

## Name-On-Central-Depository (NoCD) Facility For Real Estate Investment Trust (REIT)

### FREQUENTLY ASKED QUESTIONS

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#### 1. What is Name-on-Central-Depository Facility (“NoCD Facility”)?

The “NoCD Facility” is a Depository product offered to Broker Depository Participants to enable the Participants to maintain client securities holdings held under their omnibus broker account in a segregated set-up.

#### 2. What are the basic features of the NoCD Facility?

- **Segregates client holdings.** Each client holdings shall be segregated and assigned a unique NoCD ID.
- **Reports transactions/movements.** The Broker Depository Participant can initiate transactions in the NoCD accounts through its access to the Depository system, on instructions of the clients and/or as warranted under existing agreement with the clients. Each transaction triggers the generation of a delivery or receipt confirmation for each NoCD account.
- **Generates reports.** The NoCD Facility can generate reports at the Client level. These reports are accessible to the Brokers through their access to the Depository System. Reports can also be sent directly to the client through a nominated email address for that client’s NoCD ID.
- **Records, accounts and preserves records of the transactions/movements.** Transaction logs are available online for a defined period or archived and retained in accordance with relevant regulatory requirements on record retention.
- **Reliability of records.** The Broker warrants the existence of a client for each NoCD account and the accuracy of the client information and client securities under the NoCD Facility.

#### 3. Who can avail of the NoCD Facility?

In general, Brokers licensed by the Securities and Exchange Commission (“SEC”) who are Depository Participants of PDTC who want to maintain segregated accounts for the securities of their clients in the Depository System can avail of the NoCD Facility.

Particularly for REIT, Broker needs to be accredited as eligible to trade and hold REIT for their clients. Eligibility of Brokers is determined by the Philippine Stock Exchange (“PSE”). Only eligible Brokers can avail of the NoCD Facility for REIT.



#### 4. What are the systems to be used?

Current Equity Depository System, which is the version 2 (v2), is used to hold the TOTAL REIT holdings on a per Broker level.

- Free Accounts are to be used to hold the total REIT holdings as an aggregate amount.
- House Accounts are to be used for sweeping of REIT to SCCP, for trade settlement purpose.

The version 6 (v6) system is used to reflect the breakdown of the REIT holdings on a per NoCD Client sub-account level.

#### 5. Is there a separate log-in access to the v6 system? If yes, how can we get access?

Yes. Brokers are required to undergo a systems training, for both its System Administrator and Users. You may request training schedule by emailing our Client Services ([clientservices@pds.com.ph](mailto:clientservices@pds.com.ph)). At the minimum, there needs to be 2 System Admins and 2 Users (maker-checker), to access the system.

System URL and log-in credentials to access the system will be emailed to those who have completed the trainings.

#### 6. Our firm has already been accredited as eligible broker, how do we avail of the NoCD Facility in v6?

To avail of the NoCD Facility, Broker submits to PDTC a Letter of Intent, which shall also contain acknowledgement from the Broker that it has understood that the use of the NoCD Facility shall be governed by the PDTC Rules and the NoCD Operating Guidelines. There is a template letter of intent that can be requested from the PDTC Depository ([eulalie.severo@pds.com.ph](mailto:eulalie.severo@pds.com.ph)).

Upon receipt of the Letter of Intent, PDTC creates two Broker accounts:

- Account 1 - Omnibus with Client - This is where the NoCD client sub-accounts are linked.
- Account 2 - Omnibus without Client - This serves only as an operational account or as pass-thru. At end-of-day, there shall be no holdings left in this account.

#### 7. What are the requirements to create NoCD client sub-accounts?

Upon receipt of the Letter of Intent, PDTC provides to the Broker a NoCD Kit containing the following documents:

- (a) NoCD Client Sub-account Creation Excel file, and
- (b) Broker Certification on KYC and necessary client consents.

*(Note: Broker Certification is accomplished per Excel file, and not per client.)*

For the NoCD Client Sub-account Creation Excel file, there is a Guide tab on how to properly accomplish the file. As this is being loaded in the system, instructions need to be followed to avoid being rejected by the system.



For the Broker Certification, this is accomplished per Excel file submitted, and not per client. The Broker BP ID referred in the Broker Certification document refers to the same Broker BP ID used for Peso listed shares.

These documents are submitted to PDTC Accounts and Docs Unit ([accounts.docs@pds.com.ph](mailto:accounts.docs@pds.com.ph)).

## 8. What is the BP ID convention for NoCD client sub-accounts? Who assigns the NoCD BP ID of the Broker's client and when is the assigned NoCD BP ID used?

A Client's NoCD BP ID has 11 alphanumeric characters.

The assignment of the NoCD BP ID of its clients is done by the Broker, NOT by PDTC, following the convention below:

XXXRYYYYYYY where XXX is the 3-character PSE Broker code  
"R" refers to REIT  
YYYYYYY is a Broker-assigned 7-alphanumeric characters

Prior to the actual creation of NoCD sub-accounts, Broker may already start assigning NoCD BP IDs for its clients. During IPO, the assigned NoCD BP IDs can already be provided by Brokers for LSIs who are using the PSE Easy (Question No. 13), for clients buying through an Underwriter (Question No. 14), and for submission of Sales Report to Transfer Agent (Question No. 15).

## 9. What is the usual turnaround time for creating NoCD client sub-accounts?

Creation of NoCD client sub-accounts requires at the minimum an overnight processing. Cut-off of submission of complete documents is 10AM for same-day processing. Provided that submission meets the cut-off and depending on the number of files received for processing, turnaround time for creation of NoCD client sub-accounts ranges from 1-3 business days.

Upon receipt and verification of complete documents, PDTC loads the Excel file into the v6 system. Once loaded, the NoCD client sub-accounts based on the information provided in the file are created in the system.

Broker will receive an electronic confirmation (thru email) of the successful creation of the NoCD client sub-accounts. Without having to wait for this confirmation, Broker can also verify the accounts created using their access to the v6 system.

## 10. We are already an eligible Broker for dollar-denominated shares (DDS), and our client already has NoCD sub-account for DDS. Can the client use the same NoCD sub-account for REIT?

No. Because there is another system, the NoCD accounts for DDS in v2 cannot be used to reflect the breakdown of REIT holdings, which is in v6.

**11. We are already an eligible Broker for DDS, do we still need to submit the Letter of Intent and attend the systems training?**

Yes. The application documents previously submitted for DDS are specific for DDS, particularly on the USD settlement bank details. Separate letter of intent is required for REIT to receive the NoCD Kit for REIT.

Yes. Because another system is going to be used, Brokers are required to undergo systems training, to know the functionalities of the system.

**Initial Public Offering - Creation of NoCD Client Sub-accounts**

**12. For IPO, when can we start creating NoCD client sub-accounts?**

Brokers may start to submit the documents for NoCD client sub-account creation to PDTC, once allocation of their clients are confirmed.

Creation of NoCD client sub-accounts may start at the end of the offer period until three days before the listing date. Deadline of submission of the NoCD client sub-account creation forms is three days before listing date, to ensure that NoCD client sub-accounts are created by listing date.

For the process of creation, please refer to Question Nos. 7 and 9.

**13. Our firm has Local Small Investors (LSI) using the PSE Easy platform to purchase REIT. Can they have an allocation without NoCD account created yet?**

Yes. A requirement for the allocation to the LSI is the NoCD BP IDs of the LSIs identified in the PSE Easy.

Since NoCD BP ID is assigned by the Broker, LSI should advise first its respective Broker of its interest to subscribe to REIT IPO prior to using PSE Easy. Following the BP ID convention, Broker can already input in the PSE Easy platform the assigned NoCD BP IDs of the LSIs, even prior to the actual creation of the NoCD accounts. *(Please refer to Question No. 8 on the convention of NoCD BP ID.)*

Broker then creates the NoCD sub-accounts using the assigned NoCD BP IDs for the LSI within the period indicated in Question No. 12, by submitting the necessary NoCD sub-account creation documents to PDTC.



**14. A client is buying REIT through the Underwriter. The client/Underwriter approaches us for the NoCD ID, but the NoCD sub-account is not yet created.**

Since NoCD BP ID is assigned by the Broker, following the BP ID convention, the Broker can already provide to the client or the Underwriter the NoCD BP ID of the client, even prior to the actual creation of the NoCD accounts. *(Please refer to Question No. 8 on the convention of NoCD BP ID.)*

Broker then creates the NoCD sub-accounts using the assigned NoCD BP IDs for the clients within the period indicated in Question No. 12 by submitting the necessary NoCD sub-account creation documents to PDTC.

**15. We need to submit the breakdown of our REIT allocation to the Transfer Agent, indicating the NoCD IDs and the corresponding shares. However, the NoCD sub-accounts are not yet created.**

Since NoCD BP ID is assigned by the Broker, following the BP ID convention, the Broker can already provide the NoCD BP ID for its clients and indicate in the Sales Report to be submitted to Transfer Agent, even prior to the actual creation of the NoCD accounts. *(Please refer to Question No. 8 on the convention of NoCD BP ID.)*

Broker then creates the NoCD sub-accounts using the assigned NoCD BP IDs for the clients within the period indicated in Question No. 12 by submitting the necessary NoCD sub-account creation documents to PDTC.

## **Initial Public Offering - Sales Report**

**16. As a Broker, to whom do we submit the Sales Report containing the breakdown of my REIT allocation? What should be the content of the Sales Report?**

To the Transfer Agent (TA).

The Sales Report of the Broker should contain the following:

- (1) Free Accounts and corresponding shares for each nationality/tax status; and,
- (2) Breakdown of NoCD BP IDs of the clients and corresponding shares. For data privacy concerns, client names may not be included in the submission of the Broker to the TA.

The TA consolidates the allocations from the Brokers, the Underwriters, and the LSIs into one Sales Report, to be provided to PDTC for lodgement in the Depository on listing date.

On listing date, REIT holdings will be lodged and credited to the accounts indicated in the Sales Report submitted to PDTC.

**17. When is the deadline to submit my Sales Report to the TA?**

Please consult with the TA.

**18. When is the deadline to submit the consolidated Sales Report of the TA to PDTC?**

Deadline for submission of the consolidated Sales Report to PDTC is three (3) business days before the listing date. TA submits the consolidated Sales Report to PDTC Corporate Actions unit (corporate.actions@pds.com.ph).

**Special Handling: No NoCD Client Sub-account required****19. Clients have custodians**

For clients with custodians, Broker no longer needs to create an NoCD sub-account for the client provided that the Broker shall transfer the holdings of the client to its custodian on the same day of listing date or settlement date via Off-Exchange instruction in v2. This is applicable for both IPO and for secondary trading of REIT.

For IPO, in the Sales Report, the holdings of these clients shall be included in the Free Accounts in v2, but not in the breakdown in v6. The Broker shall further submit an undertaking that as per client instructions, its securities holdings are to be transferred to its Custodian's Depository account on listing date.

**20. Clients intend to uplift on listing date**

For clients who plan to uplift their securities after being listed, Broker no longer needs to create NoCD sub-account. In the Sales Report, their holdings shall be included in the Free Accounts of the Broker in v2, but not in the breakdown in v6. The Broker submits an undertaking that as client instructions, its securities holdings are to be uplifted, and that the corresponding stock certificate registered on the name of the client shall be issued by the TA.

On listing date, Broker executes upliftment on the subject securities. In consideration of the processing timeline of upliftment, there is an allowance of two (2) business days for the Broker to uplift the securities of these clients.

**21. Clients intend to uplift on settlement date**

For clients who plan to uplift their securities on settlement date, Broker no longer needs to create NoCD sub-account.

Once trade has settled, and the bought securities are swept back to the Free Account of the Broker, Broker needs to execute upliftment on these securities in the Free Account in v2.



## Trading of REIT (Please refer to PSE's Implementing Guidelines on REIT for details)

### **22. Can a client purchase REIT, if the client does not have an NoCD sub-account yet?**

Yes. For more information, please refer to PSE's Implementing Guidelines on REIT.

## Transfers in v6

### **23. When do we reflect the holdings in the NoCD sub-accounts of the clients in v6?**

Once transactions in v2 have settled and fully processed. These transactions in v2 include settlement of trade, lodgement, upliftment, and off-exchange.

### **24. After completing our transactions in v2 (settlement, lodgement, upliftment, or off-exchange), how will we reflect these in the NoCD sub-accounts of the clients in v6?**

Broker can do any of the following:

- a. **Online input.** Broker may input in the system either of the following Single-sided Account Transfer (SSATF) to either debit/credit the relevant NoCD sub-account:
  - Deliver Free of Payment (DFP) - to debit from the NoCD sub-account
  - Receive Free of Payment (RFP) - to credit to the NoCD sub-account

PDTC will authorize these inputs.

- b. **Upload file for bulk transactions.** Broker may submit to PDTC an upload file for bulk transactions. Please note that for upload file, upon loading in the system, there is no authorization from PDTC. Broker ensures that the content of the file is accurate and complete. Broker submits the file to PDTC Securities & Processing unit (securities.processing@pds.com.ph).

For both options, Broker needs to indicate in the Remarks field the (1) type of transaction and (2) the transaction reference no. of the transaction executed in v2.

Example: Lodgement REF123456789

## Entitlements

### **25. What is the basis of the entitlements that we will receive?**

Entitlements to be credited to the Broker shall be based on the computation in v2 on the aggregate REIT holdings at the Broker level. In case of discrepancy between the computed entitlements on the aggregate amount in v2 and the summation of individual entitlements on the segregated holdings in NoCD accounts in v6, the computed entitlements in v2 shall prevail as the basis of crediting to the Brokers.





## 26. How will we receive the entitlements?

Based on the computation of entitlements for the aggregate holdings at the Broker level in v2, which is being submitted to the Issuer, PDTC credits the Broker using the same settlement bank details for other listed shares. In the v6, Broker can generate an Entitlement Report as its basis of distribution of the entitlements to the NoCD clients.

## Reports & Reconciliation

### 27. What are the relevant reports for our clients? How will we access these reports?

Relevant reports in v6 include: Account Opening Confirmation (Report ID RBKPS002), Securities Delivery Confirmation (Report ID RBKPS102), Securities Receipt Confirmation (Report ID RBKPS101), and Monthly Statement of Account (Report ID RBKPS803). These reports are generated at the sub-account level, using the unique NoCD ID assigned to each sub-account. Thus, each of the clients will have their separate reports.

Since the Broker has access to the System, the Broker can generate the reports directly from the System. System can also directly send the reports to the client through email, by indicating the following during the account creation: (1) email as delivery mode and (2) the correct and valid email address of the client.

### 28. How can I reconcile the holdings of my clients in the NoCD sub-accounts in v6?

In the Query Balances screen, there is an option to export the balances to Excel, which can be used to compare against your internal records.

## Custodian

### 29. As a Custodian, can I have NoCD sub-accounts?

No. Custodians are not required to have segregated client holdings in the Depository.

### 30. What accounts should I use for REIT?

Custodians will use their same Depository accounts. No change in the process of Custodians.

## Fees

### 31. What are the relevant fees?

The same Depository fees shall apply. But Depository fee for account opening is currently waived. There is no incremental fee for the use of NoCD.