

# SEC sets faster settlement of security trades

THE SECURITIES and Exchange Commission (SEC) has approved a shorter settlement cycle for securities trades in a bid to boost activity in the capital market.

In a statement on Thursday, the corporate regulator said the reduced settlement cycle is provided under Memorandum Circular (MC) No. 11 issued on Aug. 11 which amended the 2015 Implementing Rules and Regulations of the Securities Regulation Code (SRC).

MC No. 11 shortened the settlement cycle to T+2, or the transaction date plus two days, versus the previous settlement cycle of transaction date plus three days (T+3) under the 2015 SRC Rules and SEC MC No. 16, Series of 2004.

Another amendment requires a customer's purchases in a cash account to be paid in full within two business days after the trade date, or shorter than the previous

three days under the amendment on SRC Rule 50. The amendment allows investors to receive proceeds from securities trades within two days.

Risk exposure for trading participants will also be reduced by one day.

SEC Chairperson Emilio B. Aquino said the amendments will lower the credit and market risks of unsettled trades and liquidity risks in the payment system,

which reduces the overall systemic risk for the capital market.

"It will also encourage greater efficiency in the clearing and settlement process for securities trades. Accordingly, it will contribute in promoting the development of the Philippine capital market and protection of investors," Mr. Aquino said.

"The shortened settlement cycle is in line with global standards and supports our mission to facilitate

cross-border trading and encourage more investors to trade in the local stock market," he added.

Meanwhile, the SEC said MC 11 also amended SRC Rule 49 on the computation of net liquid capital (NLC), as well as SRC Rule 52 on the monthly aging of customers' receivables and the appropriate allowance for doubtful accounts.

It added that amendments were also made to MC 16 to reflect the changes for the computation

of the NLC and the schedule for specific and general provisioning for overdue accounts.

"The SEC is continuously crafting plans to introduce institutional changes that would help develop and further deepen the Philippine capital market, as we aim to lift investor confidence amid the trend in both regional and global markets today," Mr. Aquino said. — **Revin Mikhael D. Ochave**

## Multi-feedstock biomass power plant planned for Brooke's Point

BROOKE'S POINT Power Generation Inc. (BPPGI) is building a 7-megawatt multi-feedstock biomass power plant in a municipality in Palawan province for Palawan Electric Cooperative (Paleco) via an agreed power supply deal.

In a statement, Paleco said the power supply agreement (PSA) is for 20 years and is intended to provide electricity to Brooke's Point and a nearby municipality.

The cooperative said the multi-feedstock biomass power plant will be using agricultural waste such as rice husks, corn husks, coconut shells, and banana peel.

According to Paleco, it received in May a certificate exempting it from holding a competitive selection process after its request through a board resolution and submission of endorsement to the Department of Energy.

The engineering, procurement, and construction contract has been awarded to Power Engineering and Consulting for the final design of the turbine and generator.

Based on the project overview, the excavation and backfilling works have been started

along with the construction of facilities such as fuel storage, access roads, an administrative building, and a control cable trench.

BPPGI is coordinating with Paleco, National Transmission Corp., National Power Corp., and National Electrification Administration for the interconnection scheme design.

It also engaged the local community in buffer feedstock planting and site development activities.

The commercial operation of the power plant will commence after the Energy Regulatory Commission has approved the PSA.

The PSA was signed by the Paleco Board Chairman Efrén B. Abejo, General Manager Rez L. Contrivida, BPPGI Chairman and President Rodrigo S. Ko, and Corporate Secretary Jose L. Co.

Government representatives who witnessed the signing include Marissa P. Cerezo, director of the Renewable Energy Management Bureau, and Ed Lacandazo, municipal administrator of Brooke's Point. — **Sheldeen Joy Talavera**

## Inchcape-CATS to distribute Changan vehicles in PHL

THE JOINT venture company of global automotive distributor Inchcape and CATS Group of Companies was appointed by Changan International Corp. to distribute its vehicles in the Philippines.

"With global partnerships firmly embedded in Changan's history, this agreement with Inchcape is a landmark step in Changan's mission to pioneer auto culture and benefit human life," said Tom Yin, vice-general manager of Changan International.

Inchcape Philippines, the joint venture, will operate the distributorship of Changan vehicles in the country.

"Combined with Inchcape's excellence in market expansion and distribution, it is our shared ambition that more Filipinos enjoy the lasting safety that Changan automobile can provide," Mr. Yin said.

Alex Hammet, managing director of Inchcape for South Asia and Pacific, said the partnership will allow the distribution of extensive and high-quality vehicles in the Philippines.

"This is an exciting milestone for us as we see strong growth potential in the Philippines and opportunities for shared success with Changan International. This is a great example of our strategy

in action, accelerating the performance of our mobility company partners, and Inchcape being the automotive distributor of choice," Mr. Hammet said.

Inchcape said the deal will expand its growing presence within the Asia-Pacific region with the added footprint in the Philippines. The distribution will start this month across 25 dealerships and sales outlets in the country.

The partnership covers Changan's products such as the Alsvin Sedan, CS35 Plus compact crossover, CS55 Plus compact SUV, UNI-T, and UNI-K.

Inchcape said Changan's continued investments in new en-

ergy vehicle platforms have the potential to expand its electric vehicle offering.

In turn, Changan "will enjoy the benefits of Inchcape's strong track record of successful original equipment manufacturer market entries and industry-leading capabilities for data, digital, and technology service," it added.

Inchcape Philippines' existing brand partners are Mercedes-Benz, Chrysler, Dodge, Jeep, Ram, Jaguar, and Land Rover. It operates dealerships for Mazda and Harley-Davidson motorcycles. — **Justine Irish D. Tabile**

## GCash waives QR fees for micro-merchants until year-end

FINANCIAL super app GCash has waived the QR Ph transaction fees for micro-merchants until end-2023 to help boost the income of small businesses using the scan-to-pay service.

Aside from the waived QR transaction fees, GCash said micro-merchants will also have an increased wallet limit of up to P500,000 per month while the 1.5% transaction fee is waived for up to P100,000 in gross sales.

"For GCash, making this service free means micro-entrepreneurs can earn a little

extra for their families through safe cashless transactions. We are committed to working with our micro-entrepreneurs to achieve their business goals in the digital economy," G-Xchange President and Chief Executive Officer Oscar A. Reyes, Jr. said in a statement on Aug. 23.

G-Xchange is the mobile wallet operator of GCash.

According to GCash, micro-merchants are classified as small-scale businesses such as *sari-sari* store owners, public market vendors, and online sellers.

"Making use of our scan-to-pay enables faster tracking of payments received for merchants without imposing any additional cost, even for their customers," GCash said.

GCash claims that electronic wallets and other payment platforms impose fees of up to 2% for using cashless transaction services such as QR-based and card payments.

"We are one with the Bangko Sentral ng Pilipinas, in its goal of bringing more micro-merchants into the digital economy. Together with our partners, we

will equip micro, small, and medium enterprises with the right tools and products so they can grow their businesses safely and conveniently," Mr. Reyes said.

As of writing, GCash has empowered 845,000 small-scale community merchants with various digital financial solutions.

GCash is a wholly owned subsidiary of Mynt or Globe Fintech Innovations, Inc., which is a part of the Globe Telecom, Inc. group. — **Revin Mikhael D. Ochave**

### Poverty, from S1/1

Elevated commodity prices have devalued real wages and generated "longer-term poverty traps," the ADB said.

Based on the 2017 purchasing power parity (PPP), rates of extreme and moderate poverty in developing Asia were estimated at 3.9% and 18.8%, respectively, in 2022.

"Based on medium-term growth projections, developing Asia may be able to reduce prevalence of extreme poverty to 1% by 2030, however, 8% may still live in moderate poverty, and another 30% in economic vulnerability," Mr. Martinez said.

To eradicate poverty, achieve zero hunger and build human capabilities, the Asia and Pacific region must spend over \$669 billion annually from 2016 to 2030.

### IMPACT ON THE POOR

The poor are usually the most affected by the rising cost of living. The ADB noted that even small movements in prices hurt poor people as they spend a significant amount on basic items such as food and energy.

"In most economies, the bottom 50% spent more than half their budget on food and 10% more on energy than an average household," it said.

Low-income groups are also finding it more challenging to recover from the pandemic.

"Those who just escaped from poverty could be pushed back into it due to reduced purchasing power. Poor people are most likely to be hit hardest due to the higher share of energy and food costs in their budget compared with other income groups," the ADB said.

### FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link [bit.ly/3ORusdY](http://bit.ly/3ORusdY)

### Lending, from S1/1

The Monetary Board maintained the ceiling for credit card charges at 3% a month or 36% a year. The monthly add-on rate that credit card users can charge on installment loans is still at 1%, while the maximum processing fee for credit card cash advances remained at P200 for each transaction.

The BSP will review the ceilings on credit card transactions after six months.

"Looking ahead, the trajectory for loan growth remains contingent on several dynamics. We might see a continued rise in consumer loans if economic conditions improve, most especially the sentiment on it," Mr. Roces said.

The recovery in production loans will depend on global and local economic conditions, such as interest rate adjustments by central banks, he added.

While banks will benefit from higher interest rates, Mr. Mapa said consumers and companies will be "feeling the heat" from high borrowing costs.

"With the BSP noting that policy tightening operates with a lag, we can expect bank lending to continue to slow (as it did in 2019) in the coming months, which could be a sign that growth and productive capacity will be capped," he added.

BSP Governor Eli M. Remolona, Jr. earlier said the central bank remains hawkish, and cutting policy rates is not on the table, at least not at the Monetary Board's meeting next month.

The Monetary Board will have its next policy review on Sept. 21. — **Keisha B. Ta-asan**

### Solar, from S1/1

"In export markets, cost competitiveness will be critical. The market for solar PV modules is relatively commoditized, and price is a key buying factor for solar developers," it added.

The ADB noted China still has the lowest cost of production for solar panels, while Vietnam and Malaysia are estimated to produce at a 15-20% higher cost than China.

Less established manufacturing hubs like the Philippines are estimated to produce solar PVs that are 25-35% higher than China, it added.

The costs of manufacturing solar PVs in the Philippines are higher mainly due to transport costs of inputs, lower buying power of raw materials due to small scale, higher electricity costs and lower yield on input factors.

"Manufacturers cited higher costs and wait times to export modules out of the Philippines versus Malaysia and Vietnam due to lower container traffic volumes. The Philippines also faces challenges with transportation between islands," the ADB said.

From 2017 to 2021, Southeast Asian manufacturers supplied about a third of global PV module exports.

The ADB said revenues from low-carbon mobility and clean power segments in the region could reach \$90 billion to \$100 billion by 2030. — **Luisa Maria Jacinta C. Jocsom**



Team Megaworld led by Rafael Antonio S. Perez (5<sup>th</sup> from left), first vice-president for Human Resources and Corporate Administration Division, receives Megaworld's second award from HR Asia, which is also its sixth 'Best Employer' recognition in five years.

## Megaworld cited as among PH's best employers

In the past five years, Megaworld has been recognized as best employer in various local and international award-giving bodies, highlighting its outstanding programs aimed at caring for its employees and prioritizing their health, well-being, and career advancement.

On Wednesday, the company became a back-to-back winner as one of the "Best Companies to Work For in Asia" at the HR Asia Awards 2023 held at Newport City in Pasay. The award, the company's sixth "Best Employer" distinction since 2019, was given by Business Media International,

Asia's most authoritative publication for HR professionals.

Last year, Megaworld first won the prestigious distinction, around the same time it was also named one of the "Philippines' Best Employers" by a survey conducted by leading consumer data company, Statista.

In 2020, the company won its second consecutive "Dream Companies to Work For" recognition from the Asia's Best Employer Brand Awards. The previous year, in 2019, Megaworld won its first "Dream Companies to Work For" award, followed by a "Best Employer Brand" recognition from

the Philippines Best Employer Brand Awards.

"We dedicate this prestigious win to our employees who continue to dedicate their time, effort, and passion to sustain our company and help it grow to what it is today," says Rafael Antonio S. Perez, first vice-president for Human Resources and Corporate Administration, Megaworld.

Currently, Megaworld has around 3,500 employees around the Philippines, all of whom play vital roles in the company's continued success as the pioneering developer of live-work-play townships in the country. — **Adrian Naquera**