



**MARKETS AND SECURITIES REGULATION DEPARTMENT**

**TO : ALL CONCERNED**

**SUBJECT : DIRECTIVES ON DOLLAR DENOMINATED SECURITIES (DDS)**

**DATE : 06 April 2017**

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This is in reference to the requirement imposed by the Commission in approving the PSE Listing Rules on Dollar Denominated Securities (the “**DDS Rules**”) which mandates the creation and maintenance of sub-accounts under the Name-on-Central-Depository (“**NoCD**”) arrangement in accordance with the Philippine Depository & Trust Corp. (“**PDTC**”) Rules and Procedures.

It has since been emphasized with the PSE and PDTC that the NoCD requirement is **mandatory for all DDS transactions**.

Said requirement is fully embodied in Section 3, Part A, General Provisions of the DDS Rules of PSE approved by the Securities and Exchange Commission on 10 November 2016 and officially released by the PSE on 02 December 2016.

Despite the clear mandatory requirements of DDS transactions, it is observed that there is still confusion on the NoCD requirement. In this regard, and as well as in response to the letter-request dated 03 April 2017 of Issuer Del Monte Pacific Limited (“**DMPL**”) and Issue Manager BDO Capital & Investment Corporation (“**BDO CAPITAL**”) in connection with the NoCD requirement, the Commission en Banc, during its meeting on 04 April 2017, issued the following directives:

1. To allow the Eligible Brokers for DDS to lodge with PDTC the Del Monte Pacific Limited Dollar Denominated Securities (“**DMPL DDS**”) which were subscribed to and/or purchased by investors/clients during the Offer Period and to allow PDTC to accept the lodgment of said DMPL DDS under an **Omnibus Account with segregated coded sub-accounts** (i.e., without naming the beneficial owners in the meantime).
2. Consistent with the requirements of the Data Privacy Act, the concerned Eligible Brokers shall, **within two (2) months** from DMPL DDS Listing Date, **secure the consent of their clients** who subscribed to and/or purchased DMPL DDS during the Offer Period (the “**Covered Period**”) for the purpose of creating sub-accounts under NoCD requirement in accordance with PDTC Rules which entails reflecting the names of the said clients in the PDTC system.
3. The concerned Eligible Brokers shall **submit to PDTC on or before end of day of 07 April 2017**, in a sealed envelope, a **master list** of all the names and the corresponding client codes of investors/clients who subscribed to or purchased DMPL DDS during the herein Covered Period. The NOCD accounts and the master list shall be accessed by the Commission *if said information is requested by the SEC in the course of an investigation of a possible violation of the Securities Regulation Code and its implementing rules and regulations and other orders and issuances of the SEC, examination, official inquiry or as part of surveillance procedures, and/or in compliance with other pertinent laws.*<sup>1</sup> The

laws.<sup>1</sup> The submission of said master list serves as alternative compliance with SRC Rule 52.1.6.7.<sup>2</sup> The requirements of SRC Rule 52.1.6.7 shall be fully complied with immediately after the lapse of the 2-month period prescribed in Item 2 above.

4. The concerned Eligible Brokers shall maintain and update their books and records of clients with DDS transactions in accordance with the applicable provisions of the Securities Regulation Code and the 2015 SRC Implementing Rules and Regulations ("**SRC and 2015 IRR**"). The Commission may access said books and records in accordance with the pertinent provisions of the SRC and 2015 IRR and the DDS Rules.
5. After listing, the concerned eligible brokers shall effect buying transactions of DMPL DDS only after the consents mandated under Section 1.b Part C of the PSE DDS rules and under item 2 of this directive (i.e., the consent required for NoCD arrangement) have been secured from the buyers.

**For your information and strict compliance.**

  
**VICENTE GRACIANO P. FELIZMENIO, JR.**  
Director

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<sup>1</sup> Part C, Sec. 1b, PSE Rules on Dollar Denominated Securities

<sup>2</sup> A Broker Dealer shall not maintain a numbered account for trading or investment purposes of a client or his own account. All existing numbered accounts shall comply with the requirements of these revised rules within thirty (30) days from effectivity thereof.