



Funding the Republic

REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG INGATANG-YAMAN
(BUREAU OF THE TREASURY)
Intramuros, Manila 1002

MEMORANDUM

**To : DEALER/BROKER NRoSS DIRECT PARTICIPANTS
QUALIFIED INSTITUTIONAL BUYERS**

**Re : SETTLEMENT GUIDELINES FOR SECONDARY MARKET
TRADES OF QUALIFIED INSTITUTIONAL BUYERS (QIBs) IN
PDEX TRADING PLATFORM**

Date : 09 October 2018

Further to the guidelines on settlement under the NRoSS environment issued under Treasury Circular No. 4 series of 2018, the following settlement guidelines shall apply to secondary market government securities trades of Qualified Institutional Buyers (QIBs) executed in the PDEX Trading Platform.

A. QIB as Trading Participant in PDEX

1. A QIB who is a Trading Participant in PDEX shall settle all their trades on a DvP basis using NRoSS-PhilPaSS Facility provided the following qualifications are met:
 - a. QIB is an NRoSS Direct Participant; and
 - b. QIB has (i) a DDA with BSP, (ii) obtained an Auto Debit Authority from its settlement bank or (iii) is sponsored by a Sponsor Trading Participant as defined under in Treasury Circular No. 04-2018.
2. A QIB who is an NRoSS Direct Participant and has a DDA with BSP or an Auto Debit Authority from its settlement bank shall use its **NRoSS Own Account** as the settlement account for its trade transaction in PDEX. It shall input said NRoSS Own Account in the PDEX Trading Platform and authorize the settlement of the securities and cash via the NRoSS Settlement Authorization Module. It shall likewise submit a copy of its Auto Debit Authority to the BTr-SSRD.
3. A QIB who is an NRoSS Direct Participant and sponsored by a Sponsor Trading Participant shall use its **Sponsored Client Account with the Sponsor Trading Participant** as the settlement account for its trade transaction in PDEX. It shall input said Sponsored Client Account in the PDEX Trading Platform and its *Sponsor Trading Participant* shall be the one to authorize the settlement of the securities or cash in the Settlement Authorization Module of NRoSS.

4. The QIB shall abide by the standard settlement account stipulated in Annex A and the pre and post settlement transfer of securities stipulated in Annex D of Treasury Circular No.4 series of 2018.

B. QIB as Non-Trading Participant in PDEX

1. A QIB who is not a Trading Participant in PDEX and is buying or selling government securities through a Dealer/Broker Trading Participant in PDEX shall settle its trades using the Omnibus Client Account Taxable or the Sponsor Client Account of its Dealer/Broker Trading Participant as stipulated in **Annex A** of this Memorandum.
2. The **Dealer/Broker Trading Participant** of the QIB shall perform any of the following to settle the trade of its client QIB on a DvP basis:
 - a. Input its **Omnibus Client Account Taxable** in the PDEX Trading Platform if it has a DDA with BSP or has obtained an Auto Debit Authority from its settlement bank and authorize the settlement of the securities and cash in the Settlement Authorization Module of NRoSS; or
 - b. Input its **Sponsored Client Account with its Sponsor Trading Participant** in the PDEX Trading Platform if it has no DDA or Auto Debit Authority and the **Sponsor Trading Participant** shall authorize the settlement of the securities and cash in the Settlement Authorization Module of NRoSS.
3. The **QIB who is an NRoSS Direct Participant** and the Dealer /Broker Trading Participant shall perform a pre-settlement and post-settlement transfer of securities using the Transfer of Portfolio while the pre and post settlement transfer of securities of a **QIB who is not an NRoSS Direct Participant** shall be performed by the Dealer/Broker Trading Participant using Transfer of Portfolio Single if the SSA is via the Omnibus Client Account Taxable of the Dealer/Broker Trading Participant and Transfer of Portfolio and Transfer of Portfolio Single if the SSA is via the Sponsored Client Account of the Dealer /Broker Trading Participant with the Sponsor Trading Participant as stipulated in Annex B of this Memorandum. .

Capitalized terms used herein shall follow the definitions ascribed to them under Treasury Circular No. 04-2018.

For your guidance.

Thank you.



ROSALIA V. DE LEON
Treasurer of the Philippines

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ANNEX A

STANDARD SETTLEMENT ACCOUNT IN PDE_x TRADING PLATFORM OF QUALIFIED INSTITUTIONAL BUYERS WHO ARE NON-TRADING PARTICIPANTS

TYPE OF QIB	Nature of Transaction Of QIB	Dealer/Broker TP With or without DDA or auto-debit/credit authorization	Standard Settlement Account
NRoSS Direct Participant	Own	Dealer /Broker TP Has DDA or Auto Debit Authority	Omnibus Client Account Taxable of the Dealer/Broker Trading Participant
		Dealer/Broker TP is Sponsored by Sponsor Trading Participant	Sponsored Client Account of Dealer/Broker TP with a Sponsor Trading Participant ¹
Non –NRoSS Direct Participant	Own	Dealer /Broker TP has DDA or Auto Debit Authority	Omnibus Client Account (Taxable)of Dealer /Broker Trading Participant
		Dealer/Broker TP is Sponsored by a Sponsor Trading Participant	Sponsored Client Account of Dealer/Broker Trading Participant with its Sponsor Trading Participant

¹ **Sponsor Trading Participant** – refers to a Government Securities Eligible Dealer (“GSED”) or a Government Securities Broker (“GSB”) which is an NRoSS Direct Participant and has a DDA with the BSP and authorized by its client to (a) open or create and operate the Sponsored Client Account by virtue of an authorization or SPA and (b) facilitate DvP settlement of both cash and securities using the NRoSS-PhilPaSS Facility.

ANNEX B

PRE- AND POST-SETTLEMENT TRANSFERS OF QIB WHO IS NOT A NON-TRADING PARTICIPANT

A. Sell Transaction

Type of QIB	Nature of Transaction	Dealer/Broker TP With or with –out auto-debit/credit authorization	Standard Settlement Account	Pre-settlement Transfer
NRoSS Direct Participant	Own	Dealer/Broker TP Has DDA or Auto Debit Authority	Omnibus Client Account Taxable of Dealer/Broker TP	To be performed by QIB and Dealer/Broker Trading Participant – Transfer of Portfolio from QIB Own Account to the Omnibus Client Account Taxable of the Dealer/Broker Trading Participant
		Dealer /Broker TP is Sponsored by Sponsor Trading Participant	Sponsored Client Account of Dealer/Broker TP with a Sponsor Trading Participant ("Sponsor TP")	To be performed by QIB and Dealer/Broker Trading Participant – Transfer of Portfolio from QIB Own Account to the Omnibus Client Account Taxable of the Dealer/Broker Trading Participant To be performed by Dealer/Broker Trading Participant AND Sponsor Trading Participant of Dealer/Broker Trading Participant- Transfer of Portfolio from Omnibus Client Account Taxable of the Dealer/Broker Trading Participant to its Sponsored Client Account with Sponsor TP.
Non-NRoSS Direct Participant (Sponsored Client of Dealer or Broker Trading Participant)	Own	Dealer/Broker TP Has DDA or Auto Debit Authority	Omnibus Client Account Taxable of Dealer/Broker TP	To be performed by the Dealer/Broker TP Transfer of Portfolio Single from Sponsored Client Account of QIB with Dealer/Broker TP to Omnibus Client Account Taxable of Dealer/Broker TP
		Dealer /Broker TP is Sponsored by Sponsor Trading Participant	Sponsored Client Account of Dealer/Broker TP with a Sponsor Trading Participant ("Sponsor TP")	To be performed by the Dealer/Broker TP Transfer of Portfolio Single from Sponsored Client Account of QIB with Dealer/Broker TP to Omnibus Client Account Taxable of Dealer/Broker TP To be performed by the Dealer/Broker TP and Sponsor TP Transfer of Portfolio from Omnibus Client Account Taxable of Dealer/Broker TP to Sponsored Client Account of Dealer/Broker TP with Sponsor TP

B. Buy Transaction

Type of QIB	Nature of Transaction	Dealer/Broker TP With or without DDA or with auto-debit/credit authorization?	Standard Settlement Account	Post-settlement Transfer
NRoSS Direct Participant	Own	Dealer/Broker TP has DDA or Auto Debit Authority	Omnibus Client Account Taxable of Dealer/Broker TP	To be performed by the Dealer/Broker TP and QIB <i>Transfer of Portfolio from Omnibus Client Account of Dealer/Broker TP to Own Account of the QIB</i>
		Dealer/Broker TP Sponsored by a Sponsor Trading Participant	Sponsored Client Account of Dealer/Broker TP with a Sponsor TP	To be performed by Dealer-TP and its Sponsor TP 1. Transfer of Portfolio from the Sponsored Client Account of the Dealer /Broker TP with the Sponsor TP to the Omnibus Client Account Taxable of the Dealer/Broker TP To be performed by the Dealer TP and QIB 2. Transfer of Portfolio from the Omnibus Client Account Taxable of the Dealer/Broker TP to the Own Account of QIB.
Non-NRoSS Direct Participant (Sponsored Client of Dealer or Broker Trading Participant)	Own	Dealer/Broker TP has DDA or Auto Debit Authority	Omnibus Client Account Taxable of Dealer/Broker TP	To be performed by the Dealer/Broker TP- <i>Transfer of Portfolio Single from Omnibus Client Account Taxable of Dealer/Broker TP to Sponsored Client Account of QB with Dealer/Broker TP</i>
		Dealer/Broker TP is sponsored by sponsor TP	Sponsored Client Account of Dealer/Broker TP with a Sponsor TP	To be performed by the Dealer/Broker TP and Sponsor TP Transfer of Portfolio from the Sponsored Client Account of the Dealer/Broker TP with Sponsor TP to the Omnibus Client Account Taxable of the Dealer/Broker TP To be performed by Dealer-/Broker TP: Transfer of Portfolio Single from Omnibus Client Account of Dealer/Broker TP to Sponsored Client Account of QIB with Dealer/Broker TP