



# MEMO FOR BROKERS

 No. 268-2002
**Philippine Stock Exchange, Inc.**

<input type="checkbox"/> Disclosures	<input type="checkbox"/> Stockholders' Meeting	Others: <u>Amendment</u>
<input type="checkbox"/> Dividend Notice	<input type="checkbox"/> SEC / Gov't. Issuance	<u>To Rules</u>
<input type="checkbox"/> Stock Rights Notice	<input type="checkbox"/> Transfer Agent's Notice	_____

Date : November 14, 2002  
 Subject : AMENDMENT TO SECTION 10, ARTICLE XII (STOCK DIVIDENDS), LISTINGS & DISCLOSURE RULES

Please be informed that the Board of Directors of the Exchange, in its regular meeting held on 13 November 2002, approved the amendments to Section 10, Article XII (Stock Dividends) of the Listings & Disclosure Rules.

Section 10, Article XII (Stock Dividends) of the Listings & Disclosure Rules provides as follows:

**"SECTION 10. Issuance of Certificates of Stock Dividend.** – For the corporations the shares of which have been lodged with the PCD, all stock dividends and all cash dividends shall be remitted to PCD for immediate distribution to its participants no later than eighteen (18) trading days from record date (the payment date) provided, that in case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends' listing date.

"If the stock dividends shall come from an increase in capital stock, all stocks shall be credited to PCD for immediate distribution to its participants not later than twenty (20) trading days from date of approval by the Commission of the registration which in no case shall be later than the stock dividend listing date."

In response to a clarificatory letter sent by the Listings & Disclosure Group dated 21 October 2002, the SEC took note of the request of the Exchange to consider the required number of days within which the listed company must disclose the record date to the Exchange in setting the same. Thus, the SEC stated in its letter dated 28 October 2002 that a "uniform requirement on setting of payment date may be applied on all stock dividend declarations, whether the shares shall come from unissued capital or from (an) increase in the capital stock of the company".

Finance / Admn / Membership	Compliance & Surveillance Grp.	Listings & Disclosure Grp.	COO / Automated Trading Grp.	Business Dev't Group	CEO / Legal
Tel. No. 634-5112	Tel. No. 634-5903	Tel. No. 636-0122	Tel. No. 633-1311	Tel. No. 634-5089	Tel. No. 637-8805





# MEMO FOR BROKERS

No. 268-2002

## Philippine Stock Exchange, Inc.

<input type="checkbox"/> Disclosures	<input type="checkbox"/> Stockholders' Meeting	Others: <u>Amendment</u>
<input type="checkbox"/> Dividend Notice	<input type="checkbox"/> SEC / Gov't. Issuance	<u>To Rules</u>
<input type="checkbox"/> Stock Rights Notice	<input type="checkbox"/> Transfer Agent's Notice	_____

In view of the above declaration, payment dates are uniformly set to **eighteen (18) trading days**. A copy of the SEC letter dated 28 October 2002 is attached hereto as Annex "A".

Correspondingly, Section 10, Article XII of the Listings & Disclosure rules is amended as follows:

**"SECTION 10. Issuance of Certificates of Stock Dividend. –**  
 For the corporations the shares of which have been lodged with the PCD, all stock dividends and all cash dividends shall be remitted to PCD for immediate distribution to its participants no later than eighteen (18) trading days from record date (the payment date) provided, that in case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends' listing date.

"If the stock dividends shall come from an increase in capital stock, all stocks shall be credited to PCD for immediate distribution to its participants not later than eighteen (18) trading days from the record date set by the Commission, which in no case shall be later than the stock dividend listing date."

For your information and guidance.

**MA. PAMELA BARBARA D. QUIZON**  
 OIC, Legal Advisory Department  
 Listings & Disclosure Group

Noted by:

**JOSE G. CERVANTES**  
 Senior Vice President

Finance / Admin / Membership Tel. No. 634-5112	Compliance & Surveillance Grp. Tel. No. 634-6903	Listings & Disclosure Grp. Tel. No. 636-0122	COO / Automated Trading Grp. Tel. No. 633-1311	Business Dev't Group Tel. No. 634-5095	CEO / Legal Tel. No. 637-8805
---	---	---	---	---	----------------------------------



REPUBLIC OF THE PHILIPPINES  
SECURITIES & EXCHANGE COMMISSION  
SEC Bldg. EDSA, Greenhills, Mandaluyong City

CORPORATION FINANCE DEPARTMENT

October 28, 2002

ATTY. JOSE G. CERVANTES  
Senior Vice President  
PHILIPPINE STOCK EXCHANGE, INC.  
Philippine Stock Exchange Centre  
Exchange Road, Ortigas Center  
Pasig City

Dear Atty. Cervantes:

This is in reply to your letter dated October 21, 2002 relative to the implementation of Section 8 of the Amended Rules Governing Pre-Emptive and Other Subscription Rights.

Please be informed that the Company Registration and Monitoring Department (CRMD) of the Commission has been advised of your request to consider in its setting of record date the required number of days within which listed companies must disclose said date to the Exchange.

Anent your query, a uniform requirement on the setting of payment date may be applied on all stock dividend declarations, whether the shares shall come from the unissued capital or from the increase in the authorized capital stock of the company, in view of the fact that dividend shares from the former are no longer required to be registered under Sections 8 and 12 of the Securities Regulation Code which effectively eliminated the distinction between the two.

As ruled therefore on EDSA Properties Holdings, Inc., the payment dates shall not be later than eighteen (18) trading days from record date. The record date may in such case be set beyond the minimum of ten (10) days from approval of the increase in capital stock. This would solve the problem on overlapping of dates and violation of the Disclosure Rules of the Exchange.

Very truly yours,

A handwritten signature in black ink, appearing to read "JUSTINA F. CALLANGAN".

JUSTINA F. CALLANGAN  
Director

*Handwritten initials and date*  
10/29/02