundering procedures should be provided to supervisors and managers. This will include the offences and penalties arising from the Act, procedures relating to service of production and restraint orders, internal reporting procedures, and the requirements for verification of identity and the retention of records.

Annual Refresher Trainings shall be scheduled to ensure that key staffs are reminded of their responsibilities and to make them aware of any changes in the laws and rules relating to money laundering, as well as the internal procedures of the Company.

## **XI. REGULAR REVIEW/AUDIT OF THE MANUAL**

A regular review of the program should be undertaken to ensure that it is functioning as

designed. Such a review could be performed by external or internal resources, and should be accompanied by a formal assessment or written report. If and when regulations are amended concerning reporting of covered and suspicious activities, the Company will amend this Compliance Manual to comply with those regulations.

## **XII. ADOPTION AND EFFECTIVITY**

This Anti-Money Laundering Compliance Manual as amended shall take effect immediately upon approval thereof by the Insurance Commission.

ADOPTED this \_\_\_ day of \_\_\_\_\_ 2022, at Makati City, Philippines.

### **BOARD APPROVAL**

**RUSTIE C. PORCIUNCULA**

Chairman

**JASON C. PORCIUNCULA**

Member

**ORVIBITANO R. DIAZ**

Member

**JAY B. IRABON**

Member

**MA. ANNABELLE SANCHEZ**

Member

**IRISH TOM T. TOLENTINO**

Member

**EPHREM R. ACLERA**

Member