



Anti-Money Laundering Statement of Policies and Procedures

**2GO Group, Inc.
(Formerly "ATS Consolidated (ATSC), Inc., also
"Aboitiz Transport System Corporation")**

Policy Statement

In compliance with Securities and Exchange Commission memorandum Circular No. 1, Series of 2002, and in consonance with the policy of the Government of the Republic of the Philippines to combat the illicit use of corporate vehicles for the purpose of masking profits from criminal activities, as embodied in Republic Act 9160 or the Anti-Money Laundering Act of 2001, 2GO Group, Inc. (Formerly "ATS Consolidated (ATSC), Inc., also "Aboitiz Transport System Corporation") or 2GO hereby promulgates this statement of policies and procedures.

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1. BASIC PRINCIPLES

A. Know the customer

To the best of its ability, considering its primary purpose and the nature of its business, 2GO shall obtain satisfactory evidence of the customer's identity, and have effective procedures for verifying the bona fides of new customers;

B. Compliance with laws

2GO shall ensure that its business is conducted in conformity with high ethical standards, laws and regulations are adhered to, and that service is not provided where there is good reason to believe that transactions are associated with money laundering activities.

C. Co-operation with law enforcement agencies

Within the legal and ethical constraints relating to customer confidentiality, 2GO shall co-operate fully with law enforcement agencies. This includes taking appropriate measures allowed by law if there are reasonable grounds for suspecting money laundering. Disclosure of information by 2GO for the purposes of the Act regarding suspicious transactions shall be made to the Executive Director, Anti-Money Laundering Council, Bangko Sentral ng Pilipinas.

D. Policies, procedures and training

2GO shall adopt policies consistent with the principles set out in this Manual, and ensure that its staff, wherever located, are informed of these policies and adequately trained in matters covered herein. To promote adherence to these principles, 2GO shall implement specific procedures for customer identification, record keeping and retention of transaction documents, and reporting of covered and suspicious transactions.

2. CUSTOMER IDENTIFICATION

A. General

- i. Where applicable, 2GO shall obtain 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
- ii. Where applicable, Clients should be made aware of 2GO's explicit policy that business transactions will not be conducted with applicants who fail to provide evidence of their identity, but without derogating from the 2GO's obligations to report suspicious transactions. Where initial checks fail to identify the applicant, or give rise to suspicions that the information provided is false, additional verification measures should be undertaken to determine whether to proceed with the business. Details of the additional checks are to be recorded.
- iii. Where applicable, when 2GO acquires the business of another financial sector company or covered institution, either in whole or as a product portfolio, it is not necessary for the identity of all existing customers to be re-identified, provided that:

1. all customer account records are acquired with the business; and
 2. due diligence inquiries do not raise any doubt as to whether the anti-money laundering procedures previously adopted by the acquired business have satisfied Philippine requirements.
- iv. If during the business relationship, 2GO has reason to doubt:
1. the accuracy of the information relating to the customer's identity;
 2. that the customer is the beneficial owner; or
 3. the intermediary's declaration of beneficial ownership, or
 4. if there are any signs of unreported changes, 2GO shall take further measures to verify the identity of the customer or the beneficial owner, as applicable. Such measures may include the following:
 - a. referral of names and other identifying information to criminal investigating authorities
 - b. review of disciplinary history and disclosure of past relevant sanctions.
- v. Where applicable, 2GO's Customer Identification Program must include procedures for responding to circumstances in which 2GO cannot form a reasonable belief that it knows the true identity of a customer. These procedures should describe, among others, the following:
- a. When 2GO should not open an account;
 - b. The terms under which a customer may conduct transactions while 2GO attempts to verify the customer's identity;
 - c. When 2GO should close an account after attempts to verify the customer's identity fails;
 - d. When 2GO should file a Suspicious Transaction Report.

- vi. Where applicable, the Customer Identification Program shall include procedures for providing customers with adequate notice that 2GO is requesting information to verify their identities. If appropriate, the following sample language may be used to provide notice to customers:

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight money-laundering activities, the Anti-Money Laundering Act, as amended, requires all Regulated Intermediaries such as 2GO to obtain, verify and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, business, TIN, SSS or GSIS Nos. and other information that will allow us to identify you. We may also ask to see your driver's license, passport or other competent evidence or identity bearing your photograph and signature.

- vii. The Customer Identification Programme include procedures specifying when 2GO will rely on the performance of a banking institution of 2GO's Customer Identification Program with respect to any customer of 2GO that is opening an account or has established an account or similar business relationship with the other financial institution to provide or engage in services, dealings or other financial transactions, provided that:

- a) Such reliance is reasonable under the circumstances;
- b) The banking institution is subject to the supervision and regulation by the Bangko Sentral ng Pilipinas;
- c) The banking institution enters into a contract with 2GO requiring it to certify annually with 2GO that it has implemented its anti-money laundering program and that it will perform specified requirements

of 2GO's Customer Identification Program; and

- d) The arrangement shall be submitted by 2GO to the SEC for its approval prior to the implementation of the arrangement by 2GO.
- viii. 2GO shall maintain accounts only in the name of the account holder. It shall not open or keep anonymous accounts, fictitious names accounts, incorrect name accounts and similar accounts.
- ix. Where practicable, 2GO shall ensure that it knows its customers well, and accordingly shall keep current and accurate all material information with respect to their customers by regularly conducting verification and update thereof.

B. Personal Customers

- i. Where applicable, 2GO shall obtain from all personal applicants the following information:
 - 1. name and/or names used;
 - 2. present address
 - 3. permanent address;
 - 4. mailing address;
 - 5. date and place of birth;
 - 6. nationality;
 - 7. nature of work, name of employer or nature of self-employment or business;
 - 8. tax identification numbers, Social Security number or Government Service and Insurance System number;
 - 9. specimen signature;
 - 10. sources of funds.
- ii. 2GO shall request applicants who present only photocopies of identifications and other documents to produce the original documents for verification purposes.
- iii. Verification Without Face-to-Face Contact
 - 1. Whenever possible, and where applicable, prospective clients should be interviewed personally.

2. Where applicable, 2GO shall take particular care in opening accounts via the Internet, post or telephone or other such instances which may give rise to verification without face-to-face contact.
3. Where applicable, the customer identification procedures for non-face-to-face verification should be as stringent as those for face-to-face verification. 2GO is duty-bound to inform such clients that identity verification measures apply as well to them.
4. The following are a number of checks which can be used by 2GO to verify identity of prospective clients, where applicable, where there is no fact-to-face contact:
 - a. telephone contact with the applicant at an independently verified home or business number;
 - b. subject to the applicant's consent, telephone confirmation of the applicant's employment with the employer's personnel department at a listed business number;
 - c. salary details appearing on recent bank statements, Income tax returns or any other document evidencing compensation;
 - d. confirmation of the address through an exchange of correspondence or by other appropriate methods.
 - e. An initial deposit check drawn on another financial institution regulated by the Bangko Sentral ng Pilipinas will provide additional comfort.
5. Where applicable, for non-Philippine residents who wish to open accounts without face-to-face contact, documents as enumerated in Section 2(A)(i) of the Act issued by foreign authorities may be submitted, duly authenticated by the Philippine Consulate where such foreign authorities are located. 2GO shall, however, inform the clients of the provisions of Section 2(A)(ii).

6. Where applicable, except in cases where no face-to-face contact is prohibited under existing laws, rules and regulations, no new accounts shall be opened and created without face-to-face contact unless full compliance with the requirements of Section 2(B)(i) and 2(B)(ii) are met.

C. Corporations, Stock or Non-Stock and Partnerships

- i. 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 Commission or the relevant Supervising Authority/Regulatory Agency shall be made.
- ii. The following relevant documents shall be obtained in respect of corporate/other business applicants which are regulated in the Philippines
 1. A certified true copy of the Certificate of Registration, 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.
 2. Sworn statement as to existence or non-existence of beneficial owners.
 3. Appropriate directors' resolutions and signed application forms or account opening authority containing specimen signatures;
 4. Where necessary, 2GO may also require additional information about the nature of the business of clients, copies of identification documents of shareholders, directors, officers and all authorized signatories.
- iii. 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.

- iv. 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.

D. Shell Companies

- i. Shell companies are legal entities, which have no business substance in their own right but through which financial transactions may be conducted. 2GO should note that shell companies may be abused by money launderers and therefore be cautious in their dealings with them.
- ii. In addition to the requirement under Section 4.C.2. 2GO 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.

E. Trust, Nominee and Fiduciary Accounts

- i. Where applicable, 2GO shall establish whether the applicant for business relationship is acting on behalf of another person as trustee, nominee or agent. 2GO should obtain satisfactory evidence of the identity of such agents and authorized signatories, and the nature of their trustee or nominee capacity and duties.
- ii. Where applicable, where 2GO 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, 2GO 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.
- iii. Where applicable, where the account is opened by a firm of lawyers or accountants, 2GO should not be precluded from making reasonable inquiries about transactions passing through the subject accounts that give cause for concern or from reporting those transactions if any suspicion is

aroused. If a money laundering Suspicious Transaction Report is made to the Council in respect of such clients' accounts, the Council will seek information directly from the lawyers or accountants as to the identity of its client and the nature of the relevant transaction, in accordance with the powers granted to it under the Act and other pertinent laws.

F. Transactions Undertaken on Behalf of Account Holders or Non-Account Holders

- i. Where applicable, where transactions are undertaken on behalf of account holders of 2GO, particular care shall be taken to ensure that the person giving instructions is authorized to do so by the account holder.
- ii. Where applicable, 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.

3. RECORD KEEPING

- i. Where applicable, 2GO shall prepare and maintain documentation on their customer relationships and transactions such that:
 1. requirements of the Act are fully met;
 2. any transaction effected via 2GO can be reconstructed and from which the Council will be able to compile an audit trail for suspected money laundering, when such a report is made to it;
 3. 2GO can satisfy within a reasonable time any inquiry or order from the Council as to disclosure of information, including without limitation whether a particular person is the customer or beneficial owner of transactions conducted through the 2GO.
- ii. The following document retention periods shall be followed:

1. 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.
 2. 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.
- iii. 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.
 - iv. Notwithstanding paragraph 5.2, 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
 - v. Where applicable, 2GO shall designate at least two (2) persons responsible in the safekeeping of all records, reporting to the Commission any change in the person/s responsible, if there is any.

4. COVERED AND SUSPICIOUS TRANSACTIONS

- i. Where applicable, the mandatory Covered Transaction Report (CTR), shall be filed before the Anti-Money Laundering Council, copy furnished the SEC, 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, 2GO 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.

- ii. Where the transaction or transactions do not fall within the threshold amount provided in the definition of a covered transaction, and 2GO has reasonable grounds to believe that the source/s of the funds arise from or are in anyway related to an unlawful activity, 2GO shall file a Suspicious Transaction Report before the Anti-Money Laundering Council, copy furnished the SEC. In this regard, 2GO should exercise due diligence by implementing adequate systems for identifying and detecting suspicious transactions, especially where any of the following circumstances exists:
 - a. there is no justifying legal or trade obligation, purpose or economic justification;
 - b. the client is not properly identified;
 - c. the amount involved is not commensurate with the business or financial capacity of the client;
 - d. 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;
 - e. 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;
 - f. 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
 - g. any transaction that is similar or analogous to the foregoing.

In this regard, 2GO shall exercise due diligence by implementing adequate systems for identifying and detecting suspicious transactions.

- iii. The suspicion relates to a transaction considering all the circumstances of the transaction. As a general principle, any transaction which causes 2GO to have a feeling of apprehension or mistrust about the transaction considering

- a) its unusual nature or circumstances or, b) the person or group of persons with whom they are dealing, and based on the bringing together of all 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.
- iv. Suspect transactions are likely to involve a number of factors, which together raise a suspicion in the mind of 2GO that the transaction may be connected with any unlawful activity.

5. REPORTORIAL REQUIREMENTS

- i. 2GO shall institute a system for the mandatory reporting of covered transactions and suspicious transactions under Section 6. 2GO hereby appoints its Assistant Vice President for Internal Audit as Reporting Officer, responsible for reporting to the Council. In the event that urgent disclosure is required, particularly when the account concerned is part of an on-going investigation, an initial notification should be made by telephone to the Executive Director, Anti-Money Laundering Council, Bangko Sentral ng Pilipinas.
- ii. The obligation to make the covered transaction and/or suspicious transaction report is on the employee, officer, and/or director of 2GO. Such reporting must be done within five (banking) days after initial detection of facts that may constitute a basis for filing such reports.
- iii. 2GO, its directors, officers and employees shall not warn their customers when information relating to them is being reported to the council or communicate, directly or indirectly such information to any other person other than the Council. Any violation of this confidentiality provision shall render them liable for criminal, civil and administrative sanctions under the Act.
- iv. Where any employee or personnel, director or officer of 2GO knows that the client has engaged in any of the predicate crimes under the Act, the matter must be promptly reported to the Reporting Officer who, in turn, must immediately report the details to the Council.
- v. If there are reasonable grounds to suspect that the customer has engaged in an unlawful activity, the Reporting Officer/s or Unit, 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 Council unless the officer/s or unit considers, and records an opinion, that such reasonable grounds do not exist.

- vi. Where applicable, 2GO shall maintain a complete file on all transactions that have been brought to the attention of the Reporting Officer/s or Unit, including transactions that are not reported to the Council.
- vii. Where applicable, 2GO shall likewise maintain a register of all covered transactions which are not reported to the Council pursuant to AMLC Resolution No. 292, Series of 2003.
- viii. The registers 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 such reports.
- ix. Under Section 13 of the Act, where 2GO discloses to an authorized officer a knowledge, suspicion or belief that any fund, property or investment is derived from or used in connection with any criminal conduct under the Act or any matter on which such a knowledge, suspicion or belief is based, such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed by law, contract or by rules of professional conduct. Furthermore, under Section 13 of the Act, no administrative, criminal or civil proceedings shall lie against any person for having made a suspicious transaction report in the regular performance of his duties and in good faith, whether or not such reporting results in any criminal prosecution under this Act or any other Philippine law. 2GO, its directors and employees shall likewise not be liable for any loss arising out of such disclosure, or any act or omission, in relation to the fund, property or investment in consequence of the disclosure, where such is made in good faith and in the regular performance of their duties under the Act.

6. INTERNAL CONTROL AND PROCEDURES

- i. 2GO shall establish and implement internal control procedures aimed at preventing and impeding money laundering. Such procedures shall, among others things, ensure that 2GO 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 Supervising Authority and 2GO.

- ii. 2GO'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 its Operating Manual.
- iii. Policies and procedures should cover, among others:
 - a. 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;
 - b. Account opening and customer identification, including requirements for proper identification;
 - c. Maintenance of records;
 - d. Compliance with requirements of the AMLA, as amended, its Revised Implementing Rules and Regulations and all Circulars issued by the Commission and the Anti-Money Laundering Council;
 - e. Cooperation with the Commission and other relevant Authorities.
- iv. 2GO shall establish written internal reporting procedures which shall:
 - 1. Enable all its directors, officers, employees, all key staff to know to whom they should report any knowledge or suspicion of money laundering activity;
 - 2. Ensure that there is a clear reporting chain under which suspicions of money laundering activity will be passed to the appropriate person(s)/unit, duly identified and designated as the Reporting Officer(s)/Unit.
 - 3. Require the Reporting 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;
 - 4. Ensure that the Reporting Officer has reasonable access to any other information which may be of assistance to the Officer and which is available to the relevant person; and
 - 5. Require that the information contained in a report is disclosed promptly to the Council where the Reporting Officer knows, suspects or is made aware of any

suspicious transactions.

6. 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.

7. COMPLIANCE

- i. 2GO hereby appoints its Assistant Vice President for Internal Audit to advise its management and staff on the issuing and enforcement of in-house instructions to promote adherence to these Rules, including personnel training, reporting of suspicious transactions, and generally, all matters relating to the prevention of money laundering.
- ii. 2GO hereby appoints its Assistant Vice President for Internal Audit as the Compliance Officer. A Compliance Officer shall:
 1. Be responsible for establishing and maintaining a manual of compliance procedures in relation to the business of 2GO;
 2. Be responsible for ensuring compliance by the staff of 2GO with the provisions of the Act and these Rules, with the Manual of Compliance established under Section 9.2. (b);
 3. Act as the liaison between 2GO and the Council in matters relating to compliance with the provisions of the Act and these rules;
 4. Prepare and submit to the Council written reports on 2GO's compliance with the provisions of the Act and these Rules, in such form and submitted at such time as the Council may determine.

8. TRAINING

- i. 2GO shall provide education and training for all its staff and personnel, including 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.
- ii. 2GO may, due to the scale and nature of its operations, assign the internal audit or training functions to another person (e.g.

professional association, parent company or external auditors). Where 2GO delegates its responsibilities for audit and training, due diligence is to be exercised to ensure that the persons appointed are able to perform these functions effectively and the fact of such appointment must be relayed in writing to the Council.

- iii. Timing and content of training for various sectors of staff will need to be adapted by 2GO for its own needs. The following may be included:
 1. *New Staff*. A general appreciation of the background to money laundering, the need to be able to identify suspicious transactions and report such transactions to the appropriate designated point within 2GO. This training shall be provided to all new employees, regardless of level of seniority.
 2. *Cashiers/Dealers' Representatives or Investment Representatives/Advisory Staff*. Personnel who deal directly with the public are the first point of contact with potential money launderers. Their efforts are therefore vital to 2GO'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 2GO'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.
 3. *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.
- iv. 2GO shall, at least once a year, make arrangements for refresher training to remind key staff 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 2GO.

BOARD APPROVAL

**JON RAMON M. ABOITIZ
CHAIRMAN**

ENRIQUE M. ABOITIZ, JR.

**ROBERTO D. GOTHONG
VICE CHAIRMAN**

ROBERTO E. ABOITIZ

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**HELEN G. TIU
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