



MEMO FOR BROKERS

NO. 253-2004

T h e P h i l i p p i n e S t o c k E x c h a n g e , I n c .

Trading Rules Computer Systems Update
 Membership Rules Administrative Matter
 Listing Rules Others:

To : ALL TRADING PARTICIPANTS

Subject : LETTER OF SEC

Date : SEPTEMBER 8, 2004

For your information, please find attached copy of the letter of SEC Director Jose P. Aquino regarding the Commission's proposed Guidelines on the Adoption of the Risk-Based Capital Adequacy Requirement/Ratio for Broker Dealers.

(Original Signed)
ELIZABETH C. DINOY
Head, Membership Department

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Both P. a/a pr 9/10/04

Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila
Tel No. 725-3702 / 726-0931 Fax No. 726-1593

MARKET REGULATION DEPARTMENT

September 3, 2004

PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Centre
Tekfile Tower, Exchange Road
Ortigas Center, Pasig City

Attention: *Atty. Francis Lim*
President

Gentlemen:

This is to inform you that the Commission has recently come up with the proposed Guidelines on the Adoption of the Risk-Based Capital Adequacy Requirement/Ratio for Broker Dealers which is now posted at our website, www.sec.gov.ph for public comments.

We expect to receive inputs and/or comments from the public not later than Friday, 24 September 2004, after which we shall consolidate them and finalize said Guidelines.

We shall, in the next couple of days, be getting in touch with the individual broker dealers to invite them to participate in the Quantitative Impact Study (QIS) that we will be conducting in line with the Risk Based Capital Adequacy Model

Kindly disseminate the foregoing information to your member-firms.
Thank you.

Very truly yours,

J. P. Aquino
JOSE P. AQUINO
Director

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Done 9/16/04