Securities and Exchange Commission
PHILIPPINES

N O T I C E

Subject: **PROPOSED AMENDMENTS TO RULE 10.1.11.1 OF THE 2015 IMPLEMENTING RULES AND REGULATIONS OF THE SECURITIES REGULATION CODE**

The public is advised that the Commission En Banc, in its meeting held on 19 March 2026 resolved to expose the draft Memorandum Circular on the *PROPOSED AMENDMENTS TO RULE 10.1.11.1 OF THE 2015 IMPLEMENTING RULES AND REGULATIONS OF THE SECURITIES REGULATION CODE.*

The Commission hereby requests for comments, suggestions and/or inputs from all concerned on the proposed draft Memorandum Circular by submitting written comments on or before **31 March 2026** through email at ipsd_msrd@sec.gov.ph with our proposed subject of **"COMMENTS ON THE PROPOSED AMENDMENTS TO RULE 10.1.11.1 OF THE 2015 IMPLEMENTING RULES AND REGULATIONS OF THE SECURITIES REGULATION CODE."**

Issued on 19 March 2026 in Makati City, Philippines.

Securities and Exchange Commission
PHILIPPINES

SEC MEMORANDUM CIRCULAR NO. _____
Series of 2026

TO : **ALL CONCERNED**

SUBJECT : **AMENDMENTS TO RULE 10.1.11.1 OF THE 2015 IMPLEMENTING RULES AND REGULATIONS OF THE SECURITIES REGULATION CODE**

WHEREAS, Section 5.1 (b) of the Securities Regulation Code (SRC) provides that the Commission has the power to formulate policies and recommendations on issues concerning the securities markets;

WHEREAS, Rule 10.1.11 of the 2015 Implementing Rules and Regulations of the SRC (2015 SRC Rules) identifies Qualified Buyers who possess the financial capacity and investment sophistication necessary to evaluate the risks associated with securities offerings that are exempt from registration;

WHEREAS, the Commission recognizes that investment portfolios of an investor may consist of a range of financial instruments, including securities registered with the Commission and financial instruments issued by the government;

WHEREAS, the Commission further recognizes that government securities, including Treasury Bills and Treasury Bonds issued by the Bureau of the Treasury, constitute a significant component of the Philippine fixed income market and represent a substantial portion of trading activity among market participants;

WHEREAS, Rule 10.1.11 of the 2015 SRC Rules currently lays down different qualifications for Qualified Buyers who are natural persons and juridical persons, with juridical persons being required to among others, have a total portfolio investment in securities registered with the Commission or financial instruments issued by the government of at least Sixty Million Pesos (Php 60,000,000.00);

WHEREAS, Rule 10.1.11.1.1 of the 2015 SRC Rules does not include financial instruments issued by the government among the securities to be considered in meeting the Ten Million Peso (Php 10,000,000.00) threshold of total portfolio investment for natural persons to be considered as Qualified Buyers;

WHEREAS, in order to facilitate diversification of investments by Qualified Individual and Institutional Buyers, it may be prudent to align the requirements imposed on natural persons and juridical persons seeking to be considered as Qualified Buyers; and

The SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Bel-air, Makati City
(+63 2) 5322 7696
www.sec.gov.ph | imessagemo@sec.gov.ph
https://linktr.ee/secphilippines

WHEREAS, Section 72 of the SRC vests upon the Commission the authority to issue, amend, and rescind rules and regulations and orders which are necessary or appropriate to the exercise of the powers conferred upon it in the SRC;

NOW, THEREFORE, the Commission hereby adopts the following amendments to Rule 10.1.11.1 of the 2015 SRC Rules:

SECTION 1. AMENDMENTS TO RULE 10.1.11.1 OF THE 2015 SRC RULES

> **10.1.11. Qualified Buyers Under Section 10.1 (I)(vi) of the Code**
>
> 10.1.11.1. For purposes of Section 10 of the Code, a **natural person** shall be considered a qualified individual buyer if he has registered as such with entities that are authorized by the Commission to act as registrar of qualified buyers pursuant to the rules provided under SRC Rule 39.1.4.
>
> A natural person must possess the following qualifications:
>
> > 10.1.11.1.1. Has an annual gross income of at least Ten Million Pesos (Php 10,000,000.00) at least two (2) years prior to registration, or a total portfolio investment in securities registered with the Commission or **<u>financial instruments issued by the government</u>** of at least Ten Million Pesos (Php I0,000,000.00), or a personal net worth of not less than Thirty Million Pesos (Php30,000,000.00); and
> >
> > 10.1.11.1.2. Has been engaged in securities trading personally or through a fund manager for a minimum period of one (I) year, or has held for at least two (2) years a position of responsibility in any professional business entity that requires knowledge or expertise in securities trading, such as, legal consultant, financial adviser, sales person, or associated person of a broker-dealer, bank finance or treasury officer, trust officer or other similar executive officers.

SECTION 2. REPEALING CLAUSE. All other rules and regulations or parts thereof, inconsistent with the foregoing rules and regulations are repealed, amended, or modified accordingly.

SECTION 3. EFFECTIVITY. This Circular shall take effect immediately upon its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation in the Philippines.

Done this _____ of March 2026, in Makati City, Philippines.

For the Commission:

FRANCISCO ED. LIM
Chairperson