



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila

Circular Letter (CL) No.:	2018-58
Date:	14 November 2018

CIRCULAR LETTER

TO : ALL PRE-NEED COMPANIES AUTHORIZED TO TRANSACT BUSINESS IN THE PHILIPPINES

SUBJECT : Regulatory Relief for the Pre-Need Industry due to High Volatility in the Philippine Financial Market

WHEREAS, the Republic Act (R.A.) 9829, otherwise known as Pre-Need Code of the Philippines, was passed into law on 30 September 2009 and took effect on 03 December 2009.

WHEREAS, Section 6 of the Pre-Need Code provides that the Insurance Commission shall, at all times, act with transparency and dispatch and shall have the powers and functions, but not limited to the following:

- a. Prepare, approve, amend or repeal rules, regulations and orders, and issue opinions and provide guidance on and supervise compliance with such rules, regulations and orders (Section 6 (k));
- b. Formulate policies and recommendations on issues concerning the pre-need industry, including proposed legislations (Section 6 (l)); and
- c. Exercise such other powers as may be provided by law as well as those which may be implied from, or which are necessary or incidental to carry out the express powers granted the Commission to achieve objectives and purposes of the law.

WHEREAS, Philippine Interpretation Committee (PIC) Q&A No. 2010-02 (amended May 2017) provides that the primary regulators of certain entities may extend transition relief or exemptions in the application of the full Philippine Financial Reporting Standards (PFRSs). These include banks, pre-need companies, and mining companies which may be exempted by the Securities and Exchange Commission (SEC) from applying certain specific provisions of the PFRSs.

Further, the PIC Q&A No. 2010-02 requires that an entity should be given transition relief or exemption by the regulator and present in the notes to the financial statements information about the basis of the preparation of the financial statements.