

**RULE PROPOSAL ON AMENDMENT OF THE PDEX RULES: RULE 6.3 - OTHER DUTIES TO CUSTOMER - DUTIES OF HOLDER OF BANK-ISSUED INSTRUMENTS**

**PROPOSED AMENDMENT TO** : Rule 6.3 - Other Duties to Customer

Reference No. : Proposal No. 007-2014

Rationale for the Proposal : To include in the PDEX Rules a statement consistent with the BIR requirements for holders of long-term bank-issued instruments to avail of income tax exemption on interest income earned under Revenue Memorandum Circular No. 81-2012.

**ACTION** : **FOR APPROVAL**

<b>CURRENT RULE</b>	<b>PROPOSED AMENDMENT</b>
<p><i>Rule 6.3 Other Duties to Customer</i></p> <p>1.xxx xxx 14. xxx</p>	<p><i>Rule 6.3 Other Duties to Customer</i></p> <p>1.xxx xxx 14. xxx <u>15. xxx</u></p> <p><u>16. Every Trading Participant, for transactions in Securities covered by the PDEX Guidelines on the Trading and Settlement of Long-Term Bank-Issued Instruments, shall advise its customers that holders shall be liable for any taxes due arising from their transfer, sale, or acquisition of the Securities, and of similar acts at their own instance as holders of the Securities, which effectively negate, if applicable, the requirements of exemption from income tax under Sec.24(B)(1) and Sec. 25(A)(2) of the National Internal Revenue Code of 1997, As Amended, and as implemented by pertinent BIR Issuances on the matter, as may be amended from time to time.</u><sup>1</sup></p>

<sup>1</sup> Numbering may vary depending on order of receipt of SEC approval of the proposed rules.