Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
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Mandaluyong City, Metro Manila
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SEC MEMORANDUM CIRCULAR NO. 3
Series of 2008

T O : ALL CONCERNED

SUBJECT : RULES GOVERNING REGISTRARS OF QUALIFIED BUYERS

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In SEC Memorandum Circular No. 6, series of 2007, the Securities and Exchange Commission (the "Commission") laid down the rules on the determination of qualified buyers.

The said circular provides for, among others, the registration of qualified buyers by Self Regulatory Organizations or such other entities that the Commission may authorize to make the registration.

The rules and procedures on the registration of qualified buyers by Self Regulatory Organizations and other entities shall be as follows:

Section 1. Authorized Registrars - The following entities which have been granted the appropriate secondary license by the Commission shall be authorized to act as registrar:

1. Banks with respect to their registration as broker-dealer, Government Securities Eligible Dealer and/or underwriter of securities;

2. Brokers;

3. Dealers;

4. Investment Houses;

5. Investment Company Advisers; and

6. Issuer companies with respect to offerings of their own securities.

Section 2. Initiation and Cessation of Function as Registrar – An entity that wants to act as registrar of qualified buyers shall inform the Commission in writing of such intention before it can perform the duties and responsibilities of a registrar.

If a registrar-entity no longer wants to act as registrar, it shall inform the Commission in writing of such intention at least thirty (30) days before the intended cessation date. Notwithstanding the cessation of its registrar functions, the entity shall continue to comply with its record keeping obligations under this Circular.

Section 3. Registrar's Internal Procedures – A registrar shall establish its own internal procedures to guide its personnel in evaluating the qualifications of applicants for qualified buyer status. It shall act with due diligence in the conduct of the evaluation and ensure that the required supporting documents are submitted to it at the time of the application. These documents shall be considered and treated as records of the registrar in accordance with the applicable provisions of the Securities Regulation Code (SRC).

Section 4. Responsibilities of a Registrar - The duties and responsibilities of the registrar in relation to applicants for registration and registrants shall be as follows:

a) Ensure that the applicants for registration affirm in writing that the information and documents that they have submitted to it are true and correct;

b) Inform the applicants that the qualifications prescribed for registration should be maintained during the registration period;

c) Require the registrants to submit an undertaking that they shall refrain from representing themselves or dealing in securities as qualified buyers if, after their registration, there are circumstances that disqualify them from enjoying that status, such as, diminution of their net worth below the prescribed minimum, or commission of acts that constitute misrepresentation, fraud or deceit under the SRC and its implementing rules and regulations;

d) Prepare a letter of undertaking for the registrant, and cause its signature, which shall state, among others, that the registrant shall comply with the requirements for qualified buyer status, and that the registrant authorizes the Commission's representatives to inspect and examine the documents it submitted to the registrar;

(N.B. For the guidance of the registrar, attached as Annexes "A" and "B" to this Circular are the suggested forms for the undertakings described in sub-paragraphs (c) and (d) above.)

e) Issue, upon the request of the registrant, a certificate of registration in its favor and which certificate of registration shall be valid for two (2) years from the date of registration.

Section 5. Registry Book of Qualified Buyers - A registrar shall maintain and make available for inspection by the Commission's representatives a registry book of qualified buyers, in manual or electronic form, which shall contain the names of qualified buyers, their date of registration, the names and designation of the registrar's personnel who conducted the evaluation, and other details that the registrar may deem necessary.

The registry book shall also have a chronological listing of the names of the qualified buyers based on the dates they were qualified and registered. If, after verification, a qualified buyer is found to be no longer entitled to that status due to intervening events, the registrar shall note that fact in the registry.

Section 6. Other Records - A registrar shall maintain and make available for for inspection by the Commission's representatives the registrant's application forms, information sheets and proof of qualifications for a period of at least five (5) years. It shall retain the records that relate to an on-going investigation beyond this period until the Commission declares the case closed and terminated.

The Commission may require the registrar and any qualified buyer to furnish it with copies of the records mentioned in the preceding sections or to file reports based on the same records.

Section 7. Penalty - Any person who violates this Circular or any applicable regulation on qualified buyers shall be sanctioned in accordance with the SRC and its implementing rules and regulations.

Section 8. Effectivity – This Circular shall take effect on February 15, 2008. However, if any of the entities earlier mentioned as authorized to act as registrar has prior to the said effectivity date, accorded qualified buyer status to any of its clients pursuant to Memorandum Circular No. 6, series of 2007, the said status shall be maintained, provided, however, that the client possesses all the qualifications stated in Memorandum Circular No. 6., and provided further that the subject registrar confirms that the client is qualified under this Circular.

Mandaluyong City, January 24, 2008.

FE B. BARIN
Chairperson

Annex "A"

UNDERTAKING

(For Qualified Individual Buyer Applicant)

I, _____, of legal age, with home/office address at _____, state that:

I shall refrain from representing myself or dealing in securities as a qualified buyer if, after my registration, there are circumstances that disqualify me from enjoying that status, such as, diminution of net worth below the minimum;

I shall not commit any act that constitutes misrepresentation, fraud or deceit under the Securities Regulation Code and its implementing rules and regulations; and

I authorize the representatives of the Securities and Exchange Commission to inspect and examine the documents I submitted to the registrar in relation to my application for registration as a qualified buyer.

_____
Date

_____
Name & signature of Applicant

Annex "B"

UNDERTAKING

(For Qualified Institutional Buyer Applicant)

I, _____, as the authorized officer of _____, with principal office address at _____, state that:

The Company shall refrain from representing itself or dealing in securities as a qualified buyer if, after its registration, there are circumstances that disqualify it from enjoying that status, such as, diminution of net worth below the minimum;

The Company shall not commit any act that constitutes misrepresentation, fraud or deceit under the Securities Regulation Code and its implementing rules and regulations;

The Company authorizes the representatives of the Securities and Exchange Commission to inspect and examine the documents it submitted to the registrar in relation to its application for registration as a qualified buyer; and

The Board of Directors of the Company has approved the signing and submission of this Undertaking.

_____
Date

_____
Name & signature of Applicant
Company's authorized officer