REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills, Mandaluyong City

SEC MEMORANDUM CIRCULAR No. 11
Series of 2006

Subject: **INCREASE IN THE PROCESSING FEE ON APPLICATIONS FOR CERTIFICATE OF ELIGIBILITY PURSUANT TO THE SPECIAL PURPOSE VEHICLE ACT**

To: ALL CONCERNED

The Commission, in its meeting of October 12, 2006, decided to increase the processing fee on applications for Certificate of Eligibility (COE) covering non-performing assets[1] (NPAs) in accordance with Republic Act No. 9182 otherwise known as the Special Purpose Vehicle Act (as amended by R.A. No. 9343[2]), as follows:

	Old Rate	**New Rate**
For transfers to be made to an SPV by financial institutions under SEC jurisdiction	1/100 of 1% of the transfer price but not below P10,000.00	0.50% of the transfer price but not below P20,000.00
For second leg transfers[3] (individual, third party)	1/100 of 1% of the transfer price but not below P3,000.00	0.10% of the transfer price but not below P5,000.00

The subject increase rationalizes the amount of processing fee with the necessary technical skills and time required for the evaluation of an application.

This Circular shall take effect immediately.

Issued this 12 day of October 2006, Mandaluyong City.

FE B. BARIN
Chairperson

[1] These consist of non-performing loans (NPL) and real and other properties owned or acquired (ROPOA).
[2] For the purpose of allowing the establishment and registration of new special purpose vehicles and for other purposes. This act was approved by the Congress on April 24, 2006 and took effect on July 27, 2006.
[3] These include (i) the transfer of the NPL by the SPV to a third party; (ii) the transfer of the ROPOA by the SPV to a third party; (iii) the dacion in payment of the NPL by the borrower to the SPV; (iv) the dacion in payment of the NPL by a third party, on behalf of the borrower, to the SPV; (v) the transfer of the NPL by the individual to a third party; and (vi) the transfer of the ROPOA by the individual to a third party.