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

SEC MEMORANDUM CIRCULAR NO. 8
SERIES OF 2004

TO : **ALL FINANCING COMPANIES, INVESTMENT HOUSES, FUND MANAGERS, DISTRIBUTORS AND MUTUAL FUND/ INVESTMENT COMPANIES AND PRE-NEED COMPANIES**

SUBJECT : **CERTIFICATION REQUIREMENT FOR COMPLIANCE OFFICERS**

The Commission, pursuant to its regulatory and supervisory power under Section 5 of the Securities Regulation Code, mandates all the above companies to have at least one officer or director certified by examination as compliance officer to ensure that regulatory safeguards imposed on said entities are complied with and that leading practices on corporate governance are observed by such companies.

The certification as compliance officer shall be issued upon passing satisfactorily a written examination as to his proficiency and knowledge in the laws and regulations on the industry where he is associated and on corporate governance principles and practices. A person already performing the function of a compliance officer pursuant to the Code on Corporate Governance may continue acting as such provided he will pass the said examination within one (1) year from the issuance of this Circular.

To assist the said compliance officers in obtaining comprehensive and intensive training which shall prepare them for the written examination, the Commission shall conduct seminars by module, as attached.

Failure to comply with the certification requirement of this Circular shall subject the company to a penalty of Ten Thousand Pesos (P10,000.00) and Five Hundred Pesos (P500.00) per day of delay of compliance, or suspension of authority or registration in case of continued defiance with the aforementioned directive.

This Circular shall take effect fifteen (15) days from publication in a newspaper of general circulation in the Philippines.

Signed this 13th day of May 2004, Mandaluyong City, Philippines.

For the Commission:

Lilia R. Bautista
LILIA R. BAUTISTA
Chairperson

Attachment to Memo Circular No. 8

PROPOSED MODULES FOR COMPLIANCE OFFICERS OF FINANCING COMPANIES

Module	Topics	Tentative Dates
I	**The Role and Responsibilities of a Compliance Officer** (1) Code on Corporate Governance (2) Financing Company Act	
II	**Recent Developments in the Financing Industry** (1) SEC Circulars and Other Pronouncement (2) Impact to the Industry of Pertinent International Accounting Standards (IASs) (3) Introduction to Risk Based Accounting	September 2004
III	**Other Pertinent Special Laws** (1) Anti-Money Laundering Act (2) Special Purpose Vehicle Act (3) Securitization Act	September 2004

PROPOSED MODULES FOR COMPLIANCE OFFICERS OF INVESTMENT COMPANIES, INVESTMENT COMPANY ADVISERS (FUND MANAGERS) and MUTUAL FUND DISTRIBUTORS

MODULE	TOPICS	TENTATIVE DATES
I	**The Role and Responsibilities of the Compliance Officer** (1) Brief Overview on Mutual Fund Operations (2) Pertinent Provisions of the Securities Regulation Code and the Investment Company Act (a) Registration Requirements (b) Reportorial Requirements (3)The Code of Corporate Governance/ Maintaining an Effective Fund Governance	October 2004
II	**Recent Developments in the Mutual Fund Industry** (1) US Experience on Mutual Funds (2) Industry Best Practices (3) Restoring Investor Confidence thru Effective Compliance Monitoring (a) Written Supervisory Procedures/ Operating Manual (b) Code of Ethics for Certified Investment Solicitors	October 2004
III	**Mutual Fund Accounting** (1) Standardization of Accounting Procedures and Valuation Methods (ICAP) (2) Impact to the Industry of Pertinent International Accounting Standards (IASs) (3) Introduction to Risk Based Accounting	November 2004
IV	**Other Pertinent Special Laws** (1) Anti-Money Laundering Act (2) Special Purpose Vehicle Act (3) Securitization Act	November 2004

PROPOSED MODULES FOR COMPLIANCE OFFICERS OF INVESTMENT HOUSES

Module	Topics	Tentative Dates
I	**The Role and Responsibilities of the Compliance Officer** (1) Code of Corporate Governance **(2)** P.D. 129 & The Omnibus Rules and Regulations for Investment Houses and Universal Banks Registered as Underwriters of Securities **(3)** Amendments to the Implementing Rules and Regulations of the Securities Regulation Code (Selected provisions)	November 2004
II	**Recent Developments in the Investment House Industry** (1) Sec Circulars and Other Pronouncements (2) Impact to the Industry of Pertinent International Accounting Standards (IASs) (3) SRC Rule 68, as amended (4) Introduction to Risk-Based Accounting	November 2004
III	**Other Pertinent Special Laws** A. Anti-Money Laundering Act 1. Provisions of the Law (a) Covered Transactions (b) Suspicious Transactions 2. Reportorial Requirements B. Special Purpose Vehicle (SPV) C. Securitization Act	November 2004

PROPOSED MODULES FOR COMPLIANCE OFFICERS OF PRE-NEED COMPANIES

Module	Topics	Tentative Dates
I	**The Role and Responsibilities of a Compliance Officer** (1) Overview on Pre-need Company Operations (2) New Pre-need Rules and Memorandum Circulars	November 2004
II	**Recent Developments in the Pre-need Industry** (1) Actuarial Practices/Requirements (2) Financial Practices/Requirements (3) Reportorial Requirements	-do-
III	**Other Pertinent Special Laws/Rules** (1) Anti-Money Laundering Act (2) Code on Corporate Governance	-do-
IV	**Alternative Dispute Resolution** (1) SEC mediation program	-do-