Philippine Stock Exchange index (PSEi) 6,718.50 ▲132.49 PTS. ▲ 2.01%

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PSEi MEMBER STOCKS

AC	Ayala Corp.	P687.00	-P0.50	-0.07%
ACEN	ACEN Corp.	P8.37	+P0.38	+4.76%
AEV	Aboitiz Equity Ventures, Inc.	P58.90	+P1.20	+2.08%
AGI	Alliance Global Group, Inc.	P11.96	——	
ALI	Ayala Land, Inc.	P31.25	+P0.85	+2.80%
AP	Aboitiz Power Corp.	P35.00	-P0.25	-0.71%
BDO	BDO Unibank, Inc.	P111.50	+P3.60	+3.34%
BPI	Bank of the Philippine Islands	P98.30	+P0.30	+0.31%
CNVRG	Converge ICT Solutions, Inc.	P16.80	+P1.34	+8.67%
EMI	Emperador, Inc.	P20.55	-P0.05	-0.24%
GLO	Globe Telecom, Inc.	P2,218.00	-P2.00	-0.09%
GTCAP	GT Capital Holdings, Inc.	P443.00	+P4.20	+0.96%
ICT	International Container Terminal Services, Inc.	P197.50	-P0.50	-0.25%
JFC	Jollibee Foods Corp.	P242.80	+P6.80	+2.88%
JGS	JG Summit Holdings, Inc.	P52.20	+P0.20	+0.38%
LTG	LT Group, Inc.	P9.54	+P0.25	+2.69%
MBT	Metropolitan Bank & Trust Co.	P54.70	-P0.60	-1.08%
MEG	Megaworld Corp.	P2.07	+P0.02	+0.98%
MER	Manila Electric Co.	P302.00	+P0.20	+0.07%
MONDE	Monde Nissin Corp.	P12.42	+P0.50	+4.19%
MPI	Metro Pacific Investments Corp.	P3.53	+P0.05	+1.44%
PGOLD	Puregold Price Club, Inc.	P35.05	+P0.25	+0.72%
RLC	Robinsons Land Corp.	P14.96	+P0.10	+0.67%
SCC	Semirara Mining and Power Corp.	P36.00	+P1.15	+3.30%
SM	SM Investments Corp.	P921.00	+P21.00	+2.33%
SMC	San Miguel Corp.	P93.50	+P0.50	+0.54%
SMPH	SM Prime Holdings, Inc.	P36.75	+P1.70	+4.85%
TEL	PLDT, Inc.	P1,448.00	+P93.00	+6.86%
URC	Universal Robina Corp.	P134.10	-P0.80	-0.59%
WLCON	Wilcon Depot, Inc.	P30.60	+P1.00	+3.38%

SEC sets sustainable, responsible investing rules

THE Securities and Exchange Commission (SEC) has rolled out rules that will serve as a guide for investment companies in boosting sustainable and responsible investing.

"The commission is aware of the measures taken by various regulators to enhance the transparency of and disclosures related to sustainability-related products to improve comparability between funds which incorporate environmental, social, and governance into the investment process," said the SEC.

In a memorandum circular posted on Tuesday, the SEC said that the rules will be applicable to newly formed and existing investment companies that are qualified for the Sustainable and Responsible Investment (SRI) Fund.

The rules also apply to non-SRI investment companies that incorporate sustainability factors in their investment objective and disclose these in their registration statement.

To be qualified as an SRI Fund, a company must adopt one or more sustainability principles as its key investment focus and reflect it in its registration statement's investment objective.

The company's minimum asset allocation percentage that is consistent with the SRI Fund's objective should account for at least two-thirds of its net asset value.

Investment companies that will seek to qualify as an SRI Fund must submit to the SEC how the name of the fund is proportionate to the sustainability features of the SRI Fund as a whole.

Non-SRI Fund investment companies will not be allowed to use the terms environmental, social, and governance (ESG) and sustainability in their name or their marketing materials unless permitted by the regulator.

The SEC cited the following as sustainability considerations or principles that may be considered by an SRI Fund: United Nations Sustainable Development Goals, United Nations Global Compact Principles, Common Principles for Climate Mitigation Finance Tracking, Green Bond Principles of the International Capital Market Association, and Climate Bonds Taxonomy of the Climate Bonds Initiative.

SRI Funds may adopt negative or exclusionary screening, positive screening, ESG integration, active ownership, thematic investment, impact investment, and other sustainable investment strategies that the regulator sees as helping companies achieve their objectives.

Meanwhile, marketing materials or website disclosures of the SRI Fund must have a fair, balanced, and consistent description of the ESG aspects consistent with regulatory documents filed with the SEC.

"[The marketing materials] should not include untrue statements of material facts, or false or misleading statements," said SEC.

An SRI Fund will also have reportorial requirements, which should include confirmation of compliance with SRI rules, description of the SRI Fund, description of the basis of assessment, and comparison of periodic assessment.

These annual and quarterly requirements must be made publicly available on the dedicated website by the SRI Fund.

In the circular, investment companies that will violate the rules can be subjected to up to P40,000 plus a penalty of P800 per day for the third offense of using unauthorized SRI or ESG terms in their marketing materials.

A similar penalty will be imposed for investment companies that fail to report a breach of recited ESG investment threshold or inconsistency with sustainable investment objectives.

Meanwhile, a company's second failure to rectify or a delay in rectifying a breach will cost its fund manager a P100,000 penalty plus a P600 per day penalty for a continuing violation. A third offense will cost P200,000 plus a P1,200 per day fine.

"The commission may, after due notice and hearing, suspend or revoke the registration statement of an SRI Fund and the Investment Company Adviser License of the Fund Manager in case of a fourth or succeeding offense for the same violation," the regulator said. — **Justine Irish D. Tabile**

Converge subsidiary gets license to operate in Singapore

CONVERGE ICT Solutions, Inc. has secured regulatory approval to provide international connectivity services in Singapore as the listed fiber internet service provider moves to expand its international wholesale business.

In a stock exchange disclosure on Wednesday, Converge said the Singapore government's Infocomm Media Development Authority (IMDA) had approved the application of the firm's subsidiary Converge ICT Singapore Pte. Ltd. (Converge SG) for a facilities-based operations (FBO) license.

"Effective Jan. 3, 2023, Converge SG can start deploying telecommunications infrastructure and provide connectivity services and fiber optic cable capacity to wholesale and enterprise customers in the Southeast Asian city-state," Converge said.

With the approved license, Converge gains the rights to provide international connectivity services in Singapore as well as ethernet-international private line service, dedicated internet access service, carrier ethernet network service, internet protocol virtual private network services using multiprotocol label switching, and sale and resale of submarine cable capacities.

Wholesale bandwidth is purchased by telecommunication firms and internet service providers to provide the bandwidth capacity required for their respective connectivity solutions and customer applications.

Dennis Anthony H. Uy, Converge chief executive officer and Converge SG director, said that the approval expands the company's client reach.

"The grant of an FBO license to our Singapore unit significantly bolsters the ability of the Converge Group to sell international wholesale connectivity and capacity services, as we can now directly service clients in Singapore to cater their growing needs for intra-Asia and trans-Pacific connectivity requirements," Mr. Uy said.

The Converge international network sustains expansion plans with its participation in the Bifrost Cable System and the Southeast Asia Hainan Hong Kong express cable system, both of which are projected to be operational by next year.

"Our international backbone is now one of the biggest in the country, running at half utilization. We designed it that way so in case of fiber outage or submarine earthquakes, customer experience will not be affected," Converge Chief Operations Officer Jesus C. Romero said.

"Our diverse, fully redundant international network and the establishment of the Singapore office will help us make the Philippines a digital transit hub in Asia," he added.

On Wednesday, shares of Converge at the local bourse rose 1.34 points or 8.67% to end at P16.80 apiece. — **Revin Mikhael D. Ochave**

PSE target of 14 IPOs in 2023 seen within reach

THE local bourse operator's target of 14 initial public offerings (IPO) this year is possible as further economic reopening offers greater confidence in business expansions, analysts said.

"This is achievable since the economy has already reopened further towards greater normalcy," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

On the first trading day of the year, the Philippine Stock Exchange (PSE) said it is targeting this year up to 14 IPOs, of which 11 are companies and real estate investment trusts that will list on the main board. The remaining three are expected to debut on the small, medium and emerging board.

Mr. Ricafort said the economy's further reopening "makes companies and conglomerates more decisive on new investments and expansion plans that require various fund-raising activities such as through the stock or equity markets."

He said improving market conditions encourages more companies and conglomerates to raise funding through the stock market.

"Also, further development of local capital markets encourages further diversification of funding sources and from a bigger roster of investors and the investing public," he added.

AB Capital Securities, Inc. Vice-President Jovis L. Vistan is also optimistic that the PSE target could be achieved.

"I think it is possible. We are through the pandemic, global monetary policy shifted, and outlook and market sentiments for 2023 are better," Mr. Vistan said in a Viber message.

"The Philippine economic outlook is [also] relatively better compared to the rest of the world. That could provide a little more appetite for risk this year," he added.

In a press release on Tuesday, PSE President and Chief Executive Officer Ramon S. Monzon said: "We look forward to more listings, higher trading volumes, and enhanced partnerships in the industry that will help expand our product and service offerings."

The stock market operator said it is expecting to raise P160 billion from capital raising activities, which will be started by the stock rights offering of Union Bank of the Philippines.

On Oct. 28, 2022, the bank's board of directors approved the rights offering with the issuance amount increased to P12 billion on Dec. 27, 2022. The offer price for the issuance will be from P54.48 to P58.38 per right share with the company issuing up to 220.26 million shares.

The start of the offer period is set on Jan. 16 and will end on Jan. 27, according to the bank's disclosure. Proceeds from the offering will be used as a capital infusion to UnionDigital, loan availments, and other growth opportunities.

On the stock market on Wednesday, the benchmark PSE index closed 2.01% or 132.49 points higher to 6,718.50. — **Justine Irish D. Tabile**

FREEPIK

Merger of AXA Philippines and Charter Ping An gets SEC nod

THE Securities and Exchange Commission (SEC) has approved the merger of AXA Philippines and Charter Ping An Insurance Corp., giving consumers more insurance choices under one brand.

Charter Ping An is the former general insurance unit of AXA Philippines, which is a joint venture between Metropolitan Bank and Trust Co., GT Capital Holdings, Inc., and Paris-based AXA Group.

In a regulatory filing on Wednesday, GT Capital said that the SEC's approval "is the final step in the years-long process that began when AXA acquired Charter Ping An in 2016."

The SEC approved the merger on Dec. 28, 2022.

Upon the merger's conclusion, AXA Philippines will be fully absorbing Charter Ping An without affecting the customers of the subsidiary. It will also assume the assets, liabilities, rights, and obligations of Charter Ping An.

GT Capital said that the merger will not affect the current policies and will be considered active and in force, while other existing unexpired contracts with Charter Ping An will remain valid.

Insurance policies that will be issued after the SEC's approval of the merger will be honored and serviced by the surviving entity.

The companies see the merger as a step towards providing better protection to AXA Philippines and Charter Ping An's customers.

"Recent times have highlighted the importance of protecting what matters to us," AXA Philippines President and Chief Executive Officer Bernardo Serrano Lopez said in a press release.

"Since we offer different types of insurance that cater to the varied protection needs of our customers, it will be much more convenient for our customers to find solutions for their insurance needs under the single AXA brand," he added.

Mr. Serrano Lopez said that he had seen the need for easier and more convenient methods through the pandemic and amid global issues, making it a necessity during the volatile times.

"Merging life and non-life insurance under a single brand takes that convenience a big step further and becomes another means for us to be of service to our customers," he added.

AXA Philippines offers a full suite of insurance products which are: life, income protection, health, education, retirement and investment, home, auto, travel, marine and cargo, and commercial business. — **Justine Irish D. Tabile**

SEC revokes Asenso Business Group registration

THE Securities and Exchange Commission (SEC) has revoked the certificate of incorporation of Asenso Business Group Trading, Inc., which the regulator found to be soliciting investments from the public.

"For violation of Section 44 of the Revised Corporation Code of the Philippines … the certificate of incorporation and the registration of Asenso Business Group, as a corporation, is hereby revoked," the SEC's order read.

The company, with its primary purpose of direct selling of all kinds of goods and merchandise, was granted its certification on Aug. 9, 2022. Its secondary purpose is to buy and sell all kinds of cards.

In Oct. 2022, the SEC said that it had received information that individuals representing the company had been enticing the public to invest in the entity with a promise of high monetary rewards.

The company has been offering different kinds of plans with respective cashback rebates, starting with a "pioneering plan" for P500-P900 capital, up to a "VIP account plan" for P50,000-and-above capital.

The entity through its president and chief executive officer, Lorenzo S. Morenencia, has been promising a guaranteed 40% profit in 12 days with a daily bonus reward of up to 18%.

However, the regulator found out that the company has been circulating a tampered SEC certificate of registration to make it appear that it is authorized to solicit investments.

The SEC said Asenso Business Group is a registered company but it is not authorized to solicit investments as it did not secure prior registration and license.

On Oct. 26, 2022, the SEC's Enforcement and Investor Protection Department discovered that the supposed principal office of the company was non-existent.

The company does not maintain an office at the address stated in its articles of incorporation, which is one of the grounds for the revocation of its registration certificate.

Asenso Business Group is also not listed on the Barangay Business Database of Brgy. Bangkal, Makati City.

On Nov. 3, 2022, the commission issued an advisory against the company, which was then followed by a show-cause order on Dec. 21, 2022, to which it did not respond. — **Justine Irish D. Tabile**