



**Premyo Bonds
Tranche 1
FAQs For Online Facility**



November 2019

HOW TO INVEST IN THE PREMYO BONDS via ONLINE FACILITY?

STEP 1: Accessing the Online Facility

- ✓ Visit the Bureau of Treasury (BTr) website at www.treasury.gov.ph. Look for the Premyo Bonds tagline: Invest Pa More, Panalo Pa more logo and click.
- ✓ Make sure you have an existing Development Bank of the Philippines (DBP) or Land Bank of the Philippines (LANDBANK) Philippine peso savings or current account.
- ✓ Only individual accounts are eligible for the online facility.

Note: And/Or accounts, in-trust-for (ITF) accounts, and corporate accounts are not eligible for online ordering. However, you may still order over-the-counter (OTC) from your respective selling agent banks.

- ✓ Please note that your settlement account must first be enrolled in the online payment facility or electronic payment system of the LBP (iAccess) or the DBP (Electronic Payment System - EPS). It is recommended that you enroll your account immediately, if you haven't yet.

STEP 2: Filling in forms via Online Facility

- ✓ In order to purchase Premyo Bonds, you will need to agree to the terms by ticking the relevant boxes in the page

and by answering the mandatory fields in the virtual forms on the BTr website:

1. Amount to Invest
2. Investor Name
3. Birth Date
4. Gender
5. Country
6. Region
7. Province
8. Street Address
9. Email Address
10. Contact Number
11. Account Name
12. Settlement Bank (DBP or LANDBANK)
13. Provide the correct Captcha Challenge

STEP 3: Payment of Premyo Bonds

- ✓ Once you have answered all necessary questions and completely filled in all the necessary fields, click "Submit".
- ✓ You will be redirected to the Selling Agent's electronic payment system (either DBP or LANDBANK), to place your order and give authority to debit your bank account.
- ✓ Accepted modes of payment via Online Facility:
 - Debit bank account (via DBP and/or LANDBANK account)



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- ✓ The Premyo Bonds are offered at a minimum denomination of PHP 500.00 only.

Note: Every PHP 500.00 placement is equivalent to and entitles the bondholder to 1 Premyo Bonds Unit.

STEP 4: Notice of Successful Payment

- ✓ Upon completion of your payment instruction, you will be redirected to a webpage that will provide a Notice of Successful Payment (“NOSP”) that contains your Reference Number after completing the application to purchase. You may use the Reference Number as your tracking number to check on the status of your placement.
- ✓ For your convenience you will also receive your NOSP via e-mail.

STEP 5: Confirmation of Sale

- ✓ After a successful transaction via BTr’s Online Facility, a physical Confirmation of Sale (“COS”) will be issued to the branch of account as your proof of investment after the issue date (30 banking days from issue date). Branch of account refers to the bank account used for the purchase of the Premyo Bonds (either DBP or LANDBANK).

A. QUESTIONS IN RELATION TO PREMYO BONDS’ TERMS AND CONDITIONS

A.1.	Issuer	Q. Who is the issuer? A. The Republic of the Philippines via the Bureau of the Treasury (BTr)
A.2.	Issuance	Q. What is the issuance? A. Philippine Peso Denominated Premyo Bonds
A.3.	Status of the Premyo Bonds	Q. What is the status of the Premyo Bonds? A. The Premyo Bonds are direct, unconditional, unsubordinated, and general obligations of the Republic and shall at all times rank <i>pari passu</i> and without any preference among other debt instruments issued by the BTr (including RTBs, T-Bonds, and T-Bills).
A.4.	Issue Size	Q. What is the issue size? A. Minimum of PHP 3.0 billion. However, the Republic may opt to increase the issue size.
A.5.	Joint Lead Issue Managers, Joint Issue Managers, and Selling Agents	Q. Who are the Joint Lead Issue Managers? A. Development Bank of the Philippines (DBP) and Land Bank of the Philippines (LANDBANK) Q. Who are the Joint Issue Managers?



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A. BDO Capital (BDO Capital), China Bank Capital (CBCap), and First Metro Investment Corp. (FMIC)

Q. Who are the Selling Agents?

A. DBP, LANDBANK, BDO Unibank (BDO), BDO Capital, China Banking Corp. (China Bank), CBCap, FMIC, and Metropolitan Bank and Trust Company (Metrobank)*

*Online Placements may be made via First Metro Securities Brokerage

A.6. Tenor

Q. What is the tenor of the Premyo Bonds?

A. The Premyo Bonds will have a tenor of 1 year

Q. Can the Premyo Bonds be pre-terminated?

A. No, the Premyo Bonds cannot be pre-terminated

Q. What is the maturity date of the Premyo Bonds?

A. 18 December 2020

A.7. Interest Rate

Q. What is the interest rate of the Premyo Bonds?

A. The interest rate of the Premyo Bonds shall be determined using the 1-year BVAL on 22 November 2019, less the cash reward ratio

Q. What is the cash reward ratio?

A. The cash reward ratio is 0.625% gross, which will be used to determine the cash reward pool

Q. Is the interest rate fixed?

A. Yes, the interest rate is to be calculated on a 30/360-day basis

Q. How often are interest rate payments?

A. Interest rate payments will be paid quarterly in arrears on the last day of each 3-month interest period. Each Premyo Bond will cease to bear interest on the Maturity Date. If the Interest Payment Date is not a Business Day, interest will be paid on the next succeeding Business Day, without adjustment in the amount of interest to be paid.

A.8. BVAL

Q. What is BVAL?

A. The Bloomberg Valuation ("BVAL") provides benchmark interest rates across various tenors and is the basis from which various transactions are priced. In the case of the Premyo Bonds, the tenor is 1 year, so the 1-year BVAL will be used to determine the interest rate of the Premyo Bonds.

A.9. Form and Denomination

Q. What is the form of the Premyo Bonds?



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A. The Premyo Bonds are scripless in form

Q. What is the minimum denomination for the Premyo Bonds?

A. The Premyo Bonds can be bought at a minimum denomination of PHP 500.00 and integral multiples of PHP 500.00 thereafter.

Q. Can the Premyo Bonds be traded in the secondary market?

A. No, the Premyo Bonds are non-tradable.

with DBP or LANDBANK. Also, this Online Facility can be accessed as long as there is an available internet connection and an internet-capable device such as your smart phone, laptop, tablet, and desktop computer. As such, it allows investors residing abroad to participate in any Premyo Bond issuance from their area of residence.

B. PROCEDURAL QUESTIONS

B.1. Online Facility

Q. What is the Online Facility?

A. The Online Facility is accessible via the BTr website: www.treasury.gov.ph. It is an online ordering facility that will allow clients to invest in the Premyo Bonds issued by the Republic of the Philippines via the BTr during primary offering, or the period where Premyo Bonds are sold to the investing public.

The Online Facility enables you 24/7, (except during maintenance downtime 10PM to 2AM), access to the ordering platform from anywhere in the world as long as you have a Philippine peso deposit account (single individual current/savings with online access)

B.2. Online Facility

Q. Who can use the Online Facility?

A. Any individual who meets the following criteria may use the Online Facility platform to purchase Premyo Bonds:

- Must be at least eighteen (18) years old at the time of ordering;
- In possession of an active Philippine Peso deposit account (current/savings with online access) from DBP or LANDBANK;
- Deposit account should be capable of transacting in the banks' Electronic Payment System (EPS), which is iAccess for LBP and EPS for DBP.

Note: An EPS is a platform that facilitates acceptance of electronic payment for online transactions. Please contact your bank to know



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		<p><i>more about their requirements, if any. For investors residing abroad, you may contact DBP or LANDBANK hotline numbers: (DBP) Toll-free Number 1-800-10-327-8888 and (LANDBANK) PLDT Toll-free Number 1-800-1-040-5700.</i></p>		
B.3.	Online Facility	<p>Q. How does one access the Online Facility? Is it accessible outside the Philippines? Is it accessible during weekends/ holidays? Is the Online Facility free to use?</p> <p>A. Investors can access the Online Facility through the BTr website (www.treasury.gov.ph) and fill out all the mandatory information. It is accessible outside the Philippines, even during weekends/holidays within the set offer period. Yes, the Online Facility is free of any charges.</p>		
B.4.	Documentary Requirements	<p>Q. Are there any documentary requirements that I need to submit to be able to use the Online Facility?</p> <p>A. Other than the documents required to possess a DBP or LANDBANK Peso account, there are no physical documents required to be submitted. The entire documentation process shall be made online using the BTr Online Facility platform.</p>		
B.5.	Purchasing via Online Facility		<p>Q. Can I order Premyo Bonds online using a joint account?</p> <p>A. No, the Online Facility may only accept orders/placements from single individual accounts.</p>	
B.6.	Purchasing via Online Facility		<p>Q. Is there a maximum amount that can be placed using the Online Facility?</p> <p>A. The Online Facility can accept placements up to PHP 500,000.00 per transaction.</p> <p>Q. Can I place orders more than once?</p> <p>A. Yes you may.</p>	
B.7.	Purchasing via Online Facility		<p>Q. Does the Online Facility provide status updates regarding my placement?</p> <p>A. Yes. The Online Facility will provide you with a Notice of Successful Payment ("NOSP") which shall contain a Reference Number after completing the application to purchase. You may use the Reference Number as your tracking number to check on the status of your placement.</p>	



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		For your convenience, the Online Facility will send you NOSP via e-mail.			- The payment bank is offline
B.8.	Purchasing via Online Facility	Q. What happens after I complete my transaction via Online Facility? A. After a successful transaction, your purchase order shall be transmitted to the bank that you nominated (DBP or LANDBANK). Your bank will conduct a final checking of your placement information and debit your payment from your bank settlement account. If all requirements are complied with, your application to purchase the Premyo Bonds shall be confirmed. Otherwise, it will be rejected. For a successful transaction, you will receive an NOSP via e-mail from your bank. You may also print the receipt of the successful transaction as your proof of purchase.	B.10.	Proof of Payment via Online Facility	Q. What is my proof of payment? A. Upon successful payment, you will receive an NOSP. The NOSP shall serve as your proof of investment in the Premyo Bonds. As a convenience feature, a system-generated NOSP shall be sent to your designated e-mail address, which was the one indicated upon opening of the account. <i>Note: Premyo Bonds are scripless securities and are digitally registered in the National Registry of Scripless Securities (NROSS).</i>
B.9.	Purchasing via Online Facility	Q. What are the possible reasons for order rejection? A. Usual reasons may be, but not limited to, the following: <ul style="list-style-type: none">- Invalid account number;- Insufficient funds in the bank account;	B.11.	Online Facility	Q. Can I use the Online Facility to invest in other securities issued by the BTr and private issuers? A. As of now, the Online Facility caters only to Retail Treasury Bonds (RTBs) and Premyo Bonds being offered during the primary offering period, or the period when the RTBs and Premyo Bonds are initially offered to the investing public.
			B.12.	Proof of Investment via Online Facility	Q. What will serve as my proof of investment? A. After a successful purchase of Premyo Bonds through the Online



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		Facility, a physical Confirmation of Sale (“COS”) will be issued to the branch of account in the Philippines as your proof of investment after the issue date. Branch of account refers to the bank account used for the purchase of the Premyo Bonds (either DBP or LANDBANK).			other private banks to connect with the Online Facility. The BTr is also looking forward to the next RTB and Premyo Bond issuance where investors can have more banks to choose from online.
B.13.	Interest Payments	Q. Where will the interest payment and principal amount upon maturity be credited from investing in Online Premyo Bonds? A. Quarterly Interest Payments and principal payment upon maturity will be credited back to the settlement account that was debited/ used during the purchase of Premyo Bonds.			
B.14.	Online Facility	Q. Why are only DBP and LANDBANK peso deposit account holders able to access the Online Facility? A. The Online Facility is a pilot online platform which is an initiative of the government (through the BTr) where orders and purchases of Premyo Bonds can be done online with the assistance of the government financial institutions. At the moment these are DBP and LANDBANK. Currently, the BTr is in talks with			However, investors below the age of 18 may still invest in the Premyo Bonds through Over-the-Counter transactions, under “In Trust For” and “For the Account Of” accounts.
B.15.	Online Facility				Q. Why is there an age limit (18 years old) to access the Online Facility? A. The Online Facility restricts investors of below 18 years of age to ensure the financial capability and knowledge of first-time investors dealing in online transactions. Investors should understand and be aware of the possible risks of the investment done through the Online Facility.
B.16.	Online Facility				Q. Why are joint, “FAO” and “ITF” accounts not allowed to place orders via the Online Facility? A. The Online Facility is only available to individual peso deposit accounts (with online access) due to system limitations and “tick box”



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		agreements that should be executed by the owner of the account.			representative of the Philippines in which said document is executed.	
B.17.	Account Opening	<p>Q. If I already have an existing account with the bank I want to buy Premyo Bonds from, do I need to open another account specifically for this investment?</p> <p>A. No, any Peso Account, even an existing one would do. This is where the interest payments, the Premyo, if won, and upon maturity, the principal, will be credited to.</p> <p>However, certain Payroll Accounts may have restrictions on accepting deposits. It is advised that you coordinate with your Bank to inquire if such restrictions apply to your account.</p>		B.19.	Beneficiary Claims	<p>Q. In case of sudden death of the investor, how can the beneficiary claim the Premyo Bonds?</p> <p>A. The beneficiary may claim the proceeds of the Premyo Bonds subject to the laws on succession.</p>
				B.20.	Beneficiary Claims	<p>Q. In case an investor dies, what happens to their investment in the Premyo Bonds? Are there taxes to be paid?</p> <p>A. The investment forms part of the estate of the deceased, which is subject to settlement by the surviving heirs. The heirs are required to pay estate taxes on the deceased's estate wherein the Premyo Bonds form part of.</p>
B.18.	Account Opening	<p>Q. How can an OFW open a Peso Account?</p> <p>A. The OFW may visit his/her preferred bank or, in some cases, its remittance partner to open an account and comply with the account opening process and the documentary requirements. However, if the account opening is performed outside the Philippines, signature cards will need to be authenticated by a consular</p>		B.21.	Documentation	<p>Q. What documentation will prove that they bought Premyo Bonds?</p> <p>A. A Confirmation of Sale will be available for pick-up from the respective branch of your Selling Agent within 30 banking days from the issue date of the Premyo Bonds.</p>
				B.22.	Interest Payments	<p>Q. From a retiree intending to live-off the interest from the Premyo Bonds: Can interest payments be</p>



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		<p>scheduled on a monthly basis instead of quarterly? Therefore, the earnings from the Premyo Bonds can be used to pay monthly bills (i.e. electricity, phone bills, etc.)</p> <p>A. Unfortunately, no. Quarterly interest payment is the market convention for Premyo Bonds, similar to Retail Treasury Bonds.</p>			<p>to the BTr page: www.treasury.gov.ph.</p> <p>If the OFW or any interested investor does not have an existing peso account, please refer to item B.18. Account Opening details.</p>	
B.23.	Investment Requirements	<p>Q. What are the requirements for individuals to invest in the Premyo Bonds?</p> <p>A. Individual investors will be required to designate an existing or open a new Peso account with any of the Selling Agents, which they will designate as their Settlement Account where interest payments and upon maturity, the principal will be credited. The Tier 2 and Tier 3 winnings will also be credited to the designated account.</p>		B.25.	Investor Eligibility	<p>Q. Is there a minimum age for investors for the Premyo Bonds?</p> <p>A. For purchasing of the Premyo Bonds via Online Facility, an investor must be at least 18 years old with a single individual account.</p> <p>For investors who are younger than 18 years old, or want to invest using accounts other than a single individual account, please refer to the FAQs for Over the Counter (OTC).</p>
B.24.	Investor Eligibility	<p>Q. Can an OFW purchase Premyo Bonds? What is the process if the OFW is out of the country?</p> <p>A. Yes, on the condition that he/she has an existing individual peso account (Savings/Current) with DBP or LANDBANK.</p> <p>With the new on-line application system, it is as simple as going online</p>		B.26.	Investor Eligibility	<p>Q. Can credit cooperatives buy Premyo Bonds?</p> <p>A. Yes</p>
				B.27.	Investor Eligibility	<p>Q. Can a foreigner invest in Premyo Bonds?</p> <p>A. Yes, provided he or she has a Philippine Peso deposit account (savings/current) with one of the Selling Agents.</p>
				B.28.	Mode of Purchase	<p>Q. Where can I buy Premyo Bonds?</p>



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		<p>A. Premyo Bonds may be purchased via Online Facility for investors with DBP, and/or LANDBANK accounts. Alternatively, the Premyo Bonds may be purchased from the branches of any of the Selling Agents.</p>		
B.29.	Mode of Purchase	<p>Q. How can an investor pay for the Premyo Bonds via Online Facility? A. Payments may be made online via Debit Authority from their individual current or savings account</p>		<p>For the Tier 2 (PHP 100,000) and Tier 3 (PHP 20,000) winners, within five (5) days from the cash rewards draw date, the Premyo Bond Facility Agent shall notify the winners thru their Settlement Bank and provide the winnings, which shall be credited to the winners' designated settlement account. Investors can check the balance of their respective bank accounts to see whether the cash Premyo amount was credited or not.</p>
B.30.	Cash Reward Eligibility	<p>Q. If I win, am I still eligible to win in the succeeding cash rewards draws? A. Yes, an investor's chance of winning is the same every quarter.</p>		
B.31.	Cash Reward Verification	<p>Q. How do I verify that I won a cash reward? A. On Each cash rewards date, the BTr will publish the list of NRoSS accounts of the winners with the corresponding cash Premyo on the BTr website: www.treasury.gov.ph.</p> <p>Within five (5) days from the cash rewards draw date, the Premyo Bond Facility Agent shall contact each winner of the PHP 1,000,000.00 cash reward (Tier 1) through their Settlement Bank via registered mail to notify them that they have won.</p>		
			B.32.	Cash Reward Claiming
				<p>Q. How do I claim my Cash Reward? A. For the winner of the PHP 1,000,000.00, you may claim your cash reward thru any Land Bank of the Philippines Branch, to be paid-out via Manager's Check, with the presence of a BTr representative(s).</p> <p>The winner of the PHP 1,000,000.00 shall be required to present the following:</p> <ol style="list-style-type: none">1. One (1) valid and unexpired Philippine government-issued ID bearing his/her name, signature and photo;2. Notification Letter sent by the Premyo Bond Facility Agent via the winner's Settlement Bank;



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3. In the event that the winner cannot claim the Premyo personally, he/she may designate an authorized representative to claim the Premyo subject to the presentation of a Special Power of Attorney designating the representative/s, in addition to items 1, and 2 above.

Submission of the requirements above will trigger the verification process with the Premyo Bonds Facility Agent. Details on the submission of requirements as well as the verification process will be provided in the Notification Letter sent by the Premyo Bond Facility Agent.

The PHP 100,000.00 and PHP 20,000.00 cash rewards shall be credited directly to the settlement account of the winners.

B.33. Cash Reward Claiming

Q. Until when can I claim my PHP 1,000,000.00 cash reward?

A. You can claim your cash reward within one hundred eighty (180) days from the notification of the Premyo Bond Facility Agent through your settlement bank. Failure to

submit the required documents shall be ground for forfeiture of the cash rewards in favor of the BTr.

B.34. Non-Cash Reward

Q. What is the non-cash reward?

A. The non-cash reward is real property in the form of a condo unit or a house and lot to be given by the participating institutions (DoubleDragon, Megaworld, Vista Land, etc.) The non-cash rewards are awarded to the Tier 1 winner of the Premyo Bonds for the 1st, 2nd, and 3rd cash rewards draw.

B.35. Non-Cash Reward

Q. How do I win the non-cash reward?

A. The Grand Prize winner of PHP 1,000,000.00 will also receive the non-cash reward of the Premyo Bonds for the 1st, 2nd, and 3rd cash rewards draw.

B.36. Non-Cash Reward

Q. Who are eligible winners to the non-cash reward?

A. Eligible winners to the non-cash reward are eligible investors to the Premyo Bonds, who are the sole winners to the Tier 1 prize of the Premyo Bonds for the 1st, 2nd and 3rd cash rewards draw.



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B.37.	Non-Cash Reward	Q. How do I avail of the non-cash reward? A. Every PHP 500.00 placement is equivalent to and entitles the Bondholder to 1 Bond Unit. Each Bond Unit is part of the cash rewards draw.	B.40.	Non-Cash Reward	Q. Is the non-cash reward guaranteed by the BTr? A. No. It is up to the participating institutions (DoubleDragon, Megaworld, and Vista Land)
B.38.	Non-Cash Reward	Q. How do I know if I won the non-cash reward? A. The NRoSS account number of the winner of both the cash and non-cash reward will be posted on the official website of the BTr (www.treasury.gov.ph). The Prize Bond Facility Agent will also notify the winner's respective Selling Agent of the NRoSS account number of the winner via email or SMS. The winner's respective Selling Agent will then identify and notify the winner that they have won the non-cash reward. The winner's respective Selling Agent will also mail a Notification Letter addressed to the winner, from the Premyo Bond Facility Agent.	B.41.	Non-Cash Reward	Q. Why is there a non-cash reward component? A. The non-cash rewards are to further incentivize the untapped market/ unbanked segments of the public and encourage a culture and habit of saving and investing.
B.39.	Non-Cash Reward	Q. Who are the donors of the non-cash reward? A. DoubleDragon, Megaworld, and Vista Land.	B.42.	Non-Cash Reward	Q. What are my chances of winning the non-cash reward? A. Assuming a PHP 3.0 billion issuance and given that every PHP 500.00 investment is equivalent to 1 Bond Unit, 0.00002% chance for the 1 st , 2 nd , or 3 rd cash rewards draw. Only 1 Bond Unit out of the 6 million Premyo Bonds units eligible for the Cash Rewards has a chance to get the non-cash reward as this will be given/donated to the PHP 1,000,000.00 Grand Prize winner on the 1 st , 2 nd , and 3 rd cash rewards draw.
			B.43.	Non-Cash Reward	Q. Why are there only three non-cash reward winners?



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		<p>A. There are only three winners for the non-cash reward because there are only three participating institutions (DoubleDragon, Megaworld, and Vista Land) for this tranche of the Premyo Bonds.</p>			<p>the Status of the property (if RFO or pre-selling).</p>
B.44.	Non-Cash Reward	<p>Q. Is the non-cash reward transferable?</p> <p>A. No, however once the non-cash reward is legally transferred to the respective Grand Prize winner, he/she/ as the legal owner of the non-cash reward, has the authority and right to transfer the prize.</p>	B.48.	Non-Cash Reward Claiming	<p>Q. What are the documentary requirements needed to claim my non-cash reward?</p> <p>A. You will need the following documents:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Philippine government issued ID / proof of identity <input type="checkbox"/> Confirmation of Sale/ Proof of Investment
B.45.	Non-Cash Reward	<p>Q. Can the non-cash reward be exchanged into cash?</p> <p>A. No.</p>	B.49.	Non-Cash Reward	<p>Q. Can the non-cash reward be used as collateral?</p> <p>A. Once the non-cash reward has been legally transferred to the respective winner for the quarter, he/she, as the legal owner of the non-cash reward, has the authority and right to use the non-cash reward as collateral in their own personal capacity.</p>
B.46.	Non-Cash Reward	<p>Q. Is the non-cash reward taxable?</p> <p>A. Yes. A donor's tax of 6% – in-general- and other Taxes: Documentary Stamp Tax (0.75%) / Registration Fees and Transfer Fee (estimated 1%) shall be for the winner's account.</p>	B.50.	Non-Cash Reward	<p>Q. Can a foreigner win the non-cash reward?</p> <p>A. For the condo unit, provided that he or she has all the requirements to qualify as an Eligible Investor and none of the disqualifications.</p> <p>For the house and lot, as a general rule, a foreigner is not allowed to</p>
B.47.	Non-Cash Reward Claiming	<p>Q. How do I claim my non-cash reward?</p> <p>Thru the Escrow Agent by donation directly by the Developer (Donor) to the Winner (Donee) depending on</p>			



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		own a land except if the former is a natural born Filipino citizen by inheritance only.			
B.51.	Others	<p>Q. Is there a maximum amount that I can invest in the Premyo Bonds?</p> <p>A. There is no maximum investment amount for the Premyo Bonds; however, there is a limit to the number of Premyo Bonds units eligible for the cash rewards per NRoSS account.</p> <p>Since an investment of PHP 500.00 is equivalent to and entitles the investor to 1 Premyo Bonds unit, a maximum of 20,000 Premyo Bonds units (equivalent to an investment amount of PHP 10,000,000.00) shall be eligible per NRoSS account for inclusion in each cash rewards draw.</p> <p>The monitoring of Premyo Bonds units eligible for the cash rewards shall be made on a per NRoSS account and per Selling Agent basis.</p>		B.53.	Others
					<p>Q. How do I know that my investment is included in the cash rewards draw?</p> <p>A. Once the Premyo Bonds are issued, the investor will receive a Confirmation of Sale that includes the NRoSS account number with the corresponding placement amount/ investment. This Confirmation of Sale also confirms that the BTr will include the investor's investment / NRoSS account into the cash rewards draw.</p> <p>Additionally, as a Bondholder of the Premyo Bonds, you will receive a fixed quarterly coupon which you can monitor. As such, your bond holdings are properly recorded in the NRoSS wherein the same data is used for the generation of e-RNs. Given this, you can be assured that your bond units were part of the cash rewards draw.</p> <p><i>Note: A Confirmation of Sale will be available for pick-up from the respective branch of your Selling Agent within 30 banking days from the issue date of the Premyo Bonds.</i></p>
B.52.	Others	<p>Q. Can I buy Premyo Bonds from multiple Selling Agents?</p> <p>A. Yes you may buy Premyo Bonds from multiple Selling Agents.</p>		B.54.	Others
					<p>Q. An investor plans to buy PHP 500,000.00 worth of Premyo Bonds and wants to maximize the chances</p>



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		<p>of winning a Premyo during every quarterly cash rewards draw. To achieve this, should the investor open several NRoSS securities accounts with different Selling Agents, breaking down the investment into several accounts, so he/she has more chances to win a Premyo?</p> <p>A. No need to segregate Premyo Bonds purchase through several NRoSS accounts as an investor's chance of winning is determined by the total amount of his/her investment, not by the number of NRoSS accounts held.</p>		
B.55.	NRoSS Securities Account	<p>Q. Who shall intermediate for an investor in the opening of his NRoSS securities account?</p> <p>A. NRoSS Securities Accounts are only available via the Bureau of Treasury's National Registry of Scripless Securities (NRoSS) platform. The Selling Agent shall be the intermediary.</p>		
B.56.	Senior Citizens	<p>Q. Can Senior Citizens' interest income on the Premyo Bonds be exempt from withholding taxes?</p> <p>A. No, passive income is subject to withholding tax.</p>		
			B.57.	Taxation
				<p>Q. Are my coupons and cash rewards taxable?</p> <p>A. Prevailing final withholding tax on coupon payment shall be for the account of the bondholders. All cash rewards and non-cash rewards received by the winners shall be net of all applicable taxes, fees, and charges. The Premyo Bond Facility Agent shall facilitate payment of such taxes, fees and charges.</p> <p>Documentary stamp tax (DST) on original issue shall be for the account of the Issuer.</p>
				<p>Q. Will the tax treatment of the Premyo Bonds be affected by the TRAIN Law?</p> <p>A. Pending the implementation of the TRAIN Law, Package 4 of TRAIN proposes a single rate of 15% final tax to be imposed regardless of currency, maturity, issuer, and other differentiating factors.</p>
			B.58.	Tax Exemption
				<p>Q. Our client is a tax-exempt institution but their certification of exemption is dated 2006. They have a pending request for a certification since last year, but BIR has not issued a new certification yet. Can</p>



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they submit the 2006 certification to avail themselves of the Premyo Bonds?

A. The institution must have to wait for the BIR certification before their claim for tax exemption will be honored. They may still invest in the Premyo Bonds but their interest earnings and winnings will be subject to tax.

C. ISSUE RELATED QUESTIONS

C.1. AMLA

Q. Are investments in Premyo Bonds subject to AMLA?

A. Yes. In this regard, Selling Agents require their investor to fill out a customer information sheet in compliance with the Know- Your-Customer (KYC) provision of the AMLA.

C.2. Cost Considerations

Q. What is the cost consideration for the investor with respect to the handling of his Premyo Bonds? Broker intermediation fee? Custodianship fee?

A. Upon placement on Primary Offer of Premyo Bonds: None. The investor would just have to pay the principal amount and no other charges shall be charged to him/her apart from potential notarial fees which differ per Selling Agent. If ordered online, there are no additional fees.

C.3. Coupon Rate

Q. How was the final coupon rate for Premyo Bonds arrived at?

A. The pricing of the Premyo Bonds is based on BVAL rates for 1-year bonds, which is the accepted benchmark in the Philippine market.

C.4. General Information

Q: What are Premyo Bonds?

A: The Premyo Bonds are short-term debt securities issued by the Republic of the Philippines (ROP or the Republic) via the Bureau of the Treasury (BTr). The Premyo Bonds are part of the government's savings mobilization program designed to make government securities available to retail investor.

Premyo Bonds are fixed-income securities that pay a fixed interest rate per annum over a specified period of time with a promise to return the principal at the end of the term.

Premyo Bonds also provide investors with the chance to win a cash reward of up to PHP 1,000,000.00 every quarter plus as non-cash reward for the 1st, 2nd, and 3rd quarter over the life of the bond, which for the first issuance is one year.

C.5. General Information

Q. What are the mechanics for the cash rewards draw?



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A. The cash rewards draw shall determine the winners of the cash reward to be held every quarter and shall coincide with the interest payment date of the Premyo Bonds.

Five (5) days before every cash rewards draw date, the BTr will provide the masterlist of investors to the Premyo Bond Facility Agent, Land Bank of the Philippines Trust Banking Group.

For every PHP 500.00 invested, an investor will be assigned one Bond Unit. On the cash rewards draw date, each Bond Unit shall be assigned a 20-character Electronic Rewards Number (e-RN). The e-RN shall be based on the investor's NROSS Account Number (15 characters) and an additional 5 characters corresponding to the number of Premyo Bonds units eligible for the cash rewards. The Premyo winners shall be determined via a randomized selection among all the e-RN.

Each cash rewards draw shall be made only by the Rewards Committee composed of the following:

1. Two (2) Officials from the BTr
2. Trust officer of the Facility Agent
3. Officer of the DBP
4. An official/ representative of FINEX Academy

At least one (1) representative from Commission on Audit (COA) who will supervise the selection of the winning e-RNs.

C.7. General Information

Q. What prizes can I win during each cash rewards draw?

A. For each cash rewards draw, investors have a chance to win cash rewards of PHP 1,000,000.00 (Tier 1), PHP 100,000.00 (Tier 2), and PHP 20,000.00 (Tier 3). All cash rewards are net of applicable taxes.

C.8. General Information

Q. How many investors can win during each cash rewards draw?

A. A Cash Reward Structure (CRS) will be announced on the issue date of the Premyo Bonds. The number of winners each quarter will be based on the final issue size. For example, if the Premyo Bonds has a total issue size of PHP 3.0 billion, the CRS will be as follows:

Premyo Tier	Net Premyo Amount (PHP)	No. of Winners
1 st	1,000,000.00	1
2 nd	100,000.00	10
3 rd	20,000.00	50

Q. How is the CRS set?

A. The CRS is based on the issue amount rounded down to the nearest PHP 500 million, multiplied by the Cash Reward Ratio of 0.625%, which is subject to a gross



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receipts tax of 20%, bringing the Cash Reward Ratio to 0.50% net.

In the example above, a PHP 3.0 billion issue size multiplied by the Cash Reward Ratio of 0.50% net means that the total amount to be awarded to winners will be PHP 15,000,000.00 every year, or PHP 3,750,000.00 every quarter. The quarterly cash prize is also subject to a gift tax of 20%, so total cash rewards per quarter will be equivalent to PHP 3,000,000.00. Thus, there will be 61 winners.

Winners shall be determined on a per e-RN basis. Each e-RN may only win once every cash rewards draw. So, an investor who possesses multiple Bond Units may win multiple times each cash rewards draw date.

C.9. General Information

Q. What are Premyo Bonds for?

A. The Premyo Bonds are offered to the public by the National Government to promote financial inclusion as well as to provide an opportunity for investors to receive a larger return on their investment through the cash and non-cash rewards.

C.10. Investment

Q. Is my principal investment assured?

A. Yes, it is. The Premyo Bonds are a direct obligation of the Republic of the Philippines.

C.11. Others

Q. Are Premyo Bonds eligible as collateral for loans?

A. No they are not. They cannot be pledged as collateral because the Premyo Bonds are non-transferable.

C.12. Others

Q. Are there licensed fixed income salesmen in branches of the Selling Agents?

A. Not all branches have licensed fixed income salesmen. However, if a specific branch does not have a fixed income salesman, the investors can be directed to other fixed income salesmen in other branches.

C.13. Others

Q. What happens to the Premyo Bonds if the bank wherein the purchase was made closes down?

A. The Premyo Bonds are obligations of the National Government and are therefore unaffected by the entity that acted as a Selling Agent. A new settlement account in another bank will however need to be nominated so that the interest and principal payments can continue to be paid to the investor.

C.14. Pre-Termination

Q. Can the Premyo Bonds be pre-terminated?

A. No, Premyo Bonds cannot be pre-terminated because the Premyo Bonds



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		mechanics are based on the final issue size of the tranche, thus any pre-termination is not allowed.		
C.15.	Secondary Market	<p>Q. Can Premyo Bonds be traded in the secondary market?</p> <p>A. No, Premyo Bonds cannot be traded in the secondary market. To avoid any potential issues in relation to the cash and non-cash rewards, the Premyo Bonds are non-transferable and cannot be traded in the secondary market.</p>	C.17.	<p>Premyo Bonds Terms</p> <p>Q. Are the terms of this Premyo Bonds the same as those of RTBs issued in previous years?</p> <p>A. While both Premyo Bonds and RTBs pay quarterly interest payments, an investment in the Premyo Bonds provides you a chance to win up to PHP 1,000,000.00 million every quarter, a feature which is not present in the previous RTBs.</p>
C.16.	Rationale for Premyo Bonds	<p>Q. Why is the BTr issuing Premyo Bonds this year?</p> <p>A. The BTr is issuing Premyo Bonds to provide the investing public a means to invest in a security that is backed by the National Government in an amount that is affordable (min. PHP 500 investment). It is also a means for the National Government to raise money to complement tax collections for its funding requirements, including the Build-Build-Build program. As such, by investing in the Premyo Bonds, the individual investor is also supporting the economic agenda of the National Government.</p> <p>Furthermore, the issuance of Premyo Bonds promotes savings among Filipinos and provides investors a chance to win additional cash rewards.</p>	C.18.	<p>Premyo Bonds Terms</p> <p>Q. Are Premyo Bonds government guaranteed?</p> <p>A. No because it is the government itself that is the issuer. The Premyo Bonds are a direct liability of the National Government.</p>
			C.19.	<p>Premyo Bonds Terms</p> <p>Q. Can I buy PHP 100,000 worth of Premyo Bonds, but in multiples of PHP 20,000 all in the same name?</p> <p>A. Yes, you can, but it might be tedious and time-consuming both for you and the Selling Agent. Better to buy PHP 100,000 worth in one name because either way, the number of Premyo Bonds units will be the same at 200. There is no extra benefit to split up your investment.</p>
			C.20.	<p>Premyo Bonds versus Other Issuances</p> <p>Q. Why do corporate issues like Petron retail bonds have a better interest rate?</p> <p>A. Corporations, both public and private,</p>



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need to pay a premium to the benchmark rates being set by trading of government securities due to the added credit risk. Typically, the higher the risk, the higher the expected return. Sovereign issues are generally considered to have the lowest risk among investments in its home currency and therefore yield lower interest rates than corporate issuances. Moreover, an individual will not be able to buy corporate issues for an investment of only PHP 500.00. The lower interest of the Premyo Bonds also reflects the administrative costs in making it an inclusive public investment vehicle.

C.21. Use of Proceeds

Q. Where do proceeds of the Premyo Bonds go? How does the National Government make use of the funds?
A. The proceeds of the Premyo Bonds will go to the Government's coffers. These funds will be used to fund economic programs of the government such as infrastructure development and social services.

D.2. Economy

Q. If the economy is so robust, why is the government still borrowing money from the public?
A. Borrowing money from the public remains to be a sound source of funding given that the credit rating of the Philippines is already investment grade as affirmed by the 3 major credit rating agencies. The higher level of confidence translates to having the ability to borrow at better rates; hence, increasing the funds for infrastructure and social programs.

D.3. Economy

Q. What are the factors that will affect the movement of interest rates?
A. The interest rate is affected by, among others, changes in the price level or the inflation rate, borrowing and spending by Government, and activities by banks. Other factors that could influence the interest rates include the maturity period of the financial instrument and the risks associated with the instrument.

D. ISSUER – RELATED QUESTIONS

D.1. ROP Debt Obligation

Q. Has the Philippines defaulted on its peso obligations?
A. The Philippines has no record of default on its Peso obligations.