



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1168 Series of 2023

Subject: **Amendments to the Regulations on Personal Equity and Retirement Account (PERA)**

The Monetary Board, in its Resolution No. 1835 dated 22 December 2022, approved the amendments to Section 1121 and Appendix 114 of the Manual of Regulations for Banks (MORB) and Section 1121-Q and Appendix Q-69 of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFII) to reduce the rate for the security for the faithful performance of PERA Administrators' duties and to increase the amount for the maximum annual PERA contribution.

Section 1. Section 1121¹/1121-Q of the MORB/MORNBFII is hereby amended to read, as follows:

1121/1121-Q PERSONAL EQUITY AND RETIREMENT ACCOUNT (PERA) MARKET PARTICIPANTS AND PERA INVESTMENT PRODUCTS

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Security for the faithful performance of administrators' duties. As a security for the faithful performance of its duties under the PERA Act, an Administrator shall hold eligible government securities, equivalent to at least zero percent (0.0%) of the book value of the total volume of PERA assets administered, earmarked in favor of the Bangko Sentral starting 1 January 2023: xxx

For this purpose, eligible government securities shall consist of evidence of indebtedness of the Republic of the Philippines or of the Bangko Sentral or any other evidence of indebtedness or obligations the servicing and repayment of which are fully guaranteed by the Republic of the Philippines or such other kinds of securities which may be declared eligible by the Monetary Board: *Provided, That, such securities shall be free, unencumbered, and not utilized for any other purpose.*

a. *Valuation of securities and basis of computation of the basic security deposit requirement.*

(1) Government securities deposited with the Bangko Sentral shall be measured at fair value xxx

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¹ Amended by Circular No. 1142 dated 29 March 2022.

Section 2. Appendix 114/Q-69 of the MORB/MORNBFI is hereby amended to read, as follows:

**OPERATIONAL GUIDELINES ON THE ADMINISTRATION OF THE PERSONAL EQUITY
AND RETIREMENT ACCOUNT (PERA)
(Appendix to Sec. 1121/1121-Q)**

Pursuant to R.A. No. 9505 also known as the Personal Equity and Retirement Account (PERA) Act of 2008 (PERA Act) and its Revised Implementing Rules and Regulations (Revised 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 Revised PERA Rules unless the context otherwise requires.

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II. ACCOUNT ADMINISTRATION

A. Contributions

1) The administrator shall -

- (a) Secure proof of income when a contribution is made and ensure that the maximum allowable aggregate contribution per calendar year as prescribed under the Revised PERA Rules 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.

For this purpose, prior to contribution, the status of an overseas Filipino (OF) shall be validated by securing from the OF a sworn certification on his continuing status as an OF for the calendar year;

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Section 3. The submission of the *Quarterly Report on Compliance with the Basic Security Deposit Requirement* under Section 1121/1121-Q and Appendix 7/Q-3 of the MORB/MORNBFI shall no longer be required starting with the reference period of 31 March 2023. In this regard, the following provision shall be incorporated as footnote to Section 1121/1121-Q (under Item b.(2)(a) of the *Security for the faithful performance of administrators' duties*) and Appendix 7/Q-3 of the MORB/MORNBFI on the references to the *Quarterly Report on Compliance with the Basic Security Deposit Requirement* that are required from PERA Administrators, as follows:

Starting with the reference period of 31 March 2023, this report shall no longer be submitted to the Bangko Sentral in view of the zero rate for the security for the faithful performance of PERA Administrators' duties.

Section 4. This Circular shall take effect on 01 January 2023.

FOR THE MONETARY BOARD:


FELIPE M. MEDALLA
Governor

21 February 2023