

**PROPOSED AMENDMENTS TO THE PDE_x RULES FOR
THE FIXED INCOME SECURITIES MARKET, AS AMENDED:
CONSOLIDATED FINES AND PENALTIES AS RULE 18 OF PDE_x RULES**

PROPOSED AMENDMENTS TO	: Consolidated Fines and Penalties
REFERENCE NO.	: Proposal No. 003-2024
RATIONALE	: To provide clarity and appropriate numerical reference to the Consolidated Fines and Penalties as Rule 18 of PDE _x Rules, and to incorporate the penalties associated with violation of Best Execution Rule under Rule 6.1.3

Current Rule	Proposed Amendment
<p>Consolidated Fines and Penalties of PDE_x Rules</p> <p>1. <i>Classifications of Violations.</i> There shall be three (3) classifications of violations of these Rules: (a) Category III violations; (b) Category II violations; and (c) Category I violations. Except as may otherwise be provided for explicitly in this or other Rules, the penalties associated with violations of these Rules shall be in accordance with the classification of the violation.</p> <p>2. <i>Penalties Associated with Category III Violations.</i> Category III Violations shall carry the following penalties, which may be imposed singly or in combination:</p> <p>a. Reprimand and Penalty in the amount of FIFTY THOUSAND PESOS (P50,000.00) unless otherwise explicitly provided by applicable Rule;</p> <p>b. Denial of the right of the Trading Participant and/or its authorized personnel to (i) trade on the PDE_x Trading System; and/or (ii) access the systems and facilities of PDE_x;</p>	<p>Rule 18: Consolidated Fines and Penalties of PDE_x Rules</p> <p>1. <i>Classifications of Violations.</i> There shall be three (3) classifications of violations of these Rules: (a) Category III violations; (b) Category II violations; and (c) Category I violations. Except as may otherwise be provided for explicitly in this or other Rules, the penalties associated with violations of these Rules shall be in accordance with the classification of the violation.</p> <p>2. <i>Penalties Associated with Category III Violations.</i> Category III Violations shall carry the following penalties, which may be imposed singly or in combination:</p> <p>a. Reprimand and Penalty in the amount of FIFTY THOUSAND PESOS (P50,000.00) unless otherwise explicitly provided by applicable Rule;</p> <p>b. Denial of the right of the Trading Participant and/or its authorized personnel to (i) trade on the PDE_x Trading System; and/or (ii) access the systems and facilities of PDE_x;</p>

<p>c. Blacklist and bar from PDEX or from being otherwise associated with or employed by any Trading Participant or PDEX;</p> <p>d. In all cases, PDEX shall be entitled to charge any lost transaction fees where the same were caused by the violation.</p> <p>3. <i>Penalties Associated with Category II Violations.</i> Category II Violations committed within the calendar year shall carry a penalty of a Reprimand and the following applicable penalty:</p> <p>a. 1st Violation - TEN THOUSAND PESOS (P10,000.00);</p> <p>b. 2nd Violation - TWENTY THOUSAND PESOS (P20,000.00). In addition thereto or in lieu thereof, PDEX shall have the right to suspend the Trading Participant and/or its authorized personnel.</p> <p>c. 3rd and subsequent violations - THIRTY THOUSAND PESOS (P30,000.00) In addition thereto or in lieu thereof, PDEX shall have the right to suspend the Trading Participant and/or its authorized personnel.</p> <p>d. In all cases, PDEX shall be entitled to charge any lost transaction fees where the same were caused by the violation.</p> <p>4. <i>Penalties Associated with Category I Violations.</i> Category I Violations committed within the calendar year shall carry the following penalties:</p> <p>a. 1st Violation - Warning</p> <p>b. 2nd Violation - Reprimand</p> <p>c. 3rd and Subsequent Violations - a penalty of FIVE THOUSAND PESOS (P5,000.00)</p> <p>d. In all cases, PDEX shall be entitled to charge any lost transaction fees where the same were caused by the violation.</p>	<p>c. Blacklist and bar from PDEX or from being otherwise associated with or employed by any Trading Participant or PDEX;</p> <p>d. In all cases, PDEX shall be entitled to charge any lost transaction fees where the same were caused by the violation.</p> <p>1. <i>Penalties Associated with Violation of Best Execution Rule under Rule 6.1.3. Brokering Participants which are in violation of Rule 6.1.3 shall carry the following penalties, which may be imposed singly or in combination:</i></p> <p>a. Reprimand and Penalty of not less than the amount of FIFTY THOUSAND PESOS (P50,000.00) or 20 BPS of the amount of the transaction, whichever is higher;</p> <p>b. Denial of the right of the Trading Participant and/or its authorized personnel to (i) trade on the PDEX Trading System; and/or (ii) access the systems and facilities of PDEX;</p> <p>c. Blacklist and bar from PDEX or from being otherwise associated with or employed by any Trading Participant or PDEX;</p> <p>d. In all cases, PDEX shall be entitled to charge any lost transaction fees where the same were caused by the violation</p> <p>3. <i>Penalties Associated with Category II Violations.</i> Category II Violations committed within the calendar year shall carry a penalty of a Reprimand and the following applicable penalty:</p>
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	<p>a. 1st Violation - TEN THOUSAND PESOS (P10,000.00);</p> <p>b. 2nd Violation - TWENTY THOUSAND PESOS (P20,000.00). In addition thereto or in lieu thereof, PDEx shall have the right to suspend the Trading Participant and/or its authorized personnel.</p> <p>c. 3rd and subsequent violations - THIRTY THOUSAND PESOS (P30,000.00) In addition thereto or in lieu thereof, PDEx shall have the right to suspend the Trading Participant and/or its authorized personnel.</p> <p>d. In all cases, PDEx shall be entitled to charge any lost transaction fees where the same were caused by the violation.</p> <p>4. <i>Penalties Associated with Category I Violations.</i> Category I Violations committed within the calendar year shall carry the following penalties:</p> <p>a. 1st Violation - Warning</p> <p>b. 2nd Violation - Reprimand</p> <p>c. 3rd and Subsequent Violations - a penalty of FIVE THOUSAND PESOS (P5,000.00)</p> <p>d. In all cases, PDEx shall be entitled to charge any lost transaction fees where the same were caused by the violation.</p>
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