

November 21, 2018

FMDQ/MRG/211118/MB-30

To: DEALING MEMBER (BANKS)
From: MARKET REGULATION GROUP

ACTIVATION OF THE SETTLEMENT MODULE ON PENDEALER

1. This Market Bulletin is issued in furtherance to the circular issued by the National Pension Commission (“**PenCom**”) dated November 13, 2018, notifying all licenced pension operators of the commencement of the settlement of fixed income trades on FMDQ Clients’ Trading, Reporting and Surveillance System for the Fixed Income Markets (“**PenDealer**” or the “**System**”).
2. In view of the need to improve the efficacy of PenDealer, FMDQ OTC Securities Exchange (“**FMDQ**” or the “**OTC Exchange**”) in collaboration with PenCom initiated the integration of Pension Fund Custodians (“**PFCs**”) onto the System via the settlement module as one (1) of the strategies to achieve the full migration to system-based deal execution, clearing and settlement of fixed income transactions by Pension Fund Administrators (“**PFA**s”) and Closed Pension Fund Administrators (“**CPFA**s”).
3. Based on the foregoing and in a bid to ensure the full alignment of all PenDealer participants with the above-outlined market structure, Dealing Member (Banks) are hereby required to execute **ALL** fixed income transactions with PFA and CPFA via the System.
4. Failure to comply with the contents of this Market Bulletin shall be considered a violation of the FMDQ Rules and shall attract any one (1) or more of the following penalties:
 - Notice of Infraction
 - Fines
 - Suspension
 - Public Censure
 - Such other penalties as the OTC Exchange may determine from time to time
5. This Market Bulletin shall take effect immediately.

Please be guided accordingly.

Should you require any further clarification/information with respect to this Market Bulletin, please do not hesitate to contact the Market Regulation Group at mrg@fmdqotc.com.