



## Retail Onshore Dollar Bonds 2 FAQs



As of September 27, 2023

### A. How to Invest in the Retail Onshore Dollar Bonds ("RDBs") Over-the-Counter?

#### A.1 Over-the-Counter Initial Requirement

Investors will be required to open a USD savings account or designate an existing USD savings account with the Selling Agent where interest and principal payments will be made.  
For Selling Agents offering the Peso-clear option, a PHP bank account will be required and not a USD Savings account.

To see the list of accredited Selling Agents, please visit [www.treasury.gov.ph](http://www.treasury.gov.ph)

#### A.2 Investors with Existing USD Savings Accounts (Straight USD Option)

To purchase RDBs with an existing USD savings account, please follow the procedures below:

1. Investors must submit to the Selling Agent the following requirements for purchasing the RDBs:
  - Application to Purchase;
  - Investor's Undertaking;
  - Authorization for NRoSS Account creation (if no existing NRoSS Account yet);
  - or other requirements that may be required by the Selling Agent
2. Investors must pay the Selling Agent the full amount due in USD for the RDB purchase.
3. At the time of purchase of the RDBs, the Selling Agent will issue an Acknowledgement Receipt/Official Receipt.
4. Confirmation of Sale ("COS") to be made available by the Selling Agent within thirty (30) calendar days from issue date.
5. On the interest and principal maturity dates, investors will receive the corresponding proceeds to their USD savings account with the nominated Selling Agent.

#### A.3 Investors with Existing PHP Accounts only (Peso-clear Option)

To purchase RDBs with an existing PHP Account (without USD savings account), please follow the procedures below:

1. Investors must submit to the Selling Agent the following requirements for purchasing the RDBs:
  - Application to Purchase;
  - Investor's Undertaking;
  - Authorization for NRoSS Account creation (if no existing NRoSS Account yet);
  - Investors Acknowledgment and Instructions;
  - Or other requirements that may be required by the Selling Agent
2. Investors must pay the Selling Agent the amount due in PHP for the RDB purchase and applicable bank fees (as applicable). The Selling Agent will facilitate the conversion of the investor's PHP payment to USD (subject to the prevailing USD rate) and settle accordingly with the BTr.
3. At the time of purchase of the RDBs, the Selling Agent will issue an Acknowledgement Receipt/Official Receipt.
4. Confirmation of Sale ("COS") to be made available by the Selling Agent within thirty (30) calendar days from issue date.



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- On the interest and principal maturity dates, the Selling Agent will facilitate the conversion of the USD proceeds from BTr based on the market rate at the time of interest and principal payment dates and credit the investors on their PHP Account.

### A.4 Peso-clear

#### How does Peso-clear work?

The BTr intends to offer a Peso-clear placement option to provide PHP-earners the opportunity to invest in USD securities, particularly to investors with their funds currently parked in termed deposits and institutional investors with long-term requirements, to convert their USD into higher yielding securities. This is an opportunity as well to promote awareness and financial literacy/education to retail investors in varied government securities, particularly dollar assets at their disposal.

The process includes USD conversion to be done on a transactional basis, which will be subject to each Selling Agents pricing/pass-on rate. Only a PHP Settlement Account is required. The Application to Purchase ("ATP") Foreign Exchange requirement shall only be required during the placement phase.

## B. How to Invest in Retail Onshore Dollar Bonds ("RDBs") via ONLINE FACILITY?

### B.1 Step 1: Accessing the Online Ordering Facility

Visit the Bureau of Treasury ("BTr") website at [www.treasury.gov.ph](http://www.treasury.gov.ph). Look for the RDB Banner and click it.

You may also scan this QR Code:



Click the tick box above the "Ready to Order" button to activate the access to the Online Ordering Facility.



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### HOW TO INVEST IN RDB 2 THROUGH APPS



☐ By checking the box, I am aware of the risks involved in purchasing Retail Dollar Bonds 2.

READY TO ORDER

### OFFICIAL SELLING AGENTS



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

For Chinabank, 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 over-the-counter ("OTC") from their respective Selling Agents.

Please note that your settlement account must first be enrolled in the online payment facility or electronic payment system of Chinabank ("Chinabank Online"), or LANDBANK ("iAccess"). It is recommended that you enroll your account immediately, prior to ordering.

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#### B.2 Step 2: Filling in forms via Online Ordering Facility

In order to purchase RDBs, 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 of Investment (in US Dollars ("USD"))
  2. Investor Name
  3. Birth Date
  4. Country of Placement
  5. Settlement Bank (Chinabank, FirstMetroSec or LANDBANK)
  6. Provide the correct Captcha Challenge
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Note: For all clients of each Settlement Bank, the name used will be the name enrolled in the bank.

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| <b>B.3</b> | <b>Step 3: Payment of RDB</b>                        | <p>Once you have answered all necessary questions and completely filled out all the necessary fields, click "Submit".</p> <p>You will be redirected to the Selling Agent's electronic payment system (either Chinabank, FirstMetroSec, or LANDBANK), to place your order and give authority to debit your bank/trading account.</p> <p>Accepted modes of payment via Online Ordering Facility: Debit account (via Chinabank, FirstMetroSec, or LANDBANK account)</p>  |
| <b>B.4</b> | <b>Step 4: Notice of Successful Payment ("NOSP")</b> | <p>Upon completing the payment instructions, you will be redirected to a webpage that will provide a 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 the status of your placement.</p> <p>For your convenience, you will also receive your NOSP via e-mail and via SMS as well for Chinabank.</p>  |
| <b>B.5</b> | <b>Step 5: Confirmation of Sale ("COS")</b>          | <p>After a successful transaction via BTr's Online Ordering Facility, a COS will be provided as follows:</p> <ol style="list-style-type: none"><li>1. For LANDBANK investors, a physical COS will be issued to the branch of account as your proof of investment thirty (30) calendar days from issue date.</li><li>2. For FirstMetroSec investors, an e-copy of the COS will be downloadable from their trading account 3-5 business days from issue date.</li><li>3. For Chinabank investors, an e-copy of the COS will be sent to the investor via email.</li></ol> <p>Branch of account refers to the bank account used for the purchase of RDB (either Chinabank, DBP or LANDBANK).</p>  |
| <b>B.6</b> | <b>Online Ordering Facility</b>                      | <p><b>What is the Online Ordering Facility?</b></p> <p>The Online Facility is accessible via the BTr website: <a href="http://www.treasury.gov.ph">www.treasury.gov.ph</a>.</p> <p>It is an online ordering facility that will allow clients to invest in the RDB Bonds during the offer period beginning on 27 September 2023 and ending on 6 October 2023 or any earlier date as determined by the BTr (the "Public Offer Period"), without having to physically go to the bank branch.</p> <p>The Online Facility enables 24/7 (except during maintenance downtime from 10PM to 2AM) access to the ordering platform from anywhere in the world as long as he/she has a Philippine peso deposit account (single individual current/savings with online access) with LANDBANK, an individual dollar</p> |



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trading account (or peso AND dollar trading accounts if he/she only has Philippine bank account) with FirstMetroSec, or an active dollar savings account (Regular Savings, Premium Savings, Overseas Kababayan Savings) with Chinabank.

It can be accessed as long as there is an available internet connection and an internet-capable device such as a smart phone, laptop, tablet, and desktop computer. Thus, it allows investors residing abroad to participate in any RDB issuance from their area of residence.

### B.7 Online Ordering Facility

#### Who can use the Online Ordering Facility?

Any individual who meets the following criteria may use the Online Ordering Facility platform to purchase RDB:

- 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 LANDBANK, an individual dollar trading account (or peso AND dollar trading accounts if he/she only has Philippine bank account) with FirstMetroSec, or an active dollar savings account (Regular Savings, Premium Savings, Overseas Kababayan Savings) with Chinabank;
- The deposit account should be capable of transacting in the banks' Electronic Payment System ("EPS"), which is Chinabank Online for Chinabank and iAccess for LANDBANK.

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 Chinabank, FirstMetroSec, or LANDBANK through any of the following means:

- Chinabank – PLDT Toll-free Number 1-800-1-888-5888 or via email at [online@chinabank.ph](mailto:online@chinabank.ph).
- LANDBANK - PLDT Toll-free Number 1-800-10-405-7000 or via email at [customercare@mail.landbank.com](mailto:customercare@mail.landbank.com).
- FirstMetroSec - via email at [customerservice@firstmetrosec.com.ph](mailto:customerservice@firstmetrosec.com.ph), via Facebook Messenger ([@firstmetrosec/www.facebook.com/firstmetrosec](https://www.facebook.com/firstmetrosec)), or visit FirstMetroSec Help Center at [help.firstmetrosec.com.ph](http://help.firstmetrosec.com.ph)

### B.8 Online Ordering Facility

#### How does one access the Online Ordering Facility? Is it accessible outside the Philippines? Is it accessible during weekends/holidays? Is the Online Facility free to use?

Investors can access the Online Ordering Facility through the BTr website ([www.treasury.gov.ph](http://www.treasury.gov.ph)) to fill out all the mandatory information. It is accessible outside the Philippines, even on weekends/holidays within the Public Offer Period. The Online Ordering Facility is free of any charges.



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| <b>B.9</b>  | <b>Documentary Requirements</b>         |               | <b>Are there any documentary requirements required to use the Online Ordering Facility?</b><br><br>Other than the documents required when opening a Chinabank dollar account, FirstMetroSec trading account, or LANDBANK Peso current or savings account, there are no physical documents required to be submitted. The entire documentation process shall be made online using the BTr Online Facility platform.   |
| <b>B.10</b> | <b>Purchasing via Ordering Facility</b> | <b>Online</b> | <b>Can I order RDB online using a joint account?</b><br><br>No, only individual accounts are allowed at the moment.   |
| <b>B.11</b> | <b>Purchasing via Ordering Facility</b> | <b>Online</b> | <b>Is there a maximum amount that can be placed using the Online Ordering Facility?</b><br><br>The Online Ordering Facility can accept placements of up to the USD amount equivalent of Php 500,000.00 per transaction. However, should an investor wish to invest an amount beyond that limit, they may do so via multiple transactions as long as each transaction observes the same limit.   |
| <b>B.12</b> | <b>Purchasing via Ordering Facility</b> | <b>Online</b> | <b>Can I place orders more than once?</b><br><br>Yes, as long as you place them within the Public Offer Period.   |
| <b>B.13</b> | <b>Purchasing via Ordering Facility</b> | <b>Online</b> | <b>Does the Online Ordering Facility provide status updates regarding my placement?</b><br><br>Yes. The Online Ordering Facility will provide you with an 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 the status of your placement. For your convenience, the Online Ordering Facility will send you the NOSP via email and/or via SMS as well for Chinabank.   |
| <b>B.14</b> | <b>Purchasing via Ordering Facility</b> | <b>Online</b> | <b>What happens after I complete my transaction via Online Ordering Facility?</b><br><br>After a successful transaction, your purchase order shall be transmitted to the bank/broker that you nominated (Chinabank, FirstMetroSec, or LANDBANK). Your bank/broker will conduct a final checking of your placement information and debit your payment from your available funds. If all requirements are complied with, your application to purchase RDB 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/broker, and/or via SMS as well for Chinabank. You may also print the receipt of the successful transaction as your proof of purchase. |
| <b>B.15</b> | <b>Purchasing via Ordering Facility</b> | <b>Online</b> | <b>What are the possible reasons for order rejection?</b><br><br>Usual reasons may include, but are not limited to, the following:  |



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- Invalid account number;
- Insufficient funds in the bank/trading account;
- The payment bank is offline;
- Incomplete or incorrect details

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### **B.16 Proof of Payment via Online Ordering Facility**

#### **What is my proof of payment?**

Upon successful payment, you will receive an NOSP. The NOSP shall serve as your proof of investment in RDB. For your convenience, a system-generated NOSP shall be sent to your designated email address, which you indicated upon account opening. For Chinabank clients, aside from email, an NOSP via SMS will also be sent.

Note: Chinabank will request for the investor's email in the payment portal after logging in the Chinabank Online account.

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### **B.17 Proof of Investment via Online Ordering Facility**

#### **What will serve as my proof of investment?**

After a successful purchase of RDB through the Online Ordering Facility, a physical COS for LANDBANK clients will be issued to the branch of account in the Philippines as your proof of investment after the issue date. It will be made available to investors within thirty (30) calendar days from the issue date.

For FirstMetroSec clients, an e-copy of the COS will be downloadable from their trading accounts 3-5 business days from issue date.

For Chinabank investors, an e-copy of the COS will be sent to the investor via email.

Branch of account refers to the bank account used for the purchase of the RDB (Chinabank, FirstMetroSec, or LANDBANK).

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### **B.18 Online Ordering Facility**

#### **Can I use the Online Ordering Facility to invest in other securities issued by the BTr and private issuers?**

As of now, the Online Ordering Facility caters only to Retail Treasury Bonds ("RTBs"), Retail Onshore Dollar Bonds ("RDBs"), and Premyo Bonds.

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### **B.19 Online Ordering Facility**

#### **Why are only Chinabank, FirstMetroSec, and LANDBANK account holders able to invest via the Online Ordering Facility?**

As of this writing, only the institutions mentioned above are able to connect to the Online Ordering Facility. Currently, the BTr is in talks with other banks to connect with the Online Ordering Facility.

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### **B.20 Online Ordering Facility**

#### **Why is there an age limit (18 years old) to access the Online Ordering Facility?**



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Since investments in RDBs are considered contracts, the investor must not be legally incapacitated to enter into one (such as the case of minors). However, investors below the age of 18 may still invest in RDB through Over-the-Counter transactions, via an In-Trust-For ("ITF") account.

### B.21 Online Ordering Facility

#### Why are joint, FAO and ITF accounts not allowed to place orders via the Online Ordering Facility?

For now, the Online Ordering Facility can cater only to individual Peso deposit accounts (with online access) due to system limitations and "tick box" 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.

### C. Bonds.PH Mobile App by Union Bank of the Philippines ("UnionBank")

#### C.1 Bonds.PH Mobile App

##### What is the Bonds.PH Mobile App ("App")?

The App is a bond distribution platform operated by Union Bank of the Philippines ("UnionBank"). The App is available for free download from the App Store or Google Play Store, or via <https://bonds.ph>.

It is a fully digital mobile application that allows clients to participate in the Philippine Government's Retail Bond Offerings.

The App allows users who are UnionBank USD account holders to invest in the RDB Bonds during the Public Offer Period.

The App is available 24/7 and can be accessed via a smartphone, as long as there is an available internet connection. As such, it allows investors residing abroad to participate in any RDB issuance from their area of residence.

#### C.2 Eligible Users

##### Who can use the App?

Any individual who is above 18 years old, with a funded UnionBank USD account, can use the App to buy RDB.

#### C.3 How to Start

##### How do I start using the App?

1. To be able to buy RDBs, you must first fund your USD account via UnionBank Online or deposit or transfer USD to your UnionBank account.
2. Download the Bonds.PH app on the App Store (for iOS devices) or Google Play Store (for Android devices).
3. Open the app and create an account.
4. Verify your email address and mobile number.
5. Log in and verify your account by submitting the required document and information.
6. Once your account is verified, select your preferred RDB and then you may place your ordered amount & the app will link you to UnionBank





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Online so you can select & elect your UnionBank Dollar Account for the payment of the investment amount. ~~link-funded UnionBank account to your Bonds.PH account.~~

7. You will receive confirmation via the App and via email if the order has been successfully received.

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### C.4 App Access

**How does one access the App? Is it accessible outside the Philippines? Is it accessible during weekends/holidays? Is the App free to use?**

The App will be available for download globally, can be accessed outside the Philippines 24/7, and can be used by OFWs. There is no charge for downloading the App.

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### C.5 Documentary Requirements for the App

**Are there any documentary requirements required to use the App?**

Users will need one (1) primary ID. Acceptable primary IDs are as follows:

- Passport – if the client is a non-resident foreigner or dual citizen, Passport is the mandatory ID
- Professional Regulation Commission ID
- National Bureau of Investigation Clearance
- Government Service Insurance System (“GSIS”) e-card/GSIS ID (membership ID)
- Social Security System ID/Unified Multipurpose ID
- Driver’s License
- Senior Citizen Card (digitized)
- ID issued by the National Council on Disability Affairs (digitized)
- PhilHealth Insurance Card ng Bayan (digitized)
- Overseas Workers Welfare Administration ID
- Overseas Filipino Workers ID
- Postal ID (digitized)
- Voter’s ID (digitized)
- Tax Identification Number ID (digitized)
- Private company ID of companies regulated by the Securities and Exchange Commission, the Bangko Sentral ng Pilipinas or the Insurance Commission for companies enrolled in UnionBank’s corporate payroll program.
- Integrated Bar of the Philippines ID

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### C.6 Joint Accounts

**Does the App support joint accounts?**

No, only individual accounts are allowed at the moment.

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### C.7 Minimum and Maximum Amounts

**What are the minimum and maximum amounts of RDBs that I can subscribe to on the App?**

You can place a minimum subscription of USD 200.00 and increments of USD 100.00 thereafter.



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|             |   | <p>The App can accept placements of up to USD 10,000.00 per transaction. Should an investor wish to investment more than USD 10,000.00, they may do so via multiple transactions as long as each transaction is only up to USD 10,000.00.</p>  |
| <b>C.8</b>  | <b>Multiple Orders</b>                            | <p><b>Can I place orders more than once?</b></p> <p>Yes, as long as you have enough funds in your linked USD UnionBank account, and as long as you place them within the Public Offer Period.</p>  |
| <b>C.9</b>  | <b>Status Updates</b>                             | <p><b>Does the App provide status updates regarding my placement?</b></p> <p>Yes. It will display on the App dashboard the status of any orders you place. The App will also send email notifications each time you place an order, and once more when that order is confirmed.</p>  |
| <b>C.10</b> | <b>Order Placement and Transaction Completion</b> | <p><b>What happens when I place an order? What happens after I complete my transaction via the App?</b></p> <p>At the point of ordering, cash will be debited from the User's linked USD UnionBank account on the App to fund the User's order. The subscription would have an "Awaiting Settlement" status upon initial placement of the order. All orders are considered final upon placement and can no longer be cancelled.</p> <p>Your UnionBank USD account must be sufficiently funded at all times; otherwise your order may not be processed and completed.</p> <p>Once the order of RDB is allocated and settled, UnionBank will send a Confirmation of Sale (COS) to you.</p> |
| <b>C.11</b> | <b>Order Rejection</b>                            | <p><b>Can my order be rejected?</b></p> <p>The order may be rejected if the KYC is not verified, onboarding requirements are not complete and order is not fully funded in the UnionBank USD account. Purchased orders through the App will also be subject to allocation from the BTr.</p>  |
| <b>C.12</b> | <b>KYC Verification</b>                           | <p><b>How long will KYC verification take?</b></p> <p>KYC verification can take up to 48 hours from the submission of complete and accurate information and documents.</p>   |
| <b>C.13</b> | <b>Cashing in to the App</b>                      | <p><b>How do I cash in to the App?</b></p> <p>There is no cash in facility in the App for the RDB offering. Users must ensure that it has sufficiently funded its linked UnionBank USD account to be able to order RDBs.</p>   |



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| <b>C.14</b> | <b>Proof of Investment via the App</b> | <b>What will serve as my proof of investment?</b>  |
|             |  | For Bonds.PH users, a password protected e-copy of the Confirmation of Sale (COS) will be sent to their registered e-mail address. This will also contain the NROSS account number of the client for his reference.  |
| <b>C.15</b> | <b>Selling via Bonds.PH Mobile App</b> | <b>Can I use the App to sell the RDB?</b>  |
|             |  | Yes. If a user wishes to sell his/her investment purchased from the App, he/she will need to make a sell order in the App based on indicative quotes which are also available in the App. The user will then be asked to confirm acceptance of the sell order at the indicative price. Once the user confirms the order with the broker fees and other required fees for secondary market trading, UnionBank will execute the sale of the RDB at the indicative price or better. |
|             |  | Upon UnionBank's settlement of the sale transaction, usually on the next business day, the sale proceeds will be made available to the user's linked UnionBank USD account by the next business day.   |
| <b>C.16</b> | <b>UnionBank</b>                       | <b>Why is UnionBank the only bank supported by the Bonds.PH App?</b>   |
|             |  | UnionBank is the only operator of the Bonds.PH App for the RDB. The BTr is looking forward to making more digital channels available in the next RDB issuance.   |
| <b>C.17</b> | <b>Settlement Account</b>              | <b>Is a UnionBank USD Account required -to invest in RDBs via the App?</b>   |
|             |  | Yes, a UnionBank USD account is required to be opened to invest in RDBs via the App. Unionbank has a remote digital account opening facility available for its clients at zero maintaining balance. Just visit or call any Unionbank branch for this.  |
|             |  | UnionBank will also be the Settlement Bank for purposes of setting up NROSS accounts for all investments done via the App.   |
| <b>C.18</b> | <b>Cashing Out of the App</b>          | <b>How do I withdraw my interest income or my principal balance after maturity or upon sale?</b>   |
|             |  | The user's interest and maturity proceeds will be credited to the linked UnionBank USD account. Once credited, users can withdraw the funds from such account.   |
| <b>C.19</b> | <b>Offer Period Guidelines</b>         | <b>What are the relevant offer period cut-off guidelines?</b>  |
|             |  | We highly encourage you to complete your verification and registration as early as possible to ensure your RDB orders will be processed on time. Please be informed of the following schedule guidelines:  |



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1. Bonds.PH User Registration and Verification Cut Off  
October 5<sup>a</sup> (12NN)
2. Opening and Funding of USD Account with UnionBank
  - October 5<sup>a</sup> (12NN) - opening of USD account with UnionBank
  - October 5<sup>a</sup> (5PM) - funding of USD account
3. Bond Subscription Cut Off
  - October 6<sup>b</sup> (12NN)
  - Only orders received by this cut off shall be included in the orders submitted to the BTR on the last day.

<sup>a</sup>Should the BTR close the Public Offer Period earlier than October 6, cutoff dates will be accordingly adjusted to 1 business days prior.

<sup>b</sup>Should the BTR close the Public Offer Period earlier than October 6, this cutoff date will be adjusted to this date

### D. How to Invest via Overseas Filipino Bank Mobile Banking Application ("OFB MBA")

#### D.1 OFB MBA

##### What is OFB MBA?

The OFB MBA is a free *application* that provides Overseas Filipinos, OFWs and their beneficiaries with convenient access to the Bank's wide array of services through smartphones anytime, anywhere. The MBA facilitates a straight-through account opening of an ATM Savings through the Digital On-Boarding System with Artificial Intelligence. It employs image recognition technology where the client is required to take a "selfie" which will be matched with the photo in the valid identification ("ID") card uploaded by the client.

At present Landbank (Parent Bank) and OFBank have more than 100 billers/merchants in its online banking (iAccess), more than 88 in the MBA and more 500 in its Link.Biz Portal. These billers are not limited only to utility companies but includes credit card companies, educational institutions, cooperatives, corporations and enterprises, government offices/agencies, among others.

OFBank's focus is to provide a reliable and convenient deposit products and services using secure banking solutions responsive to the needs of its mandated clients. With the Bank's digital on-boarding system OFs/OFWs can already open an account wherever they are in the world.

#### D.2 Bank Account

##### Do I need a bank account to serve as my settlement account?

Yes, you need to have an account with OFBank. You can open an account via the OFBank Mobile App which can be downloaded from Google Play Store, App Gallery or Apple App Store.

You may also open an account (USD or PHP) using the OFB MBA and LBP MBA



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by clicking “Open an Account” or accessing the Account Opening Page if with an existing account.

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| <b>D.3</b> | <b>Individual Account</b>       | <b>Who can invest using OFB MBA?</b><br><br>Only individual accounts can be used to invest. The investor must be at least eighteen (18) years old and legally allowed invest at the time of ordering. They must also have an account with OFBank.   |
| <b>D.4</b> | <b>Joint Account</b>            | <b>Can we invest via a joint account?</b><br><br>No. Joint accounts such as “And”, “Or”, “And/Or”, in-trust-for (“ITF”) accounts are not allowed as of the moment.  |
| <b>D.5</b> | <b>Funding</b>                  | <b>How do I fund my OFB MBA Account?</b><br><br>The user may cash in to the App using a variety of payment options:<br>Deposit/Credit to Account by: <ul style="list-style-type: none"><li>• Remittance transactions thru banks or Remittance Agent Partners</li><li>• Transfer funds via Visa Direct Facility</li><li>• Transfer Funds using the InstaPay Facility</li><li>• Over-the-Counter Deposit at LBP branches</li><li>• Cash Deposit thru LBP Cash Deposit Machines</li><li>• Transfer funds from another OFBank Account or LANDBANK Account</li></ul> |
| <b>D.6</b> | <b>Account Opening</b>          | <b>How do I open an OFB MBA account?</b><br><br><ol style="list-style-type: none"><li>1. Download the OFB MBA and create an account.</li><li>2. Verify your e-mail address and mobile number.</li><li>3. Log in and verify your account by submitting the required document and information.</li><li>4. Once your account is verified, you can start funding your account.</li></ol>  |
| <b>D.7</b> | <b>Documentary Requirements</b> | <b>Are there documents or IDs that need to be submitted?</b><br><br>Users will need one (1) valid ID, such as, but not limited, to the following:<br><br><u>For Overseas Filipinos and Overseas Filipino Workers</u> <ul style="list-style-type: none"><li>• Passport</li><li>• Unified Multipurpose ID (“UMID”)</li><li>• PRC ID</li></ul><br><u>For Beneficiaries</u> <ul style="list-style-type: none"><li>• Company ID</li><li>• Driver’s License</li><li>• GSIS</li><li>• OFW ID</li><li>• OWWA ID</li><li>• Passport</li><li>• Postal ID</li></ul>        |



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- PRC ID
- School ID
- Senior Citizen ID
- SSS
- UMID
- Voter's ID
- or any other ID validly issued and accepted in the Philippines

|             |                          |   |
|-------------|--------------------------|---|
| <b>D.8</b>  | <b>Lead Time</b>         | <b>How long will it take to open an OFB MBA account?</b><br><br>Account opening will only take 5-10 minutes depending on the internet connection speed. Within 24 hours from opening, bills pay including investing in RDB and fund transfer will be activated provided all information and uploaded documents are in order.  |
| <b>D.9</b>  | <b>Investment Amount</b> | <b>Is there a minimum and maximum investment amount?</b><br><br>The minimum investment amount is USD 200.00 and in increments of USD 100.00 thereafter. The OFB MBA can accept placements of up to the USD amount equivalent of Php 500,000.00 per transaction. However, should an investor wish to invest an amount beyond that limit, they may do so via multiple transactions as long as each transaction observes the same limit. |
| <b>D.10</b> | <b>Offer Period</b>      | <b>When can I order?</b><br><br>You can order from 2:00 p.m. of 27 September 2023 up to 4:00 p.m. on 6 October 2023, or at an earlier date as may be announced by the Republic. The App is available 24/7 but will only accept RDB investment/purchase within the offer period, with respect to the above.  |
| <b>D.11</b> | <b>Order</b>             | <b>What happens after I place an order?</b><br><br>Once the client received notice that transaction is successful, account with OFBank is debited corresponding to the amount of placement.<br><br>The Confirmation of Sale ("COS") will be sent by OFBank to the client's e-mail address provided by the client upon online account opening. The COS will serve as your proof of investment.   |
| <b>D.12</b> | <b>Status Updates</b>    | <b>Do I get status updates via the App?</b><br><br>Yes. The App will display on the Acknowledgment screen the status of the successful transaction. The App will also send an e-mail that the transaction has been confirmed. The App will also record all prior transactions in its Transaction History.   |
| <b>D.13</b> | <b>Rejected Orders</b>   | <b>Can my orders be rejected?</b><br><br>Yes. There are two (2) common reasons why orders may be rejected:  |



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- The account has insufficient funds
- BTr has not granted you an allocation

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**D.14 Cashing Out of the App    How do I withdraw funds from OFB MBA?**

The investor may cash out from OFB MBA using a variety of payment options such as (i) InstaPay to any bank account from any bank, (ii) electronic wallets, or (iii) other cash outlets, with which OFB MBA is currently integrated.

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**D.15 LANDBANK    Why is the OFBank MBA being utilized in the sale and distribution of RDBs in behalf of the LANDBANK?**

OFBank is a wholly owned subsidiary of LANDBANK. Its role is to allow the use of its MBA in the placement of orders to purchase the RDBs and the payment of said orders. LANDBANK is the GSED that shall act as the broker should the investors decide to invest in RDBs using the OFB's MBA.

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**E. How to Invest via LANDBANK Mobile Banking Application ("LBPMBA")****E.1 LBP MBA    What is LBP MBA?**

The LANDBANK Mobile Banking Application (MBA) is a free application that provides users with convenient access to LANDBANK'S wide array of services through your smartphones anytime, anywhere.

Enroll in LANDBANK [iAccess](#) and download the MBA through the Google Play or App Store to enjoy the full range of services, as follows:

1. Account Opening through DOBS Mobile
2. Quick Balance
3. Fund Transfer through PESONet and InstaPay
4. Electronic Payment Portal
5. View Rates
6. Cardless Withdrawal
7. One-time Pin (OTP)
8. Find Us
9. Contact Us
10. UITF
11. What's New

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**E.2 Bank Account    Do I need a bank account to serve as my settlement account?**

Yes, you need to have an account with LANDBANK. You can open an account via the following:

1. Traditional or by visiting any LANDBANK branch
2. Online via the LANDBANK Digital Onboarding System (DOBS) through the LANDBANK Website or DOBS Mobile via the LBPMBA

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**E.3 Individual Account    Who can invest using LBPMBA?**

Only individual accounts can be used to invest. The investor must be at least

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eighteen (18) years old and legally allowed invest at the time of ordering. They must also have an account with LANDBANK.

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### E.4 Joint Account

#### Can we invest via a joint account?

No. Joint accounts such as “And”, “Or”, “And/Or”, in-trust-for (“ITF”) accounts are not allowed as of the moment.

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### E.5 Funding

#### How do I fund my LBPMBA Account?

The user may cash in to the App using a variety of payment options:

Deposit/Credit to Account by:

- Remittance transactions thru banks or Remittance Agent Partners
- Transfer funds via Visa Direct Facility
- Transfer Funds using the InstaPay (Real-time)/Pesonet (Batch-credit) Facility
- Over-the-Counter Deposit at LBP branches
- Cash Deposit thru LBP Cash Deposit Machines

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### E.6 Account Opening

#### How do I open an LBP MBA account?

1. Download the LBP MBA App and create a Peso account via the Digital Onboarding System (DOBS) Mobile (or can use an existing LBP peso account).
2. Verify your email address and mobile number.
3. Log in and verify account by submitting the required document and information.
4. Once your account is verified, you can start log-in to your LBPMBA and use the following features: Fund Transfer, Bills Payment and Cardless ATM Withdrawal.

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### E.7 Documentary Requirements

#### Are there documents or IDs that need to be submitted?

Users will need one (1) valid ID, such as, but not limited, to the following:

- Passport
  - Unified Multipurpose ID (“UMID”)
  - PRC ID
  - Company ID
  - Driver’s License
  - GSIS
  - OFW ID
  - OWWA ID
  - Passport
  - Postal ID
  - PRC ID
  - School ID
  - Senior Citizen ID
  - SSS
  - UMID
-





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- Voter's ID
- or any other ID validly issued and accepted in the Philippines

|             |                            |   |
|-------------|----------------------------|---|
| <b>E.8</b>  | <b>Lead Time</b>           | <b>How long will it take to open an LBPMBA account?</b>   |
|             |                            | If opened via the DOBS Mobile, account opening will only take 5-10 minutes depending on the internet connection speed. Within 24 hours from opening, bills pay including investing in RDB and fund transfer will be activated provided all information and uploaded documents are in order.   |
| <b>E.9</b>  | <b>Investment Amount</b>   | <b>Is there a minimum and maximum investment amount?</b>  |
|             |                            | The minimum investment amount is USD 200.00 and in increments of USD 100.00 thereafter. The OFB MBA can accept placements of up to the USD amount equivalent of Php 500,000.00 per transaction. However, should an investor wish to invest an amount beyond that limit, they may do so via multiple transactions as long as each transaction observes the same limit. |
| <b>E.10</b> | <b>Offer Period</b>        | <b>When can I order?</b>  |
|             |                            | You can order from 2:00 p.m. of 27 September 2023 up to 4:00 p.m. on 06 October 2023, or at an earlier date as may be announced by the Republic. The App is available 24/7 but will only accept RDB investment/purchase within the offer period, with respect to the above.   |
| <b>E.11</b> | <b>Order</b>               | <b>What happens after I place an order?</b>   |
|             |                            | Once the client received notice that transaction is successful, account with LANDBANK is debited corresponding to the amount of placement.  |
|             |                            | The Confirmation of Sale ("COS") will be sent by LANDBANK to the client's e-mail address provided by the client upon online account opening. The COS will serve as your proof of investment.  |
| <b>E.12</b> | <b>Status Updates</b>      | <b>Do I get status updates via the App?</b>   |
|             |                            | Yes. The App will display on the Acknowledgment screen the status of the successful transaction. The App will also send an e-mail that the transaction has been confirmed. The App will also record all prior transactions in its Transaction History.  |
| <b>E.13</b> | <b>Rejected Orders</b>     | <b>Can my orders be rejected?</b>   |
|             |                            | Yes. There are two (2) common reasons why orders may be rejected: <ul style="list-style-type: none"><li>• The account has insufficient funds</li><li>• BTr has not granted you an allocation</li></ul>  |
| <b>E.14</b> | <b>Withdrawal of Funds</b> | <b>How do I withdraw funds from LBPMBA?</b>   |
|             |                            | The investor may cash out from LBPMBA using a variety of payment options  |



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such as (i) InstaPay to any bank account from any bank, (ii) electronic wallets, or (iii) other cash outlets, with which LBPMBM is currently integrated.

### F. Issuer-Related Questions

**F.1 ROP Debt Obligation** **Has the Philippines previously defaulted on repayment of its debt obligation?**

The Philippines has no record of default in any of its debt obligations.

**F.2 Economy** **In light of the COVID-19 pandemic and economic slowdown, what is the confidence level that the government will be able to service its debt?**

The credit rating of the National Government (“NG”) is 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 NG having the ability to access funds from both the domestic and international markets at competitive rates and reasonable terms.

**F.3 Economy** **What are the factors an investor should watch out for that will affect the movement of interest rates?**

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.

**F.4 Economy** **Will my investment be affected by movements in foreign exchange?**

If the RDBs were bought during the primary offer period and held until maturity date, the principal investment amount will not be affected by movements in foreign exchange rates. If the interest payments were held in USD currency, any change in foreign exchange rates will not have an effect.

However, if the RDBs are sold in the secondary market, there will be exposure to risk due to changes in the foreign exchange rate. The investor may also be exposed to price risk or the risk of suffering a loss if the price of the RDBs in secondary market is lower than the price of the RDBs upon purchase.

These risks are brought about by various factors in the domestic and global market.

### G. Issue-Related Questions

**G.1 General Information** **What are Retail Onshore Dollar Bonds (“RDBs”)?**

RDBs are medium- to long-term debt securities issued by the Republic of the Philippines (“ROP” or “the Republic”) through the Bureau of the Treasury



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("BTr"). The RDBs are part of the government's savings mobilization program designed to make government securities available to retail investors; hence, the name Retail Onshore Dollar Bonds. RDBs 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.

|            |   |   |
|------------|---|---|
| <b>G.2</b> | <b>General Information</b>              | <b>Why are the Bonds being raised in USD and not in PHP?</b>  |
|            |   | The RDB is designed to service the USD-denominated requirements of the Republic. By borrowing in USD, the Republic will be reducing its exposure to foreign exchange risk or the likelihood of suffering losses due to converting PHP into USD.   |
| <b>G.3</b> | <b>Use of Proceeds</b>                  | <b>Where do the proceeds of the RDBs go?</b>  |
|            |   | The proceeds will be allocated to the country's emergency, recovery, and resiliency funds. The funds will finance expenditures focused on: <ol style="list-style-type: none"><li>1. Supporting sectors most affected by the COVID-19 pandemic (i.e., the unemployed, MSMEs, and the country's healthcare system)</li><li>2. Construction of Infrastructure projects</li><li>3. Refinancing of existing debt</li><li>4. Other key national expenditures, focused more on the country's efforts against the pandemic.</li></ol>     |
| <b>G.4</b> | <b>Anti-Money Laundering Act (AMLA)</b> | <b>Are investments in RDBs subject to the Anti-Money Laundering Act ("AMLA")?</b>   |
|            |   | 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.  |
| <b>G.5</b> | <b>Investment Safety</b>                | <b>Are RDBs safe investments?</b>   |
|            |   | Investing in RDBs is considered safe and low-risk because they are a direct obligation of the Philippine government and thus backed by the entire financial capacity of the Republic. As an investment security, RDBs have inherent risks like market or price risk, foreign exchange risk, default risk and sovereign risk, however, these risks are minimized due to the financial backing of the Republic. Thus, it is highly recommended that the investor should understand all the risks involved before investing in RDBs. |
| <b>G.6</b> | <b>Cost Considerations</b>              | <b>What are the cost considerations for the investor when investing in RDBs?</b>  |
|            |   | Upon placement on Primary Offer of RDBs: None. The investor will just have to pay the principal amount and no other fees should be charged to him/her.  |
|            |   | After the primary offer phase however, the following fees are payable: <ol style="list-style-type: none"><li>1. Maintenance fee of [0.005%/4] every coupon payment;</li><li>2. Broker's commission (if the investor decides to sell before maturity;</li></ol>  |



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and

3. Mapping fee (Selling Agents charge commission amounting to [1/10 of 1%], inclusive of transaction fees of PDEX).

Please confirm with your respective Selling Agents for any other applicable fees related to the RDB placement.

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### G.7 Coupon Rate

#### How was the final coupon rate for RDBs determined?

The pricing of the RDBs is done via a competitive auction participated in by Government Securities Eligible Dealers ("GSEDs") on 27 September 2023.

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### G.8 Taxation

#### Are the RDBs subject to final withholding tax on interest payment date?

The RDBs come with a tax assumption feature where any final withholding tax on interest will be paid for by the Republic.

The interest income earned by the investors on the RDBs shall be subject to the prevailing taxes.

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### G.9 Investment

#### Is my principal investment guaranteed even if I sell before maturity?

Depending on the prevailing market rates at the time of the sale, there is a possibility that the resulting net proceeds may be higher or lower than the principal investment. Should the investor decide to convert their USD to PHP, there will be exposure to foreign exchange risk as well.

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### G.10 RDBs as Collateral

#### Are RDBs eligible as collateral for loans?

Yes, RDBs may be considered as acceptable collateral for loans. However, the loanable value against the RDBs may vary from bank to bank.

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### G.11 Closure of Bank

#### What happens to the RDBs if the bank wherein the purchase was made closes down?

The RDBs are obligations of the NG and will therefore be unaffected by the entity that acted as a Selling Agent. The investor will just need to nominate a new settlement account in another bank, which will also serve as the new sponsoring bank for your NROSS account, to ensure that the RDB's interest and principal payments will continue to be paid to him/her.

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### G.12 Rationale for RDBs

#### Why is the BTR issuing an RDB this year with 5.5-year tenors?

The Issuer would like to extend the maturity profile of its borrowings. As such, a 5.5 tenor are in line with the BTR's liability management program.

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### G.13 RDB Terms

#### Are RDBs government guaranteed?

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No, since the issuer is the NG itself, thus it can't guarantee itself. The RDBs are direct and unconditional obligations of the NG, which rank in equal footing with all other obligations of the NG. The interest payments and eventual return of the principal is backed by the entire financial capacity of the Republic to pay off all its debt.

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### G.14 RDB Terms

**Can I buy USD 300,000.00 worth of RDBs, but in multiples of USD 200.00 all in the same name?**

Yes, you can, but for convenience, we recommend that you invest under a single amount (in this case, USD 300,000.00) since the RDBs 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.

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### G.15 RDB versus Other Issuances

**Why are corporate bond issuances priced at higher interest rates?**

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, such as the RDBs, are generally considered 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 generally priced at lower rates than corporate issuances.

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## H. Procedural Questions

### H.1 Opening of Settlement Accounts

**If I already have an existing USD savings account with the bank I want to buy RDBs from, do I need to open another account specifically for this investment?**

No need to open a new USD savings account. However, the investor will need to nominate a particular account (whether existing or new) to be used as the settlement account where coupons and principal will be coursed through. Ensure that the depositor name of the bank account matches the investor name of the RDBs as any mismatch may result in the rejection of the order.

However, there are 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, the investor shall be required to open a new USD savings account.

For Selling Agents offering the Peso-clear option, a PHP savings account will be required and not a USD savings account.

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### H.2

**Do I need to open a USD savings account if I do not have one? Is there a maintaining balance?**

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Yes, investors are required to open a USD savings account to purchase RDBs. The process and requirements, however, may vary from bank to bank including the required maintaining balance.

But under Peso Clear, no need to open a USD savings account.

**H.3**

**How do I open an account if I am not in the Philippines?**

Some Selling Agents may offer online facilities that will allow the investors to open a USD savings account from the safety and comfort of their own homes. Investors may contact their preferred Selling Agent to check the availability or may refer website of the Bureau of the Treasury for more information on available online channels.

**H.4**

**How can I fund my account?**

Investors may fund their USD savings account by purchasing USD from their existing PHP or depositing USD in branches of Selling Agents.

FX regulations permit the purchase of dollars from banks for purposes of direct investments. Purchase of dollars specific to RDB investment will be credited to that investment. As such, investors must ensure that they fund their account for not less than the minimum USD 200.

**H.5**

**Where can I source my dollars? At what rate can I purchase dollars to invest in RDBs?**

USD may be purchased from the Selling Agents at prevailing market FX rates.

**H.6 Joint and And/Or  
Accounts**

**Can we invest in RDBs under a joint or “and/or” account?**

Yes, an investor can use joint or “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 and the NROSS account. However, only solo accounts may be made via the BTR Online Ordering Facility and app-based channels.

**H.7 Investments by OFs**

**How can OFs open a Peso/USD account?**

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, OFB MBA, Bonds.PH account fully online. For OFs who wish to open LANDBANK accounts, they may get in touch with the Bank's Overseas Remittance Officers to submit the account opening requirements.

**H.8 Beneficiary Claims**

**In case of sudden death of the investor, how can the beneficiary claim the RDBs?**

The beneficiary may claim the proceeds of the RDBs but will be subject to



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|-------------------------------------|---|
|                                     | what is stated in the Philippine law on succession (inheritance).   |
| <b>H.9 Beneficiary Claims</b>       | <p><b>What are the procedures to be undertaken by the heirs in case an investor dies? Are there taxes to be paid?</b></p> <p>Certain certifications are needed to be produced by the heirs (e.g., death certificate, etc). The heirs are required to pay estate taxes as RDBs form part of the deceased's estate.</p>   |
| <b>H.10 Documentation</b>           | <p><b>What documentation will prove the purchase of RDBs?</b></p> <p>Investors shall receive a COS (or such other document evidencing sale of RDBs) from their Selling Agents within thirty (30) calendar days from Issue Date. You may check with your Selling Agent on available options to receive your COS.</p>   |
| <b>H.11 Interest Payments</b>       | <p><b>Can interest payments be scheduled on a monthly basis instead of quarterly?</b></p> <p>No, because, the terms and conditions of the RDBs provide for quarterly interest payments which is also the market convention for PHP RTBs.</p>  |
| <b>H.12 Investment Requirements</b> | <p><b>What are the requirements for individuals to invest in the RDBs?</b></p> <p>The general requirements are as follows:</p> <ol style="list-style-type: none"><li>1. Peso/USD savings account</li><li>2. Acknowledgement receipt</li><li>3. Investor's Undertaking (for first time investors in government securities)</li><li>4. Authorization (for first time investors in government securities)</li><li>5. Other documents that may be required by your Selling Agent</li></ol>    |
| <b>H.13 Investor Eligibility</b>    | <p><b>Is there a minimum age for investors for the RDBs?</b></p> <p>The investor must be at least eighteen (18) years old on purchase date. For minors, they may invest via an In-Trust-For ("ITF") account with their parent/s or legal guardian.</p>  |
| <b>H.14 Investor Eligibility</b>    | <p><b>Can credit cooperatives buy RDBs?</b></p> <p>Yes.</p>   |
| <b>H.15 Investor Eligibility</b>    | <p><b>Can a foreigner invest in RDBs?</b></p> <p>Only foreign residents, possessing one of the following Philippine issued valid IDs, can invest in RDBs:</p> <ul style="list-style-type: none"><li>• Tax Identification Number ID ("TIN")</li><li>• Alien Certificate of Registration Identity Card ("ACR I-Card")</li><li>• Driver's License issued by the Land Transportation Office ("LTO")</li></ul> <p>You may inquire with your Selling Agent with custody function for proper</p> |

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guidance.

Note: United States persons, however, may be subject to additional Foreign Account Tax Compliance Act ("FATCA") requirements by their Selling Agent.

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### H.16 Mode of Purchase

#### Where can I buy RDBs?

RDBs may be purchased via the following channels:

1. Over-the-counter, via branches of Selling Agents
2. BTr Online Ordering Facility (treasury.gov.ph)
3. App-based channels: OFBank Mobile Banking Application and LBP Mobile Banking Application and Bonds.PH

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### H.17 Mode of Payment

#### How can an investor pay for the RDBs? Is there a cutoff time?

Payments may be made via the following:

1. Cash
2. Over-the-counter via the Selling Agents
3. Online Ordering Facility (for those with Chinabank, FirstMetroSec and LANDBANK accounts)
4. UnionBank Online (for those investing via the Bonds.PH app)
5. OFB MBA and LBP MBA
6. Other mode of payments that may be made available by the Selling Agents

Cutoff times may vary from bank-to-bank.

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### H.18 Others

#### Assuming I bought my RDB with Bank A, can I subsequently sell my RDB via another Selling Agent (Bank B)?

Yes, subject to submission of documentary requirements on a case-to-case basis.

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### H.19 Others

#### If an investor wants to sell, can he/she sell RDBs anytime?

Yes. Investors may go to his/her accredited dealer bank anytime to sell. The turn-around time of the transaction will depend on the availability of buyers in the secondary market. There are market makers in place to ensure that the buyers and sellers are available.

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### H.20 Others

#### An investor plans to buy USD 500,000.00 worth of RDBs 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 can trade on a per application to purchase basis?

No need to accomplish several bond documents. RDBs may be sold partially in the secondary market.

Selling of RDBs in the secondary market is subject to prevailing market rates,





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via any brokers or banks with a brokering license.

|   |  |
|---|--|
| <b>H.21 RDB Market Prices</b>   | <b>Is there a webpage where an investor can see current market prices for issued RDBs?</b><br><br>Yes. The investor may visit <a href="http://www.pds.com.ph">www.pds.com.ph</a> for more information. It is important to note, however, that market prices reflected on the website are indicative. There is no guarantee that an investor can sell his RDBs at the posted market price at the time of sale.  |
| <b>H.22 National Registry of Scripless Securities (NRoSS) Account</b> | <b>Who shall act as the intermediary for an investor to open an NRoSS securities account?</b><br><br>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.  |
| <b>H.23 National Registry of Scripless Securities (NRoSS) Account</b> | <b>Does an investor with an existing NRoSS PHP account need to enroll a new NRoSS account for the RDBs? Or enroll only an FX account under their same NRoSS account? Is the process of creating an account still the same with the existing setup?</b><br><br>The broker does not need to create a new NRoSS account for the investor. The same NRoSS account being used for Peso-denominated Government Securities may be used for the RDBs.<br>The account creation process is still the same for both PHP and USD government securities.  |
| <b>H.24 Senior Citizens</b>   | <b>Can senior citizens' interest income on the RDBs be exempt from withholding taxes?</b><br><br>No, passive income is subject to withholding tax., however the RDBs come with a tax assumption feature where any final withholding tax on interest will be paid for by the Republic.  |
| <b>H.25 Tax Exemption</b>   | <b>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 RDBs?</b><br><br>The institution must wait for the new BIR certification to be issued for it to be exempted from tax prior to investing of the RDBs. The RDBs come with a tax assumption feature where any final withholding tax on interest will be paid for by the Republic. |



## Retail Onshore Dollar Bonds 2 FAQs



As of September 27, 2023

| <b>I. Post-Issue Date Transactions and the Secondary Market</b> |                                      |   |
|---|--------------------------------------|---|
| <b>I.1</b>  | <b>Pre-Termination</b>               | <b>Can the RDBs be pre-terminated?</b><br><br>No, RDBs 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.   |
| <b>I.2</b>  | <b>Secondary Market – Access</b>     | <b>How can an investor access the secondary market?</b><br><br>An investor looking to sell or buy RDBs 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 or other requirements may be required.  |
| <b>I.3</b>  | <b>Secondary Market – Fees</b>       | <b>Why are there fees involved when the RDBs are traded in the secondary market?</b><br><br>There are costs associated with trading RDBs in the secondary market, just like any other investment securities in the market. <i>(Please refer to G.6 for the schedule of fees).</i>   |
| <b>I.4</b>  | <b>Secondary Market – Purchase</b>   | <b>An individual who heard about the RDBs 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 RDBs after the offer period, will he/she still be able to do so, and from where?</b><br><br>After the offer period, an interested investor can still buy RDBs through the secondary market, but there is no guarantee that the prices will be at par. Instead, it will be based on prevailing market rates. Interested investors can still approach his/her bank branch to buy RDBs from the secondary market.  |
| <b>I.5</b>  | <b>Secondary Market – Sale</b>       | <b>What are the considerations/risks involved in selling via the secondary market?</b><br><br>The primary consideration in selling via the secondary market is the selling price at which the RDBs can be sold. This may be higher or lower than the price at which the RDBs were bought, resulting in either a gain or loss for the investor, respectively. The broker or Selling Agent can guide the investor on the considerations/risks involved in selling via the secondary market.<br><br>Converting the USD proceeds into PHP may expose the investor to foreign exchange risk or the possibility to experience losses due to fluctuations in foreign exchange rates. |
| <b>I.6</b>  | <b>Secondary Market - Settlement</b> | <b>What assurance will the investors have (settlement of principal and interest) in buying the RDBs in the secondary market?</b><br><br>The Fixed-Income Exchange (operated by Philippine Dealing & Exchange Corp. or “PDEX” through Bloomberg platform) follows a Delivery vs. Payment   |



## **Retail Onshore Dollar Bonds 2 FAQs**



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settlement system, meaning, 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. For some banks, however, certain types of accounts, e.g. payroll accounts, are not allowed to be the settlement account for RDB purchases. In cases like these, a separate savings account will have to be opened.

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