



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1152 Series of 2022

Subject: **Amendments to the Regulations on Unit Investment Trust Funds (UITFs)**

The Monetary Board, in its Resolution No. 1218 dated 18 August 2022, approved the amendments to Sections 403, 414 and Appendix 134 of the Manual of Regulations for Banks (MORB), and Sections 403-Q, 414-Q and Appendix Q-87 of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFIs). These cover the following: (i) licensing framework on the creation of UITFs and amendments to their features; (ii) definition of fund classifications; (iii) distribution of income for distributing funds; (iv) enforcement actions; and (v) other provisions on the administration of UITFs.

Section 1. Section 403/403-Q of the MORB/MORNBFIs is hereby amended to read, as follows:

403/403-Q DEFINITIONS

For purposes of regulating the operations of trust and other fiduciary business and investment management activities, unless the context clearly connotes otherwise, the following shall have the meaning as indicated:

- a. Trust entity (TE) xxx

xxx
- z. Money market fund shall refer to a UITF that invests in bank deposits and fixed income securities with remaining terms to maturity of not more than three (3) years and has a weighted average portfolio life of one (1) year or less. The weighted average portfolio life shall be computed by weighting the remaining term to maturity of each underlying asset by its market value.
- a. Fixed income fund shall refer to a UITF that invests in fixed income instruments and has a weighted average portfolio life of more than one (1) year.
- bb. Multi-asset fund shall refer to a UITF that invests in a diversified portfolio of fixed income securities, equities, and other allowable investments for UITFs.
- cc. Equity fund shall refer to a UITF that has at least 80% of its net asset value (NAV) in equities.
- dd. Feeder fund xxx

- ee. Fund-of-funds xxx
- ff. Target fund xxx
- gg. Investor fund xxx
- hh. Multi-class fund xxx
- ii. Distributing fund shall refer to a UITF that has an income distribution feature whereby the income of the fund is distributed in the form of units called unit income.
- jj. Related party/company, xxx

Section 2. Section 414/ 414-Q of the MORB/MORNBFI is hereby amended to read, as follows:

414/414-Q UNIT INVESTMENT TRUST FUNDS

A TE may create, administer, and manage the investments of a Unit Investment Trust Fund (UITF): *Provided*, That it has the competence and appropriate processes, systems, and infrastructure to administer and market UITFs and to manage the related risks. The TE shall likewise have in place a sound client suitability assessment process and a system for the adequate disclosure of risks to clients. The administration of UITFs shall be consistently performed in accordance with these guidelines and other applicable laws, rules and regulations.

Creation of a UITF. A TE authorized to perform trust functions may create one (1) or more UITFs, subject to prior approval by, or notification to, the Bangko Sentral, as provided under this Section and the provisions of Sec. 111/111-Q/101-N/111-T.

- a. ***Creation of a UITF requiring prior Bangko Sentral approval.*** A TE that intends to create a UITF that falls under any of the following categories for the first time shall secure prior approval from the Bangko Sentral:
 - i. fixed income fund;
 - ii. multi-asset fund;
 - iii. equity fund;
 - iv. fund-of-funds;
 - v. feeder fund;
 - vi. multi-class fund; and
 - vii. distributing fund.

A TE's creation of a UITF that falls under the same category as an existing UITF of the TE shall only require notification to the Bangko Sentral, as set out under Item "b."

- (1) ***Qualification requirements.*** A TE seeking approval to create a UITF shall:
 - (a) Satisfy the prudential criteria under Sec. 111/111-Q/101-N/111-T;
 - (b) Implement adequate risk management practices in accordance with Appendix 87/Q-50; and

- (c) Demonstrate operational readiness (in terms of personnel, IT systems, policies and procedures, etc.) to manage the UITF it intends to create.
- (2) *Application procedures.* The TE shall submit to the appropriate supervising department of the Bangko Sentral, within ten (10) banking days from the approval of the authority to create the UITF/s by the TE's board of directors, the following documents:
- (a) Application letter signed by the president or officer of equivalent rank;
 - (b) Duly accomplished *Application to Create a UITF* (Appendix 137/Q-90);
 - (c) Corporate secretary's certificate on the approval of the creation of the UITF by the TE's board of directors specifying the name and the category of the fund;
 - (d) Certification jointly signed by the president or officer of equivalent rank and the chief compliance officer attesting to: (i) the compliance of the TE with the prudential criteria under Sec. 111/111-Q/101-N/111-T; (ii) the completeness of the plan rules of the UITF that is the subject of the application in respect of the minimum provisions required under this Section; and (iii) the correctness and consistency of the provisions across the Plan Rules and related appendices, and the alignment of the Key Information and Investment Disclosure Statement (KIIDS) with the Plan Rules;
 - (e) Board-approved Plan Rules, including any related appendices, and the sample KIIDS;
 - (f) Document/s containing information on:
 - (i) Policies, procedures, and process flows for the marketing, fund management, operation, and risk management of the UITF that is the subject of the application; and
 - (ii) Training plans/activities for the continuing education of UITF marketing personnel, particularly on the marketing of the new fund category, pursuant to Sec. 414/414-Q - "UITF marketing personnel;"

Additional requirements for an application for a fund-of-funds or feeder fund:

- (iii) Policies and procedures on the selection of the target fund/s, and the determination of the alignment of the target fund's/s': (a) investment objective with that of the investor fund; and (b) underlying assets with the allowable investments set forth under this Section;
- (iv) Internal evaluation of the target fund/s vis-à-vis the TE's selection policies and procedures; and
- (v) Prospectus/es and factsheet/s of the target fund/s;

Additional requirements for an application for a distributing fund or a multi-class fund:

- (vi) Calculation methodology/ies and a description of the controls that ensure the accuracy of the valuation and computation of the net asset value per unit (NAVPu); and
- (vii) An illustration/sample computation of the NAVPu before and after income distribution and the basis thereof, and the NAVPu for each unit class; and
- (g) Other relevant documents that may be requested by the Bangko Sentral to facilitate the evaluation of the application.

The creation of a UITF requiring prior approval shall be considered as a permissible activity subject to a Type "A" License in accordance with Sec. 111/111-Q/101-N/111-T.

- b. ***Creation of a UITF requiring notification.*** A TE that intends to create a money market fund or a fund that falls under the categories listed in Item "a". above which has had a fund under the same category previously approved by the Bangko Sentral shall notify the Bangko Sentral prior to offering the new fund to the public.

Notification procedures. The TE shall notify the appropriate supervising department of the Bangko Sentral of its creation of a UITF within ten (10) banking days from the approval of the same by the TE's board of directors. The notice shall consist of the following:

- (1) Notification letter signed by the president of the TE or an officer of equivalent rank;
- (2) Duly accomplished *Application to Create a UITF* (Appendix 137/Q-90);
- (3) Corporate secretary's certificate on the approval of the creation of the UITF by the TE's board of directors specifying the name and the category of the fund;
- (4) Certification jointly signed by the president or officer of equivalent rank and the chief compliance officer attesting to: (i) the compliance of the TE with the prudential criteria under Sec. 111/111-Q/101-N/111-T and (ii) the completeness of the plan rules of the UITF that is the subject of the application in respect of the minimum provisions required under this Section; and (iii) the correctness and consistency of the provisions across the Plan Rules and related appendices, and the alignment of the KIIDS with the Plan Rules;
- (5) Board-approved Plan rules, including any related appendices, and the sample KIIDS; and
- (6) For the initial creation of a UITF classified as a money market fund, the documents specified under Item "a.(2)(f)" of the provisions on the *Creation of a UITF requiring prior Bangko Sentral approval*.

The creation of a UITF requiring notification shall be considered as a permissible activity subject to a Type "C" License in accordance with Sec. 111/111-Q/101-N/111-T.

The Bangko Sentral reserves the right to issue a notice of objection within sixty (60) calendar days from the date of receipt of the notification on the creation of a UITF.

The conversion of a UITF to another fund category and the amendment to an existing fund that will result in its reclassification to a new fund category shall be subject to the requirements on the creation of a UITF under Item "a. *Creation of a UITF requiring prior Bangko Sentral approval*" or Item "b. *Creation of a UITF requiring notification*," as applicable.

- c. **Processing fee.** Upon the filing of its application, a TE shall be charged a non-refundable processing fee of P25 Thousand for each UITF to be created requiring prior Bangko Sentral approval. The assessment and collection of fees shall be made in accordance with the guidelines on fees provided in Appendix 124/Q-77: *Provided, however*, That the creation of a PERA UITF requiring prior approval of the Bangko Sentral shall be exempted from the said processing fee.
- d. **Launching Period.** A UITF shall be launched in accordance with the following timelines:
 - (1) For a *UITF requiring prior approval* - within a period of one (1) year from the date of the TE's receipt of the letter of approval from the Bangko Sentral; and
 - (2) For a *UITF requiring notification* - within a period of one (1) year from receipt by the Bangko Sentral of the notification letter from the TE.

The TE shall inform the Bangko Sentral in writing of the date of the actual launch of a UITF.

Failure to launch a UITF within the prescribed period shall result in either an automatic revocation of the Bangko Sentral approval or the consideration of the notification from the TE as "withdrawn."

Administration of a UITF. xxx

Relationship of trustee with UITF. xxx

Operating and accounting methodology. A UITF shall be operated and accounted for in accordance with the following:

- a. xxx
- b. Contributions to each fund by clients shall always be through units of participation in the fund and each unit shall have uniform rights and privileges as any other unit. In the case of a multi-class fund, units shall be issued as units in a class of the fund.
- c. xxx

- d. xxx
- e. The NAVPu shall be computed daily.
- f. For a distributing fund, the trustee may distribute the income of the Fund subject to the following conditions:
 - (1) Distribution of income shall be made:
 - (a) Only from cash received from interest income earned and cash dividends; and
 - (b) After the trustee has taken into consideration the following:
 - (i) Income for the period;
 - (ii) Taxes and expenses;
 - (iii) Sustainability of distribution of income; and
 - (iv) The investment objective and distribution policy of the fund.
 - (2) The income for distribution shall be:
 - (a) Converted into equivalent units, referred to as unit income, based on the NAVPu as at the first business day when units in the fund are quoted ex-distribution. Participants shall be entitled to their pro-rata share in the unit income based on their outstanding units of participation on distribution date; and
 - (b) Automatically be considered redeemed from the fund. As the payout of unit income entails transaction costs for participants, the trustee may set the minimum amount at which participants can receive the income in cash. In cases where the amount of income to be received falls below such minimum amount, the unit income shall automatically be reinvested as additional contribution to the fund.
 - (3) The Plan rules shall state the distribution policy, including the sources of income for distribution, the intended frequency of distribution, and the manner of distribution of unit income;
 - (4) The trustee shall keep a record of the total income that has been distributed and its basis, and the corresponding unit income that has been paid out in cash to participants and reinvested into the fund.
 - (5) Every time an income distribution is made, each participant shall be notified of the NAVPu ex-distribution, the income pay-out rate, the corresponding unit income, and the manner of the client's receipt of unit income (i.e., cash redemption or reinvestment into the fund). The income pay-out rate represents the proportion of income from the fund that was distributed for each unit of participation.
- g. An external audit of the financial statements of each UITF shall be conducted annually by the external auditor engaged for the financial audit of the TE. The audited financial statement (AFS) for each UITF shall be PFRS/PAS-compliant in all respects. Further, the AFS for each UITF shall be made available at the TE's place of business, posted on the TE's website, and upon the request of participants, transmitted to them in printed or electronic format.

The TE shall submit the AFS for each UITF to the appropriate supervising department of the Bangko Sentral within 180 calendar days following the close of the calendar or fiscal year adopted by the TE. The AFS shall be submitted along with the following documents, which may collectively cover all of the UITFs of the TE:

- (1) Letter of Comments (LOC) or equivalent letter from the external auditor to the TE's board of directors stating any material weakness or breach in the TE's internal control and risk management systems. If no material weakness or breach is noted to warrant the issuance of an LOC, a certification under oath executed by the external auditor stating that no material weakness or breach in the internal control and risk management systems was noted in the course of the audit of the UITFs;
- (2) Copy of the board resolution indicating the action/s taken on the AFS, and on the findings and recommendations stated in the LOC, if any;
- (3) Reconciliation statement between the balances of each fund in (i) the AFS, and (ii) the Financial Reporting Package for Trust Institutions. For this purpose, the reporting format of Annex C of Appendix 55/Annex B of N-21/Annex B of Appendix Q-32/Annex B of Appendix T-6 shall be adopted; and
- (4) Adjusting entries on the reconciling items related to Item "(3)," if any.

The AFS of the UITFs together with the documents itemized above shall be classified as "*Category B*" reports.

Plan rules. Each UITF shall be governed by a written trust agreement drawn by the trustee, referred to as the "Plan," which shall be approved by the trustee's board of directors and a copy of which shall be submitted to the Bangko Sentral in accordance with the provisions on the creation of UITFs.

The *Plan* shall contain the following minimum elements:

- a. *Title of the Plan.* This shall correspond to the product/brand name by which the UITF is proposed to be known and made available to its clients. The Plan shall state the classification of the UITF (e.g., money market fund, fixed income fund, multi-asset fund, or equity fund), the structure of the UITF (e.g., feeder fund, fund-of-funds, and/or multi-class fund), and whether the fund has an income distribution feature.
- b. *Manner by which the fund is to be operated.* The trustee shall define the following:
 - (1) Fund's investment objectives, policies and limitations;
 - (2) Fund's target asset allocation;
 - (3) For money market and fixed income funds, the intended weighted average portfolio life, or if structured as a feeder fund/fund-of-funds, the relevant measure of duration/tenor of the target fund/s;
 - (4) For distributing funds, income distribution policies;
 - (5) For multi-class funds, the distinctive features of the different classes of units;

- (6) Description and/or illustration of the structure of the fund, as applicable; and
- (7) Other peculiarities of the fund which the Bangko Sentral may allow.

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- f. *Benchmark against which the performance of the fund will be measured.* The Plan shall include the description and key characteristics of the benchmark, its use relative to the fund's objectives or investment strategies, and the references from which detailed information on the benchmark can be obtained.
- g. *Terms and conditions governing the admission or redemption of units of participation in the fund.* xxx

The Plan shall likewise conform to the requirements of the Financial Consumer Framework under Sec. 1002/1002-Q.

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- k. Such other matters as may be necessary or proper to clearly define the rights of participants in the UITF. The provisions of the Plan shall govern participation in the fund, including the rights and benefits of persons having interest in such participation, as beneficiaries or otherwise.

A copy of the Plan shall be available at the principal office of the trustee during regular office hours, for inspection by existing or prospective investors or their authorized representatives. A copy of the Plan shall likewise be furnished to the said parties upon their request.

The Plan may be amended by a resolution of the trustee's board of directors, subject to the requirements under this Section.

Amendments to a UITF. An amendment to a UITF involving any of the following aspects shall be the subject of a written notification to the Bangko Sentral:

- a. Investment objectives, policies, or strategies;
- b. Risk profile;
- c. Benchmark;
- d. Target investors of a multi-class fund;
- e. Target fund/s of a feeder fund or a fund-of-funds;
- f. Income distribution policy of a distributing class/fund;
- g. Basis of the NAVPu computation;
- h. Fees and other charges to the fund;
- i. Custodian;
- j. Investment manager, if separate from the trustee; and/or
- k. Merger of funds.

The amendment to a UITF involving any of the aspects cited above shall be considered as a permissible activity subject to a Type "C" License in accordance with Sec. 111/111-Q/101-N/111-T.

The TE shall submit the following documents to the appropriate supervising department of the Bangko Sentral within ten (10) banking days from the approval of the amendment/s to the UITF by the TE's board of directors:

- a. Letter signed by the president or officer of equivalent rank informing the Bangko Sentral of the amendment/s to a UITF;
- b. Duly accomplished form on the *Amendment/s of a UITF* in Appendix 138/Q-91 detailing the changes in the Plan and any related appendices, and the purpose of adopting the amendment/s;
- c. Board-approved Amended Plan, including any related appendices;
- d. Corporate secretary's certificate attesting to the approval of the amendments to the UITF by the TE's board of directors;
- e. Certification jointly signed by the president or officer of equivalent rank and the chief compliance officer attesting to: (i) the compliance of the TE with the prudential criteria under Sec. 111/111-Q/101-N/111-T; and (ii) the completeness of the amended plan rules of the UITF that is subject of the notice in respect of the minimum provisions required under this Section; and (iii) the correctness and consistency of the provisions across the Plan Rules and related appendices, and the alignment of the KIIDS with the Plan Rules; and
- f. Other relevant documents that the Bangko Sentral may require to facilitate the evaluation of the amendment/s to a UITF.

The Bangko Sentral reserves the right to issue a notice of objection within thirty (30) calendar days from the date of receipt of the notification on the amendment/s to a UITF.

All other amendments to a UITF that do not involve the aspects enumerated above shall only require approval of the TE's board of directors.

The TE shall notify each of the UITF participants in writing, either in electronic or printed form, of any amendments to a fund. The participants shall be given at least thirty (30) calendar days prior to the implementation of any amendment to a UITF to withdraw their participations in the fund if they are not in conformity with the amendment.

Other notices to the BSP. A TE shall advise the Bangko Sentral in writing prior to the implementation of any of the following: (i) a change in the name of a UITF, (ii) a change in the cut-off time for admission/redemption, (iii) a suspension of NAVPu calculation or admission/redemption, or (iv) the termination of a fund. For urgent situations involving items (ii) and (iii), a post-notification shall be submitted to the Bangko Sentral within two (2) banking days from occurrence, stating the details and the period within which the change/suspension shall be in effect.

UITF Marketing personnel.¹ The trustee shall ensure that there are board-approved policies and procedures covering the following:

- (1) Duties and responsibilities of all UITF marketing personnel;

¹ 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 2023.

- (2) Conduct of due diligence check on the fitness and propriety of all UITF marketing personnel, which includes the monitoring and review of their performance on an ongoing basis; and
- (3) Conduct of continuing training and education especially on updates relative to the fund products.

For purposes of this Section, a UITF may be sold by a bank employee belonging to the same financial conglomerate as the trustee, subject to the provision of the cross-selling framework.

To ensure the competence and integrity of all duly designated UITF Marketing Personnel, all personnel involved in the sale of UITF must be certified as 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 shall have, at a minimum, 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 134/Q-87.

It shall be the responsibility of the trustee 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 trustee.

The trustee shall provide a mechanism for current and prospective investors to verify the eligibility and accreditation of an individual or institution to offer the UITFs of the trustee.

Admission and redemption requirements

Prior to admission, a prospective UITF participant shall undergo a client profiling process that is consistent with the general principles on the conduct of the client suitability assessment (CSA) set out in Appendix 86/Q-49. The profiling process shall guide the client in choosing investment outlets that are best suited to his objectives, risk tolerance, preferences and experience. The process shall be designed to ensure that based on relevant information about the client, the client's investment profile matches the investment parameters of the UITF.

The trustee shall adopt a mechanism whereby clients are advised to notify the trustee of any changes in their characteristics, preferences or circumstances. This mechanism shall likewise enable the trustee to update clients' profiles at least every three (3) years.

At the minimum, each UITF participant shall be provided with the following documents:

- a. Results of the CSA;
- b. Participating Trust Agreement;
- c. Risk Disclosure Statement (RDS), which shall be substantially in the form shown in Appendix 57/Q-34; and
- d. Confirmation of Participation/Redemption, which shall contain information on: (i) NAVPu of the fund on the day of purchase/redemption; (ii) number of units purchased/redeemed; and (iii) absolute peso or foreign currency value.

The CSA results and the RDS shall be discussed by the trustee with the client. The client shall indicate his conformity with the results of the CSA and signify his understanding of the RDS. The designated UITF marketing personnel shall likewise sign off on the CSA.

Any signature on the documents listed above may be affixed manually or electronically if the documents conform with the implementing rules and regulations of R.A. No. 8792, otherwise known as the E-Commerce Act.

Minimum disclosure requirements

- a. *Key Information and Investment Disclosure Statement (KIIDS).* This document shall contain the key features and the prospective and outstanding investments of a UITF. It shall use plain language presented in a concise manner and shall comply substantially with the format prescribed in Appendix 56/Q-33. This document shall be updated and made available to participants at least every calendar quarter and made publicly available not later than forty-five (45) calendar days from the reference period.
- b. The KIIDS, Participating Trust Agreement and marketing materials shall contain the following information/disclosures:
 - (i) The name and category of the fund, fund's trustee and its contact details, and unit class of a UITF, if applicable;
 - (ii) The general investment policy and applicable risk profile. There shall be a clear description of the general risks associated with investing in a UITF and the risks specific to the type of fund. As much as possible, layman's terms should be used; technical terms should be defined;
 - (iii) Administrative and marketing details, such as pricing, cutoff times for participation and redemption, early redemption penalty/ies, and any special features of the UITF;
 - (iv) A balanced assessment of the possible gains and losses from the UITF;
 - (v) All charges made/to be made against the fund or class of a UITF, including trust fees and other related charges;
 - (vi) That the UITF is a trust product and not a deposit account, and is not insured nor governed by the PDIC;
 - (vii) That the UITF is not an obligation of, nor guaranteed, nor insured by the trust entity or its affiliates or subsidiaries;
 - (viii) That due to the nature of the investments of a UITF, the returns/yields cannot be guaranteed. Historical performance, when presented, is purely for reference purposes and is not a guarantee of similar future performance;
 - (ix) That any losses and income arising from market fluctuations and price volatility of the securities held by the UITF, even if invested in government securities, are for the account of the client. As

such, the units of participation of the client in the UITF, when redeemed, may be worth more or worth less than his/her initial investment/contribution;

- (x) That the trustee is not liable for losses unless upon willful default, bad faith, or gross negligence;
 - (xi) That the investor must read the complete details of the fund in the UITF's Plan, make his/her own risk assessment, and when necessary, seek an independent/ professional opinion before making an investment;
 - (xii) For a UITF with income distribution feature, (a) that the income for distribution shall be determined by the trustee in accordance with the UITF's Plan and are not guaranteed; (b) the intended frequency of income distribution; (c) the last five distribution dates with information on the income payout rate; (d) the manner by which unit income will be received; and (e) that the NAVPu of the fund may immediately decrease as a result of distributing the income out of the fund; and
 - (xiii) For feeder funds/fund-of-funds, the relevant information on the target fund/s.
- c. The trustee shall likewise publish on its website the (i) updated Plan, (ii) latest KIIDS, (iii) historical NAVPu, and (iv) moving return on investment for each fund on a year-to-date and year-on-year basis.

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Exemptions from statutory and liquidity reserves, single borrower's limit, director, officers, stockholders and their related interests. xxx

Enforcement Actions. Consistent with Secs. 002/002-Q and 1102/1102-Q, the Bangko Sentral reserves the right to deploy a range of supervisory tools against a TE or its directors and/or officers to ensure compliance with the requirements set forth in this Section, including the suspension of a TE's ability to establish new UITFs and/or accept new UITF participants.

Section 3. The requirement for the financial services industry association/organization to post the list of certified UITF marketing personnel in its website as provided in Section 2.9 of Appendix 134/Q-87 of the MORB/MORNBFI is hereby deleted.

Section 4. Appendix 7 is hereby amended to read, as follows:

Category	Form No.	MOR Ref.	Report Title	Frequency	Submission Deadline	Submission Procedure/ E-mail Address
xxx	xxx	xxx	xxx	xxx	xxx	xxx
B		435	Financial Audit Report - Trust Department	-do-	-do-	-do-

Category	Form No.	MOR Ref.	Report Title	Frequency	Submission Deadline	Submission Procedure/ E-mail Address
			a. Audited Financial Statements ¹ b. Opinion of the Auditor together with attachments listed in Appendix 55			
B	Unnumbered	Section 414	Audited Financial Statements of the UITF/s together with the attachments	-do-	180 th calendar day after the close of the calendar or fiscal year	-do-

Section 5. Appendix Q-3 is hereby amended to read, as follows:

Category	Form No.	MOR Ref.	Report Title	Frequency	Submission Deadline	Submission Procedure
xxx	xxx	xxx	xxx	xxx	xxx	xxx
B	Unnumbered no prescribed form	173-Q	Audited Financial Statements together with attachments listed in Appendix Q-32	Annually	Not later than 120 calendar days after the close of the reference calendar or fiscal year.	Appropriate supervising department of the Bangko Sentral
B	-do-	414-Q	Audited Financial Statements of UITF/s together with the attachments	-do-	Not later than 180 calendar days after the close of the reference calendar or fiscal year.	-do-

Section 6. The following transitory provision shall be incorporated as a footnote to Section 414/414-Q of the MORB/MORNBFI.

Trust entities shall be given a period of one (1) year from the effectivity of this Circular to make appropriate changes to their plan rules, policies, processes, and procedures in order to comply with the above requirements.

A TE that has previously obtained approval from the Bangko Sentral on the establishment of a particular UITF and is able to launch the fund within one (1) year from receipt of the approval letter from the Bangko Sentral shall be considered as having effectively been granted approval to create the UITF in accordance with Section 2 of this Circular. Approvals to create UITFs that were not launched within the prescribed period shall be revoked.

Assets of UITFs that are outstanding as of the effectivity date of this Circular that will no longer qualify under their respective fund categories may be retained in the fund until they mature.

Section 7. The forms to be filled-out by TEs for the *Application to Create a UITF* (Appendix 137/Q-90 of the MORB/MORNBFI) and *Amendment of a UITF* (Appendix 138/Q-91 of the MORB/MORNBFI) are in Attachment 1. The guidelines governing the access to and manner of submission of the electronic templates shall be covered by a separate issuance.

Section 8. Effectivity. This Circular shall take effect fifteen (15) calendar days following its publication in the Official Gazette or in any newspaper of general circulation in the Philippines.

FOR THE MONETARY BOARD:


EDUARDO C. BOBIER
Officer-in-Charge

05 September 2022

[NAME OF TRUST ENTITY]

Application for the Creation of a Unit Investment Trust Fund**Fund Name:** _____☐ For Approval☐ For Notification

Date of approval of the trust entity (TE)'s BOD: _____

[DD Month YYYY]

For a UITF subject to notification, the date of the relevant prior Bangko Sentral approval:

[DD Month YYYY]

I. Provide an explanation on the alignment of the proposed UITF with the trust entity's business model and strategic direction.

II. Provide the key features of the fund:

Features	Details (Please indicate "N/A" if not applicable)	Remarks (To be filled out by the Bangko Sentral)
1 Fund classification ¹		
2 Fund structure ²		
3 Risk profile of target investors		
4 Recommended investment horizon		
5 Investment objective		
6 Investment policy/strategy		
7 Benchmark		
8 Target asset allocation		
9 Intended weighted average portfolio life or the relevant measure of duration/tenor of the target fund/s		
10 Use of derivatives, if any		
11 Minimum initial, maintaining, and additional participation	Minimum initial: _____; Maintaining: _____ Additional participation: _____	
12 Settlement period for subscription		
13 Base currency for subscription and redemption (For a multi-class fund, fill in Item 36a)		
14 Currency of underlying investments		
15 Minimum holding period		
16 Minimum redemption amount		
17 Redemption notice period		
18 Redemption Settlement period		
19 Early redemption fee, if any		
20 Trust fee		
21 Custodianship fee		
22 External Auditor's fee		
23 Other fees, if any		
24 Custodian		
25 External Auditor		
26 Other entity/ies involved in the administration/management of the fund		
27 Outsourced functions		

¹ Fund classification: Money Market Fund, Fixed Income Fund, Multi-Asset Fund or Equity Fund

² Fund structure: Regular, Feeder Fund, Fund-of-Funds and/or Multi-class

Features	Details (Please indicate "N/A" if not applicable)	Remarks (To be filled out by the Bangko Sentral)
Additional Information for Fund-of-Funds and Feeder Funds:		
28 Target fund/s		
29 Investment manager/s of the target fund/s		
29a Relationship of the TE to the Investment Manager/s of the target fund/s		
30 Description of the target fund/s		
31 Investment objective/s of the target fund/s		
32 Investment policy or strategy of the target fund/s		
33 Use of derivatives by the target fund/s		
34 Regulator/s of the target fund/s		
35 Fee structure of the target fund/s		
Additional information for Multi-class Funds:		
36 Names of unit classes		
36a Base currency for each unit class		
37 Fees for each unit class		
38 Participants for each unit class		
39 Allocation of common costs among the classes		
40 Other differentiating features for each unit class		
Additional information for Distributing Classes/Funds:		
41 Sources of income for distribution		
42 Intended frequency of distribution of unit income		
43 Computation of Unit Income		
44 Minimum amount, if any, for cash crediting/reinvestment of unit income		
45 Other terms and conditions for the distribution of unit income		
List of documents submitted to the Bangko Sentral:		
a.		
b.		
c.		

Certified correct:

<Name of Trust Officer>

<Date of Application for Approval/Notice to the BSP>

[NAME OF TRUST ENTITY]

Amendment/s to a UITF

Fund Name: _____

Date of approval of the trust entity (TE)'s BOD: _____ [DD Month YYYY]

Date of launch of the UITF: _____ [DD Month YYYY]

Features	From	To	Reason/s for the Amendment/s	Remarks (To be filled out by the Bangko Sentral)
	(Please indicate "N/A" if not applicable)			
1 Investment objective				
2 Investment policy				
3 Investment strategy				
4 Risk profile of target investors				
5 Benchmark				
6 Target investors of a multi-class fund				
7 Target fund/s of a feeder fund or a fund-of-funds				
8 Income distribution policy of a distributing fund				
9 Basis of the Net Asset Value per unit (NAVpu) computation				
10 Fees and other charges to the fund				
11 Custodian				
12 Investment manager				
List of documents submitted to the Bangko Sentral:				
a.				
b.				
c.				

Certified correct:

<Name of Trust Officer>_____
<Date of Notice to the BSP>