

Republic of the Philippines Department of Finance Securities and Exchange Commission SEC Bldg. EDSA, Greenhills, Mandaluyong City

SEC MEMORANDUM CIRCULAR NO. 3-A

Series of 2009

Supplement to the Requirements on the Submission of Trust Fund Valuation and Compliance Report of Pre-Need Companies

I. To facilitate full compliance with SEC Memorandum Circular No. 3, Series of 2009 ("Circular"), template forms have been designed and prepared for use in the evaluation to be conducted by the independent firm (Set 1) and in the updating of the baseline information by the pre-need companies (Set 2), as follows:

Set 1 - Templates for the Baseline Report

- (1) Schedule of Trust Fund Assets: Appendix 1-A
- (2) Schedule of Trust Fund Charges and Liabilities: Appendix 2-A
- (3) Schedule of Required and Actual Deposits: Appendix 3-A
- (4) Schedule of Withdrawals: Appendix 4-A
- (5) Evaluation Sheet on the Divestment Program: Appendix 5-A

Set 2 - Templates for the Quarterly Reports

- (1) Report on Trust Fund Assets: Appendix 1-B
- (2) Report on Trust Fund Charges and Liabilities: Appendix 2-B
- (3) Report on Required and Actual Deposits: Appendix 3-B
- (4) Report on Withdrawals: Appendix 4-B
- (5) Progress Report on the Divestment Program: Appendix 5-B
- (6) Monitoring sheet on Findings of Non-Compliance: Appendix 6
- II. The following clarifications are likewise issued relative to the implementation of the Circular:
 - (1) The requirements of the Circular, shall cover all trustees, whether banks or non-banks, which hold trust fund assets of pre-need companies;
 - (2) An accounting firm that will be engaged for the evaluation shall evaluate whether there is a possible threat to its independence by reason of its past or present audit or review engagement with the pre-need company or the trustee of the funds;
 - (3) Section 4(f)(vii) of the Circular should read as follows: "There are reimbursements by the trustee to the pre-need company for its alleged advances which based on documents were not used for the settlement of benefits of planholders."

Issued this 15th day of June 2009, at Mandaluyong City, Philippines.

CERTIFIED XEROXED COPY

PAGE OF PAGE OF PAGE OF PAGE OF THE COMMISSION SECRETARY

FE B. BARIN Chairperson - As of March 31, 2009

	Brief Description of the Asset	investment Quality/Limit (Refer to MC No. 4, S2007)	Category*	Basis of Valuation Trustee	Proof of Ownership or Interest over the Asset***	Acquisition Cost	Value in Php as of report date - Per Trustee	Value in Php as of report date - Per Independent Valuation	Basis of Valuation- independent Firm	% to Total	Remarks/Findings
\vdash											
<u> </u>	Cash										
	Government Securities		_								
.	Listed Equity Securities										
	Sub-total**										
	Other Securities							-			
	1			<u></u>							
	2										
	3.										
	1			-							·
	5						-				
\vdash	Sub-total										
	Collective Investment Schemes										
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	Sub-total		· · · · · · ·	•							
-	Real Estate										-
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	Sub-total										
	Planholder Loans										
	Subtotal										
						_					
	TOTAL			-							

^{*}Category that shall be indicated shall be in accordance with the accounting policy for each of the asset, such as available for sale, held for trading, held to maturity or receivables.

The basis of valuation shall consider the category used for each asset, i.e., fair value/current market price, amortized cost, cost

^{**} Compare sub-total with the amount of the required Liquidity Reserve Fund which should be no less than 20% of the net value of trust fund assets

^{***} Indicate any encumbrance over the asset.

For the period ended March 31, 2009

	Brief Description of the Charges/Liabilities	Supporting document (as basis for the recognition of the Charge/Liability)	Amount per Trustee Books	% to Total Trust Fund Assets	Amount per Independent Examination*	Amount of Discrepancy	Noted reason for the discrepancy	Remarks
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	TOTAL							

^{*}if the independent firm is of the position that the charges/liabilities are not acceptable, a zero amount should be provided in this column.

SCHEDULE OF REQUIRED AND ACTUAL DEPOSITS

APPENDIX 3-A

For the fiscal year 2008 and for the period ended March 31, 2009

Period	Amount of Required Deposit	Amount of Actual Deposit	Discrepancy	Remarks
For the year 2008				
2009				
 January				
February				
 March				
 For the 1st Quarter 2009				

SCHEDULE OF WITHDRAWALS

APPENDIX 4-A

For the fiscal year 2008 and for the period ended March 31, 2009

Use of Proceeds from the Withdrawal:

	Period	Amount of Withdrawal for the	Payment of Benefits * to Planholders	Taxes	Others	Description of "Others"	Remarks/Findings
L				 			
	For the year 2008						
						-	
	2009						
	January						
L	February					:	
L				 			
	March						
	For the 1st Quarter 2009 ₩₩₩₩						

Instruction: There shall be a separate written discussion on the procedures conducted to arrive at the foregoing information and to determine any unauthorized or prohibited withdrawals from the trust fund.

EVALUATION SHEET ON DIVESTMENT PROGRAM

APPENDIX 5-A

---- As of March 31, 2009 -----3 4 5 7 8 9 Value as of report Investment Quality/Limit Value as of report Status of each Acquisition date - Per Excess over Investment Quality: Divestment Brief Description of the Asset (Refer to MC No. 4: date - Per % to Total* **Activity under** Remarks/Findings Cost Independent Limit Below Standard Program S2007) Trustee Program Valuation Cash Government Securities Listed Equity Securities Sub-total** Other Securities 1 The second 1455 Sub-total 7 7 . S. الأنؤر الماكرية Collective Investment Schemes 3.6.3 2 JAN 35 W. E. 3 and the State of 2012 V IN ART TO SHAPE Branch California 100 The state of the s A 38 1 Sub-total A STATE OF THE STA × 14, 19 Real Estate Rate Committee Assets 54 A 125 A 1 Par Marc Ville CHERT THE TAX TO SEE 14 6 X 3 n germanding were our e irrad jė Town Banks . The state of the s A STATE OF THE STA **李 纖症** Sub-total **第23章第二章第** the way to the 35. 外 4. 概念。 Planholder Loans Mind No. Jake a company 创建文 法证价 · 上 选进区 Same Jan. 1822 金马二克 法统 Subtotal **设备的公司** 建油 "军"。 THE PARTY OF THE 33. 医素质 . A . 31 TOTAL अध्य के निश्

^{*} Value in column 3 maybe used in the computation if that is the basis of the divestment program of the company.

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TAPPENDIX 1-B

As of end of the quarter period ended _____

Brief Description of the Asset	Investment Quality/Limit (Refer to MC No. 4, S2007)	Category*	Proof of Ownership or Interest over the Asset***	Acquisition Cost	Value as of 3/31/09 Per Trustee	Value as of 3/31/09 - Per Independent Valuation	Amount of addition	Amount of disposition	Value as of end of latest quarter	% to Total	Remarks/Findings
Cash								Test of the second		1 .	
Government Securities								A distance of the second	in the second se		
Listed Equity Securities										3,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Sub-total**								***	**************************************		· ·
Other Securities			-					· · · · · · · · · · · · · · · · · · ·	8 4	3 8 8	
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2									32 (38)	<u>2</u>	 -
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Sub-total								Maria de la compansión de	The second secon	- t	
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Collective Investment Schemes							अर्थका किल				
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Sub-total				 				PF 1 184 185		粉。一种一个	
Real Estate							\$56.45°C#8580			* *	
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Planholder Loans							MODINE *	9 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$)\$ \ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\	15 🤴 [17]	
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TOTAL		•						The state of the s	1.5483	Comments Supplied	

^{*}Category that shall be indicated shall be in accordance with the accounting policy for each of the asset, such as available for sale, held for trading, held to maturity or receivables.

The basis of valuation shall consider the category used for each asset, i.e., fair value/current market price, amortized cost, cost

^{**} Compare sub-total with the amount of the required Liquidity Reserve Fund which should be no less than 20% of the net value of trust fund assets

^{***} Indicate any encumbrance over the asset.

REPORT ON TRUST FUND CHARGES AND LIABILITIES

APPENDIX 2-B

For the quarter period ended _____

Brief Description of the Charges/Liabilities	Amount of Charges/Liabilities for the period ended March 31, 2009	Amount of Charges/Liabilities	% to Total Trust Fund Assets	Supporting document (as basis for the recognition of the Charge/Liability)	Remarks
Trust Fees					
Taxes					
Others (specify)					
			· · · · · · · · · · · · · · · · · · ·		
			-		
TOTAL					

REPORT C	ON DEP	OSITS	FOR	THE	QUA	RTER
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APPENDIX 3-B

For the guarter period ended	
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	Amount of Deficiency (carried over from the last reporting period)	Amount of Required Deposit	Amount of Actual Deposit	Amount of Deficiency as of end of the period	Remarks
_					
	2009				
	Month 1				
	Month 2			,	
	Month 3	·			
-					
	For the Quarter 2009				

	REPORT	ON WITHDRAY	NALS FOR	THE	QUARTER
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APPENDIX 4-B

For the	quarter	period	ended	•

Use of Proceeds from the Withdrawal:

[_ :	Period	Amount of Withdrawal for the	Payment of Benefits to Planholders	Trust Fees	-Taxes	- Others	Description of "Others"	Remarks
					·				
		2009							
	ı	Month 1							
	1	Month 2							
	r	Month 3							
٦.									
		For the 🚟 Quarter 2009 🐃 🗀							

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APPENDIX 5-B

As of end of the quarter period _____

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	Brief Description of the Asset	investment Quality/Limit (Refer to MC No. 4, S2007)	Acquisition Cost	Value as of report date	% to Total*	Limit	Investment Quality: Below Standard	Divestment Program	Status of each Activity under Program	Remarks
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ᆚ	Government Securities					- Web (at & Sac approach			
⁻╚	Listed Equity Securities	maga calcul "Station" for Calcular				1 2 N 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	and the second			
	Sub-total									
\perp	Other Securities						2.0	A [*]		
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MONITORING SHEET OF	N FINDINGS	OF NON-	-COMPLIANCE
As of the quarter period ended			

APPENDIX 6

	FINDINGS PROPOSED N	
	FINDINGS PROPOSED N	MEASURES TO ADDRESS THE FINDINGS ACTIONS TAKEN BY THE COMPANY
	Per Baseline Report	
	2	
3	3	
	4	
5	5	
	Per Latest Quarter Report (with admission/notation by the company)	
1	1	
2	2	
3	3	
4	4	
5	5	

These proposed measures shall be subject to approval by the Commission and without prejudice to the imposition of appropriate penalty for violation committed.