



*Bangko Sentral ng Pilipinas*

OFFICE OF THE GOVERNOR

**CIRCULAR NO. 577**  
**Series of 2007**

**Subject: Unit Investment Trust (UIT) Fund - Exposure Limit to a Single Person or Entity**

Pursuant to Monetary Board Resolution No. 869 dated 2 August 2007, the provisions of Subsections X410.8 and 4410Q.8 of the Manual of Regulations for Banks and the Manual of Regulations for Non-Bank Financial Institutions, respectively, are hereby amended as follows:

**“§ X410.8 and 4410Q.8 *Exposure limit to single person/entity.***

The combined exposure of the UIT Fund to any entity and its related parties shall not exceed fifteen percent (15%) of the market value of the UIT Fund: PROVIDED, THAT, A UIT FUND INVESTED, PARTIALLY OR SUBSTANTIALLY, IN EXCHANGE TRADED EQUITY SECURITIES SHALL BE SUBJECT TO THE 15% EXPOSURE LIMIT TO A SINGLE ENTITY/ISSUER: PROVIDED FURTHER, THAT, IN THE CASE OF AN EXCHANGE TRADED EQUITY SECURITY WHICH IS INCLUDED IN AN INDEX AND TRACKED BY THE UIT FUND, THE EXPOSURE OF THE UIT FUND TO A SINGLE ENTITY SHALL BE THE ACTUAL BENCHMARK WEIGHTING OF THE ISSUER OR 15%, WHICHEVER IS HIGHER.

“THIS LIMITATION SHALL NOT APPLY TO NON-RISK ASSETS AS DEFINED BY THE BSP.

“In case the limit is breached due to the marking-to-market of certain investment/s or any extraordinary circumstances, e.g. abnormal redemptions which are beyond the control of the trustee, the trustee shall be given thirty (30) days from the time the limit is breached to correct the same.”

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

**FOR THE MONETARY BOARD:**

**AMANDO M. TETANGCO, JR.**  
Governor

17 August 2007

**PANANALAPING MATATAG, BANSANG PANATAG**