Securities and Exchange Commission
PHILIPPINES

SEC Memorandum Circular No. 7
Series of 2023

SUBJECT : GUIDELINES ON APPLICATION FOR THE ALLOCATION OF ISIN, CFI, AND FISN CODES FOR FINANCIAL INSTRUMENTS

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Whereas, the Securities and Exchange Commission (the "Commission"), acting in its capacity as the National Numbering Agency ("NNA") for the Republic of the Philippines and a partner affiliate of Association of National Numbering Agencies ("ANNA"), is the sole issuer of International Securities Identification Number ("ISIN"), Classification of Financial Instruments ("CFI"), and Financial Instrument Short Name ("FISN") codes in the Philippines to facilitate trading and settlement using internationally recognized standards.

Whereas, these securities identifiers have been developed by the industry, for the industry, and under rigorous processes established by the ISO, thus it has quickly become the common language of financial instruments and processing around the world. The ISO-identifiers have had a significant impact in reducing the time, cost, and risk of cross-border transactions.

Whereas, an ISIN is a 12-digit alphanumeric code that uniquely identifies a financial instrument. ISIN consists of a prefix, basic number and a check digit. The prefix represents a country's ISO 3166-defined alpha-2 code and in the case of Philippines, the country code is PH. The country code is followed by the basic number, which is 9 characters in length. Finally, the check digit is computed according to the modulus 10 "Double-Add-Double" formula.

Whereas, the FISN is a human readable identifier that provides essential descriptive information about an instrument. The short names and descriptions of financial instruments can be standardized through the FISN in a consistent and uniform manner. It is composed of "/" as the delimiter between issuer name and instrument description, an issuer name with a maximum length of 15 alphanumeric characters, and an instrument description with a maximum length of 19 alphanumeric characters (assuming that the available length of the issuer name has been fully used). In the event that all the 15 characters have not been used in the issuer short name, the remaining space may be used to describe the characteristics of the financial instrument.

Whereas, the CFI is a 6-letter code which provides information on the classification and structure of a financial instrument. The CFI provides a set of codes that may be utilized in an electronic data processing environment by all market participants and allows for electronic communication between them. SIX Financial Information has been appointed by ISO as Maintenance Agency and is publishing the recent versions of all CFI codes on their website. As the maintenance agency, SIX is responsible for managing the modifications and enhancements of the code list.

NOW, THEREFORE, the following guidelines on the Allocation of ISIN, CFI, and FISN Codes are hereby issued:

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Section 1. Covered Financial Instruments

Financial instruments covered under these Guidelines shall include, among others, the following registered securities as provided under the Securities Regulation Code ("SRC" or the "Code") Rule 3.1.20:

A. Shares of stocks, bonds, government securities, commercial papers, debentures, notes evidences of indebtedness, asset-backed securities;
B. Investment contracts, certificates of interest or participation in a profit-sharing agreement, certifies of deposit for a future subscription;
C. Fractional undivided interests in oil, gas or other mineral rights;
D. Derivatives like option and warrants;
E. Certificates of assignments, certificates of participation, trust certificates, voting trust certificates or similar instruments;
F. Other instruments as may in the future be determined by the Commission.

Covered financial instruments shall also include the tokenized or digital form of any of the foregoing.

Section 2. ISIN, CFI, and FISN Eligibility

A. Securities registered pursuant to Sections 8 and 12 of the Code are qualified for allocation of the security identifiers once the Registration Statements are rendered effective by the Commission.
B. Securities exempt from registration pursuant to Sections 9 and 10 of the Code are qualified for securities identifiers allocation. The Issuer or financial intermediary may submit the request for the allocation of securities identifiers together with the pertinent Offering Circular or Offering Memorandum.

Section 3. General Guidelines

A. Fungible financial instruments[1] shall be identified by a single ISIN, CFI and FISN.
B. Securities intended to be issued in tranches via a Shelf-Registration under SRC 8.1.2. with different issue prices shall be assigned with different ISINs upon issuance of each tranche, but have to be assimilated after the first coupon payment.
C. Issues with Different Denominations
    i. Issuance of shares with different defined legal denominations shall receive different ISINs for each category if the certificates do not consist of multiple of shares. Otherwise, only one ISIN shall be assigned.
    ii. Only one ISIN shall be assigned to a bond issuance that has different denominations, if fungible. Where a denomination is not fungible with another, a new ISIN can be issued to distinguish between the two.
D. Issues Denominated in Different Currencies
E. Issuances that define the currency as a specific class in the prospectus shall receive an ISIN for each currency class. If the issue has a dedicated class that is denominated in different currencies, only one ISIN may be assigned for the particular class.

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[1] **Fungible Financial Instrument** refers to a security that ranks pari passu in all respects with a different version of the same security and can be exchanged into the other form and vice versa at any time. ANNA (2022), ISIN Uniform Guidelines Relating to ISO 6166 (8th edition)

F. Debt securities, issued with warrants under SRC 12.1.3.1, shall have at least 3 ISINs:
   i. 1 for debt instrument cum warrant(s)
   ii. 1 for debt instrument ex warrant(s)
   iii. 1 for each warrant

Section 4. Consequences of Corporate Actions

A. Issuers shall obtain new ISINs for the securities to be created as a result of the following corporate actions:

   i. Domicile of company which changes to another country if the securities evidenced by a physical certificate was exchanged for a new one;
   ii. Stocks of distinct entities that undergone consolidation to form a new legal entity;
   iii. Bonds of distinct entities that undergone consolidation to form a new legal entity if old certificates are exchanged for new ones;
   iv. Increase in issued share capital if the stocks have different rights attached;
   v. Share consolidation or sub-division;
   vi. Capital reduction or change in board lot size;
   vii. Issue of a class of securities new to listing.

B. ISINs of securities shall become inactive as a result of following corporate actions:

   i. Merger by absorption that results to emergence of only one surviving company shall make ISINs of shares of the other which legally disappear inactive after a certain period;
   ii. Consolidation of distinct companies to form a new legal entity shall make former ISINs inactive;
   iii. Assimilation that makes two previously non-fungible securities fungible or any other event which makes the use of an existing separate ISIN superfluous, unless a reuse is planned;
   iv. Repayment of capital debt financial instruments or redeemable shares (fully redeemed), unless the bonds are in default;
   v. Exchange of a convertible type of security into another type of security shall make ISINs inactive after conversion date for the case of convertible shares, and after conversion period end date for the case of bonds, unless the bonds are in default;
   vi. Forced liquidation of a company and discontinuation of the legal proceedings because of lack of assets;
   vii. Voluntary dissolution of a company.

Section 5. Application and Filing Fee

A. Application

   i. For securities registered pursuant to Sections 8 and 12 of the Code with Registration Statement:

   Email sec_nna@sec.gov.ph to request for ISIN with subject title: <u>REQUEST FOR ISIN (RS) – [Issuer Name]</u> and with the following attachments:

a. Application Form
b. Registration Statement

ii. For securities exempt from registration pursuant to Sections 9 and 10 of the Code:

Email sec_nna@sec.gov.ph to request for ISIN with subject title: REQUEST FOR ISIN (EXEMPT) – [Issuer Name] and with the following attachments:

a. Application Form
b. Offering Circular Memorandum

iii. In case of corporate actions resulting to the need of issuance of new ISIN, Issuers shall email sec_nna@sec.gov.ph with subject title: CORPORATE ACTIONS – [Issuer Name] and with the following attachments:

a. Application Form
b. Documentation of corporate action
c. Any other documentation required by the Commission

B. Filing Fee

The filing fee is Php1,500.00 per set of securities identifiers (i.e. ISIN, CFI and FISN).

C. Turnaround Times

In accordance with ANNA guidelines, the Commission will allocate ISINs in a timely manner, usually within 24 hours following the request or the next business day, provided the correct and complete documentation is provided with the request.

This Circular shall take effect immediately from its publication in two (2) newspapers of general circulation and/or at the SEC website.

Makati City, Philippines.

25 April 2023.

Commissioner JAVEY PAUL D. FRANCISCO
Officer-in-Charge

Securities and Exchange Commission
PHILIPPINES

ISIN, CFI and FISN Application Form ☐ Branch Issuance ☐ Head Office Issuance

PART A – ISSUER DETAILS		
SEC Registered Name		
Ticker Symbol (or Abbreviation)		
Issuer LEI (if applicable)		
Issuer Supranational (governmental or non- governmental entity established by international law or treaty)		☐ Yes ☐ No
Address 1		
Address 2		
State/Province		
Post Code		
City		
Country		

PART B – ISSUE MANAGEMENT DETAILS	
Lead Underwriter Name	
Lead Underwriter LEI (if applicable)	
Fund Manager Name	
Fund Manager LEI (if applicable)	
Central Security Depository Name	
Central Security Depository LEI (if applicable)	

PART C - Issuer Headquarters Details (for branch issuances only)	
Head Office Name	
Address 1	
Address 2	
State/Province	
Post Code	
City	
Country	
LEI (if applicable)	

Part B – Financial Instrument Details	
Instrument Category	*Instrument Sub Category*
☐ Equities	☐ Common/ordinary shares
	☐ Common/ordinary convertible shares
	☐ Depositary receipts on equities
	☐ Limited partnership units
	☐ Preferred/preference shares
	☐ Preferred/preference convertible shares
	☐ Structured instruments (participation)
	☐ Others (miscellaneous) ______________________
☐ Collective Investment Vehicles	☐ Exchange traded funds (ETF)
	☐ Funds of funds
	☐ Hedge funds
	☐ Pension funds
	☐ Private equity funds
	☐ Real estate investment trusts (REIT)
	☐ Standard (vanilla) investment funds/mutual funds
	☐ Others (miscellaneous) ______________________
☐ Debt	☐ Asset-backed securities
	☐ Bonds
	☐ Bonds with warrants attached
	☐ Convertible bonds
	☐ Depositary receipts on debt instruments
	☐ Medium-term notes
	☐ Money market instruments
	☐ Mortgage-backed securities
	☐ Municipal bonds
	☐ Structured instruments (with capital protection)
	☐ Structured instruments (without capital protection)
	☐ Others (miscellaneous) ______________________
☐ Entitlement/Rights	☐ Allotment (bonus) rights
	☐ Depositary receipts on entitlements
	☐ Mini-future certificates, constant leverage
	☐ Purchase rights
	☐ Subscription rights
	☐ Warrants
	☐ Others (miscellaneous) ______________________
☐ Listed Exchange Traded Options	☐ Call options
	☐ Put options
	☐ Others (miscellaneous) ______________________
☐ Non-listed and complex listed options	☐ Commodities
	☐ Credit
	☐ Equity
	☐ Foreign Exchange
	☐ Rates
	☐ Others (miscellaneous) ______________________
☐ Futures	☐ Commodities futures
	☐ Financial futures

☐ Referential Instruments	☐ Baskets	
	☐ Commodities	
	☐ Currencies	
	☐ Indices	
	☐ Interest rates	
	☐ Stock dividends	
	☐ Others (miscellaneous) ______________________	
☐ Spot	☐ Commodities futures	
	☐ Financial futures	
☐ Others	☐ Financing	☐ Loan-lease
		☐ Repurchase agreements
		☐ Securities lending
	☐ Forwards	☐ Commodities
		☐ Credit
		☐ Equity
		☐ Foreign Exchange
		☐ Rates
	☐ Strategies	☐ Equity
		☐ Foreign Exchange
		☐ Credit
		☐ Rates
		☐ Commodities
		☐ Mixed assets
		☐ Others ___________________
	☐ Swaps	☐ Rates
		☐ Commodities
		☐ Equity
		☐ Credit
		☐ Foreign Exchange
		☐ Others ___________________
	☐ Others (miscellaneous)	☐ Combined instruments
		☐ Other assets (miscellaneous)

Part C – Issue Details	
Nominal Value	
Issue Currency	
Smallest Denomination	
Conversion Ratio/Contract Size	
Maturity/Expiration Date	
Exercise Price	
Underlying Instrument Name	
Type of Interest	
Interest Rate	
Interest Payment Date	
Interest Frequency	
First Interest Payment Date	
Additional Information	
Market Identifier Code (MIC)	
Call/Put (If Entitlement/Rights and Options only)	