

RULES GOVERNING THE TRADING OF PSE SHARES

1. (a) A broker dealer shall be prohibited from buying PSE shares for its own account or for the principal account of another broker dealer (i.e., done through transaction) until such time that the brokers and dealers, as a business industry, are in compliance with the 20% Rule on industry ownership. Even after the broker dealer industry is already in compliance with the 20% Rule, the moratorium should automatically set in whenever the benchmark is breached;

(b) The prohibition stated in the first paragraph of this section shall likewise apply in the purchase of PSE shares for the accounts of related persons of a broker dealer, which shall include its subsidiaries and affiliates, and its directors, officers, principal stockholders, and nominees to the PSE, and the spouses and relatives up to the 4th civil degree by affinity or consanguinity thereof.
2. (a) The prohibition under 1 (b) need not apply where the acquisition is with prior authority of the SEC upon proof that the purchaser is not under the control of the broker dealer in terms of voting rights and beneficial ownership;

(b) While there is no prohibition for employees of broker dealers to acquire shares in the PSE where it is proven that the money used by such employees came from the broker dealers themselves, or that they retain control of voting rights and beneficial ownership of such shares, the SEC will consider such purchase as a circumvention.
3. (a) To allow more effective monitoring of the percentage (%) limit, a broker dealer shall be required to fill in the field "Client Code" of the PSE MAKTRADE system with the customer's Tax Identification Number, if applicable, each time it places an order to buy or sell PSE shares.

(b) For a customer who does not have a TIN (e.g., a foreigner), the broker dealer shall be required to assign such person a unique code.

(c) In assigning a code, a broker dealer shall comply with the following convention:
 - The first five characters shall be allotted to reflect the first five letters of the person's surname as they appeared in his passport. If the person's surname bears less than five letters, then, the remaining characters shall be filled in with a hyphen.
 - The last five characters shall be allotted to reflect the first five characters (alpha numerics) of his passport number
(d) A broker dealer who is currently using a different code system to identify its customers has to notify the Commission of such existing system and convey to the Commission the preferred code that it will be using.

(e) Regardless of the preferred code that it will be using, a broker dealer shall maintain a master list containing the preferred codes that will be used and the full name and passport number of the persons corresponding to said codes.




4. A broker dealer shall submit to the Commission on a daily basis, either by e-mail or by facsimile, a report, signed by the Associated Person, of all transactions of PSE shares that the broker dealer has effected for the day not later than 3:00 p.m. of the same day.

The report shall contain the following information in the prescribed format as shown in Annex "A":

5. A broker dealer shall submit not later than 12:00 noon of every Monday an original signed copy of the daily reports he has submitted during the immediately preceding week.
6. A broker dealer shall file a separate report on transaction of PSE shares that he effects outside of the PSE. The filing shall be made not later than 12:00 noon of the next day.
7. A broker dealer shall be prohibited from soliciting and/or receiving discretionary proxies from customers and a customer shall be prohibited from issuing discretionary proxies in favor of their brokers, relative to PSE shares. This is to prevent any broker dealer from exercising effective control over voting rights in the PSE beyond the allowable limit; and
8. A broker dealer and/or the PSE may be required to submit other reports and perform other acts as may be deemed reasonably necessary by the Commission to ensure compliance with these rules.

These Rules were approved by the Commission on 30 December 2003 effective immediately, except for Rules 4 & 5, which shall take effect on 12 January 2004.



JOSE P. AQUINO

Director

Market Regulation Department

Report on Names of Persons Transacting PSE Shares

Name of Broker Dealer			Date of transaction		
Name of Person Owning the Account	No. of PSE Shares Bought	No. of PSE Shares Sold	Net Position for the day	Indicate Relation of Person to the Broker Dealer	Indicate if Person Owns PSE Shares that are Located Outside of Broker Dealer (Y/N)

This is to certify that the above information is true and accurate.

Certified By:

Name and Signature of Associated Person

W. Raju