

SECURITIES AND EXCHANGE COMMISSION

ALTERNATIVE TRADING SYSTEM REGISTRATION FORM (ATS FORM 1)

GENERAL INSTRUCTIONS

1. The ATS Form 1 shall be used for the registration under the Alternative Trading System (ATS).
2. Attention is directed to Section II of the ATS Rules for compliance.
3. This registration form shall be signed by the company's principal executive officer/president or persons performing similar functions.
4. The name of each person who signs the registration statement shall be typed or printed beneath his signature. Any person who occupies more than one of the specified positions shall indicate the capacity in which he signs the registration statement. At least one copy of the documents filed shall be manually signed and the unsigned copies shall be conformed.
5. Incorporation by reference

Any information required in the ATS Form may be incorporated by reference by indicating the exhibit number in which the information may be found. Each exhibit should be signed by the authorized officer of the registrant.

6. Exhibits

For each Exhibit, include the name of the applicant, the date of filing of the Exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect shall be furnished instead of such Exhibit.

If the applicant files an amendment to the information provided in its filing and the information relates to an Exhibit filed with the filing of a subsequent amendment, it must provide a description of the change and file a complete and updated Exhibit.

7. Five copies of the complete ATS Form 1 shall be filed, including exhibits and all other papers and documents filed as part thereof.

SECURITIES AND EXCHANGE COMMISSION

**ALTERNATIVE TRADING SYSTEM
REGISTRATION FORM
(ATS FORM 1)**

Pursuant to the requirements of the ATS Rules, the following information/documents are submitted with this application (*indicate reference/page/exhibit number per item*):

Part I – Description of the System, Items 1.1 to 1.10;

Part II – Products and Investors, Items 2.1 to 2.7;

Part III – Parties to the System, Items 3.1 to 3.6;

Part IV – Owners/Management, Items 4.1 to 4.3; and

Part V – Exhibits, Items 5.1 to 5.22.

Signed on behalf of the company by the undersigned, thereunto duly authorized, in the City of _____ on _____, 20__.

By:

Principal Executive Officer/President
(Signature over Printed Name)

SUBSCRIBED AND SWORN to before me this _____ day of _____
200__ affiant exhibiting to me his/her Community Tax Certificate with No.
_____ issued at _____ on _____.

Notary Public

Doc. No. _____
Page No. _____
Book No. _____
Series of 200_____

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PART I Description of the System

1. Provide a description of the following:
 - 1.1. Software system or program which shall include a flowchart showing an actual primary and secondary market transaction, and a diagram or matrix showing its applications and functions;
 - 1.2. Hardware component and the communication facility of the System which shall include configuration, capacity, interconnection with other ATS or other trading markets and extent of communication ability;
 - 1.3. Establishment and location of the data center of the System;
 - 1.4. Business plan which shall include marketing strategies and financial plan for the next twelve months;
 - 1.5. Custodianship or registration arrangement of the proposed financial products to be traded in the System and related systems to be used;
 - 1.6. Business conduct rules;
 - 1.7. Trading and disclosure rules;
 - 1.8. Procedures to ensure confidentiality of trading information;
 - 1.9. Independent risk control unit that will be responsible for the design and implementation of the company's risk management system;
 - 1.10. Other material systems descriptions:
 - i. Detailed description of the procedures governing the execution, reporting, clearance and settlement of transactions or trades undertaken in the System. If there is or there would be a separate clearing agency, the same must be indicated;
 - ii. The hours of operation of the System, and the date on which the applicant intends to commence operation of the System;
 - iii. Current and future capacity estimates, contingency and business continuity plans and the procedures to review and test methodology of the System and to perform stress testing;
 - iv. Procedures for reviewing system capacity, security, and contingency planning procedures;

- v. Regulation to be performed by the ATS, including the structure of the department which will perform regulation, how the department will be funded, policies and procedures which will be put in place to ensure confidentiality and policies and procedures relating to conducting an investigation.

NOTE: If any of the foregoing information is contained in a separate official document, a reference thereto may be made by indicating the title of the document and the specific page/s in which the information may be found.

PART II **Products and Investors**

2. Indicate the following information:
 - 2.1 Details on the acceptance procedures for securities to be traded in the System including the description of securities the ATS shall trade. Status of registration of said securities under the Securities Regulation Code;
 - 2.2 Classes of subscribers (e.g. Broker-dealer, Institutional, Retail, etc.);
 - 2.3 Any difference in access to the services offered by the ATS to different groups or classes of subscribers/investors;
 - 2.4 Screening mechanism and criteria for qualification as subscriber/investor;
 - 2.5 A description of all fees to be paid by subscribers/investors, including fees relating to connection to the system, access, data, regulation (if applicable) and how such fees are set;
 - 2.6 Procedures for ensuring subscriber compliance with System guidelines;
 - 2.7 Training to be provided to users of the System and any materials provided to the users.

PART III **Parties to the System**

3. Provide the following information:
 - 3.1 Name, address, and telephone number of counsel for the ATS;
 - 3.2 Name of IT personnel in charge or directly responsible for the System;
 - 3.3 If any other entity, other than the ATS, will act as custodian or registrar with the primary function of holding or safeguarding subscriber funds or securities on a regular basis, the name of such entity and a brief description of the controls that will be implemented to ensure the safety of such funds and securities;
 - 3.4 For each affiliated entity of the applicant, and for any person or company with whom the applicant has a contractual or other agreement relating to the operation of an ATS to be used to effect transactions on the ATS, provide the following information:

- i. Name and address of person or company;
 - ii. Form of organization;
 - iii. Location and statute citation under which organized. Date of incorporation in present form;
 - iv. Brief description of nature and extent of affiliation or contractual or other agreement with the applicant;
 - v. Brief description of business or functions. Description should include responsibilities with respect to operation of the System and/or execution, reporting, clearance, or settlement of transactions in connection with operation of the System;
 - vi. If a company has ceased to be an affiliated entity of the applicant during the previous year or ceased to have a contractual or other agreement relating to the operation of a System during the previous year, provide a brief statement of the reasons for termination of the relationship.
- 3.5 If already identified, alphabetical list of all subscribers, including the following information:
- i. Name;
 - ii. Date of becoming a subscriber;
 - iii. Principal business address and telephone number;
 - iv. If a subscriber is an individual, the name of the entity with which such individual is associated and the relationship of such individual to the entity (e.g., partner, officer, director, employee, etc.);
 - v. Description of the type of trading activities primarily engaged in by the subscriber (e.g., agency trader, proprietary trader, registered trader, market maker). A person shall be "primarily engaged" in an activity or function for purposes of this item when that activity or function is the one in which that person is engaged for the majority of their time. When more than one type of person at an entity engages in any of the activities or functions enumerated in this item, identify each type (e.g., agency trader, registered trader and market maker) and state the number of subscribers in each.
 - vi. The class of participation or other access;
 - vii. Criteria for participation in the System. Describe conditions under which subscribers may be subject to suspension or termination with regard to access to the ATS. Describe any procedures that will be involved in the suspension or termination of a member.
- 3.6 Name of the entity, other than the ATS, which will be involved in its operation, involving the execution, trading, clearing, and settling of transactions on behalf of the ATS. Provide a description of the role and responsibilities of each entity.

PART IV
Owners/Management

4. Provide the following information:
- 4.1 List of directors and officers of the company including their age, nationality, addresses and brief business experience;
 - 4.2 If the applicant has shareholders with at least five percent (5%) holdings, or directors/executive officers who are also subscribers, please provide the following information therefor:
 - i. Full legal name;
 - ii. Title or status;
 - iii. Date title or status was acquired;
 - iv. Approximate ownership interest.
- The foregoing requirement shall likewise apply to interlocking directors/officers or shareholders with at least 5% shareholdings.
- 4.3 Description of any legal proceedings for the past five (5) years to which any of the director/officer or shareholder is a party.

PART V
EXHIBITS

5. Submit the following:
- 5.1 Copy of License as a Broker-Dealer duly issued by the Commission;
 - 5.2 Copy of License as a Clearing and Settlement Agency;
 - 5.3 Copy of Notice of and Clearance from Bangko Sentral ng Pilipinas, if the applicant is a bank or quasi-bank;
 - 5.4 A continuing authorization to the Commission to access registrant's bank accounts;
 - 5.5 Notice of filing of registration documents for signature by the Director of the Non-Traditional Securities and Instruments Department and for publication in newspapers of general circulation;
 - 5.6 Affidavit of the Notice under subparagraph 5.5 above;
 - 5.7 Copies of the articles of incorporation, with all amendments, and of the existing by-laws, other pertinent rules or instruments, whatever the name, of the applicant. If this information is publicly available on a continuous basis on an Internet site controlled by the applicant, the applicant must indicate the location of the Internet web site where such information may be found;
 - 5.8 A copy of the ATS's subscriber manual and any other material provided to subscribers;

- 5.9 Copy of Risk Disclosure Statement;
- 5.10 Undertaking by the Board of Directors and senior management that they shall be actively involved in the risk control process and must regard the control as an essential aspect of the business to which significant resources must be devoted;
- 5.11 Undertaking by the Board of Directors and responsible officers that all obligations arising from trading, clearing and settlement in the System shall be met;
- 5.12 Notarized Curriculum vitae with latest photographs of the following:
- i. IT personnel in charge or directly responsible for the System;
 - ii. Members of the Board of Directors.
- 5.13 Copy of any agreement executed or license granted pertaining to the operation of the System and to the product/s proposed to be traded, which includes, but is not limited to, clearing and settlement agreement and custodianship contract with a registry institution. The copy of all other contracts, MOUs entered into with any party by the operator and any amendment shall be submitted to the Commission for approval;
- 5.14 A complete set of all forms, including printed copies of electronic forms, pertaining to:
- i. Filing required for participation in the ATS;
 - ii. Any other similar materials.
- Provide a table of contents listing the forms included in this Exhibit and a narrative of the requirements;
- 5.15 A complete set of all forms, including printed copies of electronic forms, reports or questionnaires required of subscribers relating to financial responsibility or minimum capital requirements or other eligibility requirements for such subscribers. Provide a table of contents listing the forms included in this Exhibit and a narrative of the requirements;
- 5.16 Listing Criteria
- A complete set of documents comprising the applicant's listing or quotation filings, including any agreements required to be executed in connection with listing or quotation and a schedule of listing or quotation fees. If the applicant does not list securities, provide a brief description of the criteria used to determine what securities may be traded on the ATS. Provide a table of contents listing the forms included in this Exhibit and a narrative description of the listing requirements.
- 5.17 Board Resolution approving the filing of the ATS Registration Form and authorizing the president to file on behalf of the company;
- 5.18 The company's audited financial statements for the immediately preceding fiscal year end. If not yet applicable, its latest interim unaudited financial statements signed by the company's principal accounting officer;

- 5.19 Manual on Corporate Governance duly signed by the company's Chairman of the Board;
- 5.20 For each affiliated entity of the applicant, submit the following:
- i. A copy of the articles of incorporation with all amendments and other similar documents;
 - ii. A copy of existing by-laws and other pertinent rules or instruments;
 - iii. The name and title of the present officers, governors, members of all standing committees or persons performing similar functions;
 - iv. Audited financial statements for the immediately preceding fiscal year;
- 5.21 Exhibits incorporated by reference from the first parts of registration form;
- 5.22 Other exhibits as maybe required by the Commission.