



MEMORANDUM

CN - No. 2019-0028

The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others

TO: ALL MARKET PARTICIPANTS AND STAKEHOLDERS

SUBJECT: AMENDMENT TO THE POLICY ON VALIDITY PERIOD OF THE ACCREDITATION OF FIRMS FOR VALUATION OR APPRAISAL PURPOSES

DATE: JUNE 3, 2019

Please be advised that the Exchange resolved to limit the validity period of the accreditation of firms to one (1) year to enable the Exchange to confirm on an annual basis the accredited firm's capability and suitability to provide the services, and to detect as real-time as possible any deficiency in the firm's compliance with the requirements of the Exchange.

Existing accreditations shall remain valid until the accreditation expires or is sooner revoked by the Exchange pursuant to Section III(A), paragraph 2 of the attached policy.

Further, accredited firms with 5-year validity shall still be required to submit to the Exchange within one hundred five (105) days from the end of its fiscal year, or simultaneous with the accredited firm's submission to the Securities and Exchange Commission ("SEC"), an annual report using the prescribed SEC format (SEC Form AC-AR), which shall include the following information:

- Brief description of business activities and operations for the year;
- List of licensed valuation specialists or property appraisers;
- List of clients for the immediately preceding year;
- Summary of financial information based on Audited Financial Statements covering the year; and
- Other information or events that transpired during the year that may materially affect the operations of the Accredited Firm.

CTD/HRAD	MOD/TD	IRD	CMDD/CPIRD	OGC/CGO	COO
Tel. No. 876-4831/876-4752	Tel. No. 876-4702/876-4771	Tel. No. 876-4731-876-4847	Tel. No. 876-4851	Tel. No. 876-4871-876-4841	Tel. No. 876-4807



MEMORANDUM

T h e P h i l i p p i n e S t o c k E x c h a n g e , I n c .

_____ Trading Rules
_____ Membership Rules
_____ Listing Rules

_____ Computer Systems Update
_____ Administrative Matters
 X Others

The amended Policy on Validity Period of the Accreditation of Firms for Valuation or Appraisal Purposes is attached as Annex "A".

The amended Policy is effective immediately.

For your information and guidance.

(Original signed)
Ramon S. Monzon
President and CEO

CTD/HRAD	MOD/TD	IRD	CMDD/CPIRD	OGC/CGO	COO
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**POLICY ON VALIDITY PERIOD OF THE ACCREDITATION OF
FIRMS FOR VALUATION OR APPRAISAL PURPOSES**
("POLICY")

I. SCOPE

This Policy shall govern the validity period of the accreditation of firms (the "Accredited Firms" or "Firms") for valuation or appraisal purposes under Section III of the PSE Guidelines for Fairness Opinions and Valuation Reports ("PSE Guidelines").

This Policy must be read and applied in conjunction with the applicable rules and guidelines of the Securities and Exchange Commission ("SEC") on Asset Valuations ("SEC Guidelines"), as provided in SEC Memorandum Circular No. 2, Series of 2014, and any amendments thereto, and the prevailing Listing and Disclosure Rules of the Exchange, including the PSE Guidelines and the requirements for accreditation of property appraisal companies.

II. RATIONALE

The Exchange resolved to **LIMIT** the validity period of the accreditation of Firms for valuation or appraisal purposes **TO ONE (1) YEAR. THIS WILL ENABLE THE EXCHANGE TO MONITOR AND CONFIRM ON AN ANNUAL BASIS WHETHER THE ACCREDITED FIRM AND ITS DIRECTORS AND EXECUTIVE OFFICERS POSSESS THE INTEGRITY, CAPABILITY AND SUITABILITY TO PROVIDE THE SERVICES, AND TO DETECT AS REAL-TIME AS POSSIBLE ANY DEFICIENCY IN THE FIRM'S COMPLIANCE WITH THE REQUIREMENTS OF THE EXCHANGE.**

III. POLICY

A. Accreditation Period

1. The validity of the accreditation of Firms for valuation or appraisal purposes shall be effective for a period of **ONE (1)**

YEAR from the date of effectivity of the accreditation as may be announced by the Exchange.

2. At any time within the Accreditation Period, the Exchange reserves the right to revoke any such accreditation granted to a firm in the event that (i) the Firm's representations are found to be false, inaccurate, misleading and/or incomplete; (ii) the Firm fails to comply with the qualifications and requirements prescribed by the Exchange; and (iii) **FOR FIRMS SUBJECT TO THE PROVISIONS OF ARTICLE III, PARAGRAPH C**, the Firm fails to comply with the annual reportorial requirements provided in item III (C) of this Policy.
3. The Accredited Firm may file an application for the renewal of its accreditation six (6) months prior to its expiration using the Checklist of Documentary Requirements for Accreditation of Firms for Purposes of Issuing Fairness Opinions and Valuation Reports, or the Requirements for Accreditation of Property Appraisal Companies, whichever is applicable.

B. Fees

Applications for initial or renewal of accreditation for valuation or appraisal purposes shall be subject to the following fees:

1. **Processing Fee.** Upon filing, the applicant Firm shall pay a non-refundable fee of Php 10,000.00 (**PLUS 12% VAT**) for processing of the application.
2. **Accreditation Fee.** The applicant Firm shall pay the Accreditation Fee of **PHP 10,000.00 (PLUS 12% VAT)** payable within fifteen (15) calendar days from receipt of notice from the Exchange approving the application for accreditation.

C. TRANSITORY PROVISION

EXISTING ACCREDITATIONS WITH VALIDITY OF FIVE (5) YEARS WILL BE VALID UNTIL THE EXPIRATION OF THE 5-

YEAR TERM, SUBJECT TO THE RIGHT OF THE EXCHANGE TO REVIEW THE ACCREDITED FIRM'S SUITABILITY TO REMAIN ACCREDITED AND COMPLIANCE BY THE ACCREDITED FIRM WITH THE REQUIREMENT TO SUBMIT TO THE EXCHANGE WITHIN ONE HUNDRED FIVE (105) DAYS FROM THE END OF ITS FISCAL YEAR, OR SIMULTANEOUS WITH THE ACCREDITED FIRM'S SUBMISSION TO THE SEC, AN ANNUAL REPORT USING THE PRESCRIBED SEC FORMAT (SEC FORM AC-AR), WHICH SHALL INCLUDE THE FOLLOWING INFORMATION:

- A. BRIEF DESCRIPTION OF BUSINESS ACTIVITIES AND OPERATIONS FOR THE YEAR
- B. LIST OF LICENSED VALUATION SPECIALISTS OR PROPERTY APPRAISERS
- C. LIST OF CLIENTS FOR THE IMMEDIATELY PRECEDING YEAR
- D. SUMMARY OF FINANCIAL INFORMATION BASED ON AUDITED FINANCIAL STATEMENTS COVERING THE YEAR
- E. OTHER INFORMATION OR EVENTS THAT TRANSPIRED DURING THE YEAR THAT MAY MATERIALLY AFFECT THE OPERATIONS OF THE ACCREDITED FIRM.