

SEC readies simplified rules to help farm projects raise capital

THE Securities and Exchange Commission (SEC) is finalizing a regulation that will help farm-based companies raise up to P500 million to fund their agricultural projects by selling securities through a simplified registration process.

The memorandum circular, which the securities regulator plans to issue initially next month, is meant to support small and medium enterprises (SMEs) in raising capital for their projects.

"It's [one of] our initiatives [because] we have seen the need to support SMEs. So, this is one of those projects that we can use and tap agriculture entrepreneurs to issue their shares," SEC Chairman Emilio B. Aquino told *BusinessWorld* on the sidelines of a corporate event on Monday.

Mr. Aquino added that the new initiative targets to reach over-

seas Filipino workers who want to invest capital in agri-based businesses in the Philippines.

The regulator said capital-raising from the private sector for agri-based projects might involve the sale of securities to overseas Filipino investors using financial technology or fintech.

"I think that's what we need, and to insure also our food security and develop our agricultural sector," Mr. Aquino said.

The regulator earlier posted on its website the draft memorandum circular for Securing and Expanding Capital for Farms and Agri-business Related Modernization Schemes or SEC FARMS for comment from agricultural companies.

The proposed circular aims to simplify the registration process for the securities of agri-based businesses through SEC FARMS

instead of SEC Form 12-1, the usual format.

"Agri-based companies may use SEC FARMS for registration of its securities that are sold or offered for sale pursuant to Sections 8 and 12 of the Securities Regulation Code," the SEC said.

According to the draft, a corporation has to be established specifically for agri-based projects and must register its securities not exceeding the amount of P500 million per project, which could be applied in a single or series of registrations.

The regulator said proceeds from the sale of the securities for registration must represent at most 50% of the agricultural project's total project cost.

To use SEC FARMS, a company need to have secured and allocated as seed money for the project an

amount representing the other 50% of the total project cost.

If the project has already started, the company needs to provide the actual percentage of accomplishment and the fund in possession should not be less than 50% of the total project cost.

"A registrant corporation may offer its registered securities in a single offer period or in a continuing offer period based on a reasonable and acceptable schedule but not to exceed one year from the date of the issuance of the Order of Registration and Permit to Sell," the SEC said. — **Adrian H. Halili**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <https://fb.gy/828ym>

URC buys milling assets

GOKONGWEI-LED Universal Robina Corp. (URC) has acquired sugar milling machinery and equipment as it plans to expand its sugar mill's capacity, it said on Tuesday.

In a press release, the company said the assets were acquired from the idle equipment of Central Azucarera Don Pedro, Inc. (CADP), a subsidiary of listed Roxas Holdings, Inc., which shut down its operations earlier this year.

"These assets will be used to expand the capacity and improve the sugar recovery process at URC's sugar mill in Balayan, Batangas," the company said.

The new equipment will increase the company's milling capacity at its Batangas mill to 8,000 tons of sugar a day from the 5,000 tons previously produced.

The company said that by raising the mill's capacity, it could ensure an ample supply of sugar to its consumers. It added that the recent acquisition has cut the time of the URC's Balayan mill to two years instead of four.

Meanwhile, the company said that due to long wait times in its truck yard, "farmers are currently suffering

from low sugar recovery on their sugarcane deliveries." The low recovery could negatively affect their profits and drive some to cease farming or shift to low-value produce.

"The situation, if not immediately addressed, poses a grave threat to the livelihood of the farmers, as well as the entire sugarcane industry in Batangas, and will aggravate the current sugar shortage in the country," the company said.

This comes after a statement by URC Sugar and Renewables General Manager Rene Cabati that the company will mill the sugar canes from the displaced farmers in the CADP shutdown.

"URC's Balayan mill is also extending its milling season — which normally ends in April — till June," it said.

During the first quarter, URC reported flat earnings at P3.4 billion driven by higher financing costs and noncash impairment on its farming business. Its top line rose by 11% to P39.81 billion as "all businesses delivered strong growth despite the continued elevated inflation rates across the region." — **Adrian H. Halili**

URC to move CADPI Sugar Milling Equipment to Balayan Mill

In line with its expansion plan to provide better service to local sugarcane farmers, Universal Robina Corporation (URC) will be purchasing the idle sugar milling machineries and equipment of Central Azucarera Don Pedro, Inc. (CADPI). The CADPI sugar milling machineries and equipment will be transferred to URC's Balayan sugar mill for the expansion of Balayan's milling capacity and improvement of its sugar recovery process. With increased capacity from additional equipment, URC aims to accommodate more local sugarcane farmers and to contribute to more sustainable growth of local supply of sugar in the market.

Maynilad to replace old, leaky pipes by 2027

MAYNILAD Water Services, Inc. has committed to replace about 477.2 kilometers of old and leaky pipes in the next five years, setting aside P10 billion for pipe replacement projects from 2023 to 2027.

"When we took over Maynilad in 2007, the pipe network we inherited included the oldest water system in Asia. We are committed to upgrading our network for the benefit of our customers," Randolph T. Estrellado, chief operating officer of Maynilad, said in a media release on Tuesday.

The west zone water concessionaire said its pipe replacement project is part of Maynilad's program to reduce water losses and upgrade its distribution system. The project will be done in various portions of its con-

cession area. Once completed, its pipe length will reach 3,643 kilometers, or about 78% of the distribution system since its re-privatization in 2007.

For the January-to-April period, Maynilad has completed pipe replacements in north and south Caloocan, Quezon City, Malabon, Navotas, Valenzuela, Manila, Pasay, Parañaque, Imus, and Muntinlupa. The company said pipe replacements are being fast-tracked to recover more water supply ahead of El Niño, which is expected from June to August.

For 2023, it has allotted P4 billion to reduce its water loss or nonrevenue water.

Maynilad, a concessionaire of the Metropolitan Waterworks and Sewerage System, serves Manila, except

portions of San Andres and Sta. Ana. It also operates in Quezon City, Makati, Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon. It serves the cities of Cavite, Bacoor, and Imus, and the towns of Kawit, Noveleta, and Rosario in Cavite province.

Metro Pacific Investments Corp., which has a majority stake in Maynilad, is one of three Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**

PSE questions P189-M deficiency taxes

THE Philippine Stock Exchange, Inc. (PSE) has questioned the tax bureau's assessment of about P189.2 million in deficiency taxes, including a compromise penalty and interests up to Sept. 30, 2023.

In a disclosure on Tuesday, the stock market operator said the assessed value involved alleged deficiencies in various taxes in

the calendar year 2017 including income tax, value-added tax, and expanded withholding tax.

"The Company will dispute said assessment and will take appropriate legal action for the cancellation of the assessment," PSE said.

Based on its submitted information statement, the listed firm derives revenues from listing- and trading-related fees. It charges

listing fees for initial public offerings and additional listings, and for annual listing maintenance.

PSE's trading revenues are mainly comprised of transaction fees, subscription fees, and service fees related to clearing and settlement.

In the first quarter of this year, its net income after tax decreased by 0.5% to P203.16 million from

P204.21 million in the same period last year. It attributed the decline mainly to a 2.16% drop in its operating revenues and a 9.3% increase in cost ad expenses.

PSE provides and maintains a convenient and suitable market for the exchange, purchase and sale of securities and other instruments.

On Tuesday, its shares closed unchanged at P164 each.



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NOTICE OF PUBLIC HEARING

Please be informed that a **PUBLIC HEARING** shall be conducted on **5 June 2023 at 10:00 AM** at the **Makati City Session Hall, 22nd Floor, Makati City Hall (Main Building)**, relative to **Draft Ordinance No. 2023-100** entitled as **"AN ORDINANCE RECLASSIFYING AN EIGHT HUNDRED TWENTY-FIVE SQUARE METERS (825 SQM.) PORTION OF ROAD LOT 252 LOCATED AT TARGET STREET/TARGET BOULEVARD, BARANGAY PEMBO, MAKATI CITY INTO A PARCEL OF LAND WHICH WILL BE USED FOR THE CONSTRUCTION OF THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS (DPWH) MULTI-PURPOSE BUILDING, SUBJECT TO EXISTING LAWS, RULES, AND REGULATIONS."**

Copies of the said Draft Ordinance shall be posted at the Bulletin Boards of Makati City Hall Buildings 1 and 2, and the Makati City website www.makati.gov.ph, for your perusal and reference.

In view hereof, you are hereby invited to attend such event as this will give you the opportunity to express your views, comments and recommendations on the matter.

Minimum public health standards shall be observed.

Your presence will be highly appreciated.

Thank you.

ATTY. DINDO R. CERVANTES
Secretary to the Sangguniang Panlungsod

"Ang Makati ay para sa kapwa ko taga Makati."

Trade value, from SI/1

The machinery and transport equipment had the largest value of traded commodities amounting to P68.24 billion, accounting for 34.2% of the total. It was followed by food and live animals at P51.10 billion (25.6%) and manufactured goods classified chiefly by material at P28.77 billion (14.4%).

By value, Central Luzon recorded the largest trade surplus in the first quarter amounting to P11.25 billion, after recording P11.95 billion in outflows and P700.07 million in inflows.

Western Visayas accounted for the most goods traded by value with an outflow value of P44.70 billion.

Central Visayas posted the largest inflow value of P44.33 billion.

The trade balance is the difference between the outflow value and inflow value. A surplus happens when trade outflows exceed inflows, while the opposite occurs in deficit.

Amnesty, from SI/1

Mr. Salceda said he has no objection in adopting the Senate version which includes unsettled estates of those who died on or before May 31, 2022.

The version approved by the House covers estates of those who died on or before Dec. 31, 2022.

The Senate bill also prevents the Bureau of Internal Revenue (BIR) from arbitrarily imposing other requirements which may delay the processing of applications.

It also clarified that the proof of settlement is only required for the issuance of Electronic Certificate Authorizing Registration for transfer of properties, not for payment of estate tax.

Under the Senate version, the payment of the estate tax may also be done in installments within two years from the statutory date for the payment without civil penalty or interest.

Analysts expect the growth of the domestic trade to slow in the second quarter.

"With the economy now open, we can say that activity will expand, however, we note a slowing pace of gains as high inflation and elevated borrowing costs begin to bite," Mr. Mapa said.

While there will be a slowdown, Mr. Ricafort said demand will remain strong and lift domestic trade. He noted the anticipated disinflation and a pause in the Bangko Sentral ng Pilipinas' monetary tightening bodes well for domestic trade prospects in the next few months.

BSP Governor Felipe M. Medalla earlier this month signaled an extended pause on interest rates. At its May 18 meeting, the Monetary Board decided to keep its policy rates unchanged.

The BSP's next policy-setting meeting is on June 22. — **Mariadel Irish U. Catilogo**

The measure also allows taxpayers to pay the amnesty tax either manually or electronically through any authorized agent bank, a revenue district office, or an authorized tax software provider.

"Considering that the changes between the Senate and House versions do not materially impair the intentions of each House, foremost of which is to extend the effectivity of the Estate Tax Amnesty for another two years or up to June 14, 2025, this representation recommends that the House adopt the Senate version, to ensure that the bill can be signed into law before the current estate tax amnesty expires," Mr. Salceda said.

Once the House adopts the Senate version, there will be no need to convene the Bicameral Conference Committee. The measure will be sent directly to Malacañang for President Ferdinand R. Marcos, Jr.'s signature. — **Beatriz Marie D. Cruz**