

**PROPOSED AMENDMENTS TO THE PDEX RULES
FOR THE FIXED INCOME SECURITIES MARKET, AS AMENDED:
CREDIT RATING AS A LISTING AND ENROLLMENT REQUIREMENT**

PROPOSED AMENDMENTS TO : Rule 7 - Listing and Enrollment

REFERENCE NO. : Proposal No. 003-2022

RATIONALE : To make the credit rating of Securities or Issuer of the Securities sought to be listed or enrolled a standard requirement for the admission of the securities in the PDEX Trading System and allow exceptions in enrollments for securities with credit enhancements (e.g., guarantees)

CURRENT RULE	PROPOSED AMENDMENTS
<p><i>Rule 7.16 Additional Listing Criteria</i></p> <p>Listing applications shall comply with all of the following qualifications in addition to the requirements specified in Rules 7.2 and 7.3 of these Rules.</p> <ol style="list-style-type: none"> 1.The Securities must be registered with the Commission according to SRC Sec. 8, or are exempt Securities according to SRC Sec. 9. 2.The Securities must be freely transferable to both non-Qualified Investors and Qualified Investors. 3. The Issuer of the Securities sought to be listed must be rated by a credit rating agency duly recognized by the applicable governmental authorities at the time of listing, provided that if such Securities are subordinated, such Issuer shall also have the Securities rated at the time of listing. <ol style="list-style-type: none"> A. Subordinated Securities whose issuance are approved by the Bangko Sentral ng Pilipinas shall be exempt from the general requirement of an 	<p><i>Rule 7.16 Additional Listing Criteria</i></p> <p style="text-align: center;">xxx xxx xxx</p> <ol style="list-style-type: none"> 3. The <u>Securities or the</u> Issuer of the Securities sought to be listed must be rated by a credit rating agency duly <u>accredited or</u> recognized by the <u>applicable appropriate</u> governmental authorities at the time of listing, provided that if such Securities are subject to the applicable BSP regulations, the credit rating agency must be recognized by the BSP. <ol style="list-style-type: none"> A. Subordinated Securities whose issuance are approved by the Bangko Sentral ng Pilipinas shall be exempt from the general requirement of an issue rating for subordinated Securities. b. Issuers of credit-enhanced Securities may opt to submit an issue rating in addition to the issuer rating required under this Rule. 4. The <u>Issuer or</u> its Securities must be subject of an agreement for continuous rating, between the Issuer and a credit rating

CURRENT RULE	PROPOSED AMENDMENTS
<p>issue rating for subordinated Securities.</p> <p>b. Issuers of credit-enhanced Securities may opt to submit an issue rating in addition to the issuer rating required under this Rule.</p> <p>4. The Securities must be subject of an agreement for continuous rating, between the Issuer and a credit rating agency duly recognized by the applicable governmental authorities.</p> <p>5. The Securities must be subject of the commitments of at least three (3) Market Makers.</p> <p>6. PDEX reserves the right to prescribe additional listing requirements for certain types of Securities for the protection of the public interest.</p>	<p>agency duly <u>accredited or</u> recognized by the applicable governmental authorities.</p> <p>xxx xxx xxx</p>
<p>Rule 7.18 Additional Continuing Obligations of Listed Issuers</p> <p>Listed Issuers shall also comply with the following requirements in addition to the obligations specified in Rule 7.8 of these Rules as conditions for their continued listing on PDEX.</p> <ol style="list-style-type: none"> 1. The Listed Issuer shall have its listed Securities rated by a credit rating agency duly recognized by the applicable governmental authorities continually. 2. The Listed Issuer shall comply with all applicable disclosure requirements for Listed Issuers as set forth by Securities Laws and these Rules. (rev072511) 3. All reportorial or disclosure requirements imposed on Listed Issuers by the Commission shall be deemed adopted by PDEX. Unless a different period is specified by PDEX in its Rules as approved by the Commission or indicated herein, the periods set for 	<p>Rule 7.18 Additional Continuing Obligations of Listed Issuers</p> <p>Listed Issuers shall also comply with the following requirements in addition to the obligations specified in Rule 7.8 of these Rules as conditions for their continued listing on PDEX.</p> <p>1. The Listed Issuer shall have its listed Securities rated by a credit rating agency duly recognized by the applicable governmental authorities continually.</p> <p><u>1. The Listed Issuer shall continuously maintain a valid credit rating during the period that the listed Securities are outstanding, rated by a credit rating agency duly accredited or recognized by the appropriate governmental authorities.</u></p> <ol style="list-style-type: none"> 2. The Listed Issuer shall comply with all applicable disclosure requirements for Listed Issuers as set forth by Securities Laws and these Rules. (rev072511)

CURRENT RULE	PROPOSED AMENDMENTS
<p><i>Rule 7.20 Additional Continuing Obligations of Issuers of Enrolled Securities</i></p> <p>Issuers of Enrolled Securities shall comply with the following obligations in addition to the obligations specified in Rule 7.8 of these Rules as conditions for the continued enrollment of their Securities with PDEX.</p> <ol style="list-style-type: none"> 1. The Issuer shall comply with all applicable disclosure and reportorial requirements for issuers of securities exempt from registration as set forth by Securities Laws. 2. The Issuer shall further submit the following periodic reports in such number as PDEX will prescribe as soon as these are available, in accordance with the disclosure procedure of PDEX: <ol style="list-style-type: none"> a. Audited Financial Statements; b. Annual Report, if any; and c. Interim Quarterly Financial Statements, if any. 	<p><i>Rule 7.20 Additional Continuing Obligations of Issuers of Enrolled Securities</i></p> <p>Issuers of Enrolled Securities shall comply with the following obligations in addition to the obligations specified in Rule 7.8 of these Rules as conditions for the continued enrollment of their Securities with PDEX.</p> <ol style="list-style-type: none"> 1. <u>The Enrolled Issuer shall continuously maintain a valid credit rating during the period that the listed Securities are outstanding, rated by a credit rating agency duly accredited or recognized by the appropriate governmental authorities, provided that for entities that submit a Credit Guarantee, the credit rating of the Guarantor shall also be continuous.</u> 2. 4. The <u>Enrolled</u> Issuer shall comply with all applicable disclosure and reportorial requirements for issuers of securities exempt from registration as set forth by Securities Laws. 3. 2. The <u>Enrolled</u> Issuer shall further submit the following periodic reports in such number as PDEX will prescribe as soon as these are available, in accordance with the disclosure procedure of PDEX: <ol style="list-style-type: none"> a. Audited Financial Statements; b. Annual Report, if any; and c. Interim Quarterly Financial Statements, if any.