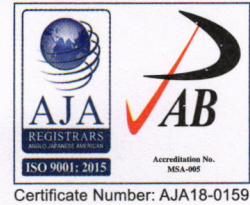




Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
1071 United Nations Avenue  
Manila



Circular Letter (CL) No.:	2019-29
Date:	21 June 2019
Supplements:	NONE

### CIRCULAR LETTER

**TO :** ALL PRE-NEED COMPANIES

**SUBJECT :** GUIDELINES ON INVESTMENT OF TRUST FUND IN SAVINGS/TIME DEPOSIT AND UNIT INVESTMENTS TRUST FUNDS

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**WHEREAS**, Section 34 of Republic Act No. 9829 or otherwise known as “*The Pre-Need Code of the Philippines*” enumerates where a trust fund of a pre-need company shall be invested and provides for the limitation thereof;

**WHEREAS**, Section 34 paragraph a.2 provides that a trust fund may be invested in savings/time deposits and unit investments trust funds (UITF) maintained with and managed by a duly authorized bank with **satisfactory examination rating as of the last examination by the Bangko Sentral ng Pilipinas (BSP).**

**WHEREAS**, Section 25 of Republic Act 7653 or otherwise known as “*The New Central Bank Act*” provides that the BSP has the power of supervision over, and conduct periodic or special examination of, banking institutions and quasi-banks, including their subsidiaries and affiliates engaged in allied activities.

**WHEREAS**, the CAMELS Rating of the BSP shall mean the soundness of a bank measured on a scale of 5 (strongest) to 1 (weakest). The rating is based on the adequacy and quality of a bank’s Capital, Assets, Management, Earnings, Liquidity, and Sensitivity.<sup>1</sup>

**WHEREAS**, Memorandum No. M-2015-040 dated 05 November 2015<sup>2</sup> of the BSP provides that the Report of Examination (ROE) is the property of the BSP and is furnished to BSP-Supervised Financial Institutions’ (BSFIs) for their own use only. BSFIs, their directors and officers should treat the ROE and its contents as confidential and they are

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<sup>1</sup> IC Circular Letter No. 08-2012

<sup>2</sup> <http://www.bsp.gov.ph/downloads/regulations/attachments/2015/m040.pdf>