



Republic of the Philippines
 Department of Finance
INSURANCE COMMISSION
 1071 United Nations Avenue,
 Manila



Circular Letter ("CL") No.	2024-23
Date:	14 November 2024
Supersedes:	CL No. 2019-19 and CL No. 2018-74

CIRCULAR LETTER

TO : ALL INSURANCE AND PROFESSIONAL REINSURANCE COMPANIES AUTHORIZED TO TRANSACT BUSINESS IN THE PHILIPPINES

SUBJECT : GUIDELINES ON INVESTMENTS IN INFRASTRUCTURE PROJECTS UNDER THE PHILIPPINE DEVELOPMENT PLAN

WHEREAS, Executive Order ("EO") No. 14 (s. 2023) approved and adopted the Philippine Development Plan ("PDP") for the period 2023 to 2028;

WHEREAS, the PDP 2023 to 2028 promotes "leveraging the private sector's efficiency, resources, expertise and innovativeness, and reinvigorating of Public-Private Partnerships ("PPPs") in financing priority infrastructure projects";

WHEREAS, EO No. 14 mandates all National Government Agencies ("NGAs") to align their programs with the strategies and activities identified in the PDP 2023 to 2028;

WHEREAS, the Commission recognizes the importance of other means of investment to aid insurance and professional reinsurance companies to comply with the requirements of Republic Act ("RA") No. 10607, otherwise known as the "Amended Insurance Code";

NOW, THEREFORE, in view of the foregoing and under the authority of the Insurance Commissioner under Section 437 of the Amended Insurance Code, the following are hereby promulgated:

SECTION 1. COVERAGE.

This CL provides the framework for investments that an insurance or professional reinsurance company ("regulated entities") may undertake.

SECTION 2. OBJECTIVES.

This CL aims to provide a comprehensive framework on investments in infrastructure projects to encourage regulated entities to invest in infrastructure projects under the PDP while complying with the statutory net worth and risk-based capital requirements, as well as other applicable rules and regulations of the Commission.

SECTION 3. FORMS OF INVESTMENTS.

Regulated entities may participate in the implementation of infrastructure projects/ activities through any or a combination of the following:

- a. Equity Investment in the Private Proponent¹, wherein a regulated entity invests capital in an infrastructure project; or
- b. Debt Investment in the Private Proponent, wherein a regulated entity may invest as a financier or sponsor of an infrastructure project.

SECTION 4. TYPES OF INFRASTRUCTURE PROJECTS/ ACTIVITIES.

Regulated entities may invest in the following types of infrastructure projects/ activities under the PDP, among others:

- a. Highways, including expressways, roads, bridges, interchanges, tunnels, viaducts and related facilities;
- b. Land transportation systems, including railways, road-based transportation systems, bus rapid transit, high priority public utility vehicle systems, active transportation, transit-oriented developments, public utility vehicle stations, transport plazas, intermodal terminals, park and ride, and related facilities;
- c. Transport and traffic management projects, including transportation databases, automated fare and toll collection systems, traffic signaling, traffic monitoring systems, traffic enforcement systems, congestion and management systems, and related facilities;
- d. Port infrastructure like piers, wharves, quays, storage, handling, roll-on roll-off facilities, and other related facilities;
- e. Maritime infrastructure like navigable inland waterways, shipping and ferry services, shipping vessels or components thereof, shipping and freight enterprises, and related facilities;
- f. Airports, air navigation, and related facilities;
- g. Power generation, transmission, sub-transmission, and distribution, including hydropower plants and related facilities;
- h. Downstream oil and gas industry facilities, and other energy-related facilities;
- i. Energy efficiency and conservation, renewable energy, electric vehicle charging stations, and related facilities;
- j. Telecommunications, backbone network, terrestrial, aerial, and space infrastructure, and related service facilities;
- k. Information technology networks and database infrastructure, geospatial resource mapping, cadastral survey for resource accounting and planning, and related facilities;
- l. Irrigation and related facilities;

¹ Entity who has submitted a bid in relation to a Solicited Project, or a private sector entity which has submitted an Unsolicited Proposal.

- m. Water supply, sewerage, drainage, wastewater and water treatment, desalination, and related facilities;
- n. Educational infrastructure, including technological equipment used to facilitate learning and teaching, and related facilities;
- o. Health infrastructure, hospitals, clinics, research facilities, clinical laboratories, and other related facilities;
- p. Multi-purpose water resources projects covering a combination of irrigation, power, water supply, flood control, and related facilities;
- q. Land reclamation, dredging, flood control projects, and related facilities;
- r. Industrial and tourism estates or townships, including ecotourism projects such as terrestrial and coastal/marine nature parks, among others and related infrastructure facilities and utilities;
- s. Government buildings, convention centers, and other related facilities;
- t. Urban redevelopment, townships, and housing projects;
- u. Heritage preservation and adaptive reuse projects;
- v. Markets, slaughterhouses, trading posts, and related facilities;
- w. Warehouses and post-harvest facilities;
- x. Public fish ports and fishponds, including storage and processing facilities;
- y. Agri-fishery industrial hubs, agribusiness facilities, agricultural research facilities, agricultural estates, agrilogistics systems, contract farming, and related facilities;
- z. Cold chain systems or centers and related facilities;
- aa. Prisons, lease of security-related government assets, O&M of military facilities and equipment, and other national defense or security-related facilities;
- bb. Environmental and solid waste management-related facilities such as but not limited to waste collection, transportation and disposal facilities, transfer stations, composting plants, material recovery, landfill, and tidal barriers, among others; and
- cc. Climate change adaptation, mitigation, disaster risk reduction, management infrastructure projects, biodiversity conservation projects, and related facilities.

SECTION 5. INVESTMENT LIMITATION.

Investments in infrastructure projects under the PDP shall be subject to the following limitations:

- a. For Life Insurance Companies - The total allowable investments in infrastructure projects under the PDP shall not exceed forty percent (40%) of the investing company's admitted assets as per its latest approved annual statement.
- b. For Non-Life Insurance Companies and Professional Reinsurance Companies - The total allowable investments in infrastructure projects under the PDP shall not exceed forty percent (40%) of the investing company's net worth as per its latest approved annual statement.

SECTION 6. PRE-APPROVAL REQUIREMENTS.

A regulated entity seeking approval of its investment in an infrastructure project shall submit the following documents for the Commission's evaluation and assessment:

- a. Written request addressed to the Insurance Commissioner for approval to invest in an infrastructure project/ activity;
- b. Regulated entity's Board Resolution approving the investment in the infrastructure project;
- c. Latest Audited Financial Statement of the Private Proponent (for existing projects);
- d. Copy of the Government Approval of the Project; and
- e. Financial projections accompanied by supporting documents and scenario analysis or stress testings to assess the company's resilience against severe but plausible macroeconomic stresses affecting the infrastructure projects/activities.

SECTION 7. RISK-BASED CAPITAL CONSIDERATIONS.

In calculating the risk charges relating to investments in infrastructure projects, the following shall be applied:

- a. Debt Instruments – The risk charge on a debt instrument relating to the investment in an infrastructure project shall be 6%. The Commission may, at its discretion, impose a lower risk charge considering a high credit rating on the instrument given by an external credit rating agency. Any variance from the risk charge of 6% shall require prior approval of the Commission.
- b. Equity Instruments – The risk charge on an equity instrument relating to an investment in an infrastructure project shall be 9%.

SECTION 8. SEPARABILITY CLAUSE.

If any provision or part of this CL shall be held invalid or unconstitutional, the unaffected provisions or parts shall remain valid and subsisting.

SECTION 9. REPEALING CLAUSE.

All CLs, rules, and regulations or parts thereof that are inconsistent with the provisions of this CL are deemed repealed, superseded, or modified accordingly.

SECTION 10. EFFECTIVITY CLAUSE.

This CL shall take effect immediately.


REYNALDO A. REGALADO
Insurance Commissioner

