

NEWS RELEASE

FINANCIAL SECTOR FORUM ISSUES ADVISORIES TO DEPOSITORS AND INVESTORS

The Financial Sector Forum (FSF) which counts the Bangko Sentral ng Pilipinas (BSP), Insurance Commission (IC), Philippine Deposit Insurance Corporation (PDIC) and Securities and Exchange Commission (SEC) as members, has issued its latest set of advisories to guide bank clients and the investing public

The advisories are part of FSF's continuing program to promote consumer protection and a strong financial system. To ensure maximum dissemination, the advisories have four versions: Filipino, Cebuano, Ilocano and English.

Among others, the FSF warns against offers of extremely high returns on investments or rates of deposits. "The higher the returns, the greater the risk," FSF declared.

The Inter-agency body also advised investors to be diligent in understanding the financial products they want to invest in, to carefully read the terms and conditions of any agreement that they sign including the fine print, and to avoid questionable or suspicious deals, such as "get rich quick" offers.

On the other hand, depositors were advised by FSF to deal only with bank employees within the premises of the bank to avoid being victimized by

unscrupulous individuals posing as bank employees. In cases where the bank is authorized by BSP to solicit deposits outside its premises, depositors should take the necessary precautions to ensure that they are dealing with authorized bank personnel.

FSF also cautioned depositors to be wary of unrealistically high offers of interest rates or expensive gifts, such as cars, local or foreign trips, etc. offers that sound too good to be true should be avoided, the FSF advised.

The FSF is a voluntary interagency body between the heads of BSP, SEC, IC and PDIC, principally to provide an institutionalized framework for coordinating the supervision and regulation of the financial system.

ADVISORY

PRACTICAL REMINDERS TO PROTECT YOUR FINANCIAL INVESTMENTS

1. Know the financial product that you plan to invest in, particularly the terms and conditions in fine print. Do not invest if you do not understand the product or any of its terms and conditions.
2. Do not be enticed by the promise of extremely high returns. Understand that the higher the return on investments, the greater the risk.

Avoid pyramiding investment schemes, including internet-based, that induce investors to recruit others in exchange for more income.

3. Make sure that the actual investment product/instrument, if sold in the Philippines, is registered with the Securities and Exchange Commission (SEC), or has the prior approval of the Insurance Commission in the case of insurance products.

A Certificate of Incorporation from the SEC does not automatically mean that its investment products/instruments are authorized by the SEC.

4. Check the background of the issuing entity and the people behind it. Investment products issued by banks should be authorized by the Bangko Sentral ng Pilipinas (BSP)
5. Deal only with solicitors, agents and brokers licensed by the SEC, or with employees authorized by banks if the product is bank-issued.
6. Investment products/instruments are not insured by the Philippine Deposit Insurance Corporation.
7. Keep proof of investments such as official receipts, investment contracts, certificates of participation, and the like, in a secure place.

For additional information, please access the websites of BSP (www.bsp.gov.ph), SEC (www.sec.gov.ph) and IC (www.insurance.gov.ph).

For further inquiries, you may contact the following:

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