Securities and Exchange Commission
PHILIPPINES

SEC MEMORANDUM CIRCULAR NO. 21
Series of 2023

SUBJECT : AMENDMENTS TO SEC MEMORANDUM CIRCULAR NO. 2, SERIES OF 2014 - GUIDELINES ON ASSET VALUATIONS

WHEREAS, Item II. ACCREDITATION (Paragraph 3), Item III. OPERATIONAL REQUIREMENT (Paragraph 3) and Item IV. REPORTING REQUIREMENTS (Paragraph 1) of SEC Memorandum Circular No. 2, Series of 2014 provides that:

"II. ACCREDITATION

3. The criteria for accreditation shall be the following:

i. The applicant shall be registered with the Commission either as a corporation or general professional partnership organized by individuals engaged in appraisal or valuation work and shall be 100% Filipino-owned pursuant to the 9th Foreign Investment Negative List.

III. OPERATIONAL REQUIREMENTS

All appraisal companies or PSOs accredited by the Commission shall comply with the following operational requirements:

3. An accredited appraisal company or PSO shall maintain the following prescribed qualifications:

i. *It is 100% Filipino-owned pursuant to the 9th Foreign Investment Negative List and it is managed and operated by licensed appraisers or valuation specialists;*

IV. REPORTING REQUIREMENTS

1. All accredited appraisal companies or PSOs shall submit within one hundred five (105) days from end of its fiscal year, an annual report under SEC Form AC-AR duly signed by its Chief Executive Officer and Chief Finance Officer, or Managing Partner, as the case may be."

WHEREAS, based on Annex A of the 12th Foreign Investment Negative List (issued on June 27, 2022), no foreigners are allowed to practice profession in the Philippines, which includes among others, Real Estate Services, unless their home country allows Filipinos to be admitted to the practice of said profession.

WHEREAS, based on precedent cases, most of the accredited appraisal companies and PSOs have been requesting extension on the submission of Annual Report (AR) from the April 15 deadline since the audited financial statements, which some data in the AR are derived from, are not yet available, either the audit of their respective

Published:
Philippine Star, 16 November 2023
Manila Standard, 16 November 2023

Filed with the UP Law Center: 14 November 2023

external auditors has not been completed or the submission of said financial statements to the Commission is not yet due.

IN VIEW OF THE FOREGOING, in order to update the foreign ownership requirement and submission date of the AR of the said Circular, the Commission *en banc* in its Meeting held on November 9, 2023, resolved to approve the revision to SEC Memorandum Circular No. 2, Series of 2014 by amending the provisions on Paragraph 3 of Items II and III and Paragraph 1 of Item IV, as follows:

"II. ACCREDITATION

3. The criteria for accreditation shall be the following:

i. The applicant shall be registered with the Commission either as a corporation or general professional partnership organized by individuals engaged in appraisal or valuation work and shall be compliant with the ownership requirement under the prevailing Foreign Investment Negative List.

III. OPERATIONAL REQUIREMENTS

All appraisal companies or PSOs accredited by the Commission shall comply with the following operational requirements:

3. An accredited appraisal company or PSO shall maintain the following prescribed qualifications:

i. *It is compliant with the ownership requirement under the prevailing Foreign Investment Negative List and it is managed and operated by licensed appraisers or valuation specialists;*

IV. REPORTING REQUIREMENTS

1. All accredited appraisal companies or PSOs shall submit within one hundred thirty-five (135) days from the end of its fiscal year, an annual report under SEC Form AC-AR duly signed by its Chief Executive Officer and Chief Finance Officer, or Managing Partner, as the case may be."

This Memorandum Circular is hereby issued to effect the subject amendments.

This Memorandum Circular shall take effect after its publication in two (2) newspapers of general circulation.

Makati City, Philippines.

November 14, 2023.

EMILIO B. AQUINO
Chairperson