

**[SEC MEMORANDUM CIRCULAR NO. 3-A, S. OF
2009, June 15, 2009]**

**SUPPLEMENT TO THE REQUIREMENTS ON THE SUBMISSION OF
TRUST FUND VALUATION AND COMPLIANCE REPORT OF PRE-
NEED COMPANIES**

I. To facilitate full compliance with SEC Memorandum Circular No. 3, Series of 2009 ("Circular"), template forms have been designed and prepared for use in the evaluation to be conducted by the independent firm (Set 1) and in the updating of the baseline information by the pre-need companies (Set 2), as follows:

Set 1 - Templates for the Baseline Report

- (1) Schedule of Trust Fund Assets: *Appendix 1-A^[*]*
- (2) Schedule of Trust Fund Charges and Liabilities: *Appendix 2-A^[*]*
- (3) Schedule of Required and Actual Deposits: *Appendix 3-A^[*]*
- (4) Schedule of Withdrawals: *Appendix 4-A^[*]*
- (5) Evaluation Sheet on the Divestment Program: *Appendix 5-A^[*]*

Set 2 - Templates for the Quarterly Reports

- (1) Report on Trust Fund Assets: *Appendix 1-B^[*]*
- (2) Report on Trust Fund Charges and Liabilities: *Appendix 2-B^[*]*
- (3) Report on Required and Actual Deposits: *Appendix 3-B^[*]*
- (4) Report on Withdrawals: *Appendix 4-B^[*]*
- (5) Progress Report on the Divestment Program: *Appendix 5-B^[*]*
- (6) Monitoring sheet on Findings of Non-Compliance: *Appendix 6^[*]*

II. The following clarifications are likewise issued relative to the implementation of the Circular:

- (1) The requirements of the Circular, shall cover all trustees, whether banks or non-banks, which hold trust fund assets of pre-need companies;
- (2) An accounting firm that will be engaged for the evaluation shall evaluate whether there is a possible threat to its independence by reason of its past or present audit or review engagement with the pre-need company or the trustee of the funds;
- (3) Section 4(f)(vii) of the Circular should read as follows: "There are reimbursements by the trustee to the pre-need company for its alleged advances which based on documents were not used for the settlement of benefits of planholders."