



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1234 Series of 2026

Subject: **Amendment of the Exposure Limits of Unit Investment Trust Funds**

The Monetary Board, in its Resolution No. 388 dated 06 May 2026, approved the recalibration of the maximum exposure limits of Unit Investment Trust Funds (UITFs) relative to exchange-traded equity securities, resulting in amendments to Section 414 of the Manual of Regulations for Banks (MORB) and Section 414-Q of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI).

Section 1. Section 414/414-Q of the MORB/MORNBFI is hereby amended to read as follows:

414 / 414-Q UNIT INVESTMENT TRUST FUND

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Exposure limits. The combined exposure of the UITF to any entity shall not exceed fifteen percent (15%) of the market value of the UITF: *Provided, That,* a UITF invested, partially or substantially, in exchange-traded equity securities shall be subject to a twenty percent (20%) exposure limit to a single entity/issuer; *Provided, further,* That any exposure exceeding fifteen percent (15%), up to the applicable twenty percent (20%) limit, shall be solely in the form of investments in exchange-traded equity securities of the same entity/issuer; *Provided, finally,* That, in the case of an equity index-tracking UITF, the exposure limit shall be the actual benchmark weighting of the index component issuer, which may exceed twenty percent (20%).

This limitation xxx.

In the case of feeder fund/fund-of-funds, xxx.

The TE shall be cognizant of the aggregate investments of a UITF in any entity and its related parties, and shall have adequate tools and controls in place to effectively manage the overall risk exposure.

Should the limits prescribed above be breached for any reason, the TE must notify the appropriate supervising department² of the Bangko Sentral of such non-compliance on the banking/business day immediately following the occurrence of the breach.

The notice shall be signed by the trust officer, or an officer of equivalent rank, and shall contain the following minimum information:

- (a) The date the breach occurred;
- (b) The reason/s for or factor/s leading to the breach; and
- (c) The action/s the TE has taken and/or will take to achieve full compliance with the exposure limit.

² For this purpose, the supervising department is the Capital Markets and Trust Supervision Department.

Breaches arising solely from mark-to-market movements of investments or other extraordinary circumstances (e.g., abnormal redemptions beyond the control of the TE) shall be corrected within thirty (30) days from the time the limit is breached, or in case of investor funds, thirty (30) days from date of receipt of report indicating the net asset value of the fund.

All other breaches shall be acted upon immediately.

Once full compliance is achieved, the TE shall submit a notice to the Bangko Sentral stating that the breach has been corrected.

Allowable investments and valuation. xxx.

xxx xxx xxx

Section 2. 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:



ELI M. REMOLONA, JR.
Governor

20 May 2026