



THE PHILIPPINE STOCK EXCHANGE: Updates and Developments



**Consultative Meetings
Hong Kong leg**

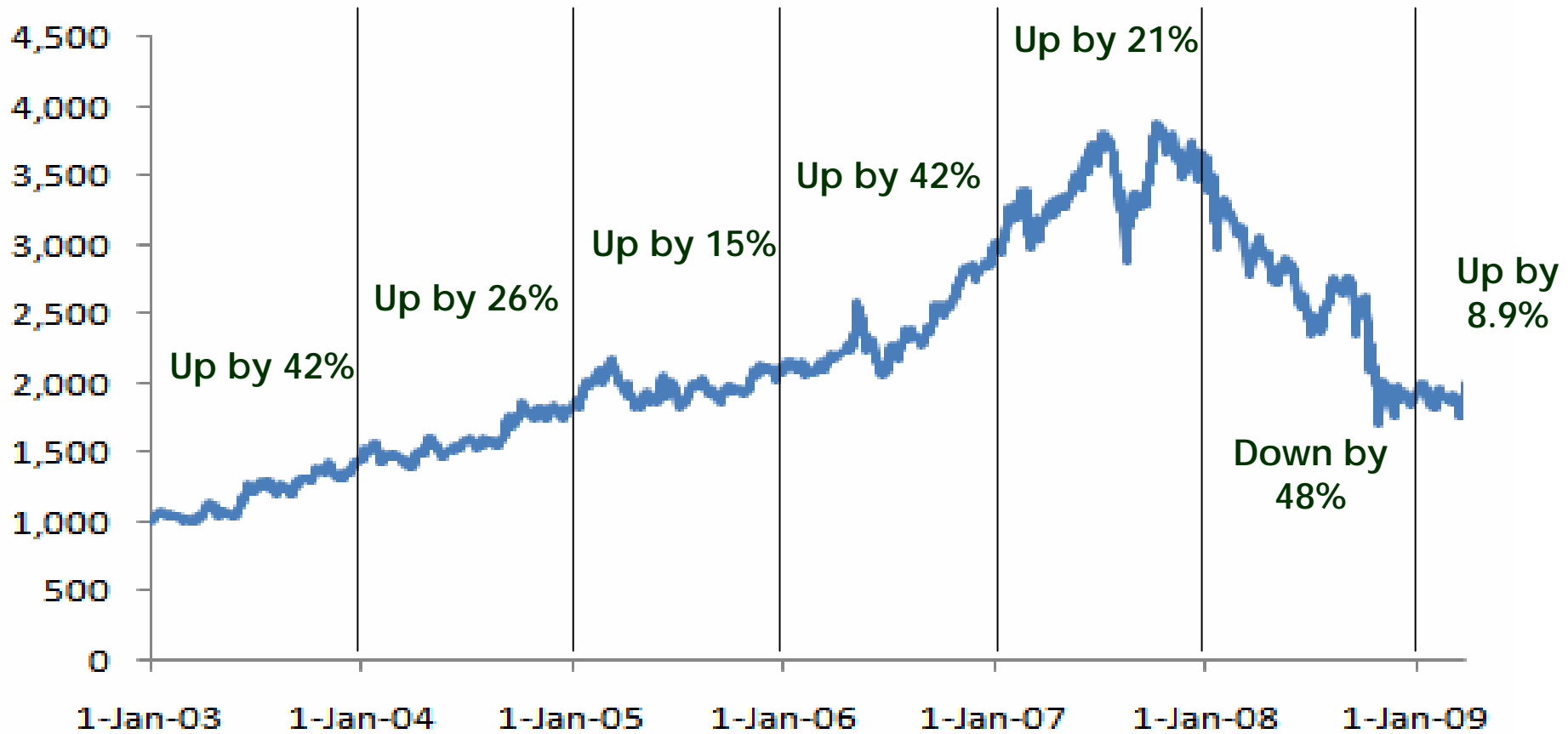
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Stock Market Performance



Performance of PSEi



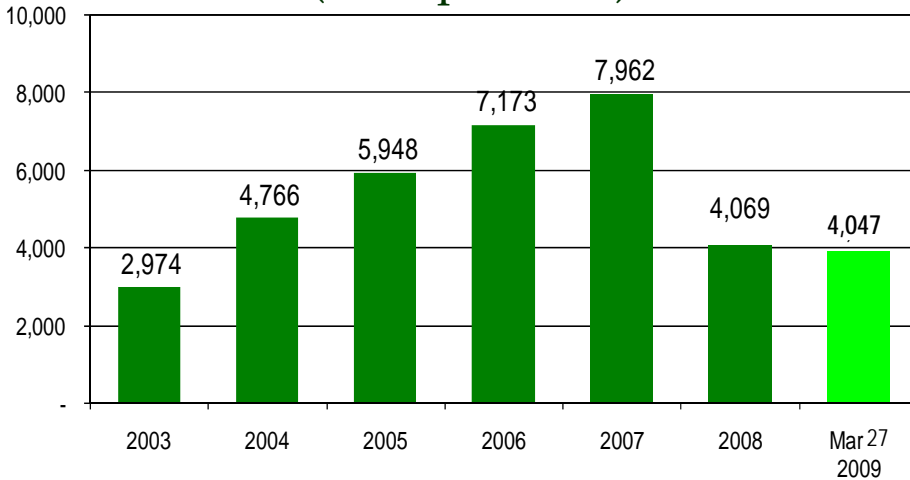
**as of March 27, 2009*



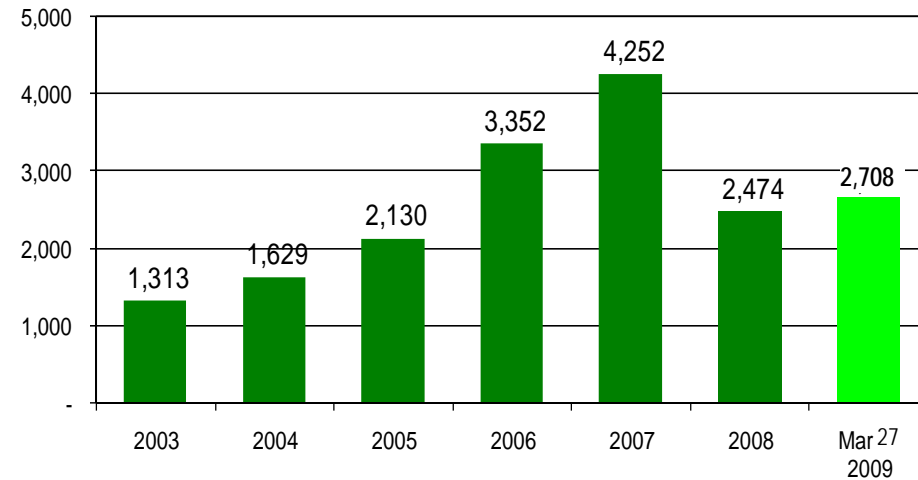
Stock Market Indicators



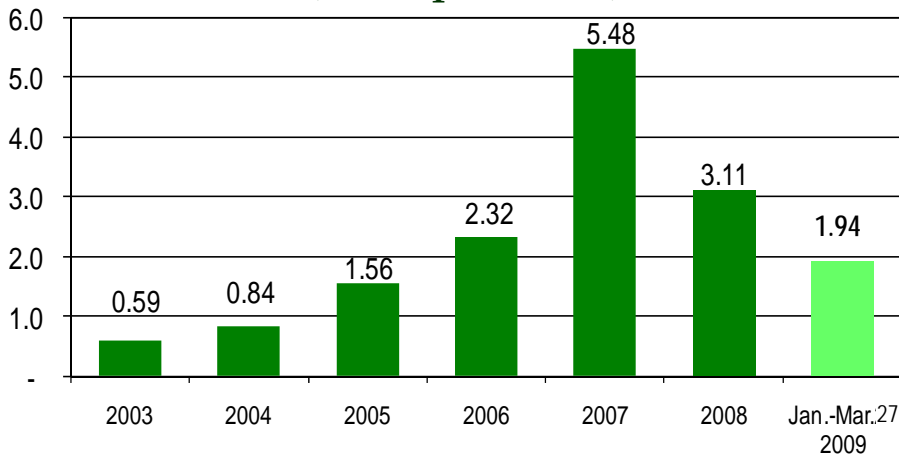
Total Market Capitalization (in Php billion)



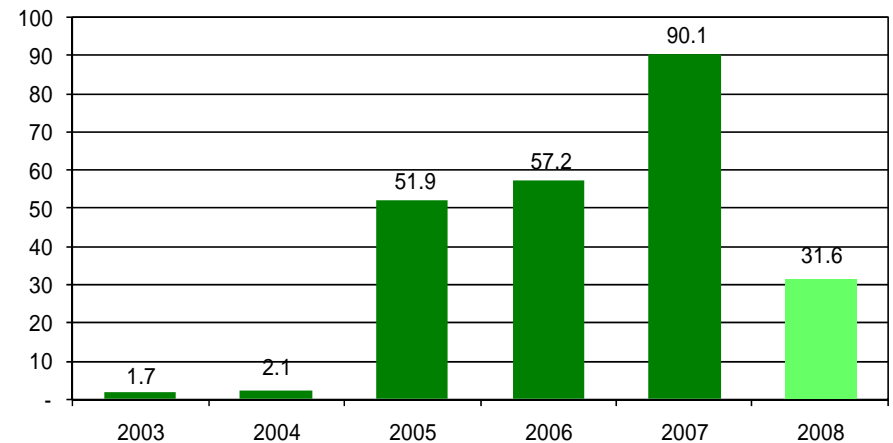
Domestic Market Capitalization (in Php billion)



Average daily value turnover (in Php billion)



Total Capital Raised (in Php billion)





STRATEGIC AGENDA



- L**ist more companies and securities
- E**xpand and educate the investor base
- V**alue and enforce corporate governance standards
- E**nhance shareholder value
- L**aunch new products and services

- U**pgrade market infrastructure & human resources
- P**artner with government & other stakeholders



Strategic Initiatives



- **List more companies and securities**
 - Liberalization of listing rules for mining companies
 - Track record requirement not required for mining companies under exploration stage - *implemented*
 - Help enforce laws requiring the public offering of shares of companies in various sectors such as power, oil, utilities and telecommunications
 - Revised rules on listing by way of introduction to include those companies required by law to conduct a public offering (e.g. Board of Investments, and Philippine Economic Authority-registered firms) – *SEC recently approved rules*
 - Special tax incentives for newly-listed companies – *bill being drafted*



Strategic Initiatives



- **Expand Investor Base**

- 3-unit subject for college students (CMO 39) - *implemented*
- Certified Securities Specialist Course (12-module course) - *implemented*
- Short Course on Stock Market Investments – 3-day course - *implemented*
- Tie-ups with academic institutions – *implemented*
- Inclusion of stock market topics in High School curriculum – **MOA signed with Department of Education**



Strategic Initiatives



- **Value and Enhance Corporate Governance Standards**
 - Heightened enforcement of disclosure rules - *implemented*
 - 10-minute rule
 - Selective disclosure rule
 - Blockout rule
 - Creation of Market Integrity Board - *implemented*
 - Institutionalization of the corporate governance scorecard for publicly-listed companies - *implemented*
 - Rationalization of the SEC Code of Corporate Governance
 - Conduct of regular awareness, advocacy and capacity-building programs on CG
 - Active partnership with the private sector on CG projects



Strategic Initiatives



- **Value and Enhance Corporate Governance Standards**
 - Internal: focus on “**Capacity-Building**” - *ongoing*
 - Established Enterprise Risk Management
 - Strengthening audit, risk and control environment
 - Improving transparency, listing and disclosure policies and practices
 - Improving board structure and functioning
 - Improving Trading Participants regulation
 - External: focus on “**Confidence-Building**” - *ongoing*
 - Creation of a Special CG Segment in the PSE (funded by the UK government)
 - Active participation in local and international CG initiatives (OECD Taskforce, review of SEC Code of Corporate Governance)
 - Active engagement with stakeholders in promoting and implementing CG reform



Strategic Initiatives



- **Enhance Shareholder Value**
 - Dividend policy by listed companies - *implemented*
 - Website publication of dividend pay-outs by listed companies - *implemented*
 - Corporate Governance Improvement Plan for the PSE - *implemented*
 - Extended trading hours – *for implementation after launching of new trading system*
 - Office integration – *for implementation H4 2009*



Strategic Initiatives



- **Launch new products and services**
 - Securities Lending and Borrowing Program – *tax and regulatory rules approved*
 - Short selling – *rules approved*
 - REIT product - *bill already approved by Senate*
 - Exchange Traded Funds
 - Index futures and options
 - Commodities trading



Strategic Initiatives



- **Upgrading Human and Physical Resources**
 - New trading system – *to be launched September 2009*
 - Enhanced Surveillance system - *implemented*



Strategic Initiatives



- **Partner with government and other stakeholder**
 - Personal Equity Retirement Account Act (PERA) – *enacted into law*
 - Credit Information System Act (CISA) – *enacted into law*
 - Real Estate Investment Trust - *passed by Senate*
 - *New Rules on Corporate Rehabilitation (Chapter 11 proceedings) – effective January 16, 2009*
 - Abolition of DST on secondary trading – *passed by the House of Representatives on second reading*
 - Corporate Recovery and Insolvency Act (CRIA) – *technical working group report done last Congress*
 - Collective Investment Scheme Law (CISL) - *technical working group report done last Congress*
 - ASEAN Collaboration - *MOA signed with ASEAN Exchanges*
 - Trading link among ASEAN exchanges



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