

# Appendix 1

## Group of Thirty Compliance

The Group of Thirty recommendations were originally conceived as the group's Standards on Securities Settlement Systems in 1989, detailing in a first-of-its-kind report nine recommendations for efficient and effective securities markets covering legal, structural, and settlement process areas. The recommendations were subsequently reviewed and updated in 2001 under the leadership of the Bank for International Settlements and through the efforts of a joint task force of the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions. Compliance with the Group of Thirty recommendations in individual markets is often an integral part in securities industry participants' and intermediaries' due diligence process.

**Table A1: Group of Thirty Recommendations—Compliance for the Philippines**

Recommendation		Implemented
1	Eliminate paper and automate communication, data capture, and enrichment.	No, not all bonds are dematerialized or immobilized.
2	Harmonize messaging standards and communication protocols.	No, the local CSD and most local market participants do not use SWIFT.
3	Develop and implement reference data standards.	No, there is no securities' numbering agency for bonds. The Bureau of the Treasury issues its own ISIN-like numbering for government securities, while PDEX assigns the series name following the same convention for listed corporate securities.
4	Synchronize timing between different clearing and settlement systems and associated payment and foreign exchange systems.	Yes
5	Automate and standardize institutional trade matching.	Yes, for government and listed corporate bonds
6	Expand the use of central counterparties.	No
7	Permit securities lending and borrowing to expedite settlement.	Yes
8	Automate and standardize asset servicing processes, including corporate actions, tax relief arrangements, and restrictions on foreign ownership.	No

Recommendation		Implemented
9	Ensure the financial integrity of providers of clearing and settlement services.	Yes
10	Reinforce the risk management practices of users of clearing and settlement service providers.	Yes
11	Ensure final, simultaneous transfer and availability of assets.	Yes, existing central bank regulations on investments in fixed income securities by foreign investors only allow the foreign investors to contract a FX deal to sell pesos and buy foreign currency upon actual receipt of the license to be issued by the central bank.
12	Ensure effective business continuity and disaster recovery planning.	No
13	Address the possibility of failure of a systematically important institution.	No
14	Strengthen assessment of the enforceability of contracts.	Yes
15	Advance legal certainty over rights to securities, cash, or collateral.	Yes
16	Recognize and support improved valuation methodologies and closeout netting arrangements.	Yes
17	Ensure appointment of appropriately experienced and senior board members (of the boards of securities clearing and settlement infrastructure providers).	Yes
18	Promote fair access to securities clearing and settlement networks.	Yes
19	Ensure equitable and effective attention to stakeholder interests.	Yes
20	Encourage consistent regulation and oversight of securities clearing and settlement service providers.	Yes

CSD = central securities depository, FX = foreign exchange, ISIN = International Securities Identification Number, PDEX = Philippine Dealing & Exchange Corporation, SWIFT = Society for Worldwide Interbank Financial Telecommunication.

Source: Group of Thirty. 2003. *Global Clearing and Settlement—A Plan of Action*.

<http://newsite.group30.org/publications/detail/123>

## Appendix 2

# Practical References

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For easy access to further information about the market features described in the Philippines Bond Market Guide—including information on the policy bodies, regulatory authorities, and securities market-related institutions—interested parties are encouraged to utilize the following links (all websites available in English):

AMBIF Implementation Guidelines for the Philippines  
<http://tinyurl.com/AMBIF-Impl-GL-for-PHI>

AMBIF Single Submission Form (as supported by the Philippine regulatory authorities and market institutions)  
<http://tinyurl.com/AMBIF-Single-Submission-Form>

*AsianBondsOnline* (Asian Development Bank)  
<http://www.asianbondsonline.adb.org/philippines.php>

Bangko Sentral ng Pilipinas  
<http://www.bsp.gov.ph>

Bangko Sentral ng Pilipinas—Manual of Regulations on Foreign Exchange Transactions  
<http://www.bsp.gov.ph/downloads/regulations/morfmt/morfmt.pdf>

Bureau of the Treasury  
<http://www.treasury.gov.ph>

Philippine Dealing System Holdings Corporation  
<http://www.pds.com.ph>

Philippine Dealing System Holdings Corporation—PDEX Bond Market Rules  
[http://www.pds.com.ph/index.html%3Fpage\\_id=852.html](http://www.pds.com.ph/index.html%3Fpage_id=852.html)

Securities and Exchange Commission of the Philippines  
<http://www.sec.gov.ph>

Securities and Exchange Commission of the Philippines—Securities Regulation Code  
[http://www.sec.gov.ph/wp-content/uploads/2015/11/Securities\\_Regulation\\_Code\\_RA8799.pdf](http://www.sec.gov.ph/wp-content/uploads/2015/11/Securities_Regulation_Code_RA8799.pdf)

Securities and Exchange Commission of the Philippines—CRA Guidelines (2014)  
<http://www.sec.gov.ph/laws/.../sec%20memo%20no.%207,%20s2014.pdf>

Securities and Exchange Commission of the Philippines—IRR of the SRC (2015)  
<http://www.sec.gov.ph/laws/pdf/2015%20SRC%20Rules%20-%20as%20Published%20October%2025%202015.pdf>

# Appendix 3

## Glossary of Technical Terms

Annex C	Refers to the annex to Form 12.1, which contains the content requirements for the prospectus and Registration Statement
Annex D.2	Refers to the annex containing bond and note issuance approval application in the BSP Manual of Regulations on Foreign Exchange Transactions
corporate notes	Market term for previous private placements in the Philippine market
enrollment	Process of listing bonds on the Philippine Dealing & Exchange Corporation (PDEX) for issuances available to qualified investors only
Exempt Transactions	Debt securities issuance that are not subject to registration with the Securities and Exchange Commission (SEC)
filing	Action of submitting documentation
listing	Typically, action of submitting a bond issue or other securities to an exchange for trading, price finding, disclosure, or profiling
Form 10.1	Refers to SEC Form 10.1, which contains the necessary data for the submission of a Notice of Exemption or Request for Confirmation of Exemption to the SEC
Form 12.1	Refers to SEC Form 12.1, which represents the Registration Statement for securities issuance
Form 12.1SR	Refers to SEC Form 12.1SR, which represents the Registration Statement for securities issuance under the shelf-registration concept
Form 17	Refers to the submission of corporate reporting requirements to the SEC such as monthly, quarterly, or annual reports
FX Manual	Bangko Sentral ng Pilipinas Manual of Regulations on Foreign Exchange Transactions
Investment Company Advisors	Term used in the domestic market for asset management firms
MarketPage	PDEX data publication facility
Onshore Dollar Bonds	Refers to issuance by the Government of the Philippines of Treasury Bonds in the domestic market that are denominated in United States dollars
Order of Registration	Issued by SEC to evidence the effective registration of securities for which a Registration Statement was filed

Over-the-Counter	Specific meaning in the context of origination of government securities in the Philippines; refers to a primary issuance method by the Bureau of Treasury to specific investors, including Government-Owned or -Controlled Corporations, Local Government Units, and Tax-Exempt Institutions
PDEX Rules	Short form for PDEX Fixed Income Securities Market Rules, as amended
PDS Repo	Inter-Professional Repurchase Agreement Market Program on PDEX
PDS SLTP	Securities Lending Transactions Program on PDEX
Qualified Board	Separate listing board of PDEX for issuances aimed solely at Qualified Buyers (also QB Board)
Qualified Buyers	Categorization of professional investors in the Philippines
registrar	In the Philippines, term used specifically for the role of registering Qualified Buyers and their eligibility (in contrast to transfer agent, as a role for registering securities and their ownership)
registration	(i) initial submission of a company in the Philippines to the SEC to obtain a license to operate
registration	(ii) act of seeking approval for the issuance of securities via a public offering from the SEC (see also Registration Statement)
registration	(iii) term used in the market, and by the Philippine Depository & Trust Corporation, for the recording of ownership of securities by a transfer agent
registration	(iv) term used by the SEC for the approval of securities market participants to conduct business (except for underwriting)
Registration Statement	Submission to the SEC for approval of the issuance of securities via a public offering, represented by SEC Form 12-1
sponsor	Party who enrolls a bond or note in PDEX
<i>sukuk</i>	Islamic bond or note

Source: ADB consultants for SF1.