



**Retail Treasury Bonds
Tranche 23
FAQs**



January 2020

A. How to Invest in the 23rd Tranche of Retail Treasury Bonds (RTB 23) via ONLINE FACILITY?

A.1 Step 1: Accessing the Online Ordering Facility Visit the Bureau of Treasury (BTr) website at www.treasury.gov.ph. Look for and click the RTB 23 Banner.

Make sure you have an existing account with any of the following institutions: Development Bank of the Philippines (DBP), First Metro Securities Brokerage Corporation (FirstMetroSec), and Land Bank of the Philippines (LANDBANK).

For DBP, FirstMetroSec and LANDBANK, only individual accounts are eligible for the online facility.
(Note: And/Or accounts, In Trust For (“ITF”) accounts, For the Account Of (“FAO”), and corporate accounts are not eligible for online ordering. However, holders of these accounts may still order from their 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), the DBP (Electronic Payment System - EPS), or of FirstMetroSec. It is recommended that you enroll your account immediately, if you haven’t yet.

A.2 Step 2: Filling in forms via Online Ordering Facility

In order to purchase RTB 23, you will need to agree to the terms by ticking the relevant boxes on 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 or FirstMetroSec/Metrobank)
13. Provide the correct Captcha Challenge

A.3 Step 3: Payment of RTB 23

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, FirstMetroSec or LANDBANK), to place your order and give authority to debit your bank account.

Accepted modes of payment via Online Ordering Facility: Debit account (via DBP, FirstMetroSec or LANDBANK account)



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A.4 Step 4: Notice of Successful Payment	<p>Upon completing the payment instructions, you will be redirected to a webpage that will provide a Notice of Successful Payment (“NOSP”) that contains your Reference Number after fully completing the application to purchase. You may use the Reference Number as your tracking number to check on the status of your placement.</p> <p>You will also receive your NOSP via e-mail.</p>	<p>having to physically go to the bank branch.</p> <p>The Online Facility enables you 24/7 (except during maintenance downtime 10PM to 12AM) access to the ordering platform for an investor from anywhere in the world as long as he/she has a Philippine peso deposit account (single individual current/savings with online access) with DBP, FirstMetroSec or LANDBANK.</p>
A.5 Step 5: Confirmation of Sale	<p>After a successful transaction via BTr’s Online Ordering Facility, a physical Confirmation of Sale (“COS”) will be issued to the branch of account (for DBP and LANDBANK) as your proof of investment 30 banking days after the issue date.</p> <p>For FirstMetroSec investors, an e-copy of the COS will be sent to the investor via e-mail. Branch of account refers to the bank account used for the purchase of RTB 23 (either DBP, FirstMetroSec or LANDBANK).</p>	<p>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 RTB issuance from their area of residence.</p>
A.6 Online Ordering Facility	<p>Q. What is the Online Ordering Facility?</p> <p>A. The Online Facility is accessible via the BTr website: www.treasury.gov.ph.</p> <p>It is an online ordering facility that will allow clients to invest in the RTB 23 Bonds during the offer period without</p>	<p>A.7 Online Ordering Facility</p> <p>Q. Who can use the Online Ordering Facility?</p> <p>A. Any individual who meets the following criteria may use the Online Ordering Facility platform to purchase RTB 23:</p> <ul style="list-style-type: none"> - 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)



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with DBP, FirstMetroSec or LANDBANK;
- The deposit account should be capable of transacting in the banks' Electronic Payment System (EPS), which is iAccess for LBP, EPS for DBP and FirstMetroSec.

(Note: An EPS is a platform that facilitates acceptance of electronic payment for online transactions. Please contact your bank to know more about their requirements, if any. For investors residing abroad, you may contact the following hotline numbers:

1. DBP - Toll-free Number 1-800-10-327-8888
2. LANDBANK - PLDT Toll-free Number 1-800-1-040-5700.
3. FirstMetroSec - Overseas Filipinos ("OFs") can contact them via: Facebook Messenger. Facebook name is First Metro Securities, or via email at: ofwdesk@firstmetrosec.com.ph

A.8 Online Ordering Facility

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?

A. Investors can access the Online Facility through the BTr website (www.treasury.gov.ph) to 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.

A.9 Documentary Requirements

Q. Are there any documentary requirements required to use the Online Ordering Facility?

A. Other than the documents required when opening a DBP, FirstMetroSec 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.

A.10 Purchasing via Online Ordering Facility

Q. Can I order RTB 23 online using a joint account?

A. No, only individual accounts are allowed at the moment.

A.11 Purchasing via Online Ordering Facility

Q. Is there a maximum amount that can be placed using the Online Ordering Facility?

A. The Online Ordering Facility can accept placements of up to Php500,000.00 per transaction. Should an investor wish to investment more than Php500,000.00, they may do so via multiple transactions as long as each transaction is only up to Php500,000.00.



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A.12	Purchasing via Online Ordering Facility	Q. Can I place orders more than once? A. Yes you may, as long as you place them within the offer period		may also print the receipt of the successful transaction as your proof of purchase.
A.13	Purchasing via Online Ordering Facility	Q. Does the Online Ordering Facility provide status updates regarding my placement? A. Yes. The Online Ordering 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. For your convenience, the Online Facility will send you NOSP via email.	A.15	Purchasing via Online Ordering Facility Q. What are the possible reasons for order rejection? A. Usual reasons may be, but not limited to, the following: - Invalid account number; - Insufficient funds in the bank account; - The payment bank is offline
A.14	Purchasing via Online Ordering Facility	Q. What happens after I complete my transaction via Online Ordering Facility? A. After a successful transaction, your purchase order shall be transmitted to the bank that you nominated (DBP, FirstMetroSec 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 RTB 23 shall be accepted and confirmed. Otherwise, it will be rejected. For a successful transaction, you will receive an NOSP via e-mail from your bank. You	A.16	Proof of Payment via Online Ordering 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 RTB 23. For your convenience, a system-generated NOSP shall be sent to your designated email address, which was the one indicated upon opening of the account.
			A.17	Proof of Investment via Online Ordering Facility Q. What will serve as my proof of investment? A. After a successful purchase of RTB 23 through the Online Ordering Facility, a physical Confirmation of Sale (“COS”) for DBP and LANDBANK clients will be issued to the branch of account in the Philippines as your proof of investment after the issue date. For FirstMetroSec clients, an e-copy of the COS will be sent to their e-mail.



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		Branch of account refers to the bank account used for the purchase of the RTB 23 (DBP, FirstMetroSec or LANDBANK).			one (such as the case of minors). However, investors below the age of 18 may still invest in RTB 23 through Over-the-Counter transactions, under ITF and FAO accounts.	
A.18	Online Ordering Facility	Q. Can I use the Online Ordering Facility to invest in other securities issued by the BTr and private issuers?		A.21	Online Ordering Facility	Q. Why are joint, FAO and ITF accounts not allowed to place orders via the Online Ordering Facility?
		A. As of now, the Online Ordering Facility caters only to RTBs and Premyo Bonds.				A. For now, the Online Ordering Facility can cater only to individual Peso deposit accounts (with online access) due to system limitations and “checkbox” agreements (relating to regulatory requirements covering anti-money laundering, know-your-client, and data privacy) that should be executed by the owner of the account. However, the BTr and its partner banks are committed to expanding the scope of the facility to other investor types and shall be made available in the immediate future.
A.19	Online Ordering Facility	Q. Why are only DBP, LANDBANK and FirstMetroSec account holders able to access the Online Ordering Facility?				
		A. At the moment, these are the institutions which are able to connect to the Online Ordering Facility. For RTB 22, only LANDBANK and DBP were able to offer online ordering. Recently, FirstMetroSec got connected and successfully participated in the Premyo Bonds. Currently, the BTr is in talks with other banks to connect with the Online Ordering Facility. The BTr is also looking forward to the next RTB and Premyo Bond issuance where investors can have more banks to choose from to order online.				
A.20	Online Ordering Facility	Q. Why is there an age limit (18 years old) to access the Online Ordering Facility?				
		A. Since investments in RTBs are considered contracts, the investor must not be legally incapacitated to enter into				
B. Issuer-Related Questions						
				B.1	ROP Debt Obligation	Q. Has the Philippines previously defaulted on repayment of its debt obligation?
						A. The Philippines has no record of default in any of its debt obligation.
				B.2	Economy	Q. If the economy is so robust, why is the government still borrowing money from the public?



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A. The government finances its projects and programs primarily through taxes and other income. However, from time to time, these may be insufficient to cover the budgetary requirements. Thus, the government borrows from the public to finance the balance needed to ensure that its economic objectives are met via the successful implementation of various projects and programs nationwide.

B.3 Economy

Q. What is the confidence level that the government will be able to service its debt?

A. The credit rating of the National Government is already investment grade as affirmed by the three major credit rating agencies. This means there is a high level of confidence in Philippine credit. This further translates to the National Government (NG) having the ability to access funds from both the domestic and international market at competitive rates and reasonable terms.

B.4 Economy

Q. What are the factors (should we watch out for) that will affect the movement of interest rates?

A. The interest rate level is affected by, among others, movements in the price level or inflation rate, fiscal and monetary stance of the government, liquidity in the financial system, demand and supply for Philippine debt, and

events in the global markets. Other factors that could influence the interest rates include the maturity period of the financial instrument under consideration and the perception of risks associated with the said instrument.

C. Issue-Related Questions

C.1 General Information

Q. What are Retail Treasury Bonds (RTBs)?

A. RTBs are medium- to long-term debt securities issued by the Republic of the Philippines (ROP or the Republic) thru the Bureau of the Treasury (BTr). The RTBs are part of the government’s savings mobilization program designed to make government securities available to retail investors; hence, the name Retail Treasury Bonds. RTBs 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.

C.2 Use of Proceeds

Q. Where do the proceeds of the RTBs go?

A. RTBs are used by the NG to fund its various expenditures such as, but not limited to the following:

1. Social services;
2. Infrastructure projects;
3. Refinance existing debt; and
4. Other national expenditures, such as disaster resiliency and response



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C.3 Anti-Money Laundering Act (AML)	<p>Q. Are investments in RTBs subject to the Anti-Money Laundering Act (AML)?</p> <p>A. Yes. Selling agents will require their investor to fill in a customer information sheet in compliance with the Know Your Customer (KYC) provision of the AMLA.</p>	<p>2. Broker’s commission (if the investor decides to sell before maturity); and 3. Mapping fee (Selling Agents charge commission amounting to 1/10 of 1%, inclusive of transaction fees of PDEX).</p> <p>Please confirm with your respective Selling Agents for any other applicable fees related to the RTB placement.</p>
C.4 Cost Considerations	<p>Q. What are the cost considerations for the investor when investing in RTBs? Broker intermediation fee? Custodianship fee?</p> <p>A. Upon placement on Primary Offer of RTBs: None. The investor would just have to pay the principal amount and no other charges shall be charged to him/her.</p> <p>With regard to the placement of RTBs subject to the Exchange Offer: None. The investor is just required to sign a document (called a Letter of Instruction for Exchange Offer) saying that he/she will exchange his/her placement in RTB 3-08 (issued in April 11, 2017 and maturing April 11, 2020) for RTB Tranche 23 (to be issued in February 2020). (For more discussion on the Exchange Offer, please see part D).</p> <p>After the primary offer phase however, the following fees are payable: 1. Maintenance fee of 0.005%/4 every coupon payment;</p>	<p>Q. How was the final coupon rate for RTBs determined?</p> <p>A. The pricing of the RTBs is done via a competitive auction participated in by all Government Securities Eligible Dealers (GSED).</p>
C.5 Coupon Rate		<p>Q. Is my principal investment guaranteed even if I sell before maturity?</p> <p>A. Depending on the prevailing market rates at the time of the sell down, there is a possibility that the proceeds may be higher or lower than the principal investment.</p>
C.6 Investment		<p>Q. Are RTBs eligible as collateral for loans?</p> <p>A. Yes, RTBs are considered as acceptable collateral for loans.</p>
C.7 RTBs as Collateral		<p>Q. What happens to the RTBs if the bank wherein the purchase was made closes down?</p>
C.8 Closure of Bank		



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		<p>A. The RTBs are obligations of the NG and are therefore unaffected by the entity that acted as a Selling Agent. The investor just needs to nominate a new settlement account in another bank so that the RTB's interest and principal payments can continue to be paid to him/her.</p>			<p>A. No, because it is the government itself that is the issuer. However, the RTBs are direct and unconditional obligations of the NG, that ranks in equal footing with all other obligations of the Country.</p>	
C.9	Rationale for RTBs	<p>Q. Why is the BTR issuing an RTB this year with a 3-year tenor?</p>	<p>A. The BTr is issuing an RTB to provide the investing public a means to invest in a security that is a directly liability of the NG at an affordable investment amount (minimum of P5,000 per investor). It is also a means for the NG to raise money to complement tax collections in funding its projects; thus, allowing the public to support the economic agenda of the NG.</p>	C.12	RTB Terms	<p>Q. Can I buy P100,000 worth of RTBs, but in multiples of P20,000 all in the same name?</p>
C.10	RTB Terms	<p>Q. Are the terms of this RTB the same as those of the RTBs issued last year?</p>	<p>A. The terms and conditions of this RTB are generally consistent with the terms of the RTBs issued last year, except for the difference in the tenor and interest rate. Moreover, RTB 23 allows current investors of RTB 3-08 maturing on 11 April 2020 (also known as RTB 19) to participate in the Exchange Offer. <i>(please refer to Section D.1 below for more info)</i></p>			<p>A. Yes, you can. But for convenience, we recommend that you invest under a single amount (in this case, P100,000) since the RTBs may be sold partially in the secondary market. Breaking your investments in multiple placements will require you to accomplish several sets of documents which will take additional time and effort.</p>
C.11	RTB Terms	<p>Q. Are RTBs government guaranteed?</p>		C.13	RTB versus Other Issuances	<p>Q. Why are corporate bond issuances priced at higher interest rates?</p>
						<p>A. Generally, the higher the risk, the higher the return. Corporations, both public and private, need to pay a higher interest rate due to the added credit and default risk. Sovereign issues, denominated in its home currency such as the RTB, are generally default risk-free as the government has the taxing power that will allow it to generate the funds to pay off its debt. Given that, government securities are considered to have the lowest risk among investment</p>



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alternatives, and are priced at lower rates than corporate issuances.

D. Exchange Offer Questions

D.1 Investor Eligibility

Q. Who are eligible for the Exchange Offer?

A. Bondholders of RTB 3-08 (ISIN: PIID0320D087) maturing on 11 April 2020. RTB 3-08, popularly known as RTB 19, was issued last 11 April 2017. These shall be referred to herein as Eligible Bonds.

D.2 Exchange Details

Q. What will happen to my RTB 3-08 holdings if I participate in the Exchange Offer? Will I still receive the remaining interest from my RTB 3-08 holdings?

A. On the Issue Date of RTB 23 (February 11, 2020), the face value of your RTB 3-08 holdings will be exchanged for the face value of RTB 23 on a ratio of 100.1:100 (i.e., P5,000 investment in RTB 3-08 can be exchanged for P5,005 worth of RTB Tranche 23). For any subscription in excess of the face value of your RTB 3-08 holdings, you will have to pay for the additional amount following the subscription procedure for the Primary Offer of the RTBs. The accrued interest earned by the holder of RTB 3-08 for the period covering 12 January 2020 to 11 February 2020 will be paid out on the Issue Date of RTB 23. Such accrued interest will be deposited in the

nominated settlement bank of the investor. As a holder of RTB 23, the investor will receive quarterly coupon payments based on the final coupon rate, beginning on May 11, 2020.

D.3 Exchange Details

Q. What is the benefit of participating in the Exchange Offer?

A. The Exchange Offer provides a convenient and easier way for investors to re-invest their funds and lessens the hassle of looking for other investment alternatives upon maturity of RTB 3-08.

D.4 Procedure

Q. How will the exchange work?

A. The Eligible Bonds, having a minimum amount of PhP5,000.00 and in multiples of PhP 0.01, may be exchanged for the new RTB 23. The principal amount of the Eligible Bonds to be exchanged to the principal amount of the new RTB 23 to be received will be based on a 100.1:100 exchange ratio.

The exchange shall coincide with the issue date of RTB 23 and the accrued interest earned for the period from 12 January 2020 to 11 February 2020 will be deposited in the nominated settlement bank of the investor.

D.5 Procedure

Q. Where will I get and submit these document requirements?



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A. Eligible bondholders may get the Exchange Offer documents from any officer of the issue managers of RTB 23 and branches of their respective parent banks. The documents are also available from other Selling Agents. The Exchange Offer documents may be submitted in any branch of the participating Selling Agent banks or sales desks of the Issue Managers.

D.6 Allocation of RTB 23s under the Exchange Offer

Q. Will all exchange offers under the Exchange Offer be accepted?

A. The offers may or may not be awarded in full. Acceptance of offer shall be subject to the requirement of the BTr. As such, it is highly encouraged that investors of RTB 3-08 looking to participate in the Exchange Offer submit their exchange offers as early as possible within the offer period to of being awarded a full allocation.

D.7 Participating in RTB2 23, but not in the Exchange Offer

Q. Can I choose not to exchange my holdings in RTB 3-08 and just buy RTB 23 directly?

A. Yes, as an investor you are free to hold on to your RTB 3-08 until its maturity on 11 April 2020 and, at the same time, invest separately in RTB 23. Alternatively, you may also participate in the Exchange Offer and, simultaneously, directly buy additional RTB 23s.

D.8 Exchange Offer Period

Q. Can I still participate in the Exchange Offer after the offer period?

A. No. The offer period is only from 28 January 2020 to 6 February 2020. However, the BTr reserves the right to shorten the offer period.

E. Procedural Questions

E.1 Opening of Settlement Accounts

Q. If I already have an existing current or savings account with the bank I want to buy RTBs from, do I need to open another account specifically for this investment?

A. No need to open a new current or savings account. You can use your existing bank account for the purpose of investing in RTB 23 to receive our quarterly interest payments and receive the eventual return of your principal. **Just make sure that the depositor name of the bank account matches the investor name of the RTBs as any mismatch may be subject to rejection of your order.**

However, there are current or savings accounts that may have restrictions in usage other than the purpose it was opened for like in the case of certain payroll accounts (on a case-to-case basis). In cases like these, you shall be required to open a new current or savings account.



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E.2	Joint Accounts	Q. Can RTBs be invested under a joint account? A. Yes, investments may be made on an “Or”, “And”, and “And/Or” basis.	E.6	Beneficiary Claims	Q. What are the procedures to be undertaken by the heirs in case an investor dies? Are there taxes to be paid? A. The beneficiary may claim the proceeds of the RTBs but will be subject to what is stated in the Philippine law on succession (inheritance). A. Certain certifications are needed to be produced by the heirs (e.g. death certificate, etc). The heirs are required to pay estate taxes as RTBs form part of the deceased’s estate.
E.3	And/Or Accounts	Q. Can we invest in RTBs under an “and/or” account? A. Yes, an investor can use “and/or” accounts, provided that the depositor name of the nominated bank account for crediting of interest and principal has the same “and/or” are as the names appearing in the bond purchase documents. For RTB purchases made via the online ordering facility, only solo accounts are allowed.	E.7	Documentation	Q. What documentation will prove that they bought RTBs? A. Investors shall receive a Confirmation of Sale (or such other document evidencing sale of RTBs) from their Selling Agents.
E.4	Investments by Overseas Filipinos (“OFs”)	Q. How can OFs open a Peso account? A. The OF may visit his/her preferred bank or its remittance partner to open an account and comply with the account opening process and the documentary requirements. OFs may open a FirstMetroSec account online. However for DBP and LANDBANK clients, if the account opening is performed outside of the Philippines, signature cards need be authenticated by a Consular Representative of the Philippines in which said document is executed.	E.8	Interest Payments	Q. From a retiree intending to live-off on the interest from the RTBs: Can interest payments be scheduled on a monthly basis instead of quarterly so that the earnings from the RTBs can be used to pay monthly bills (i.e. electricity, phone bills, etc.)? A. No, because, quarterly payments is the market convention for RTBs.
E.5	Beneficiary Claims	Q. In case of sudden death of the investor, how can the beneficiary claim the RTBs?			



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E.9	Investment Requirements	Q. What are the requirements for individuals to invest in the RTBs? A. The general requirements are as follows: <ol style="list-style-type: none">1. Peso current or savings account2. Acknowledgement receipt3. Client Suitability Assessment (“CSA”) Form;4. Investor’s Undertaking (for first time investors in government securities)5. Authorization (for first time investors in government securities) Other documents that may be required by your selling agent	E.14	Mode of Purchase	Q. How can an investor pay for the RTBs? A. Payments may be made via the following: <ol style="list-style-type: none">1. Cash2. Online Ordering Facility (for those with DBP, FirstMetroSec, and LANDBANK accounts)3. Check (including Managers Check and Cashier’s Check) Debit Authority from CASA; and any combination of the above.
E.10	Investor Eligibility	Q. Is there a minimum age for investors for the RTBs? A. The investor must be at least eighteen (18) years old. For minors, they may invest via an In-Trust-For (“ITF”) account with their parent/s or legal guardian.	E.15	Others	Q. Assuming I bought my RTB with Bank A, can I subsequently sell my RTB via another selling agent (Bank B)? A. Yes, subject to submission of documentary requirements on case-to-case basis.
E.11	Investor Eligibility	Q. Can credit cooperatives buy RTBs? A. Yes.	E.16	Others	Q. If an investor wants to sell, can he/she sell RTBs anytime? A. Yes. Investors may go to his/her accredited dealer bank anytime to sell.
E.12	Investor Eligibility	Q. Can a foreigner invest in RTBs? A. Yes.	E.17	Others	Q. An investor plans to buy P500,000.00 worth of RTBs but intends to sell/trade in the future small/partial amounts only to cover living and other expenses. To achieve this, should the investor file several bond documents, breaking down the investment in several lots, so he/she
E.13	Mode of Purchase	Q. Where can I buy RTBs? A. RTBs may be purchased via authorized Selling Agents over-the-counter or via the Online Ordering Facility.			



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	<p>can trade on a per application to purchase basis?</p> <p>A. No need to accomplish several bond documents. RTBs may be sold partially.</p>	<p>E.21 Tax Exemption</p>	<p>Q. Our client is a tax exempt institution but its certification of exemption is dated 2006. It has a pending request for a certification since last year but BIR has not issued a new certification yet. Can it submit the 2006 certification to avail of the RTBs?</p>
<p>E.18 Past RTB Issuances</p>	<p>Q. Is there a webpage where an investor can see current market prices for issued RTBs?</p> <p>A. Yes. The investor may visit www.pds.com.ph for more information.</p>		<p>A. The institution must wait for the new BIR certification to be issued for it to be exempted from tax prior to investing of the RTBs.</p>
<p>E.19 National Registry of Scripless Securities (NRoSS) Securities Account</p>	<p>Q. Who shall act as the intermediary for an investor to open an NRoSS securities account?</p> <p>A. The broker shall be the intermediary between the investor and the BTr. The investor must apply first to the BTr with respect to opening his NRoSS securities account. Afterwards, the investor must nominate a settlement bank with whom he/she will sign a Memorandum of Agreement. Only then can he/she open his/her assigned NRoSS account. However, for online RTB application, the settlement bank shall be the intermediary.</p>		
<p>E.20 Senior Citizens</p>	<p>Q. Can senior citizens' interest income on the RTBs be exempt from withholding taxes?</p> <p>A. No, passive income is subject to withholding tax.</p>		
F. Post-Issue Date Transactions and the Secondary Market			
		<p>F.1 Pre-Termination</p>	<p>Q. Can the RTBs be pre-terminated?</p> <p>A. No, RTBs cannot be pre-terminated. However, they can be sold through the secondary market, subject to prevailing market rates, via any brokers or banks with a brokering license.</p>
		<p>F.2 Secondary Market – Access</p>	<p>Q. How can an investor access the secondary market?</p> <p>A. An investor looking to sell or buy RTBs in the secondary market may approach their respective Selling Agent (or via branches of their parent bank) or any National Association of Securities Broker Salesmen, Inc. (NASBI) broker. Presentation of proof of holdings and other requirements may be required.</p>
		<p>F.3 Secondary Market – Fees</p>	<p>Q. Why are there fees involved when the RTBs are traded in the secondary market?</p>



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A. There are costs associated with trading RTBs in the secondary market, just like any other investment securities in the market, as well as fair compensation for your broker or selling agent bank. Expenses as they may be, the expertise and services of your broker or selling agent are also part of your investment as their valuable advice can enhance the value or returns of your investment.

F.4 Secondary Market – Pricing

Q. Can fixed income salesmen guarantee that an investor will not suffer principal losses when RTBs are sold in the secondary market?

A. No, they cannot guarantee you from any loss since the price of RTBs is subject to prevailing market conditions; thus, prices may move up or down on a regular basis. These changes in price present both an opportunity to profit or suffer a loss for an investor. As such, it is always recommended that you consult your broker or selling agent to get their recommendation.

F.5 Secondary Market – Purchase

Q. An individual who heard about the RTBs only for the first time expressed concern that the offer period is only for a limited time. In case the potential investor decides to buy RTBs after the

offer period, will he/she still be able to do so, and from where?

A. After the offer period, an interested investor can still buy RTBs through the secondary market, but the prices will no longer be at par. Instead, it will be based on prevailing market rates. Interested investors can still approach his/her bank branch to buy RTBs from the secondary market.

F.6 Secondary Market – Sale

Q. What are the considerations/risks involved in selling via the secondary market?

A. Prices of RTBs in the secondary market are subject to prevailing market prices. The price in which you can sell your RTBs may be higher or lower than the amount that you bought it for. As such, you can sell your RTBs and gain additional returns if you sell at a premium, or suffer losses if prices are at a discount. Your broker or selling agent can guide your decision in this regard.

F.7 Secondary Market - Settlement

Philippine Dealing & Exchange Corp. [PDEX], through the Bloomberg platform, follows a Delivery vs. Payment settlement system. This means that the exchange of funds and securities occur simultaneously. In other words, funds will not be debited from the buyer’s account if the seller doesn’t have securities in his/her securities account.