



REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**  
SEC Building, EDSA, Greenhills, Mandaluyong City

**NOTICE**

Notice is hereby given that the Commission in its meeting of **February 7, 2006**, resolved the following:

1. Pre-need companies shall submit on or before due date (April 15, 2006) their audited financial statements (AFS) based on the existing Pre-need Uniform Chart of Accounts (PNUCA) but using all effective Philippine Accounting Standards (PAS)/Philippine Financial Reporting Standards (PFRS) except for the accounting treatment on revenues and financial liabilities under PAS 39 and PFRS 4 (i.e. will still follow insurance accounting). Trust fund assets however, shall be accounted for under the valuation provisions of PAS 39 and 40;
2. On or before August 31, 2006, the aforementioned companies however, shall submit pro-forma financial statements using all effective PAS/PFRS, which shall be certified correct by the president and chief finance officer of each company, and supported by a supplemental report from its external auditor indicating that the accounting recognition and measurement of revenues and financial liabilities under PAS 39 and insurance contracts under PFRS 4 were complied with. Such pro-forma FS shall strictly comply with the requirements of PAS/PFRS and interpretation guidelines included therein.

Pre-need companies which are capable of simultaneously preparing the said two (2) sets of financial statements, are encouraged to submit the same on or before April 15, 2006.

The foregoing submission requirements aim to provide pre-need companies sufficient time to establish systems and programs for the proper implementation of PAS/PFRS and to ensure that the Commission will have the necessary information to decide on the transition guidelines that may be given to the pre-need industry to minimize the impact of drastic changes, if any, resulting from the full adoption of International Financial Reporting Standards (IFRS).

Pursuant to paragraph (1)(b)(iv) of SRC Rule 68, the above pronouncement by the Commission shall form part of the Generally Accepted Accounting Principles in the Philippines (GAAP). The opinion of external auditors on the audited financial statements for the period ended December 31, 2005, which shall be submitted on or before April 15, 2006 by pre-need companies shall not be qualified on the basis of non-compliance with PAS 39 and PFRS 4.

February 27, 2006, Mandaluyong City, Philippines.

For the Commission:

**FE B. BARIN**  
Chairperson