

**[SEC-BED MEMORANDUM CIRCULAR NO. 05,
September 27, 1997]**

AMENDMENTS TO: (1) AMENDED RULES GOVERNING PRE-EMPTIVE AND OTHER SUBSCRIPTION RIGHTS AND DECLARATION OF STOCK AND CASH DIVIDENDS (2) RSA RULE 37 (A) - 8 ORDER TICKET RULE (3) RSA RULE 24 (A) - 1 NET CAPITAL RULE

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Finding merit on the recommendations of all concerned after having gone through the process of consultation, the Commission En Banc at its Executive Session held on November 18, 1997, approved the amendments to the following Rules of the Commission:

(1) Amended Rules Governing Pre-emptive and other Subscription Right and Declaration of Stock or Cash Dividends:

Section 6 of the Amended Rules Governing Pre-emptive and other Subscription Rights is amended to read as follows:

For the corporations the shares of which have been lodged with the Philippine Central Depository (PCD), all stock dividends and all cash dividends shall be remitted to PCD for immediate distribution to its Participants no later than eighteen (18) trading days from record date (the "Payment Date") provided, that in case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends listing date.

If the stock dividends shall come from an increase in capital stock, all stocks shall be credited to PCD for immediate distribution of its Participants no later than twenty (20) trading days from date of approval by the Commission of the registration which in no case shall be later than the stock dividend listing date.

2. RSA Rule 37(a)-8 — Order Ticket Rule:

To make the rule conform with the actual practice on the trading floor of the Exchange due to the advanced technology, the Order Ticket Rule is hereby amended as follows:

(a) Every order received by a broker/dealer or any other associated person or salesman of a broker/dealer to buy or sell securities for customers shall be entered on an order form. Each buying or selling order form shall be time stamped by the broker/dealer or any other associated person or salesman of a broker/dealer or any person acting on his behalf upon receipt of the customer's order and upon transmission to the trading floor, if necessary. Time recording