



MEMO FOR BROKERS

No 2003-310

The Philippine Stock Exchange, Inc.

Trading Rules
 Membership Rules
 Listing Rules

Computer System Update
 Administrative Matters
 Others

To : All Trading Participants
Subject : New Guidelines on Weekly Tax Reporting
Date : 30 December 2003

Please be informed that the PSE has been requested by the BIR to implement new guidelines for the weekly tax reporting of Trading Participants. In line with the submission of the weekly **Summary of Sales Transactions** as required by *Republic Act no. 7717* and as implemented by *Revenue Reg. no. 2-82*, Trading Participants are required to observe the following reporting guidelines:

- A. Trading Participants are required to submit details of the *Weekly Tax Summary Report* in the file format prescribed by PSE through ePSE, a secured site, link of the PSE website effective 16 February 2004 for transactions starting 02 February 2004.**
1. File should be in Microsoft Excel worksheet format, version 1997 or below. For file details and format, please refer to **Attachment A – File Format**.
 2. Minimum system requirements to enable efficient connection to the PSE Website for the weekly tax reporting are as follows:
 - a. PC workstation (at least Pentium III processor)
 - b. Internet access through Internet Explorer (version 5.0 and up)
 3. To enable access for tax reporting through the PSE website, all Trading Participants are required to register in the Tax Reporting Facility.
 - a. Trading Participants shall submit the Registration Form to PSE through the Trading and Settlement Department (TSD). Please refer to **Attachment B – Registration Form**.
 - b. Approved registered accounts shall be assigned usernames and passwords by the PSE Automated Trading Group (ATG), which shall be sent to the Nominee in sealed envelopes. Upon receipt of confirmation of registration and the assigned usernames and passwords from PSE, authorized signatories/registered users of Trading Participants may access the facility. Authorized signatories/registered users are advised to change the passwords initially set by PSE for security purposes.
 - c. Trading Participants, through their authorized signatories/registered users, if necessary, may thereafter edit or update details of their accounts through the same link.
 4. Trading Participants are advised of the following guidelines in the usage of accounts:

Finance / Admin / Membership	Compliance & Surveillance Grp.	Listing & Disclosures Grp.	COO / Automated Trading Grp.	Business Dev't & Info. Group	CEO / Legal
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408



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- a. Trading Participants shall have the responsibility to ensure that the assigned password for the authorized signatory/registered user shall be used only by the authorized signatory/registered user. Any transactions or reporting done using the registered authorized signatory's user access as determined by the password shall be deemed as transactions or reporting entered into by the authorized signatory/registered user.
- b. In the event that problems in accessing registered accounts are encountered, Trading Participants concerned shall be allowed to submit the reports in diskette form in the file format as described in **Attachment A**. All submissions through diskette must be accompanied by a printed copy of the report herewith attached as **Attachment C – Weekly Tax Summary Report**, which shall be signed by the Trading Participant's authorized signatory. Diskettes and signed copy of the report shall be delivered to the TSD on or before the same scheduled reporting deadline.

B. **Weekly Tax Summary Report**

1. All submissions, either through file upload or diskette submission, of the Weekly Tax Summary Report, shall be submitted to PSE on the second Monday after the transaction week for reporting.
2. Part A of the printed report ("TRANSACTIONS MADE DURING THE WEEK") or the corresponding column titles as in the file format to be uploaded shall be filled up with the following details:

Column Title	Details/Information
"Date"	Transaction/Trade Date (T+0)
"Purchase"	Total value of purchases
"Sales – Exempt"	Value of sale transactions exempt from stock transaction tax
"Sales – Taxable"	Value of sale transactions subject to stock transaction tax
"Sales – Total"	Total value of sales
"1/2 of Tax Collected"	Total stock transaction tax payable (1/2 of 1% of taxable sales)

3. Part B of the report ("SUMMARY OF TAX COLLECTIONS REMITTED") or the corresponding column titles as in the file format to be uploaded shall be filled up with the following details:

Column Title	Details/Information
"Transaction Date"	Date of Transaction (same as in Part A above)
"Date of Debit Memo/Payment"	Date of Debit memo or payment to settlement bank
"Settlement Bank"	Settlement Bank where tax is remitted (EBC or RCBC)
"Amount"	Amount of tax paid

- a. Tax Payments must be made with the settlement banks on settlement date (SD) or T+3 of the transaction. Consequently, Date of Debit Memo/Payment must always be on the third day after transaction date (T+3)

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C. *Important Guidelines*

1. These guidelines shall cover all transactions of equities and warrants. Separate reporting shall be made for DDT transactions, which shall be denominated in USD.
2. **When entering a tax-exempt client transaction, the Trading Participant's trader must flag the transaction as "X", Exempt in the Maktrade system.** All transactions without the exempt flag shall be automatically recorded as a taxable transaction and any discrepancies with the details of the transactions as reported in the Weekly Tax Report and the PSE Maktrade system shall be subjected to examination by the BIR. **This flagging requirement shall be strictly implemented effective 05 January 2004.**

Please refer to **Attachment D** for the screen illustration of the "X" flagging in the Order Entry Window of Marketworks.

3. **Amendments affecting the tax declaration of Trading Participants** (i.e. flagging/unflagging of transactions in the Maktrade system as exempt) **will not be allowed after 3:00 p.m. of the day before settlement date (SD-1; currently second day after trade date or T+2) , effective 05 January 2004.**
4. **Applicable transaction taxes for done-through transactions shall be shouldered and reported by the executing Trading Participant in the Maktrade system.**
5. Trading Participants who are unable to upload details of their weekly tax reports through the PSE Website due to technical constraints may submit through diskette, in the file format as prescribed by PSE. All submissions through diskette must be accompanied by a printed copy of the report, which shall be signed by the Trading Participant's authorized signatory. Trading Participants opting for submission through diskette are required to give a pre-advise to TSD on or before 12:00 noon of 16 January 2004.

For inquiries, contact:

Atty. Grace Ayson, OGC	-	tel. 688-7412 or e-mail at gsayson@pse.org.ph
Hannah Nuñez, SCCP	-	tel. 819-4467 or e-mail at hvnunez@pse.org.ph
Raul Ortiz, TSD	-	tel. 819-4445 or e-mail at rortiz@pse.org.ph
Lemuel Tabanao, ATG	-	tel. 688-7482 or e-mail at ltabanao@pse.org.ph

(Original Signed)
EDILBERTO P. OCAMPO
SVP and Chief Technology Officer

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ATTACHMENT A File Format

1. Each submitted/uploaded report should be saved in excel with file name in the following format:

XXXMMDDYYYY.xls

Where:

XXX – Broker code
MM – Month (from 01 to 12)
DD – Day (from 01 to 31)
YYYY – Year (i.e. 2004)

2. File should contain the following details and follow the following format:

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
Row 1	Transaction Date	Total Purchases	Total Sales	Exempt Sales	Taxable Sales	Sales Tax Due	Date of Debit Memo	Settlement Bank	Amount
Row 2	13-Oct-2003	248400	0	0	0	0	16-Oct-2003	EBC	0
Row 3	14-Oct-2003	418000	22660	0	22660	113.3	17-Oct-2003	EBC	113.3
Row 4	15-Oct-2003	756500	0	0	0	0	20-Oct-2003	EBC	0
Row 5	16-Oct-2003	517500	0	0	0	0	21-Oct-2003	EBC	0
Row 6	17-Oct-2003	0	0	0	0	0	22-Oct-2003	EBC	0

Where:

Location	Name	Type and Size	Format
Row 1	Column Header		
Column 1	Transaction Date	Date	dd-mmm-yyyy
Column 2	Total Purchases	Number (12,2)	99999999999.99
Column 3	Total Sales	Number (12,2)	99999999999.99
Column 4	Exempt Sales	Number (12,2)	99999999999.99
Column 5	Taxable Sales	Number (12,2)	99999999999.99
Column 6	Sales Tax Due	Number (12,2)	99999999999.99
Column 7	Date of Debit Memo	Date	dd-mmm-yyyy
Column 8	Settlement Bank	VarChar (10)	XXXXXXXXXX
Column 9	Amount	Number (10,2)	9999999999.99



Weekly Tax Summary Reporting REGISTRATION FORM

Date _____

Trading Participant's Name _____

Office Address _____

Trading at Makati Tektite

Telephone # _____ Fax # _____

Contact Persons _____

Taxpayer's/Trading Participant's Tax Identification No. (TIN) _____

Corporate Residence Certificate No. _____

Place of Issue _____ Date of Issue _____

Authorized Signatories:

	Full Name	TIN No.	Res. Cert. No.	Place of Issue	Date of Issue
1					
2					
3					

	Full Name	Signature	Signature
1			
2			
3			

By:

(Signature above Printed Name)

Designation of Authorized Representative

Please print/type all answers legibly. Signatures should be marked using 0.5 - 0.7 mm point pen.

PHILIPPINE STOCK EXCHANGE, INC.
 Philippines Stock Exchange Center, Exchange Road
 Ortigas Center, Pasig, Metro Manila

WEEKLY TAX SUMMARY REPORT

October 13, 2003 to October 17, 2003
 (Period Covered)

ABC CORP.
 Name of Member-Firm

000-000-000-000
 Taxpayer's Identification No.

Address : 2/F PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City

SUMMARY OF SALES TRANSACTIONS EFFECTED FOR THE PERIOD

(Required by Republic Act # 7717, and as
 Implemented by Rev. Reg. No. 2-82)

TRANSACTIONS MADE DURING THE WEEK

TRANSACTION DATE	PURCHASE	SALES		TOTAL	1/2 of 1% TAX Collected
		EXEMPT	TAXABLE		
10/13/03	248,400.00	0.00	0.00	0.00	0.00
10/14/03	418,000.00	0.00	22,660.00	22,660.00	113.30
10/15/03	756,500.00	0.00	0.00	0.00	0.00
10/16/03	517,500.00	0.00	0.00	0.00	0.00
10/17/03	0.00	0.00	0.00	0.00	0.00
TOTAL	1,940,400.00	0.00	22,660.00	22,660.00	113.30

SUMMARY OF TAX COLLECTIONS (ON SALES) REMITTED

TRANSACTION DATE	DATE OF DEBIT MEMO	SETTLEMENT BANK	AMOUNT
10/13/03	10/16/03	EBC	0.00
10/14/03	10/17/03	EBC	113.30
10/15/03	10/20/03	EBC	0.00
10/16/03	10/21/03	EBC	0.00
10/17/03	10/22/03	EBC	0.00
TOTAL	=====		113.30

I hereby certify under the penalties of perjury that, to the best of my knowledge that the above information is a true and accurate summary of all transactions effected thru this Stockholder and of the taxes collected and turned over to the Bureau of Internal Revenue.

ABC CORP.

October 27, 2003

Date

Corp. Res. Cert. No.
 Date of Issue
 Place of Issue

By :

Authorized Signature

T.I.N. No.
 Res. Cert. No.
 Date of Issue
 Place of Issue

ATTACHMENT D
Marketworks Order Entry

Order Entry

Side ShortSell

Security

Board

P/C/X Flag

Terms/Life

L/F Flag

Pub vol

Conditions

Order#

Default P E

Close Enter

- P** - Principal
- C** - Client
- X** - Tax Exempted Client
- A** - Associated Person
- E** - Error Transaction