MEMORANDUM – 2023-020

TO	**:**	**THE TRADING PARTICIPANTS, OTHER MARKET PARTICIPANTS, AND THE INVESTING PUBLIC**
SUBJECT	**:**	**PROPOSED AMENDMENTS TO ARTICLE XII OF THE CMIC RULES**
DATE	**:**	**18 SEPTEMBER 2023**

In accordance with Rules 39.1.1.3.1. and 40.3. of the 2015 Implementing Rules and Regulations of the Securities Regulation Code ("2015 SRC Rules"), the Capital Markets Integrity Corporation ("CMIC") has submitted to the Securities and Exchange Commission ("SEC"), for its approval, proposed amendments to select provisions of Article XII of the CMIC Rules (*Disciplinary Guidelines and Sanctions*).

Pursuant to Rule 40.3.1 of the 2015 SRC Rules, the SEC has directed CMIC to publish the text of the proposal and the statement of its reasons and effects in order to afford interested persons an opportunity to submit written data, views, and arguments.

Accordingly, attached is the proposal, together with the statement of the reasons and effects thereof. All interested parties may submit **not later than 6 October 2023** their comments through any of the following means:

- Electronic mail: info@cmic.com.ph;
  ied@cmic.com.ph
- Personal delivery: 10F, PSE Tower, 5th Avenue corner 28th Street,
  Bonifacio Global City, Taguig City

Thank you.

(original signed)
GERARD B. SANVICTORES
President

ACD	**FHRAD**	**IED**	**SD**

ARTICLE XII. DISCIPLINARY GUIDELINES AND SANCTIONS		
ORIGINAL PROVISIONS	TEXT OF THE PROPOSAL / PROPOSED AMENDMENTS	REASONS AND EFFECTS OF THE PROPOSAL
Section 1. Disciplinary Powers of CMIC. CMIC shall have authority to discipline a Trading Participant for violations of the Securities Laws or for acts or omissions inconsistent with just and equitable principles of fair trade, in accordance with these rules. To avoid any ambiguity on the application of this Article XII and unless the context requires otherwise, the term "Trading Participant" under this Article XII shall include directors, officers, Associated Person, Salesmen and other agents of a Trading Participant.	N/A	N/A
Section 2. Purposes of Disciplinary Sanctions. Disciplinary sanctions are remedial in nature and are designed to: (a) Ensure compliance by Trading Participants with applicable provisions of the Securities Laws; (b) Prevent fraudulent and manipulative acts and practices and deter misconduct of Trading Participants and in the proper case, Issuers; (c) Promote just and equitable principles of trade among market participants in general, and open and fair business practices among Trading Participants in particular; and	N/A	N/A

(d) Improve overall business standards in the securities market.		
Section 3. Classification of Violations. Violations of these rules and Securities Laws may be grave, major or minor. (a) The following are considered grave violations: (i) Simulation or improper use of Subordination Agreement; (ii) Unauthorized use or disposition of funds or securities entrusted by a client to a Trading Participant in the course of its trading business including violation of securities borrowing and lending rules; (iii) Trading-related Irregularities; (iv) Failure to comply with a final and executory decision or order of CMIC, the CMIC Board or the Commission, in cases considered as grave or major violation; and (v) Such other violations similar to the foregoing. (b) The following are considered major violations: (i) Violation of capitalization requirements of a Trading Participant, subject to SEC Memorandum Circular No. 16 Series 2004 and the provision of Article VIII of this rules; (ii) Violation of the Ethical Standards Rule; (iii) Violation of the Code of Conduct and Professional Ethics for Traders and Salesmen;	**Section 3. Classification of Violations.** Violations of these rules and Securities Laws may be grave, major or minor. (a) The following are considered grave violations: (i) Simulation or improper use of Subordination Agreement; (ii) Unauthorized <u>and detrimental</u> use or disposition of funds or securities entrusted by a client to a Trading Participant in the course of its trading business including violation of securities borrowing and lending rules; (iii) Trading-related Irregularities; (iv) Failure to comply with a final and executory decision or order of CMIC, the CMIC Board or the Commission, in cases considered as grave or major violation; and (v) Such other violations similar to the foregoing. (b) The following are considered major violations: (i) Violation of capitalization requirements of a Trading Participant, subject to SEC Memorandum Circular No. 16 Series 2004 and the provision of Article VIII of ~~this rules~~ <u>these Rules</u>; (ii) Violation of the Ethical Standards Rule;	The addition of the phrase "and detrimental" is proposed to address cases wherein the trading participants use or dispose of the funds or securities of the clients without first obtaining their authority (or if authority is acquired, it is given after the trading participants' use or the disposition of the property), but without causing any injury to the customers. This may be extant in several cases, including those where the trading participants avail of stock rights offering, but the client cannot be readily contacted prior to availing thereof, and such benefits, rather than causes injury to, the customers. This revision is proposed to rectify the typographical error.

(iv) Violation of SRC Rule 49.2 on Customer Protection Reserves and Custody of Securities other than the violation set out in subparagraph (ii) of Section (3) (a) of this Article XII; (v) Making untrue statements or the omission of any material fact required or necessary to be stated in CAIF, reports, records, books and documents submitted to CMIC for such not to be misleading; and (vi) Such other violations similar to the foregoing. (c) All violations other than those mentioned in paragraphs (a) and (b) shall be considered minor violations of the Securities Laws.	(iii) Violation of the Code of Conduct and Professional Ethics for Traders and Salesmen; (iv) Violation of SRC Rule 49.2 on Customer Protection Reserves and Custody of Securities other than the violation set out in subparagraph (ii) of Section (3) (a) of this Article XII; (v) Making untrue statements or the omission of any material fact required or necessary to be stated in CAIF, reports, records, books and documents submitted to CMIC for such not to be misleading; and (vi) Such other violations similar to the foregoing. (c) All violations other than those mentioned in paragraphs (a) and (b) shall be considered minor violations of the Securities Laws.	
Section 4. Types of Sanctions. CMIC or the CMIC Board may impose the following disciplinary sanctions for violations of the Securities Laws by a Trading Participant in accordance with the following: (a) Grave Violations (i) First violation - Written reprimand and fine in the amount of at least Php25,000.00 but not exceeding Php200,000.00; (ii) Second violation - Denial of (1) the exercise of the Trading Right and (2) access to the facilities and systems of the Exchange;	**Section 4. Types of Sanctions.** CMIC or the CMIC Board may impose the following disciplinary sanctions for violations of the Securities Laws by a Trading Participant in accordance with the following: (a) Grave Violations (i) First violation - Written reprimand and fine in the amount of at least Php25,000.00 but not exceeding Php200,000.00; <u>**(ii) Second violation - Fine of at least Php200,000.00 but not more than Php1,000,000.00 and/or denial of (1) the exercise of the Trading Right and (2) access**</u>	The revisions are proposed to give CMIC latitude in imposing disciplinary sanctions on the trading participant, especially in cases involving grave violations. The present rules only provide for the denial of the exercise of the trading right and access to the facilities and systems of the Exchange as penalties for a *second* grave violation. The denial, in essence, entails suspension of trading operations of the trading participant. It cannot be underscored that the investors, specifically, the

(iii) Third and subsequent violations - Bar the erring Trading Participant from entry to or employment in or any kind of commercial association with the Exchange or other Trading Participant. (b) Major Violations (i) First violation - Fine of at least Php10,000.00 but not more than Php30,000.00; (ii) Second violation - Fine of at least Php30,000.00 but not more than Php50,000.00; (iii) Third violation - Fine of at least Php50,000.00 but not more than Php75,000.00; (iv) Fourth and subsequent violations - Fine of at least Php75,000.00. (c) Minor Violations (i) First violation - Written reprimand; (ii) Second and subsequent violations - A fine of at least Php10,000.00 but not more than Php50,000.00.	to the facilities and systems of the Exchange for a period not exceeding fifteen (15) trading days; (~~ii~~ iii) ~~Second~~ Third violation - Fine of at least Php1,000,000.00 but not more than Php5,000,000.00 and/or denial ~~Denial~~ of (1) the exercise of the Trading Right and (2) access to the facilities and systems of the Exchange for a period not exceeding thirty (30) trading days; (~~iii~~ iv) ~~Third~~ Fourth and subsequent violations - Bar the erring Trading Participant from entry to or employment in or any kind of commercial association with the Exchange or other Trading Participant. (b) Major Violations (i) First violation - Fine of at least Php10,000.00 but not more than Php30,000.00; (ii) Second violation - Fine of at least Php30,000.00 but not more than Php50,000.00; (iii) Third violation - Fine of at least Php50,000.00 but not more than ~~Php75,000.00~~ Php100,000.00; (iv) Fourth and subsequent violations - Fine of at least ~~Php75,000.00~~ Php100,000.00. (c) Minor Violations (i) First violation - Written reprimand; (ii) Second and subsequent violations - A fine of at least Php10,000.00 but not more than Php50,000.00.	customers of the trading participant, are the ones that are directly prejudiced by the suspension. In such an event, the customers cannot readily trade. Alternatively, they may open an account with—or request the transfer of their shares, through an EQ trade, to—an active trading participant. These are manifestly burdensome, if not detrimental, to the investors. The rules expressly provide that the interests of the investing public are paramount and should be duly safeguarded. Thus, CMIC shall be given a leeway in deciding what disciplinary sanctions shall be meted out in cases involving second and succeeding grave violations. The fine for the fourth and subsequent major violations is likewise suggested to be revised in order for its range to be clearly defined. Finally, additional revisions are also proposed to enable CMIC to order the disgorgement of the financial gains unlawfully acquired by the trading participant as a form of reparation for the injuries suffered by the customers and/or other market participants.

	Further, CMIC, regardless of the classification of the violations, may require the disgorgement of any gains unlawfully obtained by the Trading Participant. Pursuant to the state policy of minimizing, if not totally eliminating insider trading and fraudulent or manipulative devices and practices which create distortions in the free market, an amount twice the amount of the financial benefits derived, directly or indirectly, by the Trading Participant may be subject of the disgorgement. Disgorgement is distinct from the fines or any similar disciplinary sanctions provided in these Rules and shall be ordered in addition thereto, if the circumstances of the investigation or examination warrant the application thereof. CMIC may order that the illicit gains be disgorged and that the financial benefits directly or indirectly derived by the Trading Participant be used to redress the injuries suffered by the customers and/or other market participants.	
	Section 5. *Aggravating and Mitigating Circumstances.* In imposing disciplinary sanctions for violations of the Securities Laws by a Trading Participant, CMIC shall determine the presence of the following aggravating circumstances: a) a previous violation or recurring breaches by the Trading Participant of	These revisions, *i.e.*, Sections 5 and 6 of Article XII of the CMIC Rules, are proposed to similarly accord CMIC further liberty, if not a more categorical guidance, in imposing penalties on the trading participants.

	the rules subject of the investigation or examination within a period of six (6) years from the issuance of the relevant decision by CMIC, as proven by prior resolutions issued thereby; b) at least three (3) infringements of securities laws not subject of the investigation or examination within a period of six (6) years from the issuance of the relevant decision by CMIC, as proven by prior resolutions issued thereby; c) attempt by the Trading Participant to conceal its wrongful conduct or securities laws violation from the customers, CMIC, other regulatory authorities, and/or other market participants; d) detriment, whether direct or indirect, caused to the customers, CMIC, other regulatory authorities, and/or other market participants; e) gross recklessness or negligence on the part of the Trading Participant; f) utter disregard of the customers' financial situation, investment experience, and investment objectives; and g) other circumstances similar to the foregoing. Further, CMIC, in imposing disciplinary sanctions on a Trading Participant for breaches of the Securities Laws, shall ascertain	These proposed revisions may be crucial in cases involving the attendance of circumstances that either exacerbate or alleviate the matters in dispute. These changes may also address the issues presented in previous cases where the trading participants prayed for a reduction in the amount of the fines, or a waiver of the payment thereof.

	<u>the existence of the following mitigating circumstances:</u> a) <u>absence of any disciplinary sanctions imposed by CMIC on the Trading Participant within a period of six (6) years from the issuance of the relevant decision by CMIC;</u> b) <u>conditions that, without the fault of the Trading Participant, have made difficult or rendered practically impossible the complete fulfillment of the material obligations or the full compliance with the relevant requirements by the Trading Participant;</u> c) <u>voluntary employment of corrective measures by the Trading Participant, prior to the investigation or examination by CMIC to address the issues to avoid recurrence thereof;</u> d) <u>establishment and proper implementation by the Trading Participant of reasonable supervisory procedures or controls prior to or immediately after CMIC's initiation of its investigation or examination;</u> e) <u>development of adequate training and educational initiatives by the Trading Participant; and</u> f) <u>other circumstances similar to the foregoing.</u>	
	<u>Section 6. *Effects of Attendance of Aggravating and Mitigating Circumstances*. The following</u>	

shall be the effects of aggravating circumstances in the imposition of disciplinary sanctions:

a) if there is at least one (1) aggravating circumstance and the imposable penalty is a fine, the maximum amount within the range provided by the Rules shall be applied;
b) if there are not more than three (3) aggravating circumstances and the imposable penalty involves the denial of the exercise of Trading Right and access to the Exchange's facilities and systems, the period thereof may not be less than seven (7) trading days for the second violation or fifteen (15) trading days for the third violation;
c) if there are at least four (4) aggravating circumstances and the imposable penalty involves the denial of the exercise of Trading Right and access to the Exchange's facilities and systems, the period thereof shall be the maximum period provided by the Rules; and
d) if the penalties involve a written reprimand and/or disbarment, they shall be meted out regardless of the number of aggravating circumstances.

Meanwhile, the following shall be the effects of mitigating circumstances in the imposition of disciplinary sanctions:

	a) if there are at least two (2) mitigating circumstances and the imposable penalty is a fine, the minimum amount within the range provided by the Rules shall be applied; b) if there are not more than three (3) mitigating circumstances and the imposable penalty involves the denial of the exercise of Trading Right and access to the Exchange's facilities and systems, the period thereof may be less than seven (7) trading days for the second violation or less than fifteen (15) trading days for the third violation; c) if there are at least four (4) mitigating circumstances and the imposable penalty involves the denial of the exercise of Trading Right and access to the Exchange's facilities and systems, the period thereof shall be at least one (1) trading day; and d) if the penalties involve a written reprimand and/or disbarment, they shall be meted out regardless of the number of mitigating circumstances. When both aggravating and mitigating circumstances are present, CMIC shall reasonably offset those of one class against the other. When no aggravating and mitigating circumstances are present, or there is only one (1) mitigating circumstance and no	

	aggravating circumstance, CMIC may apply the median amount within the range, if the penalty involves a fine, and any reasonable period, if the imposable penalty involves the denial of the exercise of Trading Right and access to the Exchange's facilities and systems.	
	Section 7. *Exempting Circumstances.* In deciding that no disciplinary sanctions shall be imposed on the Trading Participant, CMIC may consider the existence of conditions that, without any fault on the part of the Trading Participant, have made absolutely impossible the complete fulfillment of the material obligations or the full compliance with the relevant requirements thereby.	Similar to the foregoing suggested changes, this revision is intended to grant CMIC a freer hand in exempting trading participants from the imposition of disciplinary sanctions, if the mentioned conditions are extant. This revision has been made imperative by several exigencies, including, but not limited to, the pandemic, that have had significant effects on the operations of the trading participants.
Section 5. ***Aggregation or "Batching" of Violations.*** In imposing disciplinary sanctions, CMIC or the CMIC Board shall treat each count of violation as one and separate violation and shall not treat several counts of violations arising from the same set of facts as a single violation. All previous violations within a six (6)-year period shall be taken into account in imposing sanctions for violations of similar nature.	**Section ~~5~~ 8.** ***Aggregation or "Batching" of Violations.*** In imposing disciplinary sanctions, CMIC or the CMIC Board ~~shall~~ may treat each count of violation as one and separate violation and ~~shall~~ may not treat several counts of violations arising from the same set of facts as a single violation~~.~~ if any of the following elements are present: (a) the conduct in question is neither intentional nor fraudulent; (b) the assailed act has not resulted in any detriment to the investing public; and/or (c) the subject violations have resulted from a single systematic cause or issue that has been duly addressed by the Trading Participant.	This revision is proposed in order for CMIC to be given the flexibility to aggregate violations or otherwise. This is especially necessary in matters where aggregation is the most suitable course of action that may be taken by CMIC, and most congruous with the cases' facts. Parenthetically, the Financial Industry Regulatory Authority ("FINRA") recognizes that "it may be more appropriate to aggregate similar violations if (a) the violative conduct

	All previous violations within a six (6)-year period shall be taken into account in imposing sanctions for violations of similar nature, except in mergers or consolidations where the violations of the absorbed corporations shall be excluded in determining the appropriate sanctions to be imposed on the surviving corporations for violations committed after the said mergers or consolidations.	was unintentional or negligent (*i.e.*, did not involve manipulative, fraudulent or deceptive intent); (b) the conduct did not result in injury to public investors or in cases involving injury to the public, if restitution was made; or (c) the violations resulted from a single systematic cause or problem that has already been corrected." (***FINRA, Sanction Guidelines, September 2022***) Based on precedent cases, particularly, the ones involving minor violations that were neither willful nor injurious nor comprehensive in scope, aggregation or batching of violations should have been resorted to by CMIC; however, it could not do so as the word "shall" underscores the cited rule's mandatory character. As stated by Section 2, Article XII of the CMIC Rules, the disciplinary sanctions are *remedial* in nature. Hence, the purpose thereof is to ensure compliance by the trading participants with the securities laws. The sanctions' nature is not *punitive*, which purposely penalizes the trading participants for their failure to comply with the rules. Finally, a qualification is proposed to be added to the last paragraph of this

		section in order to make certain, in cases of mergers and consolidations, the exclusion of the absorbed corporations' violations in determining the appropriate sanctions to be imposed on the surviving corporations for violations the latter may commit after the said mergers and consolidations.
Section 6. ***Publication of Disciplinary Action.*** The CMIC shall inform the public of violations of these Rules or securities laws committed by and sanctions imposed, on Issuers and Trading Participants.	**Section ~~6~~ 9.** ***Publication of Disciplinary Action.*** The CMIC shall inform the public of violations of these Rules or securities laws committed by and sanctions imposed, on Issuers and Trading Participants.	
Section 7. ***Posting of Absence of Examination Findings.*** CMIC shall post on the Exchange or CMIC website the list of Trading Participants whose regular and periodic audits by CMIC did not result in any Examination Findings.	**Section ~~7~~ 10.** ***Posting of Absence of Examination Findings.*** CMIC shall post on the Exchange or CMIC website the list of Trading Participants whose regular and periodic audits by CMIC did not result in any Examination Findings.	
Section 8. ***Payment of Fines.*** An erring Trading Participant shall pay the penalty imposed by CMIC or the CMIC Board pursuant to an executory order or decision, within fifteen (15) calendar days from receipt of notice of the executory order or decision. If the erring Trading Participant fails to pay the penalty within the prescribed period and without need of any demand or order from CMIC or the CMIC Board, the erring Trading	**Section ~~8~~ 11.** ***Payment of Fines.*** An erring Trading Participant shall pay the penalty imposed by CMIC or the CMIC Board pursuant to an executory order or decision, within fifteen (15) calendar days from receipt of notice of the executory order or decision. If the erring Trading Participant fails to pay the penalty within the prescribed period and without need of any demand or order from CMIC or the CMIC Board, the erring Trading	

Participant shall additionally pay (a) a surcharge equal to twenty-five percent (25%) of the imposed fine plus (b) interest of one percent (1%) for every day of delay based on the sum of the imposed fine and the surcharge. If the erring Trading Participant fails to pay the fine and the surcharge and interests thereon within fifteen (15) calendar days from the lapse of the original fifteen-day period for the payment of the penalty, CMIC or the CMIC Board may suspend the erring Trading Participant.	Participant shall additionally pay (a) a surcharge equal to twenty-five percent (25%) of the imposed fine plus (b) interest of one percent (1%) for every month of delay based on the sum of the imposed fine and the surcharge. A fraction of a month shall be computed on a pro-rata basis. If the erring Trading Participant fails to pay the fine and the surcharge and interests thereon within fifteen (15) calendar days from the lapse of the original fifteen-day period for the payment of the penalty, CMIC or the CMIC Board may suspend the erring Trading Participant.	
Section 9. ***Oversight Authority of the Commission.*** The Commission shall have the authority to review the findings of the CMIC, re-classify the violations and impose the appropriate sanctions based on these rules and the applicable securities laws and regulations.	**Section ~~9~~ 12.** ***Oversight Authority of the Commission.*** The Commission shall have the authority to review the findings of the CMIC, re-classify the violations and impose the appropriate sanctions based on these rules and the applicable securities laws and regulations.	

Sanction Guidelines Table (*Current*)

Grave Violations

(i) Simulation or improper use of Subordination Agreement;

(ii) Unauthorized use or disposition of funds or securities entrusted by a client to a Trading Participant in the course of its trading business including violation of securities borrowing and lending rules;

(iii) Trading-related Irregularities;

(iv) Failure to comply with a final and executory decision or order of CMIC, the MIB or the Commission, in cases considered as grave or major violation; and

(v) Such other violations similar to the foregoing.

Sanctions for Grave Violations

(i) First violation - Written reprimand and fine in the amount of at least Php25,000.00 but not exceeding Php200,000.00;

(ii) Second violation - Denial of (1) the exercise of the Trading Right and (2) access to the facilities and systems of the Exchange;

(iii) Third and subsequent violations - Bar the erring Trading Participant from entry to or employment in or any kind of commercial association with the Exchange or other Trading Participant.

Major Violations

(i) Violation of capitalization requirements of a Trading Participant;

(ii) Violation of the Ethical Standards Rule;

(iii) Violation of the Code of Conduct and Professional Ethics for Traders and Salesmen;

(iv) Violation of SRC Rule 49.2 on Customer Protection Reserves and Custody of Securities other than the violation set out in subparagraph (ii) of Section (3)(a) of Article XII;

Sanctions for Major Violations

(i) First violation - Fine of at least Php10,000.00 but not more than Php30,000.00;

(ii) Second violation - Fine of at least Php30,000.00 but not more than Php50,000.00;

(iii) Third violation - Fine of at least Php50,000.00 but not more than Php75,000.00;

(iv) Fourth and subsequent violations - Fine of at least Php75,000.00.

(v) Making untrue statements or the omission of any material fact required or necessary to be stated in CAIF, reports, records, books and documents submitted to CMIC for such not to be misleading; and

(vi) Such other violations similar to the foregoing.

Minor Violations

All violations other than those mentioned in paragraphs (a) and (b) Section 3 of Article XII shall be considered minor violations of the Securities Laws.

Sanctions for Minor Violations

(i) First violation - Written reprimand;

(ii) Second and subsequent violations - A fine of at least Php10,000.00 but not more than Php50,000.00;

Sanction Guidelines Table (*with Proposed Revisions*)

Grave Violations

(i) Simulation or improper use of Subordination Agreement;

(ii) Unauthorized use or disposition of funds or securities entrusted by a client to a Trading Participant in the course of its trading business including violation of securities borrowing and lending rules;

(iii) Trading-related Irregularities;

(iv) Failure to comply with a final and executory decision or order of CMIC, the ~~MIB~~ CMIC Board or the Commission, in cases considered as grave or major violation; and

(v) Such other violations similar to the foregoing.

Sanctions for Grave Violations

(i) First violation - Written reprimand and fine in the amount of at least Php25,000.00 but not exceeding Php200,000.00;

(ii) Second violation - Fine of at least Php200,000.00 but not more than Php1,000,000.00 and/or denial of (1) the exercise of the Trading Right and (2) access to the facilities and systems of the Exchange for a period not exceeding fifteen (15) trading days;

(~~ii~~ iii) ~~Second~~ Third violation - **Fine of at least Php1,000,000.00 but not more than Php5,000,000.00 and/or denial** ~~Denial~~ of (1) the exercise of the Trading Right and (2) access to the facilities and systems of the Exchange **for a period not exceeding thirty (30) trading days**;

(~~iii~~ iv) ~~Third~~ Fourth and subsequent violations - Bar the erring Trading Participant from entry to or employment in or any kind of commercial association with the Exchange or other Trading Participant.

Major Violations

(i) Violation of capitalization requirements of a Trading Participant;

(ii) Violation of the Ethical Standards Rule;

(iii) Violation of the Code of Conduct and Professional Ethics for Traders and Salesmen;

(iv) Violation of SRC Rule 49.2 on Customer Protection Reserves and Custody of Securities other than the violation set out in subparagraph (ii) of Section (3)(a) of Article XII;

(v) Making untrue statements or the omission of any material fact required or necessary to be stated in CAIF, reports, records, books and documents submitted to CMIC for such not to be misleading; and

(vi) Such other violations similar to the foregoing.

Sanctions for Major Violations

(i) First violation - Fine of at least Php10,000.00 but not more than Php30,000.00;

(ii) Second violation - Fine of at least Php30,000.00 but not more than Php50,000.00;

(iii) Third violation - Fine of at least Php50,000.00 but not more than ~~Php75,000.00~~ Php100,000.00;
(iv) Fourth and subsequent violations - Fine of at least ~~Php75,000.00~~ Php100,000.00.

Minor Violations

All violations other than those mentioned in paragraphs (a) and (b) Section 3 of Article XII shall be considered minor violations of the Securities Laws.

Sanctions for Minor Violations

(i) First violation - Written reprimand;

(ii) Second and subsequent violations - A fine of at least Php10,000.00 but not more than Php50,000.00~~;~~.