

**[SEC-BED MEMORANDUM CIRCULAR NO. 01,
February 11, 1998]**

**REPUBLIC ACT NO. 8366 (AN ACT LIBERALIZING THE
PHILIPPINE INVESTMENT HOUSE INDUSTRY AMENDING
CERTAIN SECTIONS OF PRESIDENTIAL DECREE NO. 129, AS
AMENDED. OTHERWISE KNOWN THE INVESTMENT HOUSES LAW)
(RE: RECIPROCITY REQUIREMENT)**

This Memorandum Circular is issued in order to implement Section 2 of the above-mentioned Law which amends Section 5 of Presidential Decree No. 129, as amended, a portion of which reads as follows:

"SECTION 2. x x x

"SECTION 5. Citizenship Requirement. — x x x. In approving foreign equity applications in Investment Houses, the Securities and Exchange Commission shall approve such applications only if the same or similar rights are enjoyed by Philippine Nationals in the applicant's country. x x x."

Henceforth, in approving applications of foreign equity participation in investment houses, the Commission shall require, in addition to the usual documentary requirements, a certification from the Embassy of the country of which the applicant is a national or a duly authenticated certification by the authorized official of the appropriate foreign government agency of that country attesting to the fact that the laws of the country or state of the applicant allow Filipino citizens and corporations the same or similar rights. Likewise, existing registered investment houses intending to accept or increase foreign equity participation shall be required to notify the Commission regarding any such intention and submit the aforesaid additional requirement.

This Memorandum Circular shall take effect immediately.

Adopted: 11 Feb. 1998

(SGD.) PERFECTO R. YASAY, JR.
Chairman
