



## **BANGKO SENTRAL NG PILIPINAS**

### **OFFICE OF THE GOVERNOR**

**CIRCULAR NO. 1018**

**Series of 2018**

**Subject: Amendments to the Qualification Requirements of Unit Investment Trust Fund (UITF) Marketing Personnel**

The Monetary Board, in its Resolution No. 1683 dated 11 October 2018, approved the amendments to Subsection X410.7/4410Q.7/4152T.2 of the Manual of Regulations for Banks (MORB)/Manual of Regulations for Non-Bank Financial Institutions (MORNBFI), respectively, on the qualifications of UITF Marketing Personnel.

**Section 1.** Item “d” of Subsection X410.7/4410Q.7 of the MORB/MORNBFI is hereby renumbered to Subsection X410.15/4410Q.15 and amended to read, as follows:

“Subsection X410.15/4410Q.15 UITF Marketing personnel. xxx.

xxx

To ensure the competence and integrity of all duly designated UITF Marketing Personnel, all personnel involved in the sales of UITF must be certified as a UITF Marketing Personnel through a UITF Certification Program (UCP) administered by a reputable financial services industry association/organization acceptable to the Bangko Sentral. The Certification Program, at a minimum, should have a qualifying examination, a requirement for continuing education, and a requirement for registration of the Certified UITF Marketing Personnel. The Guidelines for the Administration of the UCP are provided in Appendix-123/Q-77.

It shall be the responsibility of the Trust Entity (TE) to ensure that its UITF Marketing Personnel continuously comply with the qualification requirements prescribed by the Bangko Sentral, and that they conduct themselves with integrity, honesty and with proper representation to the clients of the TE.

**Section 2.** Subsection 4152T.2 of the MORNBFI is hereby amended to read as follows:

“Subsection 4152T.2 Marketing personnel. xxx

xxx

With respect to the marketing personnel themselves, they shall be required to:

1. xxx
2. xxx
3. xxx

In the case of UITF Marketing Personnel, the regulations provided under Subsection 4410Q.15 of the MORNBFI shall apply.

**Section 3. Transitory Provision.** The following provision shall be incorporated as a footnote to Subsection X410.15/4410Q.15 on "UITF Marketing Personnel" of the MORB/MORNBFI.

During the transitory period, UITF Marketing Personnel authorized to sell UITFs under the existing requirements, who shall undergo and fail to pass the UCP, will forfeit their existing qualification and will not be allowed to sell UITF until such time that they obtain the required certification. The Certification requirement shall be fully implemented beginning year 2022.

**Section 4. Effectivity.** This Circular shall take effect fifteen (15) calendar days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:

  
NESTOR A. ESPENILLA, JR.  
Governor

26 October 2018

**GUIDELINES FOR THE ADMINISTRATION OF THE  
UNIT INVESTMENT TRUST FUND (UITF) CERTIFICATION PROGRAM**

In line with the thrust of the Bangko Sentral to promote the development of the capital markets and to ensure investor protection, UITF Marketing Personnel are required to be certified through a UITF Certification Program (UCP) administered by a reputable financial services industry association/organization (FSIAO) acceptable to the Bangko Sentral.

The UCP is aimed at strengthening the qualification of UITF Marketing Personnel in order to ensure that they can provide sufficient information on UITFs to clients and promote delivery of safe and effective products and services, among others. The requirement is expected to advance the quality of UITF Marketing Personnel and their sales and marketing practices.

In order to ensure that the administration of UCP meets the expectations of the Bangko Sentral, the following guidelines shall be observed:

**Section 1: Pre-requisites for the administration of the UCP**

1. In order to be recognized by the Bangko Sentral as an administrator of the UCP, the FSIAO should meet the following qualification standard:
  - a. It is formally organized as a FSIAO related to trust, investment funds, collective investment schemes and other related areas;
  - b. It has adequate financial and organizational resources, and the system, to execute the UCP;
  - c. It shall adopt a three-pronged process for the UCP which shall be composed of a qualifying examination, a requirement for continuing education, and the registration and registry to monitor and manage the certified UITF Marketing Personnel;
  - d. It shall adopt an acceptable and relevant curriculum that is aimed at advancing the quality of the UITF marketing personnel; and
  - e. It shall ensure that the UCP guidelines contain, at the minimum, provisions on the governance mechanism, operational requirements, complaints handling, and provisions on Data Privacy and/or confidentiality of information, among others.
2. The FSIAO, through its authorized representative, shall submit to the appropriate supervising department of the Bangko Sentral the following:
  - a. Letter of intent to administer the UCP;
  - b. By-laws of the association/organization;

- c. Notarized Secretary's Certificate on Board of Directors/Trustees' resolution approving the application;
  - d. Board-approved UCP guidelines; and
  - e. Certification that it meets the requirements enumerated in these Guidelines.
3. Only the FSIAO that meets the criteria and requirements enumerated in these Guidelines shall be recommended for approval.
  4. Upon the recommendation of the appropriate supervising department of the Bangko Sentral, the appropriate approving authority shall act on the FSIA's application. If approved, the authority to administer the UCP shall remain valid until revoked.

## **Section 2: Administration of the UCP**

1. The FSIAO shall be responsible for ensuring that the administration of UCP is properly conducted and in accordance with the Board-approved UCP guidelines.
2. The FSIAO shall maintain the integrity and confidentiality of the UCP.
3. The FSIAO shall report to the Bangko Sentral any significant development and/or concern in the administration of the UCP.
4. In case of significant changes in the UCP guidelines, the FSIAO shall submit to the appropriate supervising department of the Bangko Sentral the revised Board-approved UCP guidelines for clearance.
5. The FSIAO shall ensure that the UCP guidelines are adequately disseminated to the FSIAO's members/member-institutions for information.
6. The FSIAO shall ensure that the UCP guidelines provide adequate transitory arrangements for existing Certified UITF Sales Personnel, if necessary.
7. The FSIAO shall make the UCP guidelines, including the examination questions, available for review by the Bangko Sentral.
8. The FSIAO shall maintain records of the certified UITF Marketing Personnel which shall be made available to the Bangko Sentral upon request.
9. The FSIAO shall post the list of certified UITF marketing personnel in its website.
10. The appropriate supervising department of the Bangko Sentral shall undertake the monitoring and periodic review of the administration of the FSIAO of the UCP to ensure that the UCP remains relevant and at par with the requirements of the Bangko Sentral.

### **Section 3: Withdrawal or Suspension of Administration of UCP**

1. The Bangko Sentral reserves the right to withdraw or suspend the administration of the UCP of the FSIAO not complying with the provisions enumerated in these Guidelines, after compliance with due process requirements.
2. The FSIAO may likewise voluntarily withdraw the administration of the UCP, subject to the approval of the Bangko Sentral.
3. The FSIAO that intends to withdraw as administrator of the UCP shall ensure proper transition of operational arrangements to minimize or eliminate potential disruption of the UCP administration.
4. The withdrawal or suspension of the FSIAO as administrator of the UCP shall be approved by the appropriate approving authority upon the recommendation of the appropriate supervising department of the Bangko Sentral.