NATIONAL REGISTRY OF SCRIPLESS SECURITIES

MWT-7 Guide: <u>BROKERS</u>

A. Trade Transactions

1. Trades transactions processed through the PDEX trading platform

Trading Guidelines:

- All BROKERS will be provided with securities balance for the two (2) Test ISINs that will be used for the MWT.

- The Test ISINs are as follows:

ISIN	Tenor	Issue Date	Maturity Date	Outstanding Volume	Average Rate	Coupon Rate
BILL0318X091	3mos.	7/27/2018	10/26/2018	P100B	3.125%	
BOND0523Y555	5yrs	7/27/2018	7/27/2023	P100B		5.250%

- Brokers shall only use one (1) NRoSS Account: Omnibus Taxable Client Account for Client trades. This account shall be entered in the PDEx trading platform.

- When Omnibus Taxable Client Account is used, Brokers shall perform the following pre- and post-settlement operation at NRoSS <u>on settlement date</u>:
  a) Selling for a Client (Pre-settlement) - transfer from a Client Sponsored Account to Broker's Omnibus Taxable Client Account (Transfer of Portfolio Single)
  b) Buying for a Client (Post-settlement) - transfer from Broker's Omnibus Taxable Client Account to Client Sponsored Account (Transfer of Portfolio Single)

- Omnibus Taxable Client Account **shall always be zeroed out at the end of business day**.

- QB intending to purchase/sell GS in the secondary market will have to engage a trading participant sponsor (Dealer) who will execute the trades in the trading platform.

- Executed trades shall be authorized at the New PDS Gateway and will then be transmitted to NRoSS for settlement authorization.

- Trading window for the MWT is from 12:00 noon to 2:00 PM

Trade Scenarios:

Trade Scenario Check List-

#	Trade Scenario	Description	Done*
1.	Broker - Broker	Perform buy transaction using own account for proprietary trades with a Broker	
2.	Broker - Broker	Perform sell transaction using own account for proprietary trades with a Broker	

#		Trade Scenario	Description	
3.		Broker - Broker	Perform buy transaction using Omnibus Taxable Client Account for Client QB trades with a Broker	
4.		Broker - Broker	Perform sell transaction using Omnibus Taxable Client Account for Client QB trades with a Broker	
5.		Broker – Dealer	Perform buy transaction using own account for proprietary trades with a Dealer	
6.		Broker – Dealer	Perform sell transaction using own account for proprietary trades with a Dealer	
7.		Broker - Dealer	Perform buy transaction using Omnibus Taxable Client Account for Client QB trades with a Dealer	
8.		Broker - Dealer	Perform sell transaction using Omnibus Taxable Client Account for Client QB trades with a Dealer	

2. Trades processed in the NRoSS DVP module

Participants are likewise encouraged to execute the following trade scenarios in the NROSS DVP module for test purposes only.

#	Trade Scenario	Description	Done*
1.	Broker - Broker (NRoSS DVP)	Execute a sale transaction in NRoSS as a 'delivering agent' with a DEALER of your choice	
2.	Broker - Broker (NRoSS DVP)	Execute a purchase transaction in NRoSS as a 'receiving agent' with a DEALER of your choice	
3.	Broker - Dealer (NRoSS DVP)	Execute a sale transaction in NRoSS as a 'delivering agent' with a BROKER of your choice	
4.	Broker - Dealer (NRoSS DVP)	Execute a purchase transaction in NRoSS as a 'receiving agent' with a BROKER of your choice	
5.	Broker – NRoSS Participant QB (NRoSS DVP)	Execute a sale transaction in NRoSS as a 'delivering agent' with an NRoSS Participant QB of your choice	
6.	Broker – NRoSS Participant QB (NRoSS DVP)	Execute a purchase transaction in NRoSS as a 'receiving agent' with an NRoSS Participant QB of your choice	

*Note:
   1. Indicate completion status by marking with an 'X' mark
   2. Trading and Settlement rules under the NRoSS environment will
      be issued by the BTr at a later date.

B. Non-Trade Transactions

#	Trade Scenario	Description	Done*
1.	Pledge	Execute a pledge transaction with a counterparty of your choice in NRoSS.	
2.	Pledge	Execute a pledge release transaction with your pledge counterparty in NRoSS	
3.	Earmarking	Execute 'earmark' transaction in NRoSS.	
4.	Earmarking	Execute 'un-earmark' transaction in NRoSS.	
5.	Regulatory Compliance – BSP SES Trust Duty (as applicable)	Execute trust duty compliance transaction for a sponsored Trust account.	
6.	Regulatory Compliance – BSP SES Trust Duty (as applicable)	Execute trust duty compliance 'release' transaction for a sponsored Trust account.	
7.	Regulatory Compliance - Insurance Commission (as applicable)	Execute mandatory reserve compliance transaction for a sponsored Insurance entity account.	
8.	Regulatory Compliance - Securities and Exchange Commission (as applicable)	Perform GS reserve compliance transaction for a sponsored QB account	
9.	Regulatory Compliance - Securities and Exchange Commission (as applicable)	Execute GS reserve compliance 'release' transaction for a sponsored QB account.	
10.	Regulatory Compliance - BSP SES PERA (as applicable)	Execute PERA compliance transaction for a sponsored Trust account.	
11.	Regulatory Compliance - BSP SES PERA (as applicable)	Execute PERA compliance 'release' transaction for a sponsored Trust account.	
12.	Trades using Omnibus accounts – Selling for a QB (Pre-settlement task)	Execute an FOP - Transfer of Portfolio Single Transfer securities from a QB Client Sponsored Account to Dealer's Omnibus Taxable Client Account	

13.	Trades using Omnibus accounts – Buying for a QB (Post-settlement task)	Execute an FOP - Transfer of Portfolio Single Transfer from Dealer's Omnibus Taxable Client Account to QB Client Sponsored Account	

*Note: Indicate completion status by marking with an 'X' mark

C. Coupon Payment

A coupon payment event will occur on August 2, 2018 for;
- ➢ FXTN 10-56
- ➢ FXTN 20-18

To verify the coupon payment transaction, participants can generate the Payment Information report.

D. Reports

Participants are expected to generate and review all reports available in NRoSS particularly;

#	Report	Description	Done
1.	Account Statement (Settlement>Account>Statement)	Generate the report and review content against transactions.	
2.	Account Activity Report (Reports>View>Account Activity)	Generate the report and review content against transactions.	
3.	Summary of Transactions (Reports>Intraday> Accounting >Summary of Transactions)	Generate the report and review content against transactions.	
4.	Summary of Pledges (Reports>Intraday> Accounting >Summary of Pledges)	Generate the report and review content against transactions.	
5.	Portfolio Statement (Reports>Intraday> Accounting >Portfolio Statement)	Generate the report and review content against transactions.	
6.	Holders Statement (Reports>Intraday> Accounting >Holders Statement)	Generate the report and review content against transactions.	
7.	Payment Information (Reports>Intraday >Interest> Payment Information)	Generate the report and review content against transactions.	

*Note: Indicate completion status by marking with an 'X' mark