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

SEC MEMORANDUM CIRCULAR NO. 3-A
Series of 2009

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

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

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

Set 2 – Templates for the Quarterly Reports
(1) Report on Trust Fund Assets: *Appendix 1-B*
(2) Report on Trust Fund Charges and Liabilities: *Appendix 2-B*
(3) Report on Required and Actual Deposits: *Appendix 3-B*
(4) Report on Withdrawals: *Appendix 4-B*
(5) Progress Report on the Divestment Program: *Appendix 5-B*
(6) Monitoring sheet on Findings of Non-Compliance: *Appendix 6*

II. The following clarifications are likewise issued relative to the implementation of the Circular:

(1) The requirements of the Circular, shall cover all trustees, whether banks or non-banks, which hold trust fund assets of pre-need companies;
(2) An accounting firm that will be engaged for the evaluation shall evaluate whether there is a possible threat to its independence by reason of its past or present audit or review engagement with the pre-need company or the trustee of the funds;
(3) Section 4(f)(vii) of the Circular should read as follows: "There are reimbursements by the trustee to the pre-need company for its alleged advances which based on documents were not used for the settlement of benefits of planholders."

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

Fe B. Barin
FE B. BARIN
Chairperson

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OFFICE OF THE COMMISSION SECRETARY

SCHEDULE OF TRUST FUND ASSETS

APPENDIX 1-A

As of March 31, 2009

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

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

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

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

*** Indicate any encumbrance over the asset.

Instruction: There shall be a separate written discussion on the procedures conducted to arrive at the foregoing information.

SCHEDULE OF TRUST FUND CHARGES AND LIABILITIES

APPENDIX 2-A

For the period ended March 31, 2009

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

SCHEDULE OF REQUIRED AND ACTUAL DEPOSITS

APPENDIX 3-A

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

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

Instruction: There shall be a separate written discussion on the procedures conducted to arrive at the foregoing information.

SCHEDULE OF WITHDRAWALS

APPENDIX 4-A

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

Use of Proceeds from the Withdrawal:

Period	Amount of Withdrawal for the Period	Payment of Benefits to Planholders	Trust Fees	Taxes	Others	Description of "Others"	Remarks/Findings
For the year 2008							
2009							
January							
February							
March							
For the 1st Quarter 2009							

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

EVALUATION SHEET ON DIVESTMENT PROGRAM

APPENDIX 5-A

As of March 31, 2009

		1	2	3	4	5	6	7	8	9	
	Brief Description of the Asset	Investment Quality/Limit (Refer to MC No. 4, S2007)	Acquisition Cost	Value as of report date - Per Trustee	Value as of report date - Per Independent Valuation	% to Total*	Excess over Limit	Investment Quality: Below Standard	Divestment Program	Status of each Activity under Program	Remarks/Findings
	Cash										
	Government Securities										
	Listed Equity Securities										
	Sub-total**										
	Other Securities										
1											
2											
3											
4											
5											
	Sub-total										
	Collective Investment Schemes										
1											
2											
3											
4											
5											
	Sub-total										
	Real Estate										
1											
2											
3											
4											
5											
	Sub-total										
	Planholder Loans										
	Subtotal										
	TOTAL										

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

Instruction: There shall be a separate written discussion on the procedures conducted to arrive at the foregoing information.

REPORT ON TRUST FUND ASSETS

APPENDIX 1-B

As of end of the quarter period ended _____

	Brief Description of the Asset	Investment Quality/Limit (Refer to MC No. 4, S2007)	Category*	Proof of Ownership or Interest over the Asset***	Acquisition Cost	Value as of 3/31/09 Per Trustee	Value as of 3/31/09 - Per Independent Valuation	Amount of addition	Amount of disposition	Value as of end of latest quarter	% to Total	Remarks/Findings
	Cash											
	Government Securities											
	Listed Equity Securities											
	Sub-total**											
	Other Securities											
1												
2												
3												
	Sub-total											
	Collective Investment Schemes											
1												
2												
3												
	Sub-total											
	Real Estate											
1												
2												
3												
4												
5												
	Sub-total											
	Planholder Loans											
	Subtotal											
	TOTAL											

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

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

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

*** Indicate any encumbrance over the asset.

REPORT ON TRUST FUND CHARGES AND LIABILITIES

APPENDIX 2-B

For the quarter period ended _____

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

REPORT ON DEPOSITS FOR THE QUARTER

APPENDIX 3-B

For the quarter period ended _____

	Period	Amount of Deficiency (carried over from the last reporting period)	Amount of Required Deposit for the Period	Amount of Actual Deposit	Amount of Deficiency as of end of the period	Remarks
	2009					
	Month 1					
	Month 2					
	Month 3					
	For the ____ Quarter 2009					

REPORT ON WITHDRAWALS FOR THE QUARTER

APPENDIX 4-B

For the quarter period ended _____

Use of Proceeds from the Withdrawal:

	Period	Amount of Withdrawal for the Period	Payment of Benefits to Planholders	Trust Fees	Taxes	Others	Description of "Others"	Remarks
	2009							
	Month 1							
	Month 2							
	Month 3							
	For the Quarter 2009							

PROGRESS REPORT ON DIVESTMENT PROGRAM — APPENDIX 5-B

As of end of the quarter period _____

		1	2	4	5	6	7	8	9	
	Brief Description of the Asset	**Investment Quality/Limit (Refer to MC No. 4, S2007)**	**Acquisition Cost**	**Value as of report date**	**% to Total***	**Excess over Limit**	**Investment Quality: Below Standard**	**Divestment Program**	**Status of each Activity under Program**	**Remarks**
	Cash									
	Government Securities									
	Listed Equity Securities									
	Sub-total									
	Other Securities									
1										
2										
3										
4										
5										
	Sub-total									
	Collective Investment Schemes									
1										
2										
3										
4										
5										
	Sub-total									
	Real Estate									
1										
2										
3										
4										
5										
	Sub-total									
	Planholder Loans									
	Subtotal									
	TOTAL									

MONITORING SHEET ON FINDINGS OF NON-COMPLIANCE

APPENDIX 6

As of the quarter period ended _____

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

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