PROPOSED AMENDMENTS TO
BOND FORWARD PROGRAM MANUAL

PROPOSED AMENDMENTS TO	:	Bond Forward Program Manual
REFERENCE NO.	:	Proposal No. 001-2024
RATIONALE	:	The proposal aims to update the market framework and infrastructure for Bond Forward Contracts to be traded, cleared, and settled through the PDEx Fixed Income Market.

CURRENT BOND FORWARD PROGRAM MANUAL	PROPOSED AMENDMENTS
# Program and Product Description	# Program and Product Description
1.1 PDS Bond Forward Program. The PDS Bond Forward Program refers to the market framework and infrastructure for Bond Forward Contracts to be traded, cleared, and settled through the PDEx Fixed Income Market. The Bond Forward Program shall be operated by the following:	1.1 PDS Bond Forward Program. The PDS Bond Forward Program refers to the market framework and infrastructure for Bond Forward Contracts to be traded, cleared, and settled through the PDEx Fixed Income Market. The Bond Forward Program shall be operated by the following:
	1.1 PDS Bond Forward Program. The PDS Bond Forward Program refers to the market framework and infrastructure for Bond Forward Contracts to be traded, cleared, and settled through the PDEx Fixed Income Market. The Bond Forward Program shall be operated by the Philippine Dealing & Exchange Corp. (PDEx) to provide the following functions:
1.1.1 Philippine Dealing & Exchange Corp. (PDEx) shall provide within its SEC-registered Market, one or more Bond Forward Trading Board/s on its Trading System; develop and implement Trading Rules and Conventions for these Forward Board/s through its Self-Regulatory Organization (SRO) and publish pertinent price and transaction data as warranted to its market stakeholders.	1.1.1 Philippine Dealing & Exchange Corp. (PDEx) shall provide within its SEC-registered Market, one or more Bond Forward Trading Board/s on its Trading System; develop and implement Trading Rules and Conventions for these Forward Board/s through its Self-Regulatory Organization (SRO) and publish pertinent price and transaction data as warranted to its market stakeholders.
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Regulatory Organization (SRO) and publish pertinent price and transaction data as warranted to its market stakeholders.

~~1.1.2 Designated Forward Contract Delivery versus Payment System shall provide the settlement location for the settlement of Bond Forward transactions on their designated settlement date/s.~~
1.1.2 Shall provide the Bilateral Netting System for net cash settlement of Bond Forward transactions on their designated close out date prior to the forward settlement date/s.

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1.2 General Definition of Bond Forwards. A Bond Forward is a contract to deliver a specified debt security on a specific future date at a specified price. In simpler terms, this instrument may be described as an outright bond transaction with the settlement date set for future delivery.

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1.3 Objective of the Bond Forward Program. The primary objective of this Forward Bond Program as structured is to create an interest rate hedge market for use by market participants and stakeholders that have interest rate exposures, through bond positions or portfolios. The hedging medium is the set of forward bond transactions that create the following:

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1.3.1 Defined price risk exposure/s that can offset the opposite risk exposures, i.e., "short" or "oversold" forward positions offset "long" or "overbought" risk positions natural within bond portfolios. The combination of the forward and spot positions alter the total market risk exposure of a bond portfolio.

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1.3.2 The profit or loss from forward bond positions may be from Marked-to-Market (MTM) profit or loss on MTM dates, or Realized profit or loss from settled transactions netted prior to or fully settled on the forward date. These

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profits or losses serve to counter the loss or profit from opposite spot positions.	prior ~~to or fully settled~~ on the forward date. These profits or losses serve to counter the loss or profit from opposite spot positions.

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2.1 Description. The **Fixed-Date Bond Forward** is a forward contract that sets a fixed day on each designated month in the future, i.e., a so-called "contract month", as a standard settlement date (for example, every 20th day of each of the "contract months" of March, June, September, and December). Under this structure:

2.1.1 On each trading day prior to the future delivery date, every forward contract traded will invoke the same forward settlement date.

2.1.2 As each trading day progresses, the forward tenor (or the time between the trade date and the fixed forward settlement date) shall decrease.

2.1.3 Like an interest rate futures contract which it mimics, the liquidity, fungibility, and tradability of this type of bond forward contract is maximized because of the same forward settlement date fixed by convention. For example, a March 2021 bond forward for the sale/purchase of a specific GS traded on 08 Oct 2020 may be offset by a March 2021 forward contract for the purchase/sale of that GS on the next business day 09 Oct 2020, and so on until the last trading day of the forward contract.

2.2 This structure shall have the following key features:

2.2.1 Eligible Securities. For the purposes of maintaining liquidity and tradability, the eligible securities for the Fixed-Date Forward Bond Board shall be limited to any of so-called "Large Issue Bonds" issued by the Philippine Government, defined as those Government bonds with an outstanding issue size of PHP 50 Billion or higher, having a remaining maturity of three (3) Years or longer and, ranking within the top twenty five (25) most traded bonds for a rolling twelve (12) month window refreshed every three (3) months. The table below is an example of the list of eligible Large Issue Bonds as of October 2021:

Right column:

2.1 Description. The Fixed-Date Bond Forward is a forward contract that sets a fixed day on each designated month in the future, i.e., a so-called "contract month", as a standard settlement date (for example, every ~~20th~~ day of third Wednesday of each of the "contract months" of March, June, September, and December). Under this structure:

2.1.1 On each trading day prior to the future ~~delivery~~ settlement date, every forward contract traded will invoke the same forward settlement date.

2.1.2 As each trading day progresses, the forward tenor (or the time between the trade date and the fixed forward settlement date) shall decrease.

2.1.3 Like an interest rate futures contract ~~which it~~ which mimics, the liquidity, fungibility, and tradability of this type of bond forward contract is maximized because of the same forward settlement date fixed by convention. For example, a March 2021 bond forward for the sale/purchase of a specific GS traded on 08 Oct 2020 may be offset by a March 2021 forward contract for the purchase/sale of that GS on the next business day 09 Oct 2020, and so on until the last trading day of the forward contract.

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Rank	Security Name	Security Code	Years Remaining	Outstanding Amount as of Oct 2021 (in PhP MM)	Total One-Sided Volume (In PhP MM)
1	PIID0525H130	RTB 05-13	3.78	516,340.79	377,057.10
2	PIBD0728D649	FXTN 07-64	6.48	260,971.00	292,436.19
3	PIBD0526D772	FXTN 05-77	4.44	155,000.00	292,147.10
4	PIBD1027E617	FXTN 10-61	5.51	248,936.00	251,791.22
5	PIBD1025I608	FXTN 10-60	3.86	288,659.52	139,990.13
6	PIBD1030G655	FXTN 10-65	8.69	165,000.00	78,619.00
7	PIBD1031G662	FXTN 10-66	9.73	154,950.00	69,829.60
8	PIBD0726B627	FXTN 07-62	4.29	147,602.00	57,307.96
9	PIBD2031G171	FXTN 20-17	9.72	255,837.15	38,750.85
10	PIBD1029A644	FXTN 10-64	7.20	185,000.00	37,795.20
11	PIBD0728H654	FXTN 07-65	6.79	169,893.00	36,516.66
12	PIBD2540I116	FXTN 25-11	18.87	217,558.01	35,854.70
13	PIBD2033C206	FXTN 20-20	11.39	127,340.35	19,765.28

No.	Local ID	Domestic No./ISIN	Years Remaining	Oust Amount (in PHP MM)
1	10-71	PH0000057374	9.47	140,000.00
2	FXTN 10-69	PIBD1032I695	8.55	263,586.00
3	FXTN 10-64	PIBD1029A644	4.87	355,000.00

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2.2.2.2 The standard settlement date within each forward contract month above shall be the 20th day of the contract month. If the forward settlement date falls on a non-business day or holiday, it shall be adjusted to the next succeeding business day which is not a legal holiday.

2.2.2.2 The standard settlement date within each forward contract month above shall be the ~~20th day of~~ third Wednesday of the contract month. If the forward settlement date falls on a non-business day or holiday, it shall be adjusted to the next succeeding business day which is not a legal holiday.

2.2.4 Outright Bond Forward Contracts. The Bond Forward transacted under this structure shall be Outright Forward Contracts for any of the Eligible Bonds above. That is:

2.2.4 Outright Bond Forward Contracts. The Bond Forward transacted under this structure shall be Outright Forward Contracts for any of the Eligible Bonds above. That is:

2.2.4.1 The forward contract shall bind the Seller to deliver the specified eligible bond to and receive proceeds from the Buyer based on the specified price on the set future settlement date.

2.2.4.1 2.2.3.3 ~~The forward contract shall bind the Seller to deliver the specified eligible bond to and receive proceeds from the Buyer based on the specified price on the set future settlement date.~~ the forward contract shall bind the Trading Party and Counterparty to pay or receive the net cash value based on the specified close out price on the close out date.

2.2.4.2 The forward contract shall bind the Buyer to accept delivery of the specified eligible bond from and pay the proceeds to the Seller based on the specified price on the set future settlement date.

~~**2.2.4.2** The forward contract shall bind the Buyer to accept delivery of the specified eligible bond from and pay the proceeds to the Seller based on the specified price on the set future settlement date.~~

2.2.5 Settlement of Fixed-Date Bond Forward Contracts
2.2.5.1 DvP Settlement. The contractual commitments of the Seller and the Buyer make each PDEx Fixed-Date Bond Forward transaction eligible to settle through a designated Forward Contract Delivery versus Payment System.
2.2.5.1.1 By default, all Bond Forward Contracts shall be sent for authorization on the settlement queue of the PDEx Trading Participant on the designated Forward Contract Delivery versus Payment System.

2.2.5 2.2.4 Settlement of Fixed-Date Bond Forward Contracts
~~**2.2.5.1 DvP Settlement**. The contractual commitments of the Seller and the Buyer make each PDEx Fixed-Date Bond Forward transaction eligible to settle through a designated Forward Contract Delivery versus Payment System.~~

~~**2.2.5.1.1** By default, all Bond Forward Contracts shall be sent for authorization on the settlement queue of the PDEx Trading Participant on the designated Forward Contract Delivery versus Payment System.~~

2.2.5.1.2 Each forward trade authorized by both Trading Participants can then proceed for settlement on a gross

basis on the designated Forward Contract Delivery versus Payment System on the settlement date.	2.2.5.1.2 Each forward trade authorized by both Trading Participants can then proceed for settlement on a gross basis on the designated Forward Contract Delivery versus Payment System on the settlement date.
2.2.5.2 Bilateral Net Settlement. Because of the number of trading days prior to a fixed forward settlement date, two forward trading counterparts may accumulate a high number of forward purchases and sales against each other. A Fixed-Date Bond Forward Buyer and a Fixed-Date Bond Forward Seller can therefore choose to fulfill their settlement obligations by offsetting their purchase and sale contracts of the same security, the same face amount, and the same forward date to one another and determine a single net settlement obligation.	**2.2.5.2 Bilateral Net Cash Settlement**. Because of the number of trading days prior to a fixed forward settlement date, two forward trading counterparts may accumulate a high number of forward purchases and sales against each other. A Fixed-Date Bond Forward Buyer and a Fixed-Date Bond Forward Seller can therefore choose to fulfill their settlement obligations by offsetting their purchase and sale contracts of the same security, the same face amount, and the same forward date to one another and determine a single net settlement obligation.
2.2.5.2.1 Each Forward Participant is responsible for the bilateral net settlement arrangement it establishes with each of its counterparties.	2.2.5.2.1 2.2.4.1.1 Each Forward Participant is responsible for the bilateral net cash settlement arrangement it establishes with each of its counterparties.
2.2.5.2.2 Participants that opt for net settlement may utilize a PDEx system for Bilateral Net Settlement to confirm and authorize which fixed-date forward contracts on their bilateral settlement queue shall be offset for the net settlement and hence be netted for final settlement at the designated Forward Contract DvP System on settlement date.	2.2.5.2.2 2.2.4.1.2 Participants shall that opt for net settlement may utilize a the PDEx system for Bilateral Net Settlement to confirm and authorize which fixed-date forward contracts on their bilateral settlement queue shall be offset for the net settlement and hence be netted for final net cash settlement at the designated Forward Contract DvP System on settlement date.
2.2.5.2.3 In a bilateral net settlement process for the same face amount of forward purchases and sales, the resulting obligation on the forward settlement date shall be a net cash payment by the "losing" party to the "gaining" party because the purchase and sale face amounts offset perfectly.	2.2.5.2.3 2.2.4.1.3 In a bilateral net settlement process for the same face amount of forward purchases and sales, the resulting obligation on the forward settlement date shall be a net cash payment by the "losing" party to the "gaining" party because the purchase and sale face amounts shall offset perfectly.
2.2.5.2.4 This Net Cash Payment shall be effected through a regular *PhilPaSS* interbank payment instruction.	**2.2.5.2.4** This Net Cash Payment shall be effected through a regular *PhilPaSS* interbank payment instruction.
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3. Bond Forward Program Participants	**3. Bond Forward Program Participants**
3.1 Eligible Trading Participants. A Bond Forward Program Participant must be a Forward Contract Delivery	**3.1 Eligible Trading Participants**. A Bond Forward Program Participant must be a Forward Contract Delivery versus Payment System Participant PDEx Forward Trading Participant

versus Payment System Participant which can either be a:	which can either be a:
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xxx	**3.2.2.3** Publication of Daily Bond Forward market statistics such as Time and Sales Reports and the open, high~~,~~ and low Bond Forward prices done for standard tenors.
3.2.2.3 Publication of Daily Bond Forward market statistics such as Time and Sales Reports and the open, high and low Bond Forward prices done for standard tenors.	~~**3.2.2.4** Upload Bond Forward trades to the designated Forward Contract Delivery versus Payment System for settlement processing.~~
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xxx	3.2.3 Provide the PDEx Bilateral Netting Service that will allow both counterparties to enter all forward transactions and their Settlement Officers to mutually confirm acceptance of each party's net settlement obligations daily based on forward transactions captured in the bilateral net settlement system.
3.2.3 Develop and monitor adherence to the Bond Forward Program Trading Conventions as well as the Bond Forward Program Settlement Conventions.	**3.2.~~3~~4** Develop and monitor adherence to the Bond Forward Program Trading Conventions as well as the Bond Forward Program Settlement Conventions.
3.2.4 Oversee arbitration proceedings arising from settlement disputes and impose sanctions on errant participants when required.	**3.2.~~4~~5** Oversee arbitration proceedings arising from settlement disputes and impose sanctions on errant participants when required.
3.2.5 Monitor the orderly conduct of daily activities in the Bond Forward market.	**3.2.~~5~~6** Monitor the orderly conduct of daily activities in the Bond Forward market.
	XXX
Xxx	**5.4 Worked Example for two Forward Bond Transactions.** The following are worked examples for determining the price of a Bond Forward contract for two bonds: a.) with no coupon payment between, and b.) with coupon payment between for settling on June 20, ~~2020~~2022, as valued from April 08, 2022 (73 days back):
5.4 Worked Example for two Forward Bond Transactions. The following are worked examples for determining the price of a Bond Forward contract for two bonds: a.) with no coupon payment between, and b.) with coupon payment between for settling on June 20, 2020, as valued from April 08, 2022 (73 days back):	xxx
xxx	**6.2.3 Settlement by Close-Out2.** During the settlement stage, market participants ~~may~~ shall close out the forward bond contract prior to forward settlement date ~~or settle the transaction at the forward settlement date~~.
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	~~**6.2.4 Settlement on the Forward Date.** Upon~~

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6.2.4 Settlement on the Forward Date. Upon settlement of the forward bond contract, the market participants (buyer and seller) will derecognize the carrying amount of the derivative asset or liability, recognize (derecognize) the government security and the related accrued interest after tax, and the resulting gain or loss.

6.2.5 Worked Example for a Bond Forward Transaction. The following sample data are used for the pro-forma entries.

6.2.5.1 Contract Initiation. The buyer and the seller shall record a memo entry in their books.

6.2.5.2 Term of the Contract. The buyer and the seller shall record the mark-to-market adjustments.

6.2.5.2.1 Increase in the fair value of the forward bond contract resulting in gain (Buyer) and loss (Seller).

6.2.5.2.2 Decrease in in the fair value of the forward bond contract resulting in loss (Buyer) and gain (Seller).

6.2.5.3 Settlement by Close-Out.

6.2.5.3.1 As at close out date, increase in the fair value of the forward bond contract resulting in gain (Buyer) and loss (Seller).

6.2.5.3.2 The memo entry to record the sale of forward bonds should also be reversed. Cancelled memo entry on forward bond purchased (buyer) and forward bond sold (seller) on November 19, 2020, by entering into an opposite transaction with the same counterparty at a forward price of 96.013801.

6.2.5.3.3 At settlement date, the seller will pay net cash to the buyer. The net cash settlement reflects the running MTM adjustments of ₱910,372.54 on November 20, 2020, and ₱516,524.00 on November 21, 2020.

6.2.5.4 Delivery of Bond and Payment of Forward Price at Settlement Date.

6.2.5.4.1 Upon settlement of the forward bond contract,

~~settlement of the forward bond contract, the market participants (buyer and seller) will derecognize the carrying amount of the derivative asset or liability, recognize (derecognize) the government security and the related accrued interest after tax, and the resulting gain or loss.~~

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6.2.5.4.2 Upon settlement of the derivative forward bond contract, the buyer records the acquisition of the underlying government security and the related accrued interest.

6.2.5.4.3 The memo entry to record the purchase of forward bonds should also be reversed.

6.2.5.4.4 Upon settlement of the derivative forward bond contract, the seller records the sale of the underlying government security and the derecognition of the related accrued interest.

6.2.6 Bond Forward Accounting Entries. The following are the Accounting Entries reflecting the set of activities of a Forward Seller and Forward Buyer while the forward contract is outstanding.

Delivery of Bond and Payment of Forward Price at Settlement Date

	BUYER				SELLER	
DR	GS Bond Purchased (FVTPL, FVTOCI or AC)	97,038,519		DR	BSP DDA	94,635,237
	Acc. Interest Rec. - GS Bond Purchased	48,333			Derivate Liability - Forward Bond Contract	1,426,897
CR	BSP DDA		94,635,237		Loss from Forward Bond Contract	1,024,718
	Derivate Asset - Forward Bond Contract		1,426,897		GS Bond Sold (FVTPL, FVTOCI or AC)	97,038,519
	Gain from Forward Bond Contract^		1,024,718		Acc. Interest Rec. - GS Bond Sold	48,333

Reversal of memo entry on the purchase/sale of forward bond contract:

BUYER	SELLER
MEMO ENTRY. Cancelled memo entry on forward bond purchased (Bond Reference Number) on November 19, 2020, by purchasing the bonds at the forward price.	MEMO ENTRY. Cancelled memo entry on forward bond sold (Bond Reference Number) on November 19, 2020, by selling the bonds at the forward price.

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7.2 Counterparty Credit Risk. A Bond Forward transaction creates reciprocal obligations between a Seller and a Buyer, i.e., the obligation for the Seller to deliver the Bond against the Buyer's obligation to pay the cash proceeds at the forward settlement date.

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7.2 Counterparty Credit Risk. A Bond Forward transaction creates reciprocal obligations between a ~~Seller and a Buyer, i.e., the obligation for the Seller to deliver the Bond against the Buyer's obligation to pay the cash proceeds at the forward settlement date~~ Trading Party and Counterparty for the cash amount payable or receivable.

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7.3.1 Because forward settlement is to be done on a ~~DVP~~ net cash basis, the primary risk

7.3.1 Because forward settlement is to be done on a DVP basis, the primary risk becomes the Pre-Settlement Risk (PSR) quantified as the cost of replacing the Bond Forward contract due to a credit event on the counterparty.

7.3.2 For the auto-matched Bond Forward transactions, Bond Forward Participants can manage their Counterparty Credit risk by utilizing the credit limit module on the trading system that control the face amount of forward contracts that can be matched.

7.4 Operational Risk refers to losses resulting from inadequate or failed internal processes, people, systems, and external factors. For Bond Forward transactions, risk could arise from operational errors that cause late or non-settlement of deliverable securities, inaccurate reporting of Bond Forward positions, or miscalculations of value.

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Trading and Settlement Conventions for Bond Forwards

3.1. Type of Issuer. Only Government Bonds or sovereign bonds issued by National Government will be eligible for forward trading.

3.2. Liquidity. The liquidity of the Government bond will be defined by the two sub criteria of:

3.2.1 Issue Liquidity. The outstanding issue size of a Government Bond must be at least PHP 50 Billion as of the date of the transaction.

3.2.2 Market Liquidity. The Government Bond must be within the list7 of top 25 most traded issues within the PDEx trading system within the most recent one-year period set by PDEx.

3.3 Tenor. The Government Bond must have a minimum tenor of three (3) years remaining to maturity to be eligible for forward trading.

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4. **List of Eligible Bonds.** The initial list of Government Bonds eligible for forward trading is at *Annex A* of this document. Such list of Eligible Bonds for Forward Transaction shall be reviewed, updated, announced to Trading Participants and disseminated by

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Trading and Settlement Conventions for Bond Forwards

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3.2. Liquidity. The liquidity of the Government bond will be defined by the two sub criteria of:

3.2.1 Issue Liquidity. The outstanding issue size of a Government Bond must be at least PHP 50 Billion as of the date of the transaction.
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4. List of Eligible Bonds. The initial list of Government Bonds eligible for forward trading is at *Annex ~~A~~ B* of this document. Such list of Eligible Bonds for Forward Transaction shall be reviewed, updated, announced to Trading Participants and disseminated by PDEx through its regular mediums of publication.

PDEx through its regular mediums of publication. 5. Eligible Trading Participants. A Bond Forward Program Participant must be a Forward Contract Delivery versus Payment System Participant which can either be a: **6. Trading Days and Hours** **6.1 Trading Day:** All Forward Bond transactions must be dealt on a business day. **6.2 Trading Hours:** The Bond Forward Markets shall have two trading sessions daily with the AM Session from **9.00 AM to 12.00 PM** and the PM Session from **2.00 PM to 4.00 PM.** Xxx 8. **Settlement of Forward Bond Transactions.** 8.1 All forward bond transactions executed on the Forward Bond Transactions Trade Reporting ticket shall be sent to the designated settlement authorization portal in accordance with the PDEx Rules. The securities shall settle at the designated Forward Contract Delivery versus Payment System while PHP cash proceeds shall settle at the designated PHP payment and transfer system. 8.2 All forward bond transactions shall be fully delivered on the forward date using the Delivery-versus-Payment (DvP) settlement on forward settlement value date to ensure that delivery of the securities occurs only when payment occurs.	5. Eligible Trading Participants. A Bond Forward Program Participant must be ~~a Forward Contract Delivery versus Payment System~~ PDEx Forward Trading Participant which can either be a: **6. Trading Days and Hours** **6.1 Trading Day:** All Forward Bond transactions must be dealt on a business day. **6.2 Trading Hours:** The Bond Forward Markets shall have ~~two~~ one trading session~~s~~ daily ~~with the AM Session from 9.00 AM to 12.00 PM and the PM Session from 2.00 PM to 4.00 PM~~ from 9:00 AM to 4:00 PM. Xxx 8. ~~Settlement of Forward Bond Transactions~~ Forward Bonds Net Cash Settlement Mechanics. 8.1 All forward bond transactions executed on the Forward Bond Transactions Trade Reporting ticket shall be sent to the ~~designated settlement authorization portal~~ Bilateral Netting System in accordance with the PDEx Rules. ~~The securities shall settle at the designated Forward Contract Delivery versus Payment System while PHP cash proceeds shall settle at the designated PHP payment and transfer system.~~ 8.2 ~~All forward bond transactions shall be fully delivered on the forward date using the Delivery-versus-Payment (DvP) settlement on forward settlement value date to ensure that delivery of the securities occurs only when payment occurs.~~ The Forward Trading Participant shall initiate the close out by reversing the purchase/sale of the same bond at the same amount and at the forward settlement date with the original counterparty on the designated close-out date. 8.3 The Net Cash Payment shall be effected through a regular PhilPaSS interbank payment instruction. 8.4 The Forward Trading Participants shall send the confirmation to the PDEx Regulatory Team once the net cash settlement has been effected. The Team shall also track the outstanding positions per security. 9. **Close Out** **9.1 Standard Close Out Date.** The nearest Friday prior to the third Wednesday of the contract

9. 10. Standard Forward Tenors. Every 20th day of the contract months of March, June, September, and December. If the forward settlement date falls on non-business day or holiday, it should be adjusted to the next succeeding business day which is not a legal holiday.

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10.11. Pricing Convention. Quotations for Forward Bond transactions shall be expressed in terms of Forward Gross Settlement Price.
10.11.1 The Funding Reference Rate applied to the Spot Gross Settlement Price of the Bond (Dirty Price After Tax) results in a Forward Gross Settlement Price of the Forward Bond.
10.11.2 The Forward Clean Price (used for accounting) can then be derived from traded Forward Gross Settlement Prices (Forward Dirty Prices After Tax).

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10.2 The Forward Clean Price (used for accounting) can then be derived from traded Forward Gross Settlement Prices (Forward Dirty Prices After Tax).

11.2. Trading Lot Conventions

11.2.1 Standard Trading Amount. Trading for Bond Forwards shall occur in lots of PHP Fifty Million (PHP 50,000,000) Face Amount of the security.
11.2.2 Incremental Trading Lot. Bond Forwards shall trade in increments PHP One Million (PHP 1,000,000) Face Amount of the security.

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12.3. Day Count Standards. Bond Forwards shall follow the same day count standard for Philippine Government Bonds, i.e., 30E/360 ISMA non end of month.

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same day count standard for Philippine Government Bonds, i.e., 30E/360 ISMA non end of month.

13. **Closed Period and Record Date.** For proper calculation, allocation, and payment of coupon proceeds for government security, there is a "closed period" for which settlements and transfers may not occur. This closed period starts from the record date, which is the second (2nd) business day prior to the relevant Interest Payment Date and ends on the day prior to the security's coupon payment date. Forward trades may be readjusted to fall on forward settlement after the closed period.