

PROPOSED AMENDMENTS: VOICE BROKER RESPONSIBILITY FOR SWITCH TRANSACTIONS FURTHER TO THE TRANSACTIONS NOT PRESUMED TO BE MANIPULATIVE OR PROHIBITED CONDUCT

PROPOSED AMENDMENT TO : Rule 6.2 - Prohibited Conduct under Securities Laws

Reference No. : Proposal No. 003-2017

Rationale for the Proposal : To provide for the voice broker responsibility for switch transactions under Transactions not Presumed to be Manipulative or Prohibited Conduct as the counterparties to the switch might not be aware that there is in fact a switch transaction.

Action : FOR SEC APPROVAL

<i>CURRENT RULE</i>	<i>PROPOSED AMENDMENT</i>
	<p>New Provision to be numbered as 6.4</p> <p><u>6.4 Voice Broker Responsibility for Switch Transactions</u></p> <p><u>In addition to the requirements enumerated in 6.3.2, the voice broker who arranged the Switch Transactions shall:</u></p> <ul style="list-style-type: none"> a. <u>Inform the Switch Buyer and the Switch Seller that their transactions were Switch Transactions; and</u> b. <u>Maintain a list of switch transactions and provide these information in the event that PDEX and the SEC will require.</u> <p><u>If such is the case, the notification requirements under 6.3.2 (a)* for the Switch Seller, the Switcher and the Switch Buyer shall be as follows:</u></p> <ul style="list-style-type: none"> i. <u>the trade numbers;</u> ii. <u>For the Switch Seller and Switch Buyer: the name of the Switcher;</u> iii. <u>For the Switcher: the names of the selling (Switch Seller), the Switcher and the buying (Switch Buyer) Trading Participants;</u> <p>Note: The numbering of the provisions shall be revised to reflect the correct sequential order.</p>

* Proposed Rule 6.3.2 (a) on Transactions not presumed to be Manipulative or Prohibited Conduct which states, “The Switch Seller, the Switcher, and the Switch Buyer must notify PDEX in writing within the same day that they have executed switch transactions, and provide the following details: i. the trade numbers; ii. the names of the buying (Switch Buyer) and selling (Switch Seller) Trading Participant; and iii. name of the Switcher;”, had been submitted to the Securities and Exchange Commission for its approval.