



Circular Letter (CL) No.:	2025-09
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Supersedes:	CL Nos. 2023-25; 2022-23; 2021-53; 2019-27; 2017-43; 2016-16; 2015-56; and 2014-50.
Supplements:	CL No. 2023-10

CIRCULAR LETTER

TO : ALL INSURANCE COMPANIES, PROFESSIONAL REINSURERS, AND MUTUAL BENEFIT ASSOCIATIONS AUTHORIZED TO TRANSACT BUSINESS IN THE PHILIPPINES

SUBJECT : OMNIBUS GUIDELINES ON INVESTMENTS

WHEREAS, Section 437 of Republic Act ("RA") No. 10607, otherwise known as the "Amended Insurance Code," authorizes the Commission to issue rulings and circular letters as may be deemed necessary to ensure the efficient regulation of the insurance industry in accordance with global best practices and to protect the insuring public;

WHEREAS, there is a need to emphasize effective oversight and prudent management of investments by insurance entities, thereby ensuring the financial stability and integrity of the insurance industry.

NOW, THEREFORE, pursuant to the powers vested to the Insurance Commissioner under Section 437 of the Amended Insurance Code, the following rules and guidelines are hereby promulgated:

ARTICLE I OBJECTIVE AND SCOPE

SECTION 1. OBJECTIVE

The objective of this Circular Letter ("CL") is to enhance the investment adaptability of insurance companies, professional reinsurers and mutual benefit associations ("MBAs") (collectively referred to as the "*Insurance Commission Regulated Entities*" {"*ICREs*"}), and to foster a more dynamic and responsive approach to ever-changing market environment. This will empower ICREs to make well-informed investment decisions, ensuring the continued stability and growth of its financial assets while safeguarding the interests of its policyholders.

SECTION 2. SCOPE

This CL shall apply to all investments denominated in Philippine Peso ("PHP") and in foreign currencies acceptable to the Bangko Sentral ng Pilipinas ("BSP") as part of its international reserves.

ARTICLE II ADMISSIBLE INVESTMENTS AND NON-ADMITTED ASSETS

SECTION 1. ADMISSIBLE INVESTMENTS OF INSURANCE COMPANIES, PROFESSIONAL REINSURERS AND MBAS

The following are considered as admissible investments subject to the conditions set forth by the Amended Insurance Code and circular letters:

- a. Cash, time deposits, special savings accounts, deposit certificates, money market instruments and fixed income securities with maturity of one (1) year or less, arising from an investment transaction, in currencies acceptable to the BSP as part of its international reserves. If the above-enumerated assets are not pursuant to any investment transaction, Section 202(a) of the Amended Insurance Code will continue to apply.
- b. Marketable securities, as enumerated below, provided that any one of these conditions, per security, are satisfied as of transaction date:
 1. Sovereign issuers
 - i. Debt securities of the Government of the Philippines or its political subdivisions authorized by law to incur such obligations, including Government-owned or -controlled corporations; and
 - ii. Debt securities of a foreign government, provided, however, that the foreign government has obtained a minimum credit rating of B as rated by S&P, B2 as rated by Moody's, B as rated by Fitch, or its equivalent rating as rated by at least two reputable credit rating agencies.
 2. Corporate Issuers
 - i. Debt securities listed in the Philippine Dealing Exchange ("PDEX") or successor exchanges;
 - ii. Equity Securities listed in the Philippine Stock Exchange ("PSE") or successor exchanges; and
 - iii. Debt or Equity securities issued by an institution with securities listed in either PDEX or PSE, or successor exchanges;

- iv. Php-denominated debt or equity securities, provided that the issue, the issuer or its outstanding debt issue has obtained a minimum credit rating of B by CRISP or its equivalent rating by PhilRatings or other SEC-accredited credit rating agency. If the rating is not available, the issuer or the issue must be explicitly guaranteed by an entity with a minimum credit rating of B by CRISP or its equivalent rating by PhilRatings or other reputable credit rating agency;
 - v. Foreign currency-denominated debt or equity securities, provided that the issuer or the issue has obtained a minimum credit rating of B by S&P, B2 by Moody's, B by Fitch, or an equivalent rating from at least two reputable credit rating agencies. If the rating is not available, the issuer or the issue must be explicitly guaranteed by an entity with a minimum credit rating of B by S&P, B2 by Moody's, B by Fitch, or an equivalent rating from at least two reputable credit rating agencies. In addition, below investment grade and unrated financial instruments may be allowed provided that the securities are listed in recognized foreign exchanges subject to the limitations specified in Article IV, Section 2 of this CL; and
 - vi. Debt securities issued by Supranational organizations and/or Multilateral agencies provided that the issuer or the issue has obtained a minimum credit rating of B by S&P, B2 by Moody's, B by Fitch, or an equivalent rating from at least two reputable credit rating agencies.
- 3. Structured Products, such as Credit-Linked Notes, Equity-Linked Notes, Funded Fixed Rate Notes, Principal Protected Notes, Bond-Linked Notes, and Structured Deposits, which are issued by a financial institution or a Special Purpose Vehicle/Special Purpose Trust sponsored by a financial institution, provided that the issuer/sponsor or the reference asset/underlying asset obtained credit rating from at least two reputable credit rating agencies, and should have a minimum credit rating of B as rated by S&P, B2 as rated by Moody's, B as rated by Fitch, or its equivalent rating by other reputable credit rating agencies.
 - 4. Financial Derivatives, such as Forward Contracts, Futures Contracts, Options and Swaps, which shall only be used as a risk management tool for reducing risk and costs. Every derivative transaction should be in accordance with the International Swaps and Derivatives Association ("ISDA") guidelines and shall comply with the required documentations, including the ISDA Master Agreement and Credit Support Annex. ICRE counterparties must possess the requisite registration and authorization from the pertinent regulatory authority governing its operational jurisdiction.

c. Investment Vehicles

Investment vehicles designed to enable the aggregation of capital from multiple investors, with the explicit aim of collectively participating in a diversified portfolio of securities and other financial instruments; provided that said vehicles and their fund managers and/or the investment management company are subject to professional and regulatory oversight and possesses the requisite registration and authorization from the pertinent regulatory authority governing its operational jurisdiction; provided further, that only admissible assets enumerated under Article II, Section 1 of this CL, and other investments as may be approved by the Commission, shall be allowed as underlying assets of these investment vehicles:

1. Mutual Funds;
2. Exchange-Traded Funds ("ETFs");
3. Real Estate Investment Trusts ("REITs");
4. Unit Investment Trust Funds ("UITFs");
5. Fund of Funds;
6. Money Market Funds;
7. Corporate Debt Vehicle; and
8. Other investments and pooled funds with similar nature.

d. Loans

1. Secured loans:
 - i. Secured by assets listed in items (a) to (i) of Section 204 of the Amended Insurance Code; and
 - ii. Secured by assets specified under item (2) of Section 204, and other securities as may be approved by the Commissioner.
2. For MBAs, Loans to Partner Microfinance Institutions subject to the conditions and requirements of CL No. 2016-33;
3. Loans and Financial Assistance Programs to officers, employees and sales associates under contractual relations of insurance/reinsurance companies, subject to the conditions and requirements of CL No. 2014-20:
 - a. Car/Motorcycle Loans/lease-purchase plans;
 - b. Calamity and/or emergency loans;
 - c. Information Technology Equipment loan; and
 - d. Salary loans.
4. Loans to MBA members upon the security of a pledge or chattel mortgage of personal properties of the borrowers, or in the absence thereof, on the security of the membership certificate of the borrowing members, in which event such loan shall become a first lien on the proceeds thereof.

5. Salary loan to Department of Education Teachers subject to the conditions and requirements of CL No. 2017-42;
- e. Purchase of accounts or loans receivables subject to the conditions and requirements of CL No. 2018-73;
 - f. Real Estate Properties
 1. Real properties used as main place of business and/or branch offices;
 2. Real properties acquired or constructed for the production of income, or properties to be developed for such investment purpose;
 3. Real properties acquired by foreclosure or by deed in lieu thereof; and
 4. Housing projects.

The valuation of these real estate properties shall be conducted by an appraiser accredited by the Securities and Exchange Commission ("SEC"), subject to the submission of documentary requirements listed in Annex A of this CL.
 - g. Investments in infrastructure projects under the Philippine Development Plan, subject to the conditions and requirements of CL No. 2024-23;
 - h. Investment in equities of other financial institutions;
 - i. Securities issued by registered enterprise as defined in Executive Order No. 226 (s. 1987), entitled the "Omnibus Investment Code";
 - j. Certificates, notes and other obligations issued by the trustees or receivers of any institution created or existing under the laws of the Philippines which, or the assets of which, are being administered under the direction of any court having jurisdiction: Provided, however, that such certificates, notes or other obligations are adequately secured as to principal and interests;
 - k. Electronic Data Processing (EDP) machines or Information and Communications Technology (ICT) Systems and Infrastructure, subject to the conditions and requirements of CL No. 2014-18:
 1. Hardware;
 2. Software;
 3. Storage Media; and
 4. Other EDP machines or ICT Systems and Infrastructure with similar nature.
 - l. Proprietary club shares, provided that prices are published by SEC licensed brokers of club shares; and,
 - m. Investment Management Agreement (IMA) or other forms of contract primarily for financial return whereby an investment/fund manager binds itself to handle or manage investible funds or any investment portfolio in a representative

capacity as financial or managing agent, adviser, consultant or administrator of financial or investment management advisory, consultancy or any similar arrangement which does not create or result in a trusteeship. The above-mentioned representative must possess the requisite registration and authorization from the BSP or from the pertinent regulatory authority governing its operational jurisdiction. Further, the following provisions shall be incorporated in such agreement:

1. All investments under the agreement shall be registered in the name of the company;
2. All investments shall be in accordance with the provisions of this CL and other regulations issued by the Insurance Commission; and
3. Investment risk exposures should be clearly defined and measured in accordance with the Risk-Based Capital framework.

SECTION 2. NON-ADMITTED ASSETS OF INSURANCE COMPANIES, PROFESSIONAL REINSURANCE COMPANIES AND MBAS

The following assets shall in no case be allowed as admitted assets of insurance/professional reinsurance companies and MBAs doing business in the Philippines in the determination of its financial condition:

- a. Goodwill, trade names, and other like intangible assets;
- b. Prepaid or deferred charges for expenses and commissions paid by such insurance company;
- c. Advances to officers (other than policy loans), which are not adequately secured and which are not previously authorized by the Commissioner, as well as advances to employees, agents, and other persons on mere personal security;
- d. Shares of stock of such insurance company, owned by it, or any equity therein as well as loans secured thereby, or any proportionate interest in such shares of stock through the ownership by such insurance company of an interest in another corporation or business unit;
- e. Furniture, furnishing, fixtures, safes, equipment, library, stationery, literature, and supplies;
- f. Items of bank credits representing checks, drafts or notes returned unpaid after the date of statement; and
- g. The amount, if any, by which the aggregate value of investments as carried in the ledger assets of such insurance company exceeds the aggregate value thereof as determined in accordance with the provisions of this Code and/or the rules of the Commissioner.

All non-admitted assets and all other assets of doubtful value or character included as ledger or non-ledger assets in any statement submitted by an insurance company to the Commissioner, or in any insurance examiner's report to him, shall also be reported, to the extent of the value disallowed as deductions from the gross assets of such insurance company, except where the Commissioner permits a reserve to be carried among the liabilities of such insurance company in lieu of any such deduction.

ARTICLE III INVESTMENT PORTFOLIO EXAMINATION

SECTION 1. CONDUCT OF INVESTMENT PORTFOLIO EXAMINATION

The Commission shall conduct periodic review, both on-site and off-site, of ICREs to ensure that investment activities and portfolios are consistent with the IPF and existing rules and regulations. Further, the Commission may, at any time, implement appropriate regulatory measures for prudential reasons if the ICRE failed to maintain an adequate risk management system and conducted business in an unsafe and unsound manner. The Commission reserves the right to issue warnings, order liquidation of investments, non-admit assets, and suspend, modify, downgrade, limit or revoke any ICRE's investment authority, among others.

SECTION 2. REPORTORIAL REQUIREMENTS

All ICRE's must submit to the Commission the following reportorial requirements:

- a. For Insurance and Professional Reinsurance Companies (General Account):
 1. EQRSFS under CL No. 2023-10; and
 2. Investments Made and Sold ("IMS") under CL No. 2021-06.
- b. For MBAs:
 1. Quarterly Investment Portfolio Report (see Annex B); and
 2. IMS under CL No. 2021-06.
- c. For ICREs with investments in complex instruments under Article II, Section 1 (b) (3) and (4), and Section 1 (c):
 1. Investment Policy Framework (see Annex C) to be submitted three (3) months from the effectivity of this CL.

ARTICLE IV GENERAL PROVISIONS

SECTION 1. INVESTMENT APPROVALS OF THE COMMISSION

- a. **No Prior Approval.** Investments under Section 1, Article II of this CL shall not require prior approval from the Commission, except for investments enumerated in item (b) of this section.
- b. **Prior Approval.** Investments under **Article II, Sections 1(d)(1)(ii), (d)(2), (d)(3), (d)(5), (e), (f), (g), (h), and (i)** shall require prior approval from the Commission subject to the conditions of this CL and the documentary requirements under Annex A.

Unless otherwise approved by the Commission, all other investments not enumerated in Section 1, Article II of this CL shall be considered non-admitted assets.

SECTION 2. INVESTMENT LIMITATIONS

The following are the investment limitations provided under the provisions of the Amended Insurance Code and circular letters of the Commission:

Type of Investments	Limitations		Reference (Amended Insurance Code & Circular Letters)	
	LIFE / MBAs (TAA)	NON-LIFE (NW)	LIFE and MBAs	NON-LIFE
Government Bonds	None	None	§206 b (2)	§206(b)(2)
Corporate Bonds	25%	20%	§206 b (4)	§206(b)(4)
Common Stocks	10%	20%	§206 b (6)	§210(b)
Preferred Stocks	10%	20%	§206 b (5)	§210(b)
Foreign Currency Denominated Investments – Aggregate	50%	50%	CL No. 2021- 53	CL No. 2021- 53
Foreign Currency Denominated Investments - Below investment grade and unrated	5%	5%	CL No. 2021- 53	CL No. 2021- 53
Derivatives	10%	20%	CL No. 2015- 56	CL No. 2015- 56
Mutual Fund	10%	20%	CL No. 2014- 50	CL No. 2014- 50
REITS	10%	20%	CL No. 2019- 27	CL No. 2019- 27
UITF	10%	20%	CL No. 2014- 50	CL No. 2014- 50
Policy Loans	None	N/A	§204	N/A
Loans to Partner Microfinance Institutions (for MBAs only)	10%	N/A	CL No. 2016- 33	N/A
Financial Assistance Program	6% (of NW)	6%	CL No. 2014- 20	CL No. 2014- 20
Salary Loan to DepEd Teachers	60%	60%	CL No. 2023- 25	CL No. 2023- 25
Purchase of Accounts / Loans Receivable	25%	20%	CL No. 2018- 73	CL No. 2018- 73
Office use real properties	20% (of NW)	20%	§206 (b)(1)	§206(b)(1)
Income producing real properties	25%	20%	§208 (b)	CL No. 2017- 43
Housing Projects	25%	N/A	§208 (a)	N/A
Investments in infrastructure projects under the Philippine Development Plan	40%	40%	CL No. 2024- 23	CL No. 2024- 23

Type of Investments	Limitations		Reference (Amended Insurance Code & Circular Letters)	
	LIFE / MBAs (TAA)	NON-LIFE (NW)	LIFE and MBAs	NON-LIFE
EDP machines or ICT Systems and Infrastructure	5%	5% of TAA	§202 (i) and CL No. 2014- 18	§202 (i) and CL No. 2014- 18

SECTION 3. APPLICABILITY OF RELEVANT LAWS

The provisions under this CL are without prejudice to the application of pertinent laws, rules and regulations being implemented by other government regulatory agencies.

SECTION 4. SEPARABILITY CLAUSE

If any provision of this CL shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SECTION 5. REPEALING CLAUSE

All circular letters, rules and regulations or parts thereof, which are inconsistent with the provisions of this CL are deemed repealed, superseded, or modified accordingly.

SECTION 6. EFFECTIVITY

This CL shall take effect immediately.


REYNALDO A. REGALADO
Insurance Commissioner

