Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
Mandaluyong City

SEC Memorandum Circular No. 6
Series of 2007

To: ALL CONCERNED

Subject: Definition of Qualified Buyers under Section 10 of the Securities Regulation Code

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Pursuant to its authority under Section 10.1 (l)(vi) of the Securities Regulation Code, the Securities and Exchange Commission (the "Commission"), in its meeting on December 4, 2007, resolved to issue the following rules on the determination of a "qualified buyer."

Section 1: A "qualified individual buyer" shall be a natural person who, at the time of his or her registration with a Self Regulatory Organization, or such other entities that the Commission may authorize to make the registration, possesses the following qualifications:

a) Has a minimum annual gross income of Twenty Five Million Pesos (PhP25,000,000) for at least two years prior to registration; **or** a total portfolio investment in securities registered with the Commission of at least Ten Million Pesos (PhP10,000,000); **or** a personal net worth of not less than Thirty Million Pesos (PhP30,000,000);

AND

b) Has been engaged in securities trading, in his personal capacity or through a fund manager, for a period of one year; **or** held for at least two years a position of responsibility in any professional or business entity that requires knowledge or expertise in securities trading, such as, legal consultant; financial adviser; sales person or associated person of a broker-dealer; or finance, treasury or trust officer of a bank or other executive positions with related responsibilities.

Section 2: A juridical person shall be considered a "qualified institutional buyer" if it possesses any of the following qualifications at the time of its registration in the same manner described above:

a) Has a minimum annual gross income of at least One Hundred Million Pesos (PhP100,000,000) for at least two years prior to registration;

b) A total portfolio investment in securities registered with the Commission of at least Sixty Million Pesos (PhP60,000,000);

c) A net worth of not less than One Hundred Million (PhP100,000,000).

Section 3: All applications for registration as "qualified buyer" shall be accompanied by the following documents:

a) Signed Information Sheet (see Annex 1 for Qualified Individual Buyers and Annex 2 for Qualified Institutional Buyers);

b) Proof of the applicant's qualifications; and

c) Copies of income tax returns for the preceding two years, as filed and *stamped "received" by the Bureau of Internal Revenue*;

Section 4: The registration shall be valid for two years, provided, that any application for renewal should be accompanied by a favorable recommendation of the authorized registrar and shall be subject to the approval of the Commission.

Section 5: The registry book of the authorized registrants shall at all times by open for review or inspection by the Commission.

Section 6: No securities purchased by "qualified buyers" shall be assigned, transferred or sold to non-qualified investors.

Section 7: This Memorandum Circular shall take effect on January 15, 2008.

December 10, 2007, Mandaluyong City, Metro Manila

Fe B. Barin
Chairperson

Annex 1

INFORMATION SHEET
FOR
QUALIFIED INDIVIDUAL BUYERS

Name _____

Civil Status _____ Single _____ Married

Home Address: _____

Office Address: _____ T.I.N. No. _____ SSS No. _____

Citizenship _____ Telephone No. _____

Fax No. _____ E-mail Address: _____

1. Age:

2. Educational Attainment:

___ College Degree: _____

___ Post Graduate Degree/Certificate: _____

___ Others

3. Key objective/s for the investment being considered:

___ To safeguard capital or amount invested

___ To receive income by liquidating shares regularly

___ To achieve a balance between income and capital growth

___ To achieve capital appreciation or growth despite the potential for losses to obtain significant gains

___ Others _____

4. Status of current portfolio investment: Amount

___ Savings/Time Deposit, Insurance and Pre-Need products _____

___ Government Securities (Treasury Bills, Fixed Rate Treasury Notes, Retail Bonds) _____

___ Corporate Bonds _____

___ Unit Investment Trust Funds _____

___ Mutual Funds _____

___ PSE Listed Stocks _____

___ Others _____ _____

5. Current total portfolio of securities:

___ at least P5 Million but not exceeding P10 Million

___ more than P10 Million but not exceeding P20 Million

___ more than P20 Million but not exceeding P50 Million

___ more than P50 Million but not exceeding P60 Million

___ more than P60 Million but not exceeding P100 Million

___ more than P100 Million but not exceeding P200 Million

___ Others _____

6. Intended investment horizon:

___ Short Term (one year or less)

___ Medium Term (over one year to five years)

___ Long Term (more than five years)

___ Others _____

7. Appetite for risk:

___ **Low Risk:** To earn a stable income, the investor accepts a fair amount of investment risk and fluctuations in the value of the principal amounts invested, such as, purely concentrated investments in fixed income and money market funds.

___ **Medium Risk:** To achieve an above average return and capital growth, the investor accepts that there will be occasional periods of high fluctuations in the value of the principal amounts invested, such as, investment in equity and fixed income or money market funds.

___ **High Risk:** To achieve a high return on capital, the investor is prepared for a high degree of volatility and a high chance of losses to capital investments, such as, purely concentrated investments on equity funds, and if the investor is engaged in margin finance, is willing to inject additional capital if required to settle a margin call.

___ Others _____

8. Current net worth:

___ at least P30 Million but not exceeding P50 Million

___ more than P50 Million but not exceeding P100 Million

___ more than P100 Million but not exceeding P200 Million

___ Others _____

9. Years of experience in trading in securities personally or through a fund manager:

___ 2 years

___ 3 years

___ Others _____

10. Positions of responsibility held in a professional or business entity that requires knowledge or expertise in securities held for at least two years:

___ Executive Position _____

___ Legal Consultant

___ Financial Advisor

___ Sales Person or Associate Person of a broker-dealer

___ Others _____

I affirm that the foregoing information and representations are true and correct.

_____
Name and Signature of Applicant

Date: _____

Annex 2

INFORMATION SHEET
FOR
QUALIFIED INSTITUTIONAL BUYERS

Name of Corporation _____ Date of Incorporation _____

Principal Office _____

SEC Registration No. _____ Telephone No. _____

Fax No. _____ E-mail Address _____

Authorized capital stock _____

1. Years of Existence _____

2. Key objective/s for the investment being considered:

   ___ To safeguard capital or amount invested

   ___ To receive income by liquidating shares regularly

   ___ To achieve a balance between income and capital growth

   ___ To achieve capital appreciation or growth despite potential for losses to obtain significant gains

   ___ Others _____

3. Status of current portfolio investment: Amount

   ___ Savings/Time Deposit, Insurance and Pre-Need products _____

   ___ Government Securities (Treasury Bills, Fixed Rate Treasury Notes, Retail Bonds) _____

   ___ Corporate Bonds _____

   ___ Unit Investment Trust Funds _____

   ___ Mutual Funds _____

   ___ PSE Listed Stocks _____

   ___ Others _____ _____

4. Current total portfolio of securities: _____

5. Intended investment horizon:

___ Short Term (one year or less)

___ Medium Term (over one year to five years)

___ Long Term (more than five years)

___ Others _____

6. Appetite for risk:

___ **Low Risk:** To earn a stable income, the investor accepts a fair amount of investment risk and fluctuations in the value of the principal amounts invested, such as, purely concentrated investments in fixed income and money market funds.

___ **Medium Risk:** To achieve an above average return and capital growth, the investor accepts that there will be occasional periods of high fluctuations in the value of the principal amounts invested, such as, investment in equity and fixed income or money market funds.

___ **High Risk:** To achieve a high return on capital, the investor is prepared for a high degree of volatility and a high chance of losses to capital investments, such as, purely concentrated investments on equity funds, and if the investor is engaged in margin finance, is willing to inject additional capital if required to settle a margin call.

___ Others _____

7. Current net worth: _____

We affirm that the foregoing information and representations are true and correct.

_____
Name of Applicant Institution

_____
Name and Signature of Authorized Officer

Date: _____