



BANGKO SENTRAL NG PILIPINAS

**OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION AND EXAMINATION SECTOR**

MEMORANDUM NO. M-2014-045

To : ALL BSP SUPERVISED ENTITIES

Subject : Operational Guidelines on the Administration of the Personal Equity and Retirement Account (PERA)

Pursuant to Republic Act No. 9505 also known as the Personal Equity and Retirement Account (PERA) Act of 2008 (PERA Act) and its Implementing Rules and Regulations (PERA Rules), the following operational guidelines on the administration of PERA are hereby issued, certain capitalized terms herein used shall have the definitions ascribed to them in the PERA Rules unless the context otherwise requires.

I. ACCOUNT OPENING

A. Eligibility Review and Pre-acceptance Disclosure

- 1) Only a natural person who has the capacity to contract and has a Tax Identification Number (TIN) can be a Contributor.
- 2) The Administrator shall –
 - (a) Determine the exclusivity of PERA administration through an on-line validation in the PERA Contributors' Database (PERA System).
 - (b) Observe the following rules prior to any account opening:
 - i. A Contributor shall designate and maintain only one (1) Administrator for all his PERA;
 - ii. A Contributor may create and maintain a maximum of five (5) PERA at any one time; and
 - iii. Each PERA shall be confined to only one category of investment products. For this purpose, the categories of PERA investment products are as follows:
 - a. unit investment trust fund;
 - b. mutual fund;
 - c. annuity contract;
 - d. insurance pension product;
 - e. pre-need pension plan;
 - f. government securities;
 - g. stock or other security listed and traded in a local exchange;
 - h. exchange-traded bond; or
 - i. any other category of investment product or outlet which the concerned Regulatory Authority may allow for PERA purposes, provided that the product must be non-speculative, readily

marketable, and with a track record of regular income payments to investors.

- (c) Ensure that the minimum documentary requirements (Annex A) for the proper identification of the Contributor are properly complied with and in adherence with the Anti-Money Laundering regulations and the PERA Act; and
- (d) Fully disclose to the potential Contributor the following, using the Pre-Acceptance and General Risk Disclosure Statement (PGRDS)(Annex B):
 - i. Nature of a PERA, privileges and conditions of its establishment; emphasis must be placed on the long-term nature of PERA, the conditions for tax exemption and penalties for early withdrawal unless the early withdrawal is allowed under the PERA Act;
 - ii. Category and investor-risk profile classification of PERA Investment Products available to a Contributor;
 - iii. Risks associated with each category of PERA Investment Products which shall form part of the General Risk Disclosure Statement;
 - iv. Specific obligations and responsibilities of an Administrator, Investment Manager (Advisor) and Custodian; and
 - v. Prerequisite to appoint a Cash Custodian and an option to elect an Investment Manager (Advisor).

B. Account Opening Process

- 1) The Administrator shall –
 - (a) Require the Contributor to accomplish a PERA Client Suitability Assessment (PCSA) (Annex C) prior to account opening;
 - (b) Formulate an Investment Policy Statement (IPS) (Annex D) which shall serve as a frame of reference for investment decisions of the Contributor. The Administrator shall inform the Contributor of the full range of PERA Investment Products with emphasis on the specific category of products corresponding to the Contributor's risk profile classification as borne by the results of PCSA. The Administrator, however, shall provide a process for allowing Contributor to invest in PERA Investment Products not falling within his risk profile classification; provided that any such investment may be allowed only upon the prior written instruction of the Contributor;
 - (c) Execute the PERA Administration Agreement (PAA) (Annex E) and furnish the Contributor copies of the PAA along with the PGRDS, PCSA and IPS; and
 - (d) Ensure that the Contributor's account opening details are lodged in the PERA System.
- 2) In addition, the Administrator shall facilitate the Contributor's appointment of a Cash Custodian and as necessary, a Securities Custodian.
- 3) In the case of a Contributor who opts to engage the services of or has engaged an Investment Manager (Advisor), he shall provide the Administrator with a copy of the PERA Investment Management (Advisory) Agreement (Annex F). The said agreement shall set forth at its minimum, the overall investment philosophy,

standards, and practices of the Investment Manager (Advisor) and the validation by the Investment Manager (Advisor) of the Contributor's PCSA and IPS. The investment decisions made by the Investment Manager (Advisor) for and on behalf of the Contributor shall be in accordance with the authority granted by the Contributor in their agreement.

- 4) An entity who is offering a PERA Investment Product hereinafter referred to as the PERA Product Provider shall furnish the Administrator and/or Contributor all relevant documents necessary to facilitate the investment of a Contributor in the PERA Investment Product. Appropriateness of the PERA Investment Product based on PCSA and IPS of Contributor shall be validated by Administrator.

II. ACCOUNT ADMINISTRATION

A. Contributions

- 1) The Administrator shall –
 - (a) Secure proof of income when a contribution is made and ensure that the maximum aggregate contribution per calendar year as follows has not been exceeded. If in case proof of income is already obtained for a contribution made during the calendar year, the same shall no longer be required for subsequent contributions made during the year:
 - i. One Hundred Thousand Pesos (P100,000) or its equivalent in any convertible foreign currency at the prevailing rate for non-Overseas Filipino (non-OF); or
 - ii. Two Hundred Thousand Pesos (P200,000) or its equivalent in any convertible foreign currency at the prevailing rate for OF;For this purpose, prior to contribution, the status of an OF shall be validated by securing from the OF a sworn certification on his continuing status as an OF for the calendar year;
 - (b) Receive and acknowledge all contributions, initial and subsequent, through the PERA Contribution and Investment Instruction Form (PCIIF) (Annex G) which shall also contain the investment directives of the Contributor or his designated Investment Manager (Advisor);
 - i. The Administrator shall facilitate and assist the Contributor in completing the necessary documents for the chosen PERA Investment Product/s; and
 - ii. The Contributor shall be provided with the copies of the PERA Investment Product documents such as, but not limited to, Specific Risk Disclosure Statement if not yet provided by the Product Provider to the Contributor;
 - (c) Ensure that all contributions are directly remitted to the Cash Custodian;
 - (d) Maintain a record of all contributions made to the PERA on per account and aggregate basis;
 - (e) Ensure that the PCSA and IPS are periodically updated or as often as may be necessary, upon notice to the Administrator, on account of change in the Contributor's personal/financial circumstances or preferences;

- (f) Apply for Certificate of Entitlements or Tax Credit Certificate on behalf of the Contributor and likewise receive the same from the Bureau of Internal Revenue (BIR).

In the case of Employer's Contribution:

- (g) Accept the contributions of an Employer only if:
 - i. Its employees have already opened a PERA;
 - ii. Each employee has accomplished a PCIIF; and
 - iii. The maximum aggregate yearly contribution of the Contributor has not been exceeded.
 - (h) Issue to the Employer a Certificate of the Actual Amount of Qualified Employer's Contributions which shall serve as its basis for deduction on its gross income; and
 - (i) Secure from the Employer a certification on the Amount of Tax Not Withheld on Compensation/Fringe Benefits as a result of contributing to the PERA of its employees.
- 2) The Cash Custodian shall –
- (a) Open a PERA cash account for the Contributor which shall be governed by a PERA Cash Custody Agreement (Annex H);
 - (b) Receive and acknowledge all contributions directly remitted by the Administrator; and
 - (c) Custodize all funds of the PERA.
- 3) In the case of a Contributor who has an Investment Manager (Advisor), the Investment Manager (Advisor) shall accomplish the investment instructions portion of the PCIIF for and on behalf of the Contributor.

B. Choice of PERA Investment Product

- 1) The Administrator shall –
- (a) Execute the Contributor's or his Investment Manager (Advisor)'s instruction as indicated in the PCIIF;
 - (b) Based on the PCIIF, instruct the Cash Custodian to remit the funds to the chosen PERA Product Provider;
 - (c) Instruct the PERA Product Provider to transfer the securities or evidence of investments to the Securities Custodian and provide details of the PERA cash account of the Contributor for the credit of investment proceeds.
 - (d) Maintain a record of all investments including earnings and expenses relative to the PERA.
- 2) The Cash Custodian shall execute the Administrator's instruction as to disposition of the funds.
- 3) The PERA Product Provider shall –

- (a) Transfer the securities, evidence of deposits or other evidence of investments to the Securities Custodian chosen by the Contributor. In case of self-custody arrangement for securities that are non-transferable, non-negotiable and non-withdrawable, the evidence of investments shall be given to and kept by the Contributor;
 - (b) Credit to the Contributor's PERA cash account all cash due to the Contributor relative to his PERA Investment Product.
- 4) The Securities Custodian shall –
- (a) Open a PERA securities account for the Contributor which shall be governed by a PERA Securities Custody Agreement (Annex I);
 - (b) Receive and acknowledge all evidence of investments; and
 - (c) Custodize all non-cash assets of the PERA except those under self-custody arrangement.

C. Change of PERA Investment Product

- 1) PERA Investment Product/s may be changed provided that the entire PERA assets arising from the sale shall be transferred to another PERA Investment Product/s within two (2) working days from withdrawal thereof.
- 2) The Contributor or his Investment Manager (Advisor) shall accomplish the PCIIF and submit the same to the Administrator.
- 3) The Administrator shall –
 - (a) Execute the investment instructions of the Contributor or his Investment Manager (Advisor) as indicated in the PCIIF; and
 - (b) Coordinate with PERA Product Provider, Cash Custodian and Securities Custodian as to disposition of the PERA assets.

D. Suspension or Revocation of Qualification/Accreditation

Common provisions in the event of suspension or revocation of qualification/accreditation:

- 1) The Administrator, Investment Manager (Advisor) or Custodian, as the case may be, shall –
 - (a) Notify the Contributors by direct written notice to each Contributor and through posting of notices in its head office and branches, within three (3) working days from receipt of notice of suspension or revocation from the BSP; and
 - (b) Institute a mechanism to monitor and ensure that all Contributors have received the notice of suspension or revocation.
- 2) The Contributor shall advise the Administrator, Investment Manager (Advisor), or Custodian of his choice of a new Administrator, Investment Manager (Advisor), or Custodian, as the case may be, within three (3) working days from receipt of

the notice of suspension or revocation. Failure of the Contributor within the prescribed period to designate a new Administrator or Custodian shall authorize his current Administrator or Custodian to appoint its successor that shall assume all its duties and responsibilities to the Contributor.

In the event of suspension or revocation of their qualification/accreditation:

- 1) The former Administrator shall –
 - a) Effect the transfer of PERA assets to the new Administrator chosen by the Contributor within two (2) working days from receipt of Contributor's advice; otherwise, the former Administrator shall be personally liable for the early withdrawal penalties which may be imposed by the BIR; and
 - b) Turn-over to the new Administrator the complete and updated files and records (in soft and hard copies) of the Contributor's PERA.

While the new Administrator shall –

- a) Ensure the completeness of PERA files and records turned-over by the former Administrator that will enable proper performance of its functions; and
 - b) Follow all the procedures enumerated in item II of this memorandum (Account Administration) that are necessary to ensure continuity of the PERA.
- 2) The former Investment Manager (Advisor) shall advise the Contributor and his Administrator within the above prescribed period; however, in the absence of any advice from the Contributor on his choice for a new Investment Manager (Advisor), the former Investment Manager (Advisor) shall turn over to the Administrator all the Contributor's PERA records and documents.
- 3) The former Custodian shall advise the Contributor and his Administrator within the above prescribed period and shall –
 - (a) Turn over to the new Custodian all PERA assets in its custody within two (2) working days from receipt of Contributor's advice; and
 - (b) Submit to the Administrator a report on all financial transactions and documents in its custody relative to the transferred PERA assets within the same period.

While the new Custodian shall –

- a) Receive and acknowledge the PERA assets turned-over by the former Custodian; and
 - b) Follow all the procedures enumerated in item II of this memorandum (Account Administration) that are necessary to ensure continuity of the PERA.

E. PERA Records and Reports

- 1) The Administrator shall –
 - (a) Possess adequate systems and technological capabilities to ensure proper recording and tracking of Contributor's PERA;

- (b) Maintain separate set of books of accounts for all contributions, investments, earnings, expenses, withdrawals and terminations of the PERA;
- (c) Retain documentary proof of contribution/income/withdrawal/ termination subject to validation of the BIR whenever requested;
- (d) Monitor and keep track of the Contributor's tax credits, privileges and other entitlements; and
- (e) Consolidate and reconcile all transactions/documents with the Cash and Securities Custodians.

2) In addition, the Administrator shall submit the following reports:

Recipient	Frequency	Particulars
Contributor	As applicable	Sale and purchase of PERA assets
	Quarterly	Summary of the following information: <ul style="list-style-type: none"> i. Total contributions and withdrawals for each PERA, indicating therein the total amount of contributions entitled to tax incentives; ii. Total income earned on the contributions, indicating those entitled to income tax exemption; iii. Total fees and charges assessed and paid by the Contributor to Administrator, Investment Manager (Advisor), if any, Cash and/or Securities Custodians; iv. Purchase and sale transactions of PERA assets implemented and those pending execution; and v. Valuation of the PERA assets and investments.
Employer of a Contributor	Annually	Certification on the actual amount of the qualified employer's contribution in case when the employer made contributions to the PERA of its employees
BSP	Quarterly	Reports on all PERA assets under its administration which shall form part of the Financial Reporting Package (FRP) of banks and trust entities
BIR	As provided	PERA reports as may be required by the BIR

Furthermore, the Administrator shall perform periodic uploading of transactions details to the PERA System.

- 3) The Cash and Securities Custodians shall submit the following reports to –
 - (a) The Contributor and the Administrator – a quarterly securities and cash activity report of all financial transactions and documents under their custody within 10 days after the end of each quarter; and
 - (b) The BSP – quarterly reports on all PERA assets and documents under their custody which shall form part of the financial reporting package of banks and trust entities.
- 4) The Investment Manager (Advisor) shall provide periodic reports to the Contributor as stipulated in the PERA Investment Management (Advisory) Agreement.

F. Valuation of PERA Investment Product

Each PERA Investment Product shall be valued in accordance with the valuation methodology, standards and reporting requirements as prescribed by the concerned Regulatory Authority of that PERA Investment Product; provided that such valuation methods and standards are in accordance with internationally accepted accounting and valuation standards.

G. Accounts Review

- 1) The Administrator shall conduct a periodic administrative review of all PERA under its administration to ensure that –
 - (a) Transactions involving PERA comply with the Contributor's or his Investment Manager (Advisor)'s instructions, contracts, and applicable laws, rules and regulations;
 - (b) Investments of the Contributor are aligned with his risk profile and/or IPS, and are authorized by the Contributor or his Investment Manager (Advisor);
 - (c) Books of accounts are correct and updated, and appropriate taxes/penalties are properly accounted and/or paid to the government, when applicable; and
 - (d) PERA assets are kept separate from other assets of the Administrator for the purposes of insolvency.
- 2) The Administrator or the Contributor's Investment Manager (Advisor), if any, shall conduct at least quarterly an investment performance review of all PERA Investment Products and/or all PERA assets of the Contributor. The results of such review shall be reported to the Contributor through his quarterly financial statements, or as frequent as necessary.

H. Collection of Fees

- 1) The Administrator, Investment Manager (Advisor) and Cash/Securities Custodian may charge against the PERA appropriate fees that are commensurate to the services rendered in relation to the Contributor's PERA.
- 2) The Investment Manager (Advisor) and Cash/Securities Custodian shall provide the Contributor's Administrator with their respective bills for their investment management services and custodial services.
- 3) The Administrator may –
 - (a) Correspondingly charge against the PERA of a Contributor the appropriate fees such as administration, investment management and custodial fees and report the same to the Contributor; and
 - (b) Instruct the Cash Custodian to pay the Administrator, Cash/Securities Custodian and Investment Manager (Advisor), if any.

III. ACCOUNT WITHDRAWALS, DISTRIBUTIONS AND TERMINATION

A. Early Withdrawal

- 1) The following shall not be subject to early withdrawal penalties:
 - (a) When the Contributor had an accident or illness-related hospitalization in excess of 30 days, provided that there is a notarized doctor's certificate attesting to said event;
 - (b) When the Contributor becomes permanently totally disabled as defined under the Employees Compensation Law, Social Security Law or Government Service Insurance System Law, provided that he has a certification from the pertinent government agency; or
 - (c) Immediate transfer of assets to another eligible PERA Investment Product and/or another Administrator, who have been disaccredited either by the BIR or the BSP, within two (2) working days from withdrawal thereof.
- 2) All other early withdrawals not mentioned above shall be imposed early withdrawal penalties.
- 3) The early withdrawal penalties to be imposed shall be those set forth in BIR Revenue Regulations No. 17-2011 and subsequent BIR issuances.

B. Qualified PERA Distributions

The following are considered qualified PERA distributions and shall be exempt from the payment of income taxes or estate tax, if applicable:

- 1) When the Contributor reaches the age of 55 years and has made contributions for at least five (5) years:
 - (a) The Contributor has the option to receive his PERA assets in lump-sum, pension for a definite period or lifetime pension;
 - (b) Notwithstanding this condition, the Contributor may opt to continue his PERA and its tax-privileges; or
- 2) Upon the death of the Contributor, provided that a death certificate was presented:
 - (a) The Administrator shall terminate the PERA and release the assets to the Contributor's designated beneficiary/ies;
 - (b) In case when there is/are no designated beneficiary/ies, the Administrator shall release the PERA assets to the Contributor's estate in accordance with the laws on succession and rules of court.

C. Release of PERA Assets

- 1) The Administrator shall –

- (a) Secure from the Contributor or his designated beneficiary/ies, when applicable, the duly accomplished PERA Notice of Withdrawal/ Termination Form (PNWTF) (Annex J) and other necessary documents;
 - (b) Execute the divestment instructions of the Contributor or his designated beneficiary/ies;
 - (c) Instruct the Securities Custodian to release the evidence of investments to the appropriate parties and remit the divestment proceeds to the Cash Custodian;
 - (d) Compute the early withdrawal penalties, if any, in accordance with the rules set forth by the BIR which shall be deducted from the divestment proceeds and instruct the Cash Custodian to remit the early withdrawal penalties to the BIR;
 - (e) Report the withdrawal/termination transactions and submit the necessary documents to the BIR; and
 - (f) Account for the unwithdrawn portion of the PERA, if any.
- 1) The Cash Custodian shall –
- (a) Release the divestment proceeds, net of early withdrawal penalties if any, to the Contributor or his designated beneficiary/ies; and
 - (b) Remit the early withdrawal penalties to the BIR as instructed by the Administrator.

For guidance and immediate implementation.


NESTOR A. ESPENILLA, JR.
Deputy Governor

02 December 2014

**PERSONAL EQUITY AND RETIREMENT ACCOUNT (PERA)
Minimum Documentary Requirements for Account Opening**

- 1) Customer Information Sheet and Identification Cards as provided under the rules and regulations on anti-money laundering
- 2) Signature Cards
- 3) Proof of income earnings for the calendar year or to be earned during the calendar year
 - (a) For Overseas Filipino (OF) who is working or deriving income from abroad:
 - i. Overseas Employment Certificate or its equivalent document issued by the Philippine Overseas Employment Authority; and
 - ii. Any official document showing that he will earn or has earned income in a foreign country in the year of PERA contribution
 - (b) For an individual who has retained or re-acquired his Philippine citizenship under R.A. 9225 otherwise known as the "Citizenship Retention and Reacquisition Retention Act of 2003":
 - i. Identification Certificate issued by the Bureau of Immigration, to prove his reacquisition of Philippine citizenship; and
 - ii. Any official document showing that he will earn or has earned income in a foreign country in the year of PERA contribution
- 4) If the PERA will be opened by spouse or child of the Overseas Filipino (OF) in the name of the OF:
 - (a) Authorization to open a PERA account issued by the OF;
 - (b) For the spouse of an OF, Marriage Contract (MC) in security paper issued by the National Statistics Office (NSO) or Certified True Copy of MC issued by the Local Civil Registrar (LCR) and duly authenticated by NSO or Report of Marriage duly authenticated by NSO if married abroad;
 - (c) For the child of an OF, Birth Certificate (BC) in security paper issued by the National Statistics Office or Certified True Copy of BC issued by the LCR and duly authenticated by NSO or Report of Birth duly authenticated by NSO if born abroad showing that he/she is a child of and is at least 18 years old; and
 - (d) Sworn certificate that he is opening account on behalf of his spouse or his parent who has not availed of PERA
- 5) In case when the Contributor appoints an Investment Manager (Advisor):
 - (a) PERA Investment Management (Advisory) Agreement;
 - (b) Details/contact information of Investment Manager (Advisor);
 - (c) Board resolution appointing authorized signatories of Investment Manager (Advisor) (if institutional Investment Manager (Advisor)); and
 - (d) Signature cards of authorized signatories.

PRE-ACCEPTANCE AND GENERAL RISK DISCLOSURE STATEMENT

Nature of PERA

PERA is a voluntary retirement account for your exclusive use and benefit. As a Contributor, you can open a maximum of five (5) PERA at any one time provided that you shall designate and maintain only one Administrator for all your PERA. Each PERA, however, shall be confined one category of investment products. You shall make all investment decisions concerning your PERA unless you choose to appoint an Investment Manager (Advisor), in writing or in electronic form, to make investment decisions on your behalf without prior consultation.

The maximum amount of annual contributions entitled to a five (5) percent tax credit shall be Php 100,000.00 or its equivalent in any convertible foreign currency at the prevailing rate at the time we receive your contribution. If you are/become an Overseas Filipino, your maximum annual contributions shall be Php 200,000.00 or its equivalent as earlier mentioned. All income earned from investments and reinvestments of contributions to your PERA are tax-exempt.

Upon attaining the age of 55 years and provided that you have made contributions to your PERA for at least five (5) years, you may opt to terminate your PERA without any income tax liability or to continue with your PERA and enjoy the corresponding tax privileges. If you opted to terminate your PERA, you have the further option to receive your PERA assets in lump sum or pension for a definite period or lifetime pension.

In the event of your demise, your PERA shall automatically terminate and the PERA assets shall be released to your designated beneficiaries. If you fail to designate beneficiaries, the PERA assets shall be paid to your estate in accordance with the laws on succession and Rules of Court. However, they shall not form part of your estate subject to estate tax.

Notwithstanding the two preceding paragraphs, you can also terminate or withdraw from your PERA without an Early Withdrawal Penalty under the following circumstances:

- (a) When you had an accident or illness-related hospitalization in excess of 30 days, provided that there is a notarized doctor's certificate attesting to said event; or
- (b) When you become permanently totally disabled as defined under the Employees Compensation Law, Social Security Law or Government Service Insurance System Law, provided that there is a certification from the pertinent government agency.

In addition, the immediate transfer of PERA assets to another eligible Investment Product and/or another Administrator, who have been disaccredited either by the BIR or the BSP, within two (2) working days from withdrawal thereof, shall not be imposed an Early Withdrawal Penalty.

As a Contributor, you have the right to choose an Administrator, Investment Manager (Advisor) and Cash/Securities Custodian of your PERA. The specific obligations, duties and responsibilities can be found in the respective agreements that you will execute with the concerned party/ies.

Category and Classification of PERA Investment Products and the Associated Risks

PERA Investment Products have different categories and classifications with varying risks. By selecting these investment products, you have decided to assume some risks in exchange for a given return over a certain period of time.

As PERA Administrator, we would like to ensure that you understand these particular risks you are taking. Different investments carry different degrees of risks and before you invest, it is important that you:

- Read and understand this General Risk Disclosure Statement completely;
- Fully understand the nature of the investment and the extent of your exposure to risks;
- Read and understand the Specific Risk Disclosure Statement provided by the chosen PERA Product Provider; and
- Independently determine that the investment in the PERA Investment Product is appropriate for you.

The PERA Investment Product that you select may belong to one or more general categories of investments. Each class exposes your money to different risks and the return you earn over the long term usually reflects the kind of risks you take.

Listed below are the different general risks for each category of PERA Investment Products:

CATEGORY OF PERA INVESTMENT PRODUCT	GENERAL RISKS
Unit Investment Trust Funds	Interest Rate Risk, Market/Price Risk, Liquidity Risk, Credit/Default Risk, Reinvestment Risk, Foreign Exchange Risk, Country Risk
Mutual Funds	Interest Rate Risk, Market/Price Risk, Liquidity Risk, Credit/Default Risk, Reinvestment Risk, Foreign Exchange Risk, Country Risk
Annuity Contracts	Liquidity Risk, Credit/Default Risk, Business Risk
Insurance Pension Product	Liquidity Risk, Credit/Default Risk, Business Risk
Pre-need Pension Plan	Liquidity Risk, Credit/Default Risk, Business Risk
Government Securities	Interest Rate Risk, Market/Price Risk, Liquidity Risk, Credit/Default Risk,

	Reinvestment Risk, Foreign Exchange Risk, Country Risk, Inflation Risk
Listed Stock	Market/Price Risk, Liquidity Risk, Reinvestment Risk, Business Risk, Inflation Risk, Country Risk
Exchange Traded Bonds	Interest Rate Risk, Market/Price Risk, Liquidity Risk, Credit/Default Risk, Reinvestment Risk, Foreign Exchange Risk, Country Risk, Inflation Risk, Business Risk
Others	Other types of PERA Investment Products not listed here may also be subject to the same types of risks as enumerated in this document. The Contributor must ensure that he reads and understands the Specific Risk Disclosure of the chosen PERA investment products.

Risks of the underlying investments of your chosen PERA Investment Products are:

INVESTMENT RISK	GOVERNMENT SECURITIES	CORPORATE NOTES, BONDS & PREFERRED STOCKS	COMMON STOCKS
<p>INTEREST RATE RISK</p> <p>The value of fixed-income investments such as notes and bonds generally fall when interest rates rise. The potential for loss is typically greater for securities that have a longer term to maturity, have a longer duration or have a lower yield or coupon rate. Of course, the reverse is also true: bond prices go up when interest rate go down. Most day-to-day price changes in bonds are caused by the constant movement of interest rates. Stocks can also suffer during periods of volatile interest rate movements.</p>	✓✓✓	✓✓✓	
<p>REINVESTMENT RISK</p> <p>This is the risk that you will reinvest your interest earnings or the proceeds from the sale or maturity of your bond at a rate that is lower than your original investment, thus reducing your periodic income. For example, you could decide to sell a bond that has risen in value because interest rates have fallen. However, you might have to reinvest at the lower current interest rate which earns you less interest moving forward.</p>	✓✓✓	✓✓✓	
<p>CREDIT/DEFAULT RISK</p> <p>Bonds represent a loan that you have made to the issuer of the bond. The creditworthiness of the issuer is the relative ability of the issuer to pay your interest and principal on time. This creditworthiness can change during the life of your bond. Credit ratings are often used to gauge a bond issuer's ability to repay their obligations. Remember that issuers with higher credit risk typically pay higher interest rate to compensate you for taking additional risk. Bonds that are perceived to have a higher risk of default would have to pay higher yields to make up for that risk.</p>	✓	✓✓✓	
<p>BUSINESS RISK</p> <p>While bondholders can reasonably expect to get paid interest and principal regardless of a corporation's business results, stockholders as fractional owners of corporations share in the fortunes of the business. The rise and fall of stock prices often reflect the market's perception of the prospects of corporations and their management to reward stockholders for taking these risks that are unique to each business.</p>		✓	✓✓✓

INVESTMENT RISK	GOVERNMENT SECURITIES	CORPORATE NOTES, BONDS & PREFERRED STOCKS	COMMON STOCKS
COUNTRY RISK Securities can be affected by the political, economic and social structures within the countries of their issuers. These include, among others, possible internal and external conflicts, currency devaluations, foreign ownership limitations, trading costs and tax increases. Some corporations enjoy significant revenue from different countries, mitigating this risk to some degree.	✓	✓	✓
FOREIGN EXCHANGE RISK Closely related to country risk, foreign exchange risk exists when you invest in securities that are denominated in a currency that is different from the one you spend. For example, earnings of your USD-denominated bond could be reduced or even negated by an appreciation of the Philippine Peso vis-à-vis the US Dollar.	✓✓	✓✓	✓
MARKET /PRICE RISK You can reduce many risks such as business risk and country risk by diversifying the kinds of businesses you invest in. Factors like interest rates, legislation, foreign exchange and taxes will affect different business in different ways. But there are market factors affecting all securities that cannot be controlled by diversification. The markets and the sentiment of investors as a whole is unpredictable. Market downturns can come swiftly and last a long time.	✓	✓✓	✓✓✓
INFLATION RISK Affecting all investments, inflation reduces the purchasing power of your money. You want the value of your investments to keep pace or exceed the rate by which the prices of goods and services go up. Historically, inflation risk is greatest for short-term guaranteed securities like time deposits and treasury bills.	✓✓✓	✓✓	✓
LIQUIDITY RISK Efficient markets are characterized by multiple buyers and sellers. Liquidity is a measure of how easy it is for a security to be converted into cash. A liquid security is widely held and is frequently traded by many buyers and sellers every day. The differences between its sellers' prices and its buyers' prices tend to be quite small. An illiquid security is less often traded; you may be unable to sell it in a timely manner or find a buyer who is willing to pay the price you feel is reasonable.	✓	✓✓	✓✓

Legend:

✓ - low level of risk ✓✓ - medium level of risk ✓✓✓ - high level of risk

In addition to these risks, you should be fully aware of the costs of your investment. Buying securities individually or investing through mutual funds, unit investment trust funds or variable universal life contracts involve different costs, fees and commissions. Some investments may also involve potential conflicts of interest among issuers, underwriters, sellers, agents and trustees. You have the right to full disclosure of this information.

Investment returns should compensate investors for: a) the expected inflation rate; b) the time value of money for your investment horizon; and c) the risks that are listed above. While these risks generally work in your favor over the long term, they can also affect the value of your investments negatively. Sometimes these negative effects can happen suddenly and last a long time. It may not be possible to achieve a full understanding of all

risks in investing but we encourage you to keep fully aware of your investments, ask questions and seek counsel from qualified advisers on legal, tax and general investment matters.

I have completely read and fully understood this Pre-Acceptance and General Risk Disclosure Statement and the same was clearly explained to me by (Name of Personnel), PERA Administrator, before I affixed my signature herein. I hereby voluntarily and willingly agree to comply with any and all laws, regulations, the rules, terms and conditions governing my opening of PERA with (Name of Administrator).

Signature over Printed Name
of Contributor

Date

I acknowledge that I have (1) advised the client to read this Pre-Acceptance and General Risk Disclosure Statement, (2) encouraged the client to ask questions on matters contained in this Pre-Acceptance and General Risk Disclosure Statement, and (3) fully explained the same to the client.

Signature over Printed Name of
PERA Administrator

Date

PERA CLIENT SUITABILITY ASSESSMENT

Name (Last Name, First Name, Middle Name)

Birthdate

1. What is your monthly gross income / allowance?

- PHP 25,000 and below
 PHP 25,001 to PHP 50,000
 PHP 50,001 to PHP 75,000
 Over PHP 75,000

2. You want investments that primarily give

- Safety of principal, returns are only secondary
 Steady stream of interest income, capital appreciation is only secondary
 Balance between regular interest income and capital appreciation
 Significant capital appreciation, regular interest income is only secondary

3. How would you rate yourself as an investor?

- No experience – Excess funds are mainly parked in bank savings accounts.
 Little experience – Has exposure to term deposits, money market placements and money market funds; Much of investments are in fixed-income low-risk instruments.
 Fairly experienced – Investments are a combination of stocks and fixed income, including corporate bonds and government securities, as well as equity and bond funds. High-risk investments still account for a small portion of the investment portfolio.
 Very experienced –Has a diversified investment portfolio which includes investment products which provide considerably high return on capital but may involve volatility of returns and higher possibility of loss of investment. These include stocks and foreign-currency denominated instruments.

4. What is your risk tolerance?

If I have a principal amount of PHP 100,000 , I am willing to take:

- Very minimal risks in exchange for minimal returns. What is important is that my principal remains intact.
 Additional risks to potentially increase the value of my principal to PHP 110,000 but I can only accept a decrease in value of principal down to PHP 90,000.
 More risks to potentially increase the value of my principal to PHP 120,000 but I can only accept a decrease in value of principal down to PHP 80,000.
 Additional risks and a high degree of volatility in exchange for the potential to increase my principal to more than PHP 120,000. I am not concerned if the principal value of my investment goes below PHP 80,000

5. Which among the following financial instruments do you have knowledge of OR have basic awareness of?

- Savings/time deposits only
 Savings/time deposits, and Government Securities
 Savings/time deposits, Government Securities, and Corporate Notes and Bonds
 Savings/time deposits, Government Securities, Corporate Notes and Bonds, and Equities

6. Which among the following financial instruments are you interested to invest in?

- Savings/time deposits only
 Savings/time deposits, and Government Securities
 Savings/time deposits, Government Securities, and Corporate Notes and Bonds
 Savings/time deposits, Government Securities, Corporate Notes and Bonds, and Equities

7. What is your current age:

- 55 years old and above
- 43 to 54 years old
- 31 to 42 years old
- 18 to 30 years old

Answer	No. of Answers	x Points	= Total Score per Answer
(a)		5	
(b)		10	
(c)		15	
(d)		20	
Total Score			

Type	Score	General Investment Approach
Conservative	Up to 70 points	Bank Deposits, Money Market placements and funds, Short term Gov't Securities
Moderate	71 to 105 points	Long term gov't securities, Corporate Bonds and Notes, Bond Funds
Aggressive	106 points and above	Stocks/Equities, Balanced Funds, Equity Funds

I fully understand that PERA Investment is long-term and shall be distributed only upon retirement (55 years of age with at least 5 years of contribution).

Signature Over Printed Name
Of Contributor

Date

Assessed by:

Signature Over Printed Name
Of PERA Administrator

Date

INVESTMENT POLICY STATEMENT for PERA

The IPS is a clear reference frame for investment decisions and must be based on the investment objectives and risk tolerance of the Contributor. The purpose of this Investment Policy Statement (IPS) is to assist the Contributor in effectively monitoring and evaluating the PERA Assets and its performance. The Contributor's investment program is defined in the various sections of this IPS.

RISK TOLERANCE

The client has a _____ risk profile.

INVESTMENT OBJECTIVE

The client seeks to achieve _____.

INVESTMENT STRATEGY

General Investment principles require that a PERA Contributor should only consider investment products that match his/her risk profile. A letter of Instruction, specifying the amount, name of investment product, the type of investment, its risk category and custodian is required from a PERA Contributor before the PERA Administrator can process the investment desired.

Considering the Contributor's _____ RISK PROFILE, his PERA contributions may be invested in the following investment products which should be PERA-eligible, to wit:

PERA Investment Product	Risk Classification	% to Total	Benchmark
A. Unit Investment Trust Fund			
B. Share of Stock of Mutual Fund			
C. Annuity Contract			
D. Insurance Pension Product			
E. Pre-need Pension Plan			
F. Government Securities			
G. Share of Stock			
H. Exchange-traded Bond			
I. Others (specify)			

INVESTMENT GUIDELINES

The investments of the PERA shall be denominated in (currency).

The PERA Administrator may invest and reinvest the principal and income of the PERA in other PERA Investment Products only upon prior instruction of the Contributor or his Investment Manager (Advisor).

It is understood that by signing this Investment Policy Statement (IPS), the PERA Administrator has disclosed and explained to the Contributor the General Disclosures pertinent to PERA, the Specific Risk Disclosures on Investments and the transaction procedural flow and expenses of the investment transaction.

REPORTING AND INVESTMENT PERFORMANCE REVIEW

The Contributor shall be provided with regular reports/statements of the PERA and their activities on a quarterly basis by way of mail or electronic access. Such reports shall include a Schedule of Outstanding PERA Assets with corresponding return on investments (ROI) which shall be the basis for the Contributor's evaluation of the investment performance of his PERA.

The PERA Administrator or the Contributor's Investment Manager (Advisor), if any, shall conduct at least quarterly an investment performance review. On the other hand, the Contributor and the PERA Administrator shall review this Investment Policy Statement once every three years or as deemed necessary to assure the continued accuracy and relevance of investment objectives and guidelines. However, this IPS may be modified from time to time to reflect changes deemed necessary.

ADOPTION OF INVESTMENT POLICY STATEMENT

Prepared by:

Signature over printed name of PERA Administrator

Date: _____

Approved by:

Signature over printed name of Contributor

Date: _____

PERA ADMINISTRATION AGREEMENT

The undersigned _____, who is of legal age, Filipino citizen, hereinafter the CONTRIBUTOR, with full legal capacity intends to establish a Personal Equity and Retirement Account (PERA) in accordance with the Personal Equity and Retirement Account Act of 2008 (PERA Act) and its Implementing Rules and Regulations (PERA Rules), under the terms and conditions herein stated and hereby appoints _____ as its ADMINISTRATOR. Certain capitalized terms herein used shall have the definitions ascribed to them in the PERA Rules unless the context otherwise requires.

1. **Delivery of the Fund** – Upon execution of this Agreement, the CONTRIBUTOR, shall deliver to the ADMINISTRATOR the initial sum consisting of PESOS:

(Php _____). At any time hereafter and from time to time at the discretion of the CONTRIBUTOR, the latter may deliver additional funds to the ADMINISTRATOR which shall form part of the PERA ASSETS and shall be subject to the same terms and conditions of the Agreement.

2. **Composition** – The amount/s which the CONTRIBUTOR has delivered and will thereafter deliver to the ADMINISTRATOR, as well as such securities in which said sums are/will be invested, the proceeds, interest, dividends and income or profits realized from the administration, investment and reinvestment thereof, less payments and other charges, which at the time of reference shall have been made by the ADMINISTRATOR, shall constitute the administered funds and shall hereafter be designated and referred to as "PERA ASSETS".

3. **Nature of Agreement** – THIS AGREEMENT IS VALIDLY ENTERED INTO BY THE PARTIES FOR THE BENEFIT OF THE CONTRIBUTOR. IT IS UNDERSTOOD THAT THIS AGREEMENT IS NOT COVERED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION ('PDIC') AND THAT ANY LOSS OR DEPRECIATION IN THE VALUE OF THE PERA ASSETS, IF ANY, RESULTING FROM THE INVESTMENTS OR REINVESTMENT MADE IN ACCORDANCE WITH THE PERA ACT AND PERA RULES SHALL BE FOR THE ACCOUNT OF THE CONTRIBUTOR, IF LIVING, OTHERWISE, HIS BENEFICIARIES.

4. **Nature of PERA** – PERA is a voluntary retirement account established by the CONTRIBUTOR for the purpose of saving for his retirement. The CONTRIBUTOR shall be entitled to the tax benefits on his PERA contributions provided he complied with the eligibility requirements and conditions set forth in the PERA Act and PERA Rules.

5. **Functions of the Administrator** – The ADMINISTRATOR shall perform the following as PERA Administrator:

- a. Educate and inculcate financial literacy in the Contributor;
- b. Open the PERA in the name of the Contributor;
- c. Receive, record and deposit the cash contributions from the Contributor to a designated cash custodian for investment in the PERA products;
- d. Implement the Contributor's and/or his INVESTMENT MANAGER (ADVISOR)'s instructions on where to invest the PERA funds;
- e. Ensure that PERA contributions are invested and reinvested in accordance with the written instruction of the Contributor's and/or his INVESTMENT MANAGER (ADVISOR)'s and the prudential guidelines set by the regulatory authorities);
- f. Observe PERA contribution limits for tax purposes and enforce withdrawal limits;
- g. Report to the Bureau of Internal Revenue (BIR) and the Contributor the contributions made to the PERA and the withdrawals therefrom;
- h. Compute the values of investments in accordance with internationally accepted accounting and valuation standards, and report the same to the Contributor, the Bangko Sentral ng Pilipinas (BSP), and the BIR;
- i. Custodize the cash and securities comprising the PERA with the designated Custodian;
- j. Apply for BIR Income Tax Credit Certificates/Certificate of Entitlement on behalf of the Contributor;
- k. Ensure that appropriate taxes and penalties relative to PERA are paid to the Government; and
- l. Keep and consolidate records of all contributions, investments, earnings, expenses and withdrawals from the PERA and the valuations of the PERA ASSETS, and make regular reports thereon to the Contributor, BSP, and the BIR on a regular basis or upon their requests.

6. Powers of the Administrator - The ADMINISTRATOR is hereby conferred the following powers, to:

- a. Invest or reinvest the PERA ASSETS in PERA Investment Products as directed by the CONTRIBUTOR and/or his INVESTMENT MANAGER (ADVISOR);
- b. Dispose of PERA ASSETS to fund the CONTRIBUTOR's withdrawals from the PERA subject to termination advice from the CONTRIBUTOR;
- c. Deduct Early Withdrawal Penalty, if appropriate, from the proceeds due to the CONTRIBUTOR on the PERA ASSETS in accordance with BIR PERA Revenue Regulations (RR No. 17-2011);
- d. Pay such taxes as may be due in respect of or on the account of the PERA excluding those that are enumerated under the list of exemptions under BIR PERA Revenue Regulations (RR No. 17-2011);
- e. Instruct the designated cash custodian to pay all reasonable costs, charges and expenses, including custody fees and compensation of the ADMINISTRATOR for all services relative to the PERA;
- f. Vote in person or by proxy on any stocks, bonds or other securities held by it as ADMINISTRATOR under this Agreement as instructed by the CONTRIBUTOR and/or his INVESTMENT MANAGER (ADVISOR);
- g. Exercise in person or through an agent any option appurtenant to stocks, bonds or other securities held by it for the conversion thereof into other stocks, bonds or securities or to exercise any right to subscribe for additional stocks, bonds or other

- securities and to make any and all necessary payments therefore as instructed by the CONTRIBUTOR and/or his INVESTMENT MANAGER (ADVISOR); and
- h. Disclose any and all information in relation to the CONTRIBUTOR's PERA which is required by third parties including but not limited to PERA Cash Custodian, PERA Securities Custodian and regulatory authorities to execute the instructions of the CONTRIBUTOR with regard to his PERA, and the efficient operation and administration of the Contributor's PERA. The CONTRIBUTOR's rights under **REPUBLIC ACT NO. 1405 (Bank Secrecy Law) AND SECTION 55 OF REPUBLIC ACT NO. 8791 (General Banking Law of 2000)** are hereby expressly waived as a result.

7. Prior Written Investment Instruction - The Administrator shall secure from the Contributor a duly accomplished PERA Contribution Investment Instruction Form (PCIIF) for every contribution and/or every investment activity which shall contain the following minimum information:

- a. The transaction to be entered into;
- b. The PERA Investment Product - its issuer, product category and risk classification;
- c. Amount involved; and
- d. Collateral security(ies), if any.

8. Exemption from Liability – In the absence of fraud, bad faith, gross negligence or willful default on the part of the ADMINISTRATOR, the ADMINISTRATOR shall not be liable for any loss or damage to the PERA ASSETS arising out of or in connection with any act done or performed or caused to be done or performed by the ADMINISTRATOR pursuant to the terms and conditions herein agreed, to carry out the powers, duties and purposes for which this Agreement is executed.

The ADMINISTRATOR shall not incur any liability whatsoever with respect to any action taken by it in good faith and upon reliance on any instruction, notice, direction or consent believed by it to be genuine and to have been sent or signed by the CONTRIBUTOR or his INVESTMENT MANAGER (ADVISOR).

The CONTRIBUTOR shall indemnify the ADMINISTRATOR for all losses, claims and liabilities that the latter may incur or suffer in connection with the Agreement, except when such losses, claims and liabilities are due to fraud, bad faith, gross negligence or willful default on the part of the ADMINISTRATOR.

Any action of the ADMINISTRATOR pursuant to any provision of this Agreement and all requests, directions, requisitions for money, certifications and instructions for disbursements of the PERA shall be documented by the Administrator and acknowledged by the CONTRIBUTOR.

The CONTRIBUTOR hereby warrants that the funds constituting and delivered to the PERA as well as other future funds to be delivered by the CONTRIBUTOR to the ADMINISTRATOR for the PERA are not in any manner derived from illegal activities, including drug trafficking, terrorism, organized crime, fraud and any other crimes.

9. Accounting and Reporting – The ADMINISTRATOR shall keep and maintain books of accounts and other accounting records as required by law. The CONTRIBUTOR shall have access to or may inspect such books of accounts and all other records relating to his PERA. The ADMINISTRATOR shall prepare and submit to the CONTRIBUTOR on a quarterly basis such reports in accordance with BSP and BIR regulations governing PERA, including:

- a. Total contributions and withdrawals for each PERA, indicating therein the total amount of contributions entitled to tax incentives;
- b. Total income earned on the contributions, indicating those entitled to income tax exemption;
- c. Total fees and charges assessed and paid by the Contributor to PERA Administrator, PERA Investment Manager (Advisor), if any, PERA Cash and/or Securities Custodians;
- d. Purchase and sale transactions of PERA assets implemented and those pending execution; and
- e. Valuation of the PERA assets and investments.

10. Appointment of Investment Manager (Advisor) – The CONTRIBUTOR has the right to appoint an Investment Manager (Advisor) for his PERA. (Name of Investment Manager (Advisor)) has been appointed as Investment Manager (Advisor) for the CONTRIBUTOR's PERA.

11. Appointment of Cash Custodian and Securities Custodian – The CONTRIBUTOR has the right to appoint a Cash Custodian and Securities Custodian for his PERA, both of which are separate and distinct entities unrelated to the ADMINISTRATOR. Provided, that for PERA investment products which are non-transferable, non-negotiable and non-withdrawable, the Contributor may be considered as a securities custodian under a self-custody arrangement.

12. PERA Client Suitability Assessment (PCSA) and Investment Policy Statement (IPS) – The accomplished PCSA and IPS shall be updated periodically or whenever updates are necessary, upon notice to the Administrator, on account of change in the CONTRIBUTOR's personal/financial circumstances or preferences.

13. Withdrawal and Termination of PERA ASSETS – The CONTRIBUTOR may terminate his PERA upon written instruction given to the ADMINISTRATOR and withdraw the PERA ASSETS.

In case of Early Withdrawal as defined under BIR Revenue Regulations No.17-2011, the termination shall be subject to Early Withdrawal Penalty. The ADMINISTRATOR shall deduct such penalty from the proceeds of the termination and remit said amount to the BIR. The following, however, shall not be considered as premature termination which shall be subject to Early Withdrawal Penalty:

- a. Immediate transfer of assets to another PERA Investment Product and/or another PERA Administrator, who have been discredited/disqualified by the BIR or the BSP, within two (2) working days from the withdrawal thereof;
- b. For payment of accident or illness-related hospitalization in excess of thirty (30) days as evidenced by a duly notarized doctor's certificate; and

- c. For payment to a Contributor who has been subsequently rendered permanently totally disabled under Employees Compensation Law, Social Security System Law or Government Service Insurance System as evidenced by a certification duly issued by the pertinent government agency.

For b and c above, the CONTRIBUTOR shall submit the required supporting documents together with his termination instruction to the ADMINISTRATOR so as not to subject his termination to Early Withdrawal Penalties.

Upon attaining the age of fifty-five (55) years and subject to the requirement that the Contributor has made contributions for at least five (5) years, the Contributor may elect to terminate the PERA and withdraw the assets therefrom. The Contributor shall inform the Administrator whether he elects to receive his PERA ASSETS either in lump sum or pension for a definite period or lifetime pension.

Upon the death of the Contributor, the Administrator shall terminate the PERA and release the PERA ASSETS to the designated beneficiary/ies. However, should there be no designated beneficiary/ies, the PERA ASSETS shall be paid to the estate of the deceased Contributor in accordance with the laws on succession and Rules of Court. The proceeds of the PERA distribution shall not form part of the Contributor's estate and therefore not subject to estate tax.

14. Designation of Beneficiary/ies – The Contributor hereby designates the following as beneficiary/ies of his PERA in case of his death:

Complete name : _____
Relationship to Contributor: _____
Date of Birth : _____
Place of Birth : _____

15. Non-assignability of PERA ASSETS – No portion of the PERA ASSETS may be assigned, alienated, pledged, encumbered, attached, garnished, seized or levied upon. The prohibition against involuntary attachment, garnishment, seizure or levy shall continue to apply to PERA ASSETS which have been distributed in accordance with section 12 of the PERA Act. PERA ASSETS shall not be considered assets of the Contributor for purposes of insolvency and estate taxes.

16. Administration Fee – The ADMINISTRATOR, in addition to the reimbursement of its expenses and disbursements in the administration of the PERA ASSETS, shall be entitled to receive an Administration Fee commensurate to the services rendered based on the following: [insert fee criteria]

17. Merger/Consolidation of ADMINISTRATOR – Any corporation into which the ADMINISTRATOR may be merged or consolidated, or any corporation resulting from any merger or consolidation to which the ADMINISTRATOR shall be a party, or any corporation to which substantially all corporate trust or fiduciary business of the ADMINISTRATOR may be transferred, shall automatically be substituted in this Agreement for the

ADMINISTRATOR named herein and shall be bound by the provisions hereof without any need of any further act as if originally named herein.

18. Change of Administrator –

A. Resignation/Removal. The ADMINISTRATOR may resign by giving thirty (30) calendar day notice in writing to the CONTRIBUTOR or may be removed by the CONTRIBUTOR by giving similar written notice to the ADMINISTRATOR, and if applicable, by appointing a successor administrator. Such resignation or removal shall take effect at the end of said 30 day period, or upon the earlier appointment of a successor administrator by the CONTRIBUTOR. The ADMINISTRATOR shall transfer to such successor administrator the records of and reports on the PERA ASSETS in its possession and shall render a written account setting forth a listing of the PERA ASSETS at the end of such period. The written account shall be certified as true and correct by a responsible officer of the ADMINISTRATOR.

The CONTRIBUTOR may approve such account by written notice of approval delivered to the ADMINISTRATOR or by failure to express objections to such accounting in writing delivered to the ADMINISTRATOR within thirty (30) calendar days from the date upon which the accounting was received by the CONTRIBUTOR.

Upon receipt of said approval of the account or upon the passage of the period of time within which objections may be filed, without written objections having been delivered by the CONTRIBUTOR, such account shall be deemed approved in all matters, items and things set forth.

B. Suspension or Revocation of Accreditation. In the event of a suspension or revocation of the accreditation of the ADMINISTRATOR, the latter shall, within three (3) working days upon receipt of the notice of suspension or revocation, advise the CONTRIBUTOR of such suspension or revocation by way of direct written notice to the CONTRIBUTOR and through the posting of notices in the head office and branches of the ADMINISTRATOR. The CONTRIBUTOR shall advise the ADMINISTRATOR of its choice of a new administrator within three (3) working days from receipt of notice of suspension or revocation.

19. Appointment of Successor Administrator – The failure of the CONTRIBUTOR within the prescribed period to designate a new ADMINISTRATOR shall authorize his current ADMINISTRATOR to appoint its successor that shall assume all its duties and responsibilities to the Contributor.

20. Effectivity – This Agreement shall take effect from the date of signing and shall be in full force and effect until terminated by either party by giving written notice thereof to the other. However, the powers, duties and discretion conferred upon the ADMINISTRATOR by virtue of this Agreement shall continue for the purpose of liquidation and return of the PERA ASSETS after the notice of termination of this Agreement has been served in writing until final delivery of the PERA ASSETS to the CONTRIBUTOR or the successor ADMINISTRATOR.

The revocation of the ADMINISTRATOR'S qualification and/or accreditation as ADMINISTRATOR shall result to the termination of this Agreement; in such an event, the notice of revocation shall also be considered as a notice to terminate the Agreement.

21. Entire Agreement/ Amendment – This Agreement constitute the entire Agreement between the parties and the ADMINISTRATOR shall not be bound by any representation, agreement, stipulations, or promise, written or otherwise, not contained in this Agreement or incorporated herein by reference, except pertinent laws, circulars or regulations approved by the government or its agencies. No amendment, novation, modification or supplement of this Agreement shall be valid or binding unless in writing and signed by the parties hereto.

DATE

SIGNATURE OVER PRINTED NAME OF CONTRIBUTOR

SIGNATURE OVER PRINTED NAME OF ADMINISTRATOR

PERA INVESTMENT MANAGEMENT (ADVISORY) AGREEMENT

This Personal Equity and Retirement Account (PERA) Investment Management (Advisory) Agreement (this "Agreement") is executed this _____ at _____ by and between:

_____, Filipino, of legal age, _____ with _____ address _____ at _____ hereinafter referred to as the "CONTRIBUTOR";

and

_____, a corporation duly organized and existing under Philippine laws, with address at _____, represented herein by its _____, hereinafter referred to as the "INVESTMENT MANAGER (ADVISOR)".

RECITALS:

1. Pursuant to Republic Act No. 9505 known as the Personal Equity and Retirement Account Act of 2008 (the "PERA Act") and its Implementing Rules and Regulations, the CONTRIBUTOR established voluntary retirement account/s for his exclusive use and benefit for the purpose of being invested solely in PERA investments products in the Philippines (the "PERA").
2. The PERA Act requires the CONTRIBUTOR to appoint an administrator for his PERA accounts (the "ADMINISTRATOR") tasked with, among others, to administer, oversee and maintain his PERA. The PERA Act likewise provides the CONTRIBUTOR an option to appoint an INVESTMENT MANAGER (ADVISOR) to make investment decisions for his PERA.
3. The CONTRIBUTOR wishes to appoint an INVESTMENT MANAGER (ADVISOR) for his PERA.

For and in consideration of the foregoing and the following terms and conditions, the parties have agreed as follows:

1. **APPOINTMENT.** The CONTRIBUTOR hereby appoints the INVESTMENT MANAGER (ADVISOR) as his PERA INVESTMENT MANAGER (ADVISOR) and the INVESTMENT MANAGER (ADVISOR) accepts such appointment subject to the herein terms and conditions.
2. **DESCRIPTION OF SERVICES.** As PERA INVESTMENT MANAGER (ADVISOR), the INVESTMENT MANAGER (ADVISOR) shall render the following advisory services to the CONTRIBUTOR:

A. Make investment decisions for the CONTRIBUTOR's PERA. The INVESTMENT MANAGER (ADVISOR) shall select the PERA investment products where the CONTRIBUTOR's PERA will be invested in accordance with the CONTRIBUTOR's investment objectives and risk tolerance as well as his Investment Policy Statement. The INVESTMENT MANAGER (ADVISOR) shall likewise decide on the change of PERA investment products and the reinvestments of the proceeds of such investments; and

B. Provide investment advice on the proposed investment strategies found in the CONTRIBUTOR's Investment Policy Statement.

3. RESTRICTION. The INVESTMENT MANAGER (ADVISOR) is not allowed to recommend or sell its own investment products or that of its subsidiaries and affiliates.

4. DEGREE OF DISCRETION. The CONTRIBUTOR grants the INVESTMENT MANAGER (ADVISOR) full discretion in making investment decisions for the CONTRIBUTOR's PERA within the parameters allowed by the PERA Act and related regulations. The CONTRIBUTOR, however, may specify a discretion limit in a separate written instrument which the CONTRIBUTOR shall provide the ADMINISTRATOR.

5. ACCOUNT ADMINISTRATION. In addition to the above services, the INVESTMENT MANAGER (ADVISOR) shall likewise perform the following:

A. Validate the Client Suitability Assessment and Investment Policy Statement of the CONTRIBUTOR as performed/formulated by the ADMINISTRATOR;

B. Maintain accurate and detailed records of the PERA investment products where the funds of the CONTRIBUTOR are invested and the amounts in each of such products;

C. Provide a quarterly report to the CONTRIBUTOR on the PERA investment products where the funds of the CONTRIBUTOR are invested and the amounts in each of such products;

D. Provide the CONTRIBUTOR with a Specific Risk Disclosure Statement for the specific PERA investment product where the funds of the CONTRIBUTOR will be invested; and

E. Give investment instructions directly to the ADMINISTRATOR.

6. INSTRUCTIONS TO THE ADMINISTRATOR. The INVESTMENT MANAGER (ADVISOR) may give instructions to the ADMINISTRATOR in the following forms:

A. In writing;

B. Facsimile; and

C. Electronic Mail;

The INVESTMENT MANAGER (ADVISOR) shall provide the ADMINISTRATOR with the list of authorized persons (the "Authorized Persons") who are authorized to give instructions to the ADMINISTRATOR on its behalf in accordance with this Agreement with their corresponding contact details, as applicable.

7. LIABILITY OF THE INVESTMENT MANAGER (ADVISOR). The INVESTMENT MANAGER (ADVISOR) shall act with utmost fidelity by observing policies directed towards confidentiality, scrupulous care, safety and prudent management of PERA funds. It shall assume fiduciary duty and responsibility for the PERA investments. Except for its failure to exercise the skill, care and prudence required by law, the INVESTMENT MANAGER (ADVISOR) shall not be liable for:

A. The exercise of any discretionary powers given to it under this Agreement;

B. Any loss, damage or depreciation to/of the PERA assets arising out of or in connection with any act done or performed or caused to be done or performed by the INVESTMENT MANAGER (ADVISOR) pursuant to the terms and conditions herein agreed, to carry out the powers, duties and purposes for which this Agreement is executed.

The INVESTMENT MANAGER (ADVISOR) shall not be responsible or liable for any loss, failure or delay in the performance of its obligations under this Agreement directly arising out of or caused by circumstances beyond its reasonable control including, without limitation, acts of God, earthquakes, fires, floods, typhoons, wars, civil or military disturbances, sabotage, terrorism, epidemics, riots, interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service, accidents, labor disputes, regulatory changes, acts of civil or military authority or acts of government, central securities depository and central bank including their regulatory agencies.

The provision of herein services does not constitute the INVESTMENT MANAGER (ADVISOR) as trustee and the INVESTMENT MANAGER (ADVISOR) shall have no other obligations in respect of the CONTRIBUTOR'S PERA except those contained in this Agreement.

8. NO GUARANTEE OF INCOME/ NO PDIC COVERAGE. It is understood that a fixed rate of interest or return on the PERA is neither assured nor guaranteed by the INVESTMENT MANAGER (ADVISOR). This Agreement is not covered by the Philippine Deposit Insurance Corp. (PDIC) and the losses, if any, arising from the PERA investments shall be for the account of the CONTRIBUTOR or his beneficiary/ies, as the case may be.

9. ANTI MONEY LAUNDERING ACT of 2001. For purposes of compliance with the requirements of Republic Act No. 9160, otherwise known as the "Anti-Money Laundering Act of 2001", as amended, including any implementing circulars and regulations (the "AML Laws"), the INVESTMENT MANAGER (ADVISOR) shall conduct its own and shall continue to conduct on its own customer identification and screening (including obtaining relevant documentation) and monitoring/reporting responsibilities with respect to the CONTRIBUTOR.

10. CONFIDENTIALITY. The INVESTMENT MANAGER (ADVISOR) shall treat all information related to the CONTRIBUTOR as confidential; any information relating to the CONTRIBUTOR shall be accessed only by the ADMINISTRATOR, the INVESTMENT MANAGER (ADVISOR)'s staff processing the transactions, and may be transferred or disclosed to and between the branches, subsidiaries, representative offices, affiliates and agents of the INVESTMENT MANAGER (ADVISOR), wherever situated, for confidential use only in connection with the provision of services under this Agreement (including data processing, statistical and risk analysis purposes), unless otherwise required by any law, court, regulator or legal process.

The CONTRIBUTOR has waived its rights under Republic Act No. 1405, as amended, Section 55 of Republic Act No. 8791 and other laws and regulations relative to the confidentiality/secretcy of the PERA in favor of the ADMINISTRATOR.

11. RESIGNATION/REMOVAL OF THE INVESTMENT MANAGER (ADVISOR)

A. Resignation/Removal - The INVESTMENT MANAGER (ADVISOR) may resign by giving thirty (30) calendar day notice in writing to the CONTRIBUTOR and the ADMINISTRATOR or may be removed by the CONTRIBUTOR by giving similar written notice to the INVESTMENT MANAGER (ADVISOR), and if applicable, by appointing a new INVESTMENT MANAGER (ADVISOR). Such resignation or removal shall take effect at the end of said thirty (30) day period, or upon the earlier appointment of a new INVESTMENT MANAGER (ADVISOR) by the CONTRIBUTOR. The INVESTMENT MANAGER (ADVISOR) shall turn over all documents relating to the investments of the CONTRIBUTOR or to the new INVESTMENT MANAGER (ADVISOR), as applicable.

B. Suspension or Revocation of Accreditation - In the event of a suspension or revocation of the accreditation of the INVESTMENT MANAGER (ADVISOR), the latter shall, within three (3) working days upon receipt of the notice of suspension or revocation, advise the CONTRIBUTOR and the ADMINISTRATOR of such suspension or revocation by way of direct written notice to the CONTRIBUTOR and the ADMINISTRATOR and through the posting of notices in the head office, branches and/or website of the INVESTMENT MANAGER (ADVISOR). The INVESTMENT MANAGER (ADVISOR) shall turn over all documents relating to the investments of the CONTRIBUTOR to the ADMINISTRATOR or to the new INVESTMENT MANAGER (ADVISOR), as applicable.

12. TERMINATION OF AGREEMENT. This Agreement shall take effect from the date of signing and shall be in full force and effect until terminated by either party by giving written notice thereof to the other. The revocation of the accreditation of the INVESTMENT MANAGER (ADVISOR) shall result to the termination of this Agreement; in such an event, the notice of revocation shall also be considered as a notice to terminate the Agreement.

13. FEES AND EXPENSES. All expenses and fees incurred by the INVESTMENT MANAGER (ADVISOR) in the performance of its duties under this Agreement shall be for the account of the CONTRIBUTOR. For services rendered, the INVESTMENT MANAGER (ADVISOR) shall be entitled to receive a fee of ___ % per annum based on the _____ and transaction fees of _____ which shall be paid _____.

Upon mutual agreement of the parties, the herein fees may be reviewed and adjusted accordingly.

All sums payable to the INVESTMENT MANAGER (ADVISOR) for fees and expenses shall be without deduction of any taxes imposed by any Philippine taxing authority except for the applicable Creditable Withholding Tax as may be required by law. All such taxes shall be charged to and for the account of the CONTRIBUTOR.

14. NON-ASSIGNABILITY. No portion of the CONTRIBUTOR'S PERA assets may be assigned, alienated, pledged, encumbered, attached, garnished, seized or levied upon.

15. AMENDMENTS. This Agreement may only be amended or modified by written agreement between the CONTRIBUTOR and the INVESTMENT MANAGER (ADVISOR).

16. GOVERNING LAW. This Agreement shall be governed by the laws of the Republic of the Philippines.

IN WITNESS WHEREOF, the parties hereto have signed these presents on the date and place first above written.

(CONTRIBUTOR)
Signature over printed name

(INVESTMENT MANAGER [ADVISOR])
Signature over printed name

SIGNED IN THE PRESENCE OF:

Signature over printed name

Signature over printed name

PERA CONTRIBUTION AND INVESTMENT INSTRUCTION FORM

Name: _____		PERA Account No: _____		Date: _____	
Employment Status: <input type="checkbox"/> Employee <input type="checkbox"/> Self-employed <input type="checkbox"/> Overseas Filipino <input type="checkbox"/> Others _____					
Type of Contribution <input type="checkbox"/> New/Additional Contribution <input type="checkbox"/> Change of PERA Investment Product					
<input type="checkbox"/> Employer's Contribution Please divest my PERA Investment Product _____					
Amount: _____ with _____ and invest the entire proceeds in another PERA Investment Product stated below:					
Mode of Delivery <input type="checkbox"/> A. Debit my Deposit Account <input type="checkbox"/> B. Cash <input type="checkbox"/> C. Check Check details: _____			Investment Instruction: This is to instruct _____ to invest my PERA contribution into: Product _____ Issuer/Provider _____ Rate _____ Maturity Date _____ Amount _____ Term _____ Collateral, if any _____ Price Ceiling* _____ * For Bonds/Equities		
PERA refers to the voluntary retirement account comprised of personal savings and investments established by and for the exclusive use and benefit of an individual. It seeks to promote the value of saving among Filipinos by allowing an individual to allocate a fraction of his income for his retirement fund. The distribution of PERA assets shall take place only on the following conditions subject to submission of the appropriate documents when appropriate; otherwise a pre-termination penalty shall be imposed. a. After the Contributor reaches the age of fifty-five (55) and has made qualified PERA contributions for at least five (5) years; b. In case of death of the Contributor; c. When the Contributor becomes permanently disabled; or d. When the Contributor has accident or illness-related hospitalization.					
Filling-out this document and affixing my signature constitute my written and formal consent as required by Republic Act 10173 (Data Privacy Act). By signing below, I acknowledge that the rates/prices stated above are indicative only and may change depending on the actual execution of my investment instruction. Further, by signing below, I hereby certify and attest to the fact that all information represented herein and given by me are true and correct. Any change in the foregoing information shall be promptly communicated to _____ shall be held free and harmless from any misrepresentation of information herein that may subject it to any legal or regulatory citation, sanction or penalty. I hereby authorize _____ to verify and investigate any and all information given by me as it may deem appropriate.					
Contributor's Name: _____			Investment Manager, if applicable: _____		
Signature: _____			Signature: _____		
Date: _____			Date: _____		
FOR ADMINISTRATOR'S USE ONLY					
Confirmed by: _____			Approved by: _____		
Date: _____			Date: _____		
PERA Administrator			Authorized Officer		

CASH CUSTODY AGREEMENT

This Cash Custody Agreement (this "Agreement") is executed this _____ at _____ amongst:

[Insert name], Filipino, single/married with address at _____, hereinafter referred to as the "CONTRIBUTOR";

_____, a corporation duly organized and existing under Philippine laws, with address at _____, represented herein by its _____, hereinafter referred to as the "ADMINISTRATOR";

and

_____, a corporation duly organized and existing under Philippine laws, with address at _____, represented herein by its _____, hereinafter referred to as the "CASH CUSTODIAN".

WITNESSETH: That

1. Pursuant to Republic Act No. 9505 known as the Personal Equity and Retirement Account Act of 2008 (the "PERA Act") and its Implementing Rules and Regulations, various individuals (each a contributor) established/wish to establish voluntary retirement accounts for their exclusive use and benefit for the purpose of being invested solely in PERA investment products in the Philippines (the "PERA").

2. The PERA Act requires the CONTRIBUTOR to appoint an administrator for his accounts tasked with, among others, to administer, oversee and maintain his PERA. The CONTRIBUTOR is also required to appoint a cash custodian that will receive all funds in connection with his PERA and receive instructions from the administrator with regard to the custody and disposition of all funds of the PERA.

3. The CONTRIBUTOR has appointed the ADMINISTRATOR as administrator of his PERA and appoints the CASH CUSTODIAN as his cash custodian in accordance with the terms and conditions of this Agreement.

For and in consideration of the foregoing and the following terms and conditions, the parties have agreed as follows:

1. APPOINTMENT. The CONTRIBUTOR hereby appoints the CASH CUSTODIAN and the CASH CUSTODIAN accepts such appointment.

2. DESCRIPTION OF SERVICES. The CASH CUSTODIAN shall maintain custody of all funds in connection with the CONTRIBUTOR's PERA. The CASH CUSTODIAN shall likewise provide the following services to the CONTRIBUTOR in connection with his PERA:

- A. Open cash custody account for the CONTRIBUTOR;
- B. Receive all funds representing contributions to the PERA;
- C. Receive the earnings and proceeds of the cash funds and PERA investment products into which they are invested and reinvested;
- D. Deposit the contributions, earnings and proceeds to each of the CONTRIBUTOR's cash custody accounts, or alternatively, account for/record the contributions, earnings and proceeds of each CONTRIBUTOR via a sub-ledger; and
- E. Receive instructions from the ADMINISTRATOR with regard to the custody and disposition of all funds in the CONTRIBUTOR's PERA based on written instruction of the CONTRIBUTOR.

3. ACCOUNT ADMINISTRATION. In addition to the foregoing, the CASH CUSTODIAN shall:

- A. Maintain accurate and detailed records and accounts of all funds received and disbursed under the CONTRIBUTOR's cash custody account. All accounts, books, and records relating thereto shall be open at all reasonable times to inspection and audit by any person or persons designated by the CONTRIBUTOR or ADMINISTRATOR;
- B. Notify the ADMINISTRATOR of information received by the CASH CUSTODIAN concerning the funds under the PERA which requires action to be taken by the CONTRIBUTOR;
- C. Perform a quarterly reconciliation of the funds of the CONTRIBUTOR to ensure that all funds under its custody are properly recorded and accounted for;
- D. Provide viewing access to the ADMINISTRATOR of the CONTRIBUTOR's holdings under their cash custody accounts; and
- E. Ensure that all the CONTRIBUTOR's funds held by it, are clearly recorded in the books of the CASH CUSTODIAN as belonging to the CONTRIBUTOR.

4. AUTHORITY OF THE CASH CUSTODIAN. In performing the services as CASH CUSTODIAN, it shall be authorized to take such steps as it may consider reasonably necessary to enable it to provide the abovementioned services and to exercise its powers under this Agreement, including the right:

A. To comply with any applicable law, regulation, order, directive, notice or request of any government agency (whether or not having the force of law) requiring the CASH CUSTODIAN to take or refrain from action and/or to disclose information; and

B. In the absence of or delay in receiving instructions from the ADMINISTRATOR in response to a request, to act or refrain from acting as it may consider reasonably necessary in the best interests of the CONTRIBUTOR.

5. REPORTS. The CASH CUSTODIAN shall provide reports to the CONTRIBUTOR, ADMINISTRATOR and the Bangko Sentral ng Pilipinas within ten (10) days after the end of each quarter of all financial transactions and all funds in its custody under PERA.

6. INSTRUCTIONS FROM THE ADMINISTRATOR. The CASH CUSTODIAN may receive instructions from the ADMINISTRATOR in the following forms:

- A. In writing;
- B. Facsimile; and
- C. Electronic mail.

The ADMINISTRATOR shall provide the CASH CUSTODIAN with the list of authorized persons (the "Authorized Persons") who are authorized to give instructions to the CASH CUSTODIAN in its behalf in accordance with this Agreement with their corresponding contact details.

The CASH CUSTODIAN may, at its discretion, accept instructions reasonably believed by it to have emanated from the Authorized Persons in which case, if it acts in good faith on such instructions, such instructions shall be binding on the ADMINISTRATOR and the CASH CUSTODIAN shall not be liable for doing so, whether or not the instructions were given by the Authorized Persons and the CASH CUSTODIAN shall not be under any duty to verify the identity of the person(s) giving those instructions.

In consideration of the CASH CUSTODIAN agreeing to accept instructions by facsimile duly signed or otherwise ("facsimile instructions") and electronic mail ("email instructions") without requiring written confirmation in respect of any facsimile instructions or email instructions prior to acting thereon, the ADMINISTRATOR:

A. Acknowledges that facsimile instructions and email instructions are not secure means of communication, and that it is aware of the risks involved, and that its request to the CASH CUSTODIAN to accept such facsimile instructions and email instructions is for its convenience; and

B. Undertakes to keep the CASH CUSTODIAN indemnified at all times against, and to save the CASH CUSTODIAN harmless from all actions, proceedings, claims, losses, damages, costs and expenses which may be brought against

the CASH CUSTODIAN or suffered or incurred by the CASH CUSTODIAN and which shall have arisen either directly or indirectly out of or in connection with the CASH CUSTODIAN accepting facsimile instructions and email instructions and acting thereon, whether or not the same are confirmed in writing by the ADMINISTRATOR, except to the extent that the same is caused by the CASH CUSTODIAN's breach of this Agreement, negligence, fraud, bad faith, or willful default.

7. EXEMPTION FROM LIABILITY OF THE CASH CUSTODIAN. The CASH CUSTODIAN shall perform the services set out in this Agreement with the diligence a prudent man would exercise in the conduct of an enterprise of a like character and with similar aims. Except for its failure to exercise the skill, care and prudence required by law, the CASH CUSTODIAN shall not be liable for:

A. Any contribution, earnings and proceeds of cash funds and PERA investment products into which they are invested and reinvested deposited into the cash custody account until such amounts have actually been received by it or by its agents or employees for its account;

B. The exercise of any discretionary powers given to it under this Agreement; and

C. For any loss, damage or depreciation to/of the funds under its custody arising out of or in connection with any act done or performed or caused to be done or performed by the CASH CUSTODIAN pursuant to the terms and conditions herein agreed, to carry out the powers, duties and purposes for which this Agreement is executed.

The CASH CUSTODIAN shall not be responsible or liable for any loss, failure or delay in the performance of its obligations under this Agreement arising out of or caused directly or indirectly by circumstances beyond its reasonable control including, without limitation, acts of God, earthquakes, fires, floods, typhoons, wars, civil or military disturbances, sabotage, terrorism, epidemics, riots, interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service, accidents, labor disputes, regulatory changes, acts of civil or military authority or acts of government, central securities depository and regulatory agencies.

The provision of the services herein contemplated does not constitute the CASH CUSTODIAN a trustee and the CASH CUSTODIAN shall have no other obligations in respect of the CONTRIBUTOR's funds in its custody except those contained in this Agreement.

8. THIRD PARTY RELIANCE FOR ANTI-MONEY LAUNDERING ACT of 2001. For purposes of compliance with the requirements of Republic Act No. 9160, otherwise known as the "Anti-Money Laundering Act of 2001", as amended, including any implementing circulars and regulations (the "AML Laws"), the ADMINISTRATOR represents and certifies that it is a covered institution and has conducted and will continue to conduct proper

customer identification and screening (including obtaining relevant documentation) and related monitoring/reporting responsibilities with respect to the CONTRIBUTOR either directly or through its duly authorized agents. The ADMINISTRATOR has obtained and will maintain in its possession all documents and information relating to the CONTRIBUTOR as required by AML Laws, to which the CASH CUSTODIAN will have reasonable access, and will provide the CASH CUSTODIAN with true and correct copies of the minimum documentation and information required by AML Laws.

9. CONFIDENTIALITY. The CASH CUSTODIAN shall treat all information related to the CONTRIBUTOR as confidential; any information relating to the CONTRIBUTOR shall be accessed only by the ADMINISTRATOR, the CASH CUSTODIAN's custody and clearing staff processing the transactions, and may be transferred or disclosed to and between the branches of the CASH CUSTODIAN, wherever situated, for confidential use only in connection with the provision of services under this Agreement (including data processing, statistical and risk analysis purposes), unless otherwise required by any law, court, regulator or legal process.

By entering into this Agreement, the CONTRIBUTOR hereby waives his rights under Republic Act No. 1405, as amended and Section 55 of Republic Act No. 8791 relative to the confidentiality/secretcy of the cash custody account in favor of the ADMINISTRATOR.

10. CHANGE OF CASH CUSTODIAN

A. Resignation/Removal. The CASH CUSTODIAN may resign by giving thirty (30) calendar day notice in writing to the CONTRIBUTOR and ADMINISTRATOR or may be removed by the CONTRIBUTOR in coordination with the ADMINISTRATOR by giving similar written notice to the CASH CUSTODIAN, and if applicable, by appointing a successor cash custodian. Such resignation or removal shall take effect at the end of said thirty (30) day period, or upon the earlier appointment of a successor cash custodian by the CONTRIBUTOR. The CASH CUSTODIAN shall transfer to such successor cash custodian all funds in its possession under the PERA and shall render a written account setting forth a listing of the outstanding funds under its custody at the end of such period. The account shall be certified as true and correct by a responsible officer of the CASH CUSTODIAN.

The CONTRIBUTOR may approve such accounting by written notice of approval delivered to the CASH CUSTODIAN or by failure to express objections to such accounting in writing delivered to the CASH CUSTODIAN within thirty (30) calendar days from the date upon which the accounting was received by the CONTRIBUTOR.

Upon receipt of a written approval of the accounting or upon the passage of said period of time within which objections may be filed, without written objections having been delivered by the CONTRIBUTOR, such accounting shall be deemed approved in all matters, items and things set forth.

B. Suspension or Revocation of Accreditation. In the event of a suspension or revocation of the accreditation of the CASH CUSTODIAN, the latter shall, within three (3) working days upon receipt of the notice of suspension or revocation, advise the

CONTRIBUTOR and the ADMINISTRATOR of such suspension or revocation by way of direct written notice to the CONTRIBUTOR and the ADMINISTRATOR and through the posting of notices in the head office and branches of the CASH CUSTODIAN. The CONTRIBUTOR shall advise the ADMINISTRATOR and CASH CUSTODIAN of its choice of a new cash custodian within three (3) working days from receipt of notice of suspension or revocation.

The CASH CUSTODIAN shall effect the transfer of the CONTRIBUTOR's funds under its custody to the new CASH CUSTODIAN chosen by the CONTRIBUTOR within two (2) working days from receipt of the CONTRIBUTOR'S advice on the new cash custodian. The CASH CUSTODIAN shall also submit to the Administrator a report on all financial transactions and documents in its custody under the PERA within the same period.

11. TERMINATION OF AGREEMENT. This Agreement shall automatically terminate upon release of the CONTRIBUTOR's cash assets to the proper parties in accordance with the provisions hereof.

12. FEES AND EXPENSES. All expenses and fees incurred by the CASH CUSTODIAN in the performance of its services under this Agreement shall be for the account of the CONTRIBUTOR. It is likewise understood that any tax arising from this account is for the CONTRIBUTOR's expense. For services rendered, the CASH CUSTODIAN shall be entitled to receive as custody fee ___ % per annum based on the _____ and transaction fees of _____ which shall be paid _____. Upon mutual agreement of the parties, the herein fees may be reviewed and adjusted accordingly.

All sums payable to the CASH CUSTODIAN for fees and expenses shall be without deduction of any taxes imposed by any Philippine taxing authority except for the applicable Creditable Withholding Tax as may be required by law. All such taxes shall be charged to and for the account of the CONTRIBUTOR.

13. SEPARATE ASSET. The CONTRIBUTOR's funds in the custody of the CASH CUSTODIAN shall be kept separate from the other assets of the CASH CUSTODIAN. It shall not be part of the general assets of the CASH CUSTODIAN for purposes of insolvency and other claims on the latter's assets.

14. NON-ASSIGNABILITY. No portion of the CONTRIBUTOR's funds in the custody of the CASH CUSTODIAN may be assigned, alienated, pledged, encumbered, attached, garnished, seized or levied upon.

15. AMENDMENTS. This Agreement may only be amended or modified by written agreement between the CONTRIBUTOR, ADMINISTRATOR and CASH CUSTODIAN.

16. GOVERNING LAW. This Agreement shall be governed by the laws of the Republic of the Philippines.

IN WITNESS WHEREOF, the parties hereto have signed these presents on the date and place first above written.

(ADMINISTRATOR)
Signature over printed name

(CASH CUSTODIAN)
Signature over printed name

(CONTRIBUTOR)
Signature over printed name

SIGNED IN THE PRESENCE OF:

Signature over printed name

Signature over printed name

SECURITIES CUSTODY AGREEMENT

This Securities Custody Agreement (this "Agreement") is executed this _____
at _____ amongst:

[Insert name], Filipino, single/married with address at _____
hereinafter referred to as the "CONTRIBUTOR";

_____, a corporation duly organized
and existing under Philippine laws, with address at _____,
represented herein by
its _____, hereinafter referred to as the
"ADMINISTRATOR";

and

_____, a corporation duly organized and
existing under Philippine laws, with address at _____,
represented herein by its
_____, hereinafter referred to as the
"SECURITIES CUSTODIAN".

WITNESSETH: That

1. Pursuant to Republic Act No. 9505 known as the Personal Equity and Retirement Account Act of 2008 (the "PERA Act") and its Implementing Rules and Regulations, various individuals (each a contributor) established/wish to establish voluntary retirement accounts for their exclusive use and benefit for the purpose of being invested solely in PERA investment products in the Philippines (the "PERA").

2. The PERA Act requires the CONTRIBUTOR to appoint an administrator for his accounts tasked with, among others, to administer, oversee and maintain his PERA. The CONTRIBUTOR for certain types of securities is also required to appoint a SECURITIES CUSTODIAN to maintain custody of said securities, evidence of deposits or other evidence of investment (the "Securities") and to receive instructions from the administrator with regard to the custody and disposition of non-cash assets of the PERA.

3. The CONTRIBUTOR has appointed the ADMINISTRATOR as administrator of his PERA and appoints the SECURITIES CUSTODIAN as his securities custodian in accordance with the terms and conditions of this Agreement.

For and in consideration of the foregoing and the following terms and conditions, the parties have agreed as follows:

1. **APPOINTMENT.** The CONTRIBUTOR hereby appoints the SECURITIES CUSTODIAN and the SECURITIES CUSTODIAN accepts such appointment.

2. **DESCRIPTION OF SERVICES.** The SECURITIES CUSTODIAN shall maintain custody of the Securities in connection with the CONTRIBUTOR's PERA. The SECURITIES CUSTODIAN shall likewise provide the following services in connection with PERA administration:

A. Open securities custody account for the CONTRIBUTOR;

B. Receive instructions from the ADMINISTRATOR with regard to the custody and disposition of the Securities in the CONTRIBUTOR's PERA and all matters relating thereto based on written instruction of the CONTRIBUTOR;

C. Upon receipt of the Securities, issue to the ADMINISTRATOR a securities delivery receipt/ custody confirmation which shall, at the minimum, contain the following information:

- a) name of issuer
- b) type of securities
- c) identification of serial numbers
- d) quantity and
- e) face value

D. Collect and receive payments arising from the Securities and remit the same to the relevant CONTRIBUTOR's securities custody account; and

E. Collect and receive distributions in respect of the Securities and any capital arising from or in connection with the Securities including all securities received as a result of a stock dividend, share subdivision or reorganization and credit such distributions to the relevant CONTRIBUTOR's securities custody account and take necessary steps in connection therewith.

3. **ACCOUNT ADMINISTRATION.** In addition to the foregoing, the SECURITIES CUSTODIAN shall:

A. Maintain accurate and detailed records and accounts of Securities received and disbursed under the CONTRIBUTOR's securities custody accounts. It shall maintain such records as are necessary to identify the location of each title document, including details of (i) the date at which the title document came into or left the possession or control of the SECURITIES CUSTODIAN; (ii) the nature of the document; (iii) the nature, amount and nominal value of the investment to which the title document relates;

B. Ensure that all accounts, books, and records relating thereto shall be open at all reasonable times to inspection and audit by any person or persons authorized by the CONTRIBUTOR or ADMINISTRATOR;

C. Notify the ADMINISTRATOR of information received by the SECURITIES CUSTODIAN concerning the Securities under the PERA which requires action to be taken by the CONTRIBUTOR;

D. Promptly inform the ADMINISTRATOR of any legal action instituted by any person concerning the Securities under the PERA which is notified to the SECURITIES CUSTODIAN;

E. Perform quarterly reconciliation of the Securities to ensure that all securities under its custody are properly recorded and accounted for;

F. Provide viewing access to the ADMINISTRATOR of the CONTRIBUTOR's holdings under their securities custody accounts;

G. Ensure that all the CONTRIBUTOR's Securities and distributions arising therefrom held by it, are clearly recorded in the books of the SECURITIES CUSTODIAN as belonging to the CONTRIBUTOR;

H. Represent the CONTRIBUTOR in corporate actions in connection with the Securities upon instruction of the ADMINISTRATOR;

I. Deal with rights, conversions, options, warrants and other similar interests or any other discretionary right in connection with the Securities upon instruction of the ADMINISTRATOR; and

J. Enter into any agreement or instrument on behalf of the CONTRIBUTOR in connection with any security or other investment which is or is to be included in the CONTRIBUTOR's Securities under PERA, in each case upon advice of the ADMINISTRATOR based on written instruction of the CONTRIBUTOR.

4. **AUTHORITY OF THE SECURITIES CUSTODIAN.** In performing the services as SECURITIES CUSTODIAN, it shall be authorized to take such steps as it may consider reasonably necessary to enable it to provide the above mentioned services and to exercise its powers under this Agreement, including the right:

A. To comply with any applicable law, regulation, order, directive, notice or request of any government agency (whether or not having the force of law) requiring the SECURITIES CUSTODIAN to take or refrain from action and/or to disclose information;

B. In the absence of or delay in receiving instructions from the ADMINISTRATOR in response to a request, to act or refrain from acting as it may consider reasonably necessary in the best interests of the CONTRIBUTOR;

C. To indirectly hold Securities that are uncertificated, including Securities deposited with any clearance system, through entries upon the books and

records of the issuer, its designee or a clearance system. To the extent reasonably practicable, the SECURITIES CUSTODIAN shall hold the Securities together with securities belonging to other customers in accounts of the books of the issuer, its designee or clearance system in which the SECURITIES CUSTODIAN only holds securities for the benefit of its customers, and the accounts shall be identified by such person as for the benefit of the SECURITIES CUSTODIAN's customers. Such accounts shall be subject only to the instructions of the SECURITIES CUSTODIAN;

D. To return to the CONTRIBUTOR through the ADMINISTRATOR physical securities which may not have the same serial number or identification as those originally deposited with or received by the SECURITIES CUSTODIAN;

E. To participate in and to comply with the rules and regulations of any system which provides central depository, clearing and/or settlement facilities in respect of securities;

F. Absent a contrary instruction, to carry out the following without further instructions:

- a) sign any affidavits, certificates of ownership and other certificates and documents relating to the Securities which may be required by any tax or regulatory authority;
- b) exchange interim or temporary receipts for definitive certificates, and old or overstamped certificates for new certificates
- c) attend to all non-discretionary details in connection with any matter provided herein or in any instruction

5. REPORTS. The SECURITIES CUSTODIAN shall provide reports to the CONTRIBUTOR, ADMINISTRATOR and the Bangko Sentral ng Pilipinas within ten (10) days after the end of each quarter of all financial transactions and all Securities in its custody under PERA.

6. INSTRUCTIONS FROM THE ADMINISTRATOR. The SECURITIES CUSTODIAN may receive instructions from the ADMINISTRATOR in the following forms:

- A. In writing;
- B. Facsimile; and
- C. Electronic mail.

The ADMINISTRATOR shall provide the SECURITIES CUSTODIAN with the list of authorized persons (the "Authorized Persons") who are authorized to give instructions to the SECURITIES CUSTODIAN in its behalf in accordance with this Agreement with their corresponding contact details.

The SECURITIES CUSTODIAN may, at its discretion, accept instructions reasonably believed by it to have emanated from the Authorized Persons in which case, if it acts in good

faith on such instructions, such instructions shall be binding on the ADMINISTRATOR and the SECURITIES CUSTODIAN shall not be liable for doing so, whether or not the instructions were given by the Authorized Persons and the SECURITIES CUSTODIAN shall not be under any duty to verify the identity of the person(s) giving those instructions.

In consideration of the SECURITIES CUSTODIAN agreeing to accept instructions by facsimile duly signed or otherwise ("facsimile instructions") and electronic mail ("email instructions") without requiring written confirmation in respect of any facsimile instructions or email instructions prior to acting thereon, the ADMINISTRATOR:

A. acknowledges that facsimile instructions and email instructions are not secure means of communication, and that it is aware of the risks involved, and that its request to the SECURITIES CUSTODIAN to accept such facsimile instructions and email instructions is for its convenience; and

B. undertakes to keep the SECURITIES CUSTODIAN indemnified at all times against, and to save the SECURITIES CUSTODIAN harmless from all actions, proceedings, claims, losses, damages, costs and expenses which may be brought against the SECURITIES CUSTODIAN or suffered or incurred by the SECURITIES CUSTODIAN and which shall have arisen either directly or indirectly out of or in connection with the SECURITIES CUSTODIAN accepting facsimile instructions and email instructions and acting thereon, whether or not the same are confirmed in writing by the ADMINISTRATOR, except to the extent that the same is caused by the SECURITIES CUSTODIAN's breach of this Agreement, negligence, fraud, bad faith, or willful default.

7. EXEMPTION FROM LIABILITY OF THE SECURITIES CUSTODIAN. The SECURITIES CUSTODIAN shall perform the services set out in this Agreement with the diligence a prudent man would exercise in the conduct of an enterprise of a like character and with similar aims. Except for its failure to exercise the skill, care and prudence required by law, the SECURITIES CUSTODIAN shall not be liable for:

A. Any delivery of the Securities and/or distributions arising therefrom into the securities custody account until they have actually been received by it or by its agents or employees for its account;

B. The exercise of any discretionary powers given to it under this Agreement; and

C. For any loss, damage or depreciation to/of the Securities under its custody arising out of or in connection with any act done or performed or caused to be done or performed by the SECURITIES CUSTODIAN pursuant to the terms and conditions herein agreed, to carry out the powers, duties and purposes for which this Agreement is executed.

The SECURITIES CUSTODIAN shall not be responsible or liable for any loss, failure or delay in the performance of its obligations under this Agreement arising out of or caused

directly or indirectly by circumstances beyond its reasonable control including, without limitation, acts of God, earthquakes, fires, floods, typhoons, wars, civil or military disturbances, sabotage, terrorism, epidemics, riots, interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service, accidents, labor disputes, regulatory changes, acts of civil or military authority or acts of government, central securities depository and regulatory agencies.

The provision of the services herein contemplated does not constitute the SECURITIES CUSTODIAN a trustee and the SECURITIES CUSTODIAN shall have no other obligations in respect of the CONTRIBUTOR's Securities in its custody except those contained in this Agreement.

The SECURITIES CUSTODIAN is under no duty to examine or verify the validity of the ownership of or title to any Security and shall not be liable in respect of any defect in its ownership or title.

The SECURITIES CUSTODIAN shall not be liable for any taxes or duties payable on or in respect of the Securities nor for the management of or any diminution in the value of the Securities.

The SECURITIES CUSTODIAN shall be under no duty to investigate, participate in or take affirmative action concerning proxies received, attendance at meetings and voting except in accordance with the instructions of the ADMINISTRATOR. In the absence of instructions from the ADMINISTRATOR, the SECURITIES CUSTODIAN shall take no action unless otherwise required by law.

8. NO GUARANTEE OF INCOME/ NO PDIC COVERAGE. It is understood that a fixed rate of interest or return on the Securities in its custody under PERA is neither assured nor guaranteed by the SECURITIES CUSTODIAN. This Agreement is not covered by the Philippine Deposit Insurance Corp. (PDIC) and the losses, if any, shall be for the account of the CONTRIBUTOR or his beneficiaries, as the case may be.

9. THIRD PARTY RELIANCE FOR ANTI-MONEY LAUNDERING ACT of 2001. For purposes of compliance with the requirements of Republic Act No. 9160, otherwise known as the "Anti-Money Laundering Act of 2001", as amended, including any implementing circulars and regulations (the "AML Laws"), the ADMINISTRATOR represents and certifies that it is a covered institution and has conducted and will continue to conduct proper customer identification and screening (including obtaining relevant documentation) and related monitoring/reporting responsibilities with respect to the CONTRIBUTOR either directly or through its duly authorized agents. The ADMINISTRATOR has obtained and will maintain in its possession all documents and information relating to the CONTRIBUTOR as required by AML Laws, to which the SECURITIES CUSTODIAN will have reasonable access, and will provide the SECURITIES CUSTODIAN with true and correct copies of the minimum documentation and information required by AML Laws.

10. CONFIDENTIALITY. The SECURITIES CUSTODIAN shall treat all information related to the CONTRIBUTOR as confidential; any information relating to the CONTRIBUTOR shall be accessed only by the ADMINISTRATOR, the SECURITIES CUSTODIAN's custody and clearing staff processing the transactions, and may be transferred or disclosed to and between the branches of the SECURITIES CUSTODIAN, wherever situated, for confidential use only in connection with the provision of services under this Agreement (including data processing, statistical and risk analysis purposes), unless otherwise required by any law, court, regulator or legal process.

By entering into this Agreement, the CONTRIBUTOR hereby waives his rights under Republic Act No. 1405 (Bank Secrecy Law), as amended and Section 55 of Republic Act No. 8791 (The General Banking Law of 2000) relative to the confidentiality/secretcy of the securities custody account in favor of the ADMINISTRATOR.

11. CHANGE OF SECURITIES CUSTODIAN

A. Resignation/Removal. The SECURITIES CUSTODIAN may resign by giving thirty (30) calendar day notice in writing to the CONTRIBUTOR and ADMINISTRATOR or may be removed by the CONTRIBUTOR in coordination with the ADMINISTRATOR by giving similar written notice to the SECURITIES CUSTODIAN, and if applicable, by appointing a successor securities custodian. Such resignation or removal shall take effect at the end of said thirty (30) day period, or upon the earlier appointment of a successor securities custodian by the CONTRIBUTOR. The SECURITIES CUSTODIAN shall transfer to such successor securities custodian the Securities in its possession under the PERA and shall render a written account setting forth a listing of the outstanding Securities under its custody at the end of such period, at their cost and fair market values. The account shall be certified as true and correct by a responsible officer of the SECURITIES CUSTODIAN.

The CONTRIBUTOR may approve such accounting by written notice of approval delivered to the SECURITIES CUSTODIAN or by failure to express objections to such accounting in writing delivered to the SECURITIES CUSTODIAN within thirty (30) calendar days from the date upon which the accounting was received by the CONTRIBUTOR.

Upon receipt of a written approval of the accounting or upon the passage of said period of time within which objections may be filed, without written objections having been delivered by the CONTRIBUTOR, such accounting shall be deemed approved in all matters, items and things set forth.

B. Suspension or Revocation of Accreditation. In the event of a suspension or revocation of the accreditation of the SECURITIES CUSTODIAN, the latter shall, within three (3) working days upon receipt of the notice of suspension or revocation from the Bangko Sentral ng Pilipinas, advise the CONTRIBUTOR and the ADMINISTRATOR of such suspension or revocation by way of direct written notice to the CONTRIBUTOR and the ADMINISTRATOR and through the posting of notices in the head office and branches of the SECURITIES CUSTODIAN. The CONTRIBUTOR shall advise the ADMINISTRATOR and SECURITIES CUSTODIAN of its choice of a new securities custodian within three (3) working days from receipt of notice of suspension or revocation.

The SECURITIES CUSTODIAN shall effect the transfer of the CONTRIBUTOR'S Securities under its custody to the new securities custodian chosen by the CONTRIBUTOR within two (2) working days from receipt of the CONTRIBUTOR'S advice of the new securities custodian. The SECURITIES CUSTODIAN shall also submit to the Administrator a report on all financial transactions and documents in its custody under the PERA within the same period.

12. TERMINATION OF AGREEMENT. This Agreement shall automatically terminate upon release of the CONTRIBUTOR'S Securities to the proper parties in accordance with the provisions hereof.

13. FEES AND EXPENSES. All expenses and fees incurred by the SECURITIES CUSTODIAN in the performance of its services under this Agreement shall be for the account of the CONTRIBUTOR. It is likewise understood that any tax arising from this account is for the CONTRIBUTOR'S expense. For services rendered, the SECURITIES CUSTODIAN shall be entitled to receive as custody fee ___ % per annum based on the _____ and transaction fees of _____ which shall be paid _____. Upon mutual agreement of the parties, the herein fees may be reviewed and adjusted accordingly.

All sums payable to the SECURITIES CUSTODIAN for fees and expenses shall be without deduction of any taxes imposed by any Philippine taxing authority except for the applicable Creditable Withholding Tax as may be required by law. All such taxes shall be charged to and for the account of the CONTRIBUTOR.

14. SEPARATE ASSET. The CONTRIBUTOR'S Securities in the custody of the SECURITIES CUSTODIAN shall be kept separate from the other assets of the SECURITIES CUSTODIAN. It shall not be part of the general assets of the SECURITIES CUSTODIAN for purposes of insolvency and other claims on the latter's assets.

15. NON-ASSIGNABILITY. No portion of the CONTRIBUTOR'S Securities in the custody of the SECURITIES CUSTODIAN may be assigned, alienated, pledged, encumbered, attached, garnished, seized or levied upon.

16. AMENDMENTS. This Agreement may only be amended or modified by written agreement between the CONTRIBUTOR, ADMINISTRATOR and SECURITIES CUSTODIAN.

17. GOVERNING LAW. This Agreement shall be governed by the laws of the Republic of the Philippines.

IN WITNESS WHEREOF, the parties hereto have signed these presents on the date and place first above written.

(ADMINISTRATOR)
Signature over printed name

(SECURITIES CUSTODIAN)
Signature over printed name

(CONTRIBUTOR)
Signature over printed name

SIGNED IN THE PRESENCE OF:

Signature over printed name

Signature over printed name

PERA NOTICE OF WITHDRAWAL/TERMINATION FORM

Name: _____ TIN: _____ PERA Account No: _____

PLEASE STATE WITHDRAWAL/TERMINATION DETAILS BELOW:

A. Contributor is at least 55 years old and has made at least 5 years PERA Contributions

B. Death of the Contributor

C. Accident or illness-related hospitalization in excess of 30 days

D. PERA Contributor has been rendered permanently totally disabled

E. Early Withdrawal with Penalties

Filling-out of this information and affixing my signature herein constitute my written and formal consent as required by Republic Act 10173 (Data Privacy Act)
By signing below, I hereby signify that I understand and agree to the following: (1) imposition of penalties, as applicable, per Bureau of Internal Revenue Regulations 17-2011 and (2) settlement of my request for termination shall be subject to the settlement of the sale/pretermination of the PERA Investment Product/s where my PERA is invested.

Contributor's Name: _____ Beneficiaries, if applicable: _____
Signature: _____ Signature: _____
Date: _____ Date: _____

FOR ADMINISTRATOR'S USE ONLY

Confirmed by: _____ PERA Administrator	Date: _____	Approved by: _____ Authorized Officer	Date: _____
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