

MEMO# 8943

May 29, 1997

PHILIPPINE CENTRAL DEPOSITORY RESPONDS TO INSTITUTE LETTER

May 29, 1997 TO: ACCOUNTING/TREASURERS COMMITTEE No. 15-97 INTERNATIONAL COMMITTEE No. 17-97 RE: PHILIPPINE CENTRAL DEPOSITORY RESPONDS TO INSTITUTE LETTER _____ On May 23, 1997 the Institute received the attached response from the Philippine Central Depository (PCD) about the procedures that will be followed to convert issues in the Philippine Stock Exchange to book entry settlement in the PCD. In response to concerns expressed by members of the Securities Operations Subcommittee of the Accounting/Treasurers Committee, the Institute wrote to the PSD on May 8, 1997 asking about the timetable for converting securities into the PSD and the amount of notice that market participants would receive prior to a security's conversion. The PSD response states that announcements of securities to be converted to the book entry system will be made through the broadcast/messaging facilities of the PCD and through Philippine Stock Exchange circulars. The letter further states that, ideally, a minimum of two weeks notice will be given to brokers and custodians prior to the first day of book entry settlement for each converted security. The PSD letter identifies the securities scheduled for conversion between May 30 and June 16, 1997 and states that the PSD expects to announce the next 20 to 30 issues within the next month. We will keep you informed of developments. Mary S. Podesta Associate Counsel-International Attachment