



MEMORANDUM – 2021-005

TO : THE TRADING PARTICIPANTS

SUBJECT : SUBMISSION OF MONTHLY SWORN STATEMENTS ON PSE SHARES AND COMPLIANCE WITH THE RULE ON INDEPENDENT DIRECTORS

DATE : 10 FEBRUARY 2021

I. Monthly Sworn Statements on PSE Shares

In relation to the *Capital Markets Integrity Corporation ("CMIC") Memorandum 2019-011*, please be reminded anew that trading participants ("TPs") are required to submit not later than 12:00 noon of the 15th day of the following month a sworn statement relevant to Philippine Stock Exchange ("PSE") shares undertaken as of the end of every month. The monthly sworn statement shall attest to the following: (a) that the PSE shares held by TP under its client account/s lodged with the Philippine Depository and Trust Corporation ("PDTC") are all owned by its clients as of end of particular month; and (b) that the PSE shares held by TP under its client account/s lodged with PDTC are not owned by another broker and not for the account of related persons of a broker, dealer, including its subsidiaries and affiliates, and its directors, officers, principal stockholders, and nominees to the PSE, and the spouses and relatives up to the 4th civil degree by affinity or consanguinity thereof as of end of that particular month.

The TP shall disclose in the same sworn statement if there are PSE shares under its client accounts lodged with PDTC which are owned by another broker and/or for the account of related persons of a broker, dealer, including its subsidiaries and affiliates and its directors, officers, principal stockholders and nominees to the PSE and the spouses and relatives up to the 4th civil degree by affinity or consanguinity thereof. The names of the owners and the number of PSE shares shall also be disclosed.

Hard copies of the monthly sworn statements shall be submitted within the prescribed period to CMIC. It bears emphasis that these hard copies are transmitted by CMIC to the Securities and Exchange Commission.

II. Rule on Independent Directors




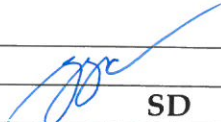
Please be further reminded that Section 22 of the Revised Corporation Code expressly states the following: "The board of the following corporations vested with public interest shall have independent directors constituting at least twenty percent (20%) of such board: a) Corporations covered by Section 17.2 of Republic Act No. 8799, otherwise known as 'The Securities Regulation Code', namely those whose securities are registered with the Commission, corporations listed with an exchange or with assets of at least Fifty million pesos (P50,000,000.00) and having two hundred (200) or more holders of shares, each holding at least one hundred (100) shares of a class of its equity shares; xxx c) Other corporations engaged in business vested with public interest similar to the above, as may be determined by the [Securities and Exchange Commission], after taking into account relevant factors which are germane to the objective and purpose of requiring the election of an independent director xxx" (underscoring supplied)

Violations of any of the abovementioned requirements may warrant the imposition by CMIC of the appropriate disciplinary actions on the concerned trading participant.



DAISY P. ARCE

President

			
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