



NATIONAL ASSOCIATION OF SECURITIES BROKER SALESMEN, INC.

November 15, 2013

HON. ROSALIA V. DE LEON
National Treasurer
Republic of the Philippines
Bureau of the Treasury

Subject: **Implementation of the Single Price Convention**

Dear Treasurer De Leon:

Taking cognizance of the discussions during the Implementation Working Group Meeting held last October 29, 2013, NASBI has consulted its members and has carefully studied the necessary steps that need to be undertaken in order to have a smooth implementation of the Single Price Convention (SPC). In view of this, NASBI has crafted a minimum Frequently Asked Questions (FAQ) on the SPC enclosed herewith as Appendix A. This FAQ will support the legal position of the Broker Dealers in implementing the SPC. More importantly, this will enable broker salesmen to have a common understanding of the initiative with the end in view of providing accurate information and disclosures to the client-investors in particular and the public in general.

Specifically, the following are the requisites to be accomplished prior to the implementation date of the SPC:

- (i) Issuance by the appropriate regulatory authorities to implement the SPC for the (a) Philippine treasury bonds and (b) listed corporate bonds;
- (ii) Issuance by Securities and Exchange Commission (SEC) of a resolution approving the amendments in the Confirmation of Settlement and other relevant documentations to be provided to the investors as part of the required disclosures;
- (iii) Concurrence to the FAQ of the stakeholders primarily by the following: (a) Bureau of the Treasury and Philippine Dealing and Exchange, *for the issuers*; (ii) Securities and Exchange Commission, *for the investors*; and Bankers Association of the Philippines and Money Market Association of the Philippines, *for the broker dealers*; and
- (iv) Publication of the SPC and the minimum FAQ to a newspaper of national circulation

Whilst the completion of the enumerated requisites is still pending, we view that the December 1, 2013 target implementation date is not doable. However, as soon as completed, NASBI can work on a one (1) week timeframe prior to implementation date

to notify majority of its client-investors about the SPC. Concurrently, NASBI will conduct a briefing to its broker salesmen members for a consistent approach and understanding of the SPC implementation.

NASBI will continue to work closely with the stakeholders of this initiative in the service of its broker salesmen members and more importantly for its client-investors. We look forward to addressing all the necessary next steps as enumerated above for a smooth implementation of the SPC.

Thank you and kind regards.

Very truly yours,


PETER ANTHONY D. BAUTISTA
President

Cc: Hon. Teresita Herbosa, SEC Chairperson
Mr. Cesar B. Crisol, PDEX President
Mr. Antonio C. Moncupa, Jr. BAP Open Market Committee Chairman
Mr. Enrico S. Cruz, BAP Capital Markets Development Committee Chairman
Mr. Michael D. Calleja, Money Market Association of the Philippines President