



For: All Clearing Members, Settlement Banks and the Investing Public

Date: March 5, 2024

Subject: Effectivity of the Amendment to the SCCP Operating Procedures on Early Commencement of Batch Run

Please be informed that the Securities and Exchange Commission (“SEC”) approved an amendment to the Revised Clearinghouse Operating Procedures (“SCCP Operating Procedures”) of the Securities Clearing Corporation of the Philippines (“SCCP”) on the Early Commencement of the Batch Run during its meeting held on January 9, 2024.

A comparison of the old operating procedure and the newly approved operating procedure relating to the commencement of the Batch Run is as follows:

OLD OPERATING PROCEDURE	NEWLY APPROVED OPERATING PROCEDURE
<p>2.5.4.2 Settlement Processing (12:00 NN – 5:00 PM):</p> <p>(1) All Cash and Securities delivery instructions shall be settled first before the receiving instructions.</p> <p>....</p>	<p>2.5.3.2 Settlement Processing (12:00 NN – 5:00 PM):</p> <p>(1) <u>Batch Run commences at 12:00NN wherein settlement instructions are processed in accordance with Delivery versus Payment mode of settlement, except in cases where there is multiple settlement of trade dates in one day, where the Batch Runs shall follow the applicable settlement deadlines under Operating Procedure 2.10. Provided, that Batch Run shall commence earlier if all the cash and securities obligations of Clearing Members are delivered to SCCP before the applicable settlement deadline/s.</u></p> <p>....</p>

In giving its approval, the SEC stated that “it is with the condition that whenever the Batch Run will commence earlier than 12:00 NN due to the availability of all cash and securities obligations of Clearing Members, an announcement or notification should be made in a manner that would reach all the Clearing Members and Settlement Banks, 10 minutes prior to the actual Batch Run.”

Thus, whenever there is early commencement of the Batch Run, SCCP shall notify through electronic means - normally through email - all concerned Clearing Members and Settlement Banks, 10 minutes prior to the actual Batch Run, in line with the condition set by the SEC to provide such notice.

The reason for this notification 10 minutes prior to the early Batch Run is to make the Clearing Members aware that they will receive the cash and securities entitlements earlier than usual, so that the Clearing Members can, in turn, deliver the entitlements to their counterparties/investors earlier. On the other hand, this 10-minute prior notice to the Settlement Banks will enable such banks to anticipate an earlier start of the rebalancing process that takes place among them.

Overall, the above proposed amendment to the SCCP Operating Procedures will be beneficial to market participants as this will allow earlier settlement of trades and, consequently, earlier delivery of the respective entitlements of the end clients or investors.

The foregoing amendment to the SCCP Operating Procedures shall be effective immediately.

Please be guided accordingly.

Thank you.

(ORIGINAL SIGNED)

RENÉE D. RUBIO

Chief Operating Officer