

**PROPOSED AMENDMENT TO THE PDEX RULES
FOR THE FIXED INCOME SECURITIES MARKET, AS AMENDED:
QUALIFICATIONS OF DEALING & BROKERING PARTICIPANTS**

PROPOSED AMENDMENT TO : Rule 1.3.2 Qualifications of a Trading Participant and Rule 1.3.3 Qualifications of a Brokering Participant

Reference No. : Proposal No. 004-2021

Rationale for the Proposal : To expand the dealer membership of the PDEX Fixed Income Securities Market to include securities dealer companies as well as align and update the qualifications of Dealing and Brokering Participants

ACTION : FOR SEC APPROVAL

CURRENT RULE	PROPOSED AMENDMENT
<p>Rule 1.3 Qualifications of a Trading Participant</p> <p>1. All Trading Participants should:</p> <p>xxx</p> <p>2. In addition to the qualifications under Rule 1.3(1), a Dealing Participant should:</p> <p>a. Be a bank duly licensed as such by the <i>Bangko Sentral ng Pilipinas</i> (BSP) or an investment house duly licensed as such by the SEC;</p> <p>b. Be duly registered by the SEC as a securities dealer in fixed income securities, or government securities dealer when trading government securities</p> <p>c. Have at least one (1) trained Trader duly registered with the SEC which shall be identified in the application; and</p> <p>d. Have an unimpaired paid-up capital as required under P.D. 129, as amended, otherwise known as the Investment Houses Law, the Securities Regulation Code or applicable banking laws and their implementing rules and regulations,</p>	<p>Rule 1.3. Qualifications of a Trading Participant</p> <p>1. All Trading Participants should:</p> <p>xxx</p> <p>2. In addition to the qualifications under Rule 1.3(1), a Dealing Participant should:</p> <p>a. Be a bank duly licensed as such by the <i>Bangko Sentral ng Pilipinas</i> (BSP) or an investment house duly licensed by the SEC or an entity whose Articles of Incorporation or any of its constitutive documents indicates that its primary purpose is to engage in the business of a securities dealer pursuant to the Securities Regulation Code;</p> <p>b. Be duly registered by the SEC as a securities dealer in fixed income securities, or government securities dealer when trading government securities;</p> <p>c. Have at least one (1) trained Trader duly registered with the SEC which shall be identified in the application; and Have an unimpaired paid-up capital as required under P.D. 129, as amended,</p>

CURRENT RULE	PROPOSED AMENDMENT
<p>the pertinent circulars and orders issued by the SEC and the BSP, and rules and regulations of other relevant regulatory agencies.</p> <p>3. In addition to the qualifications under Rule 1.3(1), a Brokering Participant should:</p> <ul style="list-style-type: none"> a. Be duly registered by the SEC as a securities broker in fixed income securities, and a government securities broker when buying or selling Government Securities; b. Have unimpaired paid-up capital as required under P.D. 129, as amended, otherwise known as the Investment Houses Law, the Securities Regulation Code or applicable banking laws and their implementing rules and regulations, the pertinent circulars and orders issued by the SEC and the BSP, and rules and regulations of other relevant regulatory agencies; and c. Have at least one (1) trained Salesman duly registered with the SEC which shall be identified in the application. <p>Rule 1.4 Documentary Requirements</p> <p>xxx</p>	<p>otherwise known as the Investment Houses Law, the Securities Regulation Code or applicable banking laws and their implementing rules and regulations, the pertinent circulars and orders issued by the SEC and the BSP, and rules and regulations of other relevant regulatory agencies; and</p> <ul style="list-style-type: none"> d. Have an unimpaired paid-up capital as required under P.D. 129, as amended, otherwise known as the Investment Houses Law, the Securities Regulation Code or applicable banking laws and their implementing rules and regulations, the pertinent circulars and orders issued by the SEC and the BSP, and rules and regulations of other relevant regulatory agencies. Have at least one (1) trained Dealer Salesman duly registered with the SEC which shall be identified in the application. <p>3. In addition to the qualifications under Rule 1.3(1), a Brokering Participant should:</p> <p>xxx</p> <ul style="list-style-type: none"> c. Have at least one (1) trained Broker Salesman duly registered with the SEC which shall be identified in the application. <p>Rule 1.4 Documentary Requirements</p> <p>xxx</p>