



# MEMORANDUM

CN - No. 2020-0066

## THE PHILIPPINE STOCK EXCHANGE, INC.

- |                                     |   |
|-------------------------------------|---|
| <input type="checkbox"/> Trading    | <input type="checkbox"/> Public Advisory  |
| <input type="checkbox"/> Disclosure | <input type="checkbox"/> Administrative/Technology Matters  |
| <input type="checkbox"/> Listing    | <input checked="" type="checkbox"/> Others: <b>Guidelines for Broker Eligibility to Trade REIT Securities</b> |

**TO : TRADING PARTICIPANTS**

**SUBJECT : BROKER ELIGIBILITY GUIDELINES TO TRADING REIT SECURITIES**

**DATE : JULY 15, 2020**

In preparation for the launch of the Real Estate Investment Trust (“REIT”) product, the Exchange is now accepting applications to become eligible broker to trade REIT securities.

Section 13 and 14 of the Amended REIT Listing Rules, as approved by the Securities and Exchange Commission on 07 February 2020, states:

**Section 13. Name-on Central Depository Arrangement** – The REIT shall establish sufficient control and procedures that shall ensure that the shares are traceable to the names of the shareholders or investors and for their own benefit and not for the benefit of any of the non-public shareholders.

The REIT shall make the necessary arrangement with a central securities depository on the recording of its shareholders under a Name-on Central Depository arrangement.

**Section 14. Eligible Brokers** – In order to be eligible to trade REIT shares, trading participants must have attended a REIT training session or seminar conducted by the Exchange and must be operationally ready to trade REIT shares. Such trading participants shall issue a sworn certification to the Exchange attesting to its operational readiness.

Notwithstanding such certification, the Exchange shall have the option to assess a trading participant’s operational readiness to trade REIT shares. In addition, the trading participant shall comply with the applicable requirements on the recording of share ownership under a Name-on Central Depository Arrangement, and any other requirements that may be imposed by other regulatory agencies. The Exchange shall restrict trading participants that fail to comply with such requirements from trading REIT shares.

CMDD	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OGC	COO	
Tel. No.: (632) 8876-4888					E-mail Address: investing@pse.com.ph				

To formalize the request to become a REIT eligible broker, the Trading Participant (“TP”) must submit the following scanned documents via email to the Trading Participant Support Services Department (TPSSD) through [helpdesk@pse.com.ph](mailto:helpdesk@pse.com.ph):

1. Sworn Certification of Operational Readiness (attached here as Annex “A”), duly accomplished, signed by its Nominee and notarized;
2. Application for Eligibility to Trade REIT Securities form (attached here as Annex “B”), duly accomplished and signed by its Nominee; and
3. List of licensed traders of the TP who have already attended the REITs training session or seminar conducted by the Exchange.

The Exchange highly recommends that TPs submit their applications as early as possible to be able to participate in a REIT IPO. Nonetheless, please observe the following deadlines to submit the complete documentary requirements to TPSSD:

- To qualify for the 20% Broker Allocation, submit the application to TPSSD at least one (1) day before price setting of a REIT IPO (1:30PM deadline); and
- To participate in the 10% LSI Allocation via PSE EASy, submit the application to TPSSD at least one (1) day before end of offer period of a REIT IPO (1:30PM deadline).

Please note that for TPs who are not yet onboarded into PSE EASy, processing of your applications to become eligible brokers will take longer due to agreements and contracts that need to be put in place. As such, please submit your applications as soon as possible.

For trading participants who are already onboarded into PSE EASy, please ensure that your clients with NoCD accounts are tagged accordingly. Guidelines on how to identify clients with NoCD accounts in PSE EASy will be published on the PSE website separately.

All confirmed REIT eligible brokers will be posted in the PSE website’s REIT product page for reference of the investing public. The list may be found through the below link:

<https://pse.com.ph/REITS/REITS.htm#eligible-brokers>

For more information on REITs, including governing rules, copy of presentation materials from past training sessions, latest list of eligible brokers to trade REIT securities and frequently asked questions, you may visit <https://pse.com.ph/REITS/REITS.htm>.

For any question regarding the application process to become eligible brokers to trade REIT securities, please email [helpdesk@pse.com.ph](mailto:helpdesk@pse.com.ph).

For any question regarding the REIT training sessions and certificate of attendance, please email [bdd@pse.com.ph](mailto:bdd@pse.com.ph).

For any question regarding NoCD arrangement with the central depository, please email [eulalie.severo@pds.com.ph](mailto:eulalie.severo@pds.com.ph), [baby\\_delacruz@pds.com.ph](mailto:baby_delacruz@pds.com.ph) & copy [marketservices@pds.com.ph](mailto:marketservices@pds.com.ph).

(Original Signed)  
**ROEL A. REFRAN**  
 COO

CMDD	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OGC	COO
Tel. No.: (632) 8876-4888					E-mail Address: <a href="mailto:investing@pse.com.ph">investing@pse.com.ph</a>			

**SWORN CERTIFICATION OF OPERATIONAL READINESS**

I, \_\_\_\_\_ [Name of Representative], being the \_\_\_\_\_ [Position] of \_\_\_\_\_ (the Trading Participant or "TP"), do hereby certify and attest under oath that the TP is operationally ready to participate in the trading of securities of Real Estate Investment Trusts ("REITs") in The Philippine Stock Exchange, Inc. (the "Exchange"). The TP hereby attests the following:

1. Pursuant to Section 14 of the Amended REIT Listing Rules, the TP has complied with the applicable requirements on the recording of securities ownership under a Name-On Central Depository (NOCD) arrangement, and any other requirements that may be imposed by regulatory agencies.
2. The TP warrants that it shall put in place the necessary infrastructure, facilities and processes to enable the TP to continuously facilitate and monitor NOCD accounts, including compliance of the NOCD requirement for clients who will place their REIT securities in custodian entities which have their own accounts in a central securities depository, before it trades REIT securities.
3. The TP hereby undertakes that it will always have at least one (1) licensed trader who attended the REITs training session or seminar conducted by the Exchange. The TP obligates itself to notify the PSE in the event that any REIT-trained trader in its organization has resigned or otherwise separated from the TP no later than one (1) trading day before the effectivity of such resignation or separation. Whenever applicable, the TP shall also inform the Exchange in the same notice if the TP does not have any remaining REIT-trained trader as a consequence of such resignation or separation.
4. The TP hereby agrees and understands that the Exchange has the discretion to conduct an independent assessment of the operational readiness of the TP, as circumstances may require. The TP hereby undertakes to provide the Exchange any document, papers or information that may be requested by the Exchange or, if necessary, to allow the inspection of its premises to enable the Exchange to undertake an assessment of the TP's operational readiness to trade REIT securities.

5. The TP understands and agrees to strictly and consistently abide by the Amended Listing Rules for REITs, the REIT Act of 2009 and its implementing rules and regulations, and other applicable rules and regulations.

IN WITNESS WHEREOF, I have set my hand on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, in \_\_\_\_\_ City.

\_\_\_\_\_  
[Name]  
[Position]

SUBSCRIBED AND SWORN TO before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, \_\_\_\_\_ affiant exhibiting \_\_\_\_\_ to me \_\_\_\_\_ his/her \_\_\_\_\_.

Notary Public

Doc No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of 20\_\_\_\_.

**PHILIPPINE STOCK EXCHANGE, INC.**

6/F PSE Tower, 5th Avenue cor. 28<sup>th</sup> Street,  
Bonifacio Global City, Taguig City  
Tel. No. 8876-4799  
Website : <http://www.pse.com.ph>

Date and time of receipt

**APPLICATION FOR ELIGIBILITY TO TRADE REIT SECURITIES****INSTRUCTIONS**

1. Completely fill-out the Application for Eligibility to Trade REIT Securities form. Incomplete forms will not be processed.
2. PSE will collect, store, use, disclose, and process the personal information of the contact person, nominee, authorized signatory, and salesmen for the purpose of this application and for purposes relevant or incidental thereto. The personal information will be retained as long as required by PSE. Said individuals have rights under Data Privacy Act such as rights to be informed, access, correct, object, withdraw, erasure, data portability, file complaint, and damages. They should be aware that there are risks in the processing of their personal information and for safeguards to protect it, kindly read our Privacy Policy at [www.pse.com.ph](http://www.pse.com.ph) or contact the Data Protection Officer at [dataprivacy@pse.com.ph](mailto:dataprivacy@pse.com.ph) for any concern.
3. Upon completion, submit the form to the Market Operations Division, fax to 8891-9043 or email at [helpdesk@pse.com.ph](mailto:helpdesk@pse.com.ph).

**MEMBER'S INFORMATION**

Trading Participant:

Business Address:

Contact Person:

Contact Number/s:

 New Application Re-application**REQUIREMENTS**

1. Certification of operational readiness, signed by Nominee or any authorized representative (see Annex A)	
2. List of names of salesmen who have attended a seminar or training regarding REITS conducted by the Exchange	
3. Application to be used for Trading REITS	
3.1 PSETradex Terminal	
3.2 FEOMS, System Name: _____, Version: _____	

**AUTHORIZED SIGNATORY**

_____	_____
<b>Signature over Printed Name</b>	<b>Position</b>

**FOR P.S.E. USE ONLY**

Signature validated by: _____	Date: _____	Validated the Masterlist by: _____	Date: _____
Requirements validated by: _____	Date: _____	Replied by: _____	
Encoded in the Masterlist by: _____	Date: _____		

PSE MOD Form 42 Rev. 01

Control Number: \_\_\_\_\_