



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

**CIRCULAR NO. 1020
Series of 2018**

Subject: Amendment to the Basic Standards in the Administration of Trust, Other Fiduciary Accounts (TOFA) and Investment Management Accounts (IMA)

The Monetary Board, in its Resolution No. 1728 dated 18 October 2018, approved the amendment to *Appendix 83/Q-48* of the Manual of Regulations for Banks (MORB)/Manual of Regulations for Non-Bank Financial Institutions (MORNBFI).

Section 1. Part III.A.2 of Appendix 83/Q-48 is hereby amended to read, as follows:

xxx.

2. Establishment and Post Acceptance Review

xxx

Based on the results of the CSA, classification xxx:

- i. *Conservative.* Client wants an investment strategy where the primary goal is to prevent the loss of principal, and where the client prefers investment grade and highly liquid assets, government securities, Republic of the Philippines' bonds (ROPs), deposits with local banks/branches of foreign banks operating in the Philippines, and/or deposits with financial institutions in any foreign country: *Provided*, That said financial institution has at least an investment grade credit rating from a reputable international credit rating agency. For purposes of investing in a unit investment trust funds (UITFs), a client wants an investment strategy where the primary objective is to prevent the loss of principal and where the fund is invested in securities issued by the National Government and/or deposits with local banks/branches of foreign banks operating in the Philippines and/or with financial institutions in any foreign country: *Provided*, That said financial institution has at least an investment grade credit rating from a reputable international credit rating agency.

x x x."

Section 2. Transitory Provision

The following provision shall be incorporated as a footnote to the second paragraph of Appendix 83/Q-48 on Part III.A.2 Item (a) (a) Minimum information required for CSA:

Trust entities (TE) may already invest their existing money market unit investment trust funds (UITFs) for conservative clients in securities issued by the National Government: *Provided*, That the amended plan rules have been approved by the TE's board of directors, and that existing participants in the said money market UITFs shall be immediately notified and shall be allowed to withdraw their participations within reasonable time prior to such investment but in no case less than ten (10) banking/business days from notification.

The Bangko Sentral shall be notified of the amendments to the Plan Rules within thirty (30) banking/business days from approval of the amendments by the board of directors of the TE. The notice and the amendment to the Plan Rules shall be considered as "Category A-3" reports.

Section 3. Effectivity

This Circular shall take effect immediately.

FOR THE MONETARY BOARD:


NESTOR A. ESPENILLA, JR.
Governor

07 November 2018