SEC Memorandum Circular No. 4

Series of 2002

TO : All Pre-need Plan Issuers

RE : Paid-up Capital Requirement for Existing Pre-Need Companies

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In conformity with Rule 2 and other pertinent provisions of the Rules on the Registration and Sale of Pre-Need Plans under Section 16 of the Securities Regulation Code, the guidelines on the minimum paid-up capital requirement of existing pre-need companies are approved as follows:

A. Existing Pre-Need Companies	Paid-Up Capital
1) With traditional education plans	P 100,000,000
2) With three-type plans	100,000.000
3) With two-type plans	75.000,000
4) With one-type plan	50,000,000

B. Pre-need companies selling two to three types of pre-need plans with a minimum paid-up capital of P50 million but below P75 million shall be authorized to sell only one plan type. The pre-need companies concerned shall indicate their choice of plan type no later than May 7, 2002. However, pre-need companies are not precluded from infusing the required paid-up capital to enable such companies to sell the plan types they have been previously authorized to sell. This shall also apply to companies selling traditional plans but do not meet the P100 million paid-up requirement.

C. Pre-need companies with paid-up capital below P50 million shall have a non-extendible period of up to May 30, 2002 to put up the capital deficiency for a P50 million paid-up capital requirement for a one-type plan. Failure to comply will be a ground for suspension of permit to sell.

D. The minimum paid-up capital of new pre-need corporations shall remain at P100 million regardless of plan types.

For strict compliance.

EDSA, City of Mandaluyong, Metro Manila, Philippines

April 30 . 2002

(Original Signed)

LILIA R. BAUTISTA
Chairperson