



MEMO FOR BROKERS

The Philippine Stock Exchange, Inc.

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| <input type="checkbox"/> Trading Rules | <input type="checkbox"/> Computer Systems Update |
| <input type="checkbox"/> Membership Rules | <input type="checkbox"/> Administrative Matters |
| <input type="checkbox"/> Listing Rules | <input checked="" type="checkbox"/> Others: Minimum Commission Rates & Policy on Commissions in a Tender Offer |

Date : October 6, 2008

Subject : MINIMUM COMMISSION RATES & POLICY ON COMMISSIONS IN A TENDER OFFER

In accordance with its rules, the Exchange will implement the following, effective **October 6, 2008**:

1. Amended Minimum Commission Rates


A copy of the Amended Minimum Commission Rates is attached herewith as Annex "A".

2. Policy on Commissions in a Tender Offer as follows:

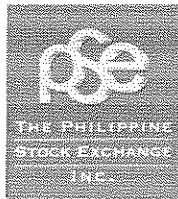
For tender offer transactions executed through the Exchange, the trading participants (TPs) facilitating the tender offer for the buying party/ies shall charge the commission to their respective buying clients only, while the TPs facilitating the tender offer for the selling parties shall charge the commission to their respective selling clients only. The commissions charged to the clients shall be in accordance with the prevailing rules on minimum commission rates at all times. However, the minimum commission prescribed in Presidential Decree No. 154, as amended, may be charged between the trading participants.

For the information and guidance of the public.


ROEL A. REFRAN
General Counsel


JOSEPH P. SAN PEDRO
Vice-President
Market Regulation Division

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AMENDED RULES ON THE MINIMUM COMMISSION RATES

The minimum commission rates for trade transactions covering equity and equity-related products shall be as follows:

TRANSACTION VALUE (P)	MINIMUM COMMISSION
P100M AND BELOW	0.00250
> P100M UP TO P500M	0.00150 BUT NOT LESS THAN P250K
> P500M UP TO P1B	0.00125 BUT NOT LESS THAN P750K
>P1B UP TO P5B	0.00100 BUT NOT LESS THAN P1.25M
> P5B UP TO P10B	0.00075 BUT NOT LESS THAN P5M
> P10B	0.00050 BUT NOT LESS THAN P7.5M

Please note that the above rates should be exclusive of the applicable value-added tax.

The above rates shall not apply to broker-to-broker or odd-lot transactions. In all cases, the provisions of Presidential Decree No. 154, as amended, shall prevail over the commission rates set by the Board.

The following Duties and Penalties for Trading Participants shall remain enforceable in case of violation of the minimum commission rule:

1. Duties of Trading Participants:

- a. Require both Management and Company officers to comply with the rules and regulations covering brokerage fees and refrain from any inappropriate activities that may lead to rebates or discounts that will cause reduction of commission to less than the minimum rate. Trading participants shall also undertake to punish offender(s) in its organization.
- b. Establish the necessary procedures and guidelines in its Written Supervision Procedures Manual as regards its policies and compliance on brokerage fees.

2. Penalties

If Trading Participants do not comply with the prescribed minimum commission rate, then the following penalties shall be imposed by the PSE:

First Offense	Fine of no more than Two Million Five Hundred Thousand Pesos (P2.5M) and/or suspension of trading for no more than five (5) consecutive business days;
Second Offense	Fine of no more than Five Million Pesos (P5M) and/or suspension of trading for no more than ten (10) consecutive business days;
Third and Subsequent Offenses	Fine of no more than Ten Million Pesos (P10M) and/or suspension of trading operations for no more than fifteen (15) consecutive business days for each subsequent violation.

The accredited trading participants of the government entities required by law to withhold value-added tax pursuant to BIR Regulation No. 16-2005 may impose commission rates lower than the minimum rates stated herein with regard to trade transactions covering equity and equity-related products

executed for and on behalf of said government entities, provided that, the provisions of P.D. No. 154 shall still apply. *(As amended by PSE Board Resolution No. 69, Series of 2006 dated March 22, 2006).*

For tender offer transactions executed through the Exchange, the trading participants (TPs) facilitating the tender offer for the buying party/ies shall charge the commission to their respective buying clients only, while the TPs facilitating the tender offer for the selling parties shall charge the commission to their respective selling clients only. The commissions charged to the clients shall be in accordance with the prevailing rules on minimum commission rates at all times.

The Market Regulation Division of the PSE shall be responsible for ensuring compliance with these rules.