

**PROPOSED AMENDMENTS TO THE PDEX RULES
FOR THE FIXED INCOME SECURITIES MARKET, AS AMENDED:
PENALTIES FOR VIOLATIONS OF ISSUERS' DISCLOSURE OBLIGATIONS**

PROPOSED AMENDMENTS TO : Rules 7.9, 7.18, 7. 20 and 18.6 (Consolidated Fines and Penalties) of PDEX Rules: Penalty Regime for Violations of Disclosure Obligations under Rule 7.18.2 (Additional Continuing Obligation of Listed Issuers) and Rule 7.20 (Additional Continuing Obligations of Issuers of Enrolled Securities) of PDEX Rules

REFERENCE NO. : Proposal No. 002-2025

RATIONALE : To strengthen Issuer accountability and promote investor protection and market confidence.

RULE NUMBER	CURRENT RULE	PROPOSED AMENDMENT
<p>Rule 7.18</p> <p>Additional Continuing Obligations of Listed Issuers</p>	<p>“xxx</p> <p>2. The Listed Issuer shall comply with all applicable disclosure requirements for Listed Issuers as set forth by Securities Laws and these Rules.</p> <p>xxx”</p>	<p style="text-align: center;">xxx</p> <p>2. The Listed Issuer shall comply with all applicable disclosure requirements for Listed Issuers as set forth by Securities Laws and these Rules.</p> <p>Failure to comply with this provision will be considered a violation of the Listed Issuer’s disclosure obligations, subject to the penalties under Rule 18.6 (Consolidated Fines and Penalties), provided that the Market Compliance and Enforcement Committee, during its evaluation, shall consider any disclosure that is substantially covered by previous disclosures and/or reports. (Approved by MGB on 11 February 2025)</p> <p style="text-align: center;">xxx”</p>

<p>Rule 7.20</p> <p>Additional Continuing Obligations of Issuers of Enrolled Securities</p>	<p style="text-align: center;">“xxx</p> <p>2. The Issuer shall further submit the following periodic reports in such number as PDEX will prescribe as soon as these are available, in accordance with the disclosure procedure of PDEX:</p> <p>a. Audited Financial Statements; b. Annual Report, if any; and Interim Quarterly Financial Statements, if any.</p> <p style="text-align: center;">xxx”</p>	<p style="text-align: center;">“xxx</p> <p>2. The Issuer must submit the following periodic reports on or before the specified due dates as indicated in the SRC IRR or PDEX Rules:</p> <p>a. Audited Financial Statements or Annual Report, if any; and b. Interim Quarterly Financial Statements, if any.</p> <p>Failure to comply with this provision will be considered a violation of the Issuers’ disclosure obligations, subject to the Table of Penalties under Rule 18.6.1 (Consolidated Fines and Penalties). (Approved by MGB on 11 February 2025)</p> <p style="text-align: center;">xxx”</p>
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Rule 18.6

Rule 18.6. Penalties Associated with Violations of Issuers’ Disclosure Obligations.

Any violation of the Issuer’s Disclosure Obligation under the Rules shall be subject to penalties under 18.6.1 and 18.6.2, as appropriate. **(Approved by MGB on 11 February 2025)**

Rule 18.6.1

Any late filing or non-filing of disclosure obligations under Rule 7.20, committed within the calendar year, shall be subject to the following Table of Penalties:

<u>Total Outstanding Securities (in PHP)*</u>	<u>Frequency</u>	<u>Basic Fine (Non-Filing)</u>	<u>Basic Fine (Late-Filing)</u>	<u>Per Day Penalty</u>	<u>Maximum Penalty Per Violation/Per Year</u>
<500M	1st violation	10,000.00	5,000.00	400.00	PhP1,000,000.00
	2nd & subsequent violations	20,000.00	10,000.00		
500M - <1 Billion	1st violation	20,000.00	10,000.00	800.00	
	2nd & subsequent violations	40,000.00	20,000.00		
1 Billion - <10 Billion	1st violation	40,000.00	20,000.00	1,200.00	

	2nd & subsequent violations	80,000.00	40,000.00		
10 Billion - <50 Billion	1st violation	80,000.00	40,000.00	1,600.00	
	2nd & subsequent violations	160,000.00	80,000.00		
> 50 Billion	1st violation	160,000.00	80,000.00	2,000.00	
	2nd & subsequent violations	320,000.00	160,000.00		

Total Outstanding Securities shall mean latest total outstanding fixed income securities whether listed or enrolled in PDEX as defined under the Rules. (Approved by MGB on 16 June 2026)

Non-filing refers to:

1. Failure to submit the required reportorial documents within the prescribed period; or
2. Submission made more than one (1) year after the prescribed deadline.

Such non-filing shall be subject to the applicable penalties under the Table of Penalties provided above." (Approved by MGB on 11 February 2025)