

[BSP CIRCULAR 721 SERIES OF 2011, May 13, 2011]

AMENDMENTS TO THE MANUAL OF REGULATIONS FOR BANKS (MORB) AND MANUAL OF REGULATIONS FOR NON-BANK FINANCIAL INSTITUTIONS (MORNBFI) ON THE EXEMPTION OF CERTAIN TRUST/OTHER FIDUCIARY ACCOUNTS FROM THE CLIENT SUITABILITY ASSESSMENT (CSA) REQUIREMENT

SUBJECT: AMENDMENTS TO THE MANUAL OF REGULATIONS FOR BANKS (MORB) AND MANUAL OF REGULATIONS FOR NON-BANK FINANCIAL INSTITUTIONS (MORNBFI) ON THE EXEMPTION OF CERTAIN TRUST/OTHER FIDUCIARY ACCOUNTS FROM THE CLIENT SUITABILITY ASSESSMENT (CSA) REQUIREMENT.

Pursuant to Monetary Board Resolution No. 703 dated 06 May 2011, Section III.A.2. (1).a of Appendix 83 and Appendix Q-48 of the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFI), respectively, are hereby amended to read as follows:

" Account opening process * * *
(1)

"a. AS A GENERAL RULE, Client profiling shall be performed for all UIT Fund and regular trust, other fiduciary and investment management accounts via a duly acknowledged Client Suitability Assessment (CSA), which aims to provide the TE with information leading to the prudent design of investment packages, suited to a particular client or investment account. THE CSA, HOWEVER, SHALL NOT BE REQUIRED FOR THE FOLLOWING TRUST AND OTHER FIDUCIARY ACCOUNTS:

- (I) COURT TRUST,
- (II) LEGISLATED AND QUASI-JUDICIAL TRUST,
- (III) TRUST UNDER INDENTURE,
- (IV) FACILITY/LOAN AGENCY,
- (V) TRANSFER AGENCY,
- (VI) DEPOSITORY AND REORGANIZATION,
- (VII) ESCROW,
- (VIII) CUSTODIANSHIP,
- (IX) SAFEKEEPING, AND
- (X) INSTITUTIONAL TRUST — PRE-NEED PLANS.

The profiling process, to be documented through a CSA Form signed by the concerned parties, shall be "undertaken on a per client basis which shall emphasize the level of risk tolerance of the client.