



For: All Clearing Members

Date: August 30, 2023

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

The Securities Clearing Corporation of the Philippines (“SCCP”) is inviting all Clearing Members to submit their comments on a proposed amendment to the Revised Clearinghouse Operating Procedures of the SCCP (“SCCP Operating Procedures”) relating to an early commencement of the Batch Run, which proposed amendment was approved by the SCCP Board on August 16, 2023.

A comparison of the existing operating procedure and the proposed operating procedure relating to the commencement of the Batch Run is as follows:

EXISTING OPERATING PROCEDURE	PROPOSED 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>

The Batch Run, which effects Delivery versus Payment mode of settlement, regularly commences at 12:00 NN. The above proposed amendment to the SCCP Operating Procedures will allow SCCP to settle trades earlier if all the cash and securities obligations of Clearing Members are delivered to SCCP before the applicable settlement deadline/s (normally at 12:00 NN and, in case of multiple settlement of trade dates in one day, 11:00 AM and 2:00 PM for Batches 1 and 2, respectively), as this can be done under the new Clearing and Settlement System of SCCP, unlike in the previous system where the Batch Run was hardcoded to start at 12:00 NN.

Furthermore, 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.

Clearing Members may submit their comments by e-mail addressed to both **Ms. Renee D. Rubio** (coo@sccp.com.ph) and **Atty. Maximo Paulino T. Sison III** (mtsison@pse.com.ph) until **September 6, 2023**.

(Original Signed)
Renée R. Rubio
Chief Operating Officer