

## **LETTERHEAD OF GSED/APPLICANT**

To be accomplished in triplicate copies

### **OATH OF UNDERTAKING**

THAT \_\_\_\_\_, an institution duly organized and existing under and by virtue of Philippine laws, with principal office at \_\_\_\_\_, herein represented by \_\_\_\_\_, in his capacity as the \_\_\_\_\_, hereby agrees and undertakes to abide and be bound by all the provisions of the herein Conventions for the Registry of Scripless Securities.

### **REGISTRY**

RoSS is the official Registry of Scripless Securities maintained and administered by the Bureau of the Treasury, Department of Finance.

All government securities floated/originated by the National Government under its scripless policy shall be recorded in the Registry in the name of the Government Securities Eligible Dealer (GSED) by virtue of the auction award made by the Auction Committee created under the DOF Order No, 141-95, as amended.

Subsequent transfer of ownership or encumbrance on the scripless securities out of the Securities Account of a GSED shall be recorded in RoSS into the Principal Securities Account of the GSED counterparty.

The Bureau of the Treasury shall keep the absolute confidentiality of the Registry in accordance with Republic Act No. 1405.

### **SECURITIES ACCOUNTS**

Government Securities Eligible Dealers shall open and maintain a Principal Securities Account for official recording of scripless government securities awarded to them as a result of an auction conducted by the National Government through the Auction Committee and executed by the Bureau of the Treasury as the fiscal arm of the Department of Finance.

All acquisitions by a GSED of scripless government securities in the secondary market shall likewise be officially recorded in the Registry to evidence the GSED's ownership thereof. In the same manner any encumbrance or lien on the scripless government securities shall be officially recorded in the Registry by the encumbrance beneficiary or lien holder in accordance with the procedures hereinafter enumerated.

A GSED shall open and maintain Client Securities Accounts in the name of its respective clients for the purpose of segregating scripless government securities acquired by such clients from the GSED's own scripless securities holdings in the latter's Principal Securities Account.

A GSED may, at its discretion, lump all scripless government securities sold to clients in the tertiary market under one account, provided that the GSED shall maintain complete records of ownership/other titles of their clients in the GSED's own books.

Attached is an application form for opening Principal Securities Account and a Client Securities Account. (Annex "1").

## **SETTLEMENT ACCOUNT**

GSEDs desiring to achieve delivery-versus-payment and real-time-gross-settlement in the secondary market transactions shall open a Settlement Account with the Bangko Sentral ng Pilipinas or any Bank of their choice which, like the Bangko Sentral ng Pilipinas, shall agree to service their settlement of scripless securities trade immediately upon notice of a transaction concluded.

GSEDs shall have the option of (1) funding their Settlement account before the Start of Trading Hours or 9:30 A.M., or (2) availing of an Overnight Credit Line with the Settlement Bank which shall be deemed drawn whenever the GSED's Settlement Account is negative or insufficient to settle a trade, otherwise the transaction shall be queued until sufficient funds are credited to the Settlement Account.

## **TRADING**

The Start of Trading Hours shall be 9:30 A.M., Monday through Friday, unless a week day is a public holiday.

In accordance with current market convention, the cut-off time for End of Trading Hours is 12:00 noon. Therefore, GSEDs shall have until 1:30 P.M. to register their transactions with RoSS. This will give RoSS sufficient time until 4:00 P.M. within which to clear the scripless securities and settle the payment thereof with the Settlement Bank.

GSEDs may trade by phone or through any of the available electronic trading systems linked with RoSS.

Trades conducted by phone shall be cleared/settled by (1) telefax message with sender's access code or test key, or by (2) physical delivery of the confirmation of outright purchase/purchase with re-sale/etc., by the counterparties to the Bureau of the Treasury office of RoSS, 2/F Palacio del Gobernador, Intramuros, Manila not later than 1:30 P.M. RoSS officers shall acknowledge receipt on the bottom half of the document by indicating the date and time of receipt, and affixing the signature and Personal Identification Number (PIN) of the recipient.

GSED undertakes to follow the herein attached BTr prescribed forms (Annexes "2" to "5")

Attached is the Dealer Account Code (Annex "6"). e.g., AB Capital – 001, All Asia - 002, etc., to be used as prefix to Transaction No. in the prescribed forms, e.g., AB Capital Sale transaction should bear Transaction No. 001-1(001 is AB Capital Account Code while 1 refers to its first transaction of the day and so on and so forth). In this example the counterparty of AB Capital should reflect the same transaction code in its Confirmation of purchase, to effect a matching of transaction.

The Dealer Account Code shall be placed in the space provided for Code and the Account Number pertains to 1 if it's the Principal Securities Account and 2 if it's the Client Securities Account.

Trades conducted through electronic trading systems shall be keyed-in/transmitted by the counterparties to the Bureau of the Treasury, office of RoSS, indicated above, with sender's access code/test key and RoSS officers shall acknowledge the trade in appropriate form in the system by indicating the date and time of receipt and PIN of the recipient.

GSED hereby undertakes not to trade government securities on its maturity date.

## **TRANS-BORDER TRADE**

GSED may settle trade with foreign clients through their account with Cedel and RoSS, subject to the respective agreement with code.

## **CLEARING AND SETTLEMENT**

GSEDs shall ensure that all trades are cleared and settled, having sufficient securities and cash/credit in their corresponding Settlement Accounts.

If for any reason a trade is not cleared/settled, RoSS shall queue the trade until the GSED corrects the deficiency, in which event RoSS shall clear/settle the trades queue on a first-in-first-out basis.

At the Start of Trading, the Settlement Bank shall transfer the Securities Account of all GSEDs to RoSS to ensure delivery-versus-payment and real-time-gross-settlement trading.

At the End of Trading but not later than 4:00 P.M., RoSS shall net all trades of all GSEDs and clear/settle the same, RoSS shall return the Settlement Accounts to the Settlement Bank. RoSS shall notify the GSED of availments of the Overnight Credit Line.

The GSED shall have until 12:00 Noon of the following day within which to pay the Settlement Bank of the amount availed, in accordance with the terms of drawdown of the Overnight Credit Line. The manner of payment shall be through a debit authority against the Regular Demand Deposit Account with the Bangko Sentral ng Pilipinas or by check deposit to the Settlement Account with the Settlement Bank.

Attached is a revised Autodebit/Autocredit Authorization (Annex "7")

## **MONTHLY STATEMENT OF SECURITIES ACCOUNT**

The officers of RoSS shall send monthly statement of securities account to the GSED, not later than the fifth business day following reference month.

The GSED concerned shall be duty bound to examine the statement carefully and revert to the officers of RoSS for any discrepancy with their own records/books within two business days from receipt of the monthly statement.

## **COUPON PAYMENTS/REDEMPTION**

The Bureau of the Treasury shall credit the Regular Demand Deposit Account of each GSED with the amount of coupon payments, net of tax, on coupon due date. Likewise, BTr shall credit the Regular Demand Deposit Account of each GSED with the redemption value of the government securities on maturity date. Amounts due to the owner of GSED's Client Account shall accordingly be indicated in the credit advice.

## **TRANSITORY PROVISIONS**

Pending dematerialization by Bangko Sentral ng Pilipinas of all government securities issued prior to the origination under the 20 November 1995 auction, GSEDs shall settle/clear all transactions pertaining to such securities with Bangko Sentral ng Pilipinas Book Entry System and in accordance with the corresponding settlement arrangement currently being followed by GSEDs.

BTr shall officially notify the GSEDs of the dematerialization and data file transfer from BSP to BTr-RoSS and the effectivity of settlement/clearing of such securities under the system of RoSS.

**IN WITNESS WHEREOF**, the undersigned institution has hereunto caused this presents to be signed by its duly authorized representative on this \_\_\_ day of \_\_\_\_\_, 200\_\_ in the City of \_\_\_\_\_, Philippines.

\_\_\_\_\_  
( Name of Institution)

\_\_\_\_\_  
(Address)

By :

\_\_\_\_\_  
(Signature of Authorized Signatory)

\_\_\_\_\_  
(Designation)

**(Acknowledgement)**