



## OFFICE OF THE GENERAL ACCOUNTANT

# N O T I C E

**TO : ALL INTERESTED PARTIES**

**SUBJECT : REQUESTS FOR COMMENTS ON THE EXPOSURE DRAFT OF THE PROPOSED AMENDMENTS TO SEC MEMORANDUM CIRCULAR NO. 2, SERIES OF 2014 - GUIDELINES ON ASSET VALUATIONS**

The Commission hereby requests comments and/or inputs on the attached draft of the Proposed Amendments to SEC Memorandum Circular No. 2, Series of 2014 – *Guidelines on Asset Valuations*, particularly on the ownership requirement for accredited asset valuers and the deadline for submission of annual reports.

The written comments on the exposure draft must be submitted to the Office of the General Accountant (OGA) via electronic mail at [secoga@sec.gov.ph](mailto:secoga@sec.gov.ph) on or before **06 November 2023 (Monday)**.

Issued on 18 October 2023.

Item II. ACCREDITATION (Paragraph 3), Item III. OPERATIONAL REQUIREMENT (Paragraph 3) and Item IV. REPORTING REQUIREMENTS (Paragraph 1) of SEC Memorandum Circular No. 2, Series of 2014 provides that:

## **"II. ACCREDITATION**

3. *The criteria for accreditation shall be the following:*
  - i. *The applicant shall be registered with the Commission either as a corporation or general professional partnership organized by individuals engaged in appraisal or valuation work and shall be 100% Filipino-owned pursuant to the 9<sup>th</sup> Foreign Investment Negative List.*

## **III. OPERATIONAL REQUIREMENTS**

*All appraisal companies or PSOs accredited by the Commission shall comply with the following operational requirements:*

3. *An accredited appraisal company or PSO shall maintain the following prescribed qualifications:*
  - i. *It is 100% Filipino-owned pursuant to the 9<sup>th</sup> Foreign Investment Negative List and it is managed and operated by licensed appraisers or valuation specialists;*

## **IV. REPORTING REQUIREMENTS**

1. *All accredited appraisal companies or PSOs shall submit within one hundred five (105) days from end of its fiscal year, an annual report under SEC Form AC-AR duly signed by its Chief Executive Officer and Chief Finance Officer, or Managing Partner, as the case may be."*

To update the foreign ownership requirement and submission date of the Annual Report of the said Circular, the SEC proposes to amend SEC Memorandum Circular No. 2, Series of 2014 by amending the provisions on Paragraph 3 of Items II and III and Paragraph 1 of Item IV, as follows:

## **"II. ACCREDITATION**

3. *The criteria for accreditation shall be the following:*
  - i. *The applicant shall be registered with the Commission either as a corporation or general professional partnership organized by individuals engaged in appraisal or valuation work and shall be compliant with the ownership requirement under the prevailing Foreign Investment Negative List.*

### **III. OPERATIONAL REQUIREMENTS**

All appraisal companies or PSOs accredited by the Commission shall comply with the following operational requirements:

3. An accredited appraisal company or PSO shall maintain the following prescribed qualifications:
  - i. It is compliant with the ownership requirement under the prevailing Foreign Investment Negative List and it is managed and operated by licensed appraisers or valuation specialists;

### **IV. REPORTING REQUIREMENTS**

1. All accredited appraisal companies or PSOs shall submit within one hundred thirty-five (135) days from the end of its fiscal year, an annual report under SEC Form AC-AR duly signed by its Chief Executive Officer and Chief Finance Officer, or Managing Partner, as the case may be."