
**TRADING & SETTLEMENT GUIDELINES FOR
HOLDERS SUBJECT TO 25% OR 30% FINAL WITHHOLDING TAX
FOR LISTED CORPORATE SECURITIES**

1. Coverage

1.1. This document shall govern trading and settlement of listed corporate securities on the Philippine Dealing & Exchange Corp. (PDEX), except for Bank-Issued Instruments.

2. Additional Series Names in Trading System. There shall be two (2) additional series names for each security in the corporate securities board of the Trading System, as follows:

2.1. **25% Tax-Withheld Series Name** - suffix "T25" indicates that the settlement value of a done trade on this series name shall be computed on a tax-withheld basis, based on a final withholding tax rate of 25%.

2.2. **30% Tax-Withheld Series Name** - suffix "T30" indicates that the settlement value of a done trade on this series name shall be computed on a tax-withheld basis, based on a final withholding tax rate of 30%.

3. Trading Mechanics. The trading mechanics for the two (2) additional series names are as follows:

3.1. **25% Tax-Withheld Series Name.** Broker Participants executing orders for the account of investors subject to final withholding tax rate of 25% shall use the 25% tax-withheld series name.

3.2. **30% Tax-Withheld Series Name.** Broker Participants executing orders for the account of investors subject to final withholding tax rate of 30% shall use the 30% tax-withheld series name.

4. Restriction on Transfers across Tax Categories. For purposes hereof, "Tax Categories" refer to the four (4) final withholding tax categories covering, particularly, tax-exempt entities, 20% tax-withheld entities, 25% tax-withheld entities, and 30% tax-withheld entities.

4.1. Transfers across Tax Categories shall not be allowed except on Interest Payment Dates that fall on a business day, provided however that transfers from Tax-Exempt Category to a Taxable Tax Category on a non-Interest Payment Date shall be allowed using the applicable tax-withheld series name, ensuring the computations are based on the final withholding tax rate of the taxable party to the trade. Should this transaction occur, the tax-exempt entity shall be treated as being of the same Tax Category of its taxable counterpart for the interest period within which such transfer occurred.

- 4.2. For transfers across Tax Categories occurring on Interest Payment Dates, PDEX Trading Participants shall execute trades using the Tax-Withheld Series Name, where computations are based on a final withholding tax rate of 20%.
- 4.3. This restriction shall be in force until a Non-Restricted Trading & Settlement Environment for Corporate Securities is implemented.

5. Settlement Value Computation Methodology

- 5.1. The settlement value shall be computed using the current computation methodology using the applicable final withholding tax (e.g. 0%, 20%, 25%, or 30%)