

**PROPOSED AMENDMENTS TO THE PDEX RULES
FOR THE FIXED INCOME SECURITIES MARKET, AS AMENDED:
UPDATING OF RULES ON MARKET MAKERS**

PROPOSED AMENDMENTS TO : Definition of Terms (Market Makers)
Rule 1.12 (Market Making Participants)
Rule 7.16 (Additional Listing Criteria)

Reference No. : Proposal No. 04-2020

Rationale for the Proposal : a) To rectify the reference in the Definition of Terms citing the obligations of Market Makers
b) To make the terms "market maker" and "market making" as reflected in the PDEX Rules consistent with the Securities Regulation Code
c) To amend the requirement of a market maker for listing

ACTION : For SEC Approval

CURRENT RULE	PROPOSED AMENDMENT
<p>Definition of Terms</p> <p>As used in these Rules, the following terms shall have the definitions given herein:</p> <p>1. <i>'Brokering Participant'</i> shall refer to the type of Trading Participant that buys and sells Securities for the account of others.</p> <p>xxx</p> <p>14. <i>'Market-Makers'</i> shall refer to those Dealing Participants qualified by PDEX in accordance with Rule 1.5* hereof and required to perform the functions also specified in said Rule 1.5.*</p> <p>xxx</p>	<p>Definition of Terms</p> <p>As used in these Rules, the following terms shall have the definitions given herein:</p> <p>1. <i>'Brokering Participant'</i> shall refer to the type of Trading Participant that buys and sells Securities for the account of others.</p> <p>xxx</p> <p>14. <i>'Market-Makers'</i> <i>'Market Makers'</i> shall refer to those Dealing Participants qualified by PDEX in accordance with Rule 1.5 1.12 hereof and required to perform the functions also specified in said Rule 1.5 1.12.</p> <p>xxx</p>
<p>xxx</p> <p>Rule 1.12 Market-Making Participants</p> <p>1. Market-Making Participants ("Market-Makers") are Dealing Participants that commit: (1) to maintain firm two way quotes for specified securities during the open trading sessions, provided, however, that until a securities borrowing/lending facility is in place for those specified securities, the Market-Maker commits to</p>	<p>xxx</p> <p>Rule 1.12 Market-Making Market Making Participants</p> <p>1. Market-Making Market Making Participants ("Market-Makers" "Market Makers") are Dealing Participants that commit: (1) to maintain firm two way quotes for specified securities during the open trading sessions, provided, however, that until a securities borrowing/lending facility is in place for</p>

CURRENT RULE	PROPOSED AMENDMENT
<p>maintain a firm bid for specified securities and (2) to honor those quotes for amounts up to their posted volumes.</p> <p>2. Market-Makers should abide by the PDEX Market-Making Program Guidelines.</p> <p>3. Dealing Participants seeking to be qualified as Market-Makers shall be qualified by the PDEX.</p> <p>4. PDEX may require such other qualifications it may deem necessary in accordance with applicable laws and regulations</p> <p>xxx</p>	<p>those specified securities, the Market-Maker Market Maker commits to maintain a firm bid for specified securities and (2) to honor those quotes for amounts up to their posted volumes.</p> <p>2. Market-Makers Market Makers should abide by the PDEX Market-Making Market Making Program Guidelines.</p> <p>3. Dealing Participants seeking to be qualified as Market-Makers Market Makers shall be qualified by the PDEX.</p> <p>4. PDEX may require such other qualifications it may deem necessary in accordance with applicable laws and regulations</p> <p>xxx</p> <p>Note: all references to <i>“Market-Makers”</i> and other variants thereof shall be changed to <i>“Market Makers”</i></p>
<p>xxx</p> <p>Rule 7.16 Additional Listing Criteria</p> <p>Listing applications shall comply with all of the following qualifications in addition to the requirements specified in Rules 7.2 and 7.3 of these Rules.</p> <p>xxx</p> <p>5. The Securities must be subject of the commitments of at least three (3) Market Makers.</p> <p>xxx</p>	<p>xxx</p> <p>Rule 7.16 Additional Listing Criteria</p> <p>Listing applications shall comply with all of the following qualifications in addition to the requirements specified in Rules 7.2 and 7.3 of these Rules.</p> <p>xxx</p> <p>5. The Securities must be subject of the commitments of at least three (3) one (1) Market Makers.</p> <p>xxx</p>

*PDEX Rule 1.5 refers to the Continuing Obligations of Trading Participants and does include any mention of Market Making obligations