

Philippine Stock Exchange index (PSEi)

6,268.27

▼ 12.63 PTS.

▼ 0.2%

WEDNESDAY, OCTOBER 18, 2023

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P620.00 ---	ACEN ACEN Corp. P5.19 -P0.07 -1.33%	AEV Aboitiz Equity Ventures, Inc. P49.50 -P0.25 -0.5%	AGI Alliance Global Group, Inc. P11.80 ---	ALI Ayala Land, Inc. P29.75 +P0.45 +1.54%	BDO BDO Unibank, Inc. P134.40 -P0.90 -0.67%	BLOOM Bloomerry Resorts Corp. P10.02 -P0.24 -2.34%	BPI Bank of the Philippine Islands P107.50 -P0.30 -0.28%	CNPF Century Pacific Food, Inc. P30.00 +P0.25 +0.84%	CNVRG Converge ICT Solutions, Inc. P9.98 -P0.26 -2.54%
DMC DMCI Holdings, Inc. P10.30 -P0.24 -2.28%	EMI Emperador, Inc. P20.75 -P0.05 -0.24%	GLO Globe Telecom, Inc. P1,799.00 +P7.00 +0.39%	GTCAP GT Capital Holdings, Inc. P564.00 ---	ICT International Container Terminal Services, Inc. P214.20 -P0.80 -0.37%	JFC Jollibee Foods Corp. P224.00 +P5.00 +2.28%	JGS JG Summit Holdings, Inc. P38.40 -P0.60 -1.54%	LTG LT Group, Inc. P8.99 -P0.02 -0.22%	MBT Metropolitan Bank & Trust Co. P53.95 +P1.55 +2.96%	MER Manila Electric Co. P388.60 +P8.60 +2.26%
MONDE Monde Nissin Corp. P8.80 +P0.47 +5.64%	NIKL Nickel Asia Corp. P5.73 -P0.21 -3.54%	PGOLD Puregold Price Club, Inc. P29.45 -P0.15 -0.51%	SCC Semirara Mining and Power Corp. P35.15 +P0.05 +0.14%	SM SM Investments Corp. P812.50 -P4.50 -0.55%	SMC San Miguel Corp. P103.00 -P1.00 -0.96%	SMPH SM Prime Holdings, Inc. P31.20 -P0.65 -2.04%	TEL PLDT Inc. P1,226.00 -P4.00 -0.33%	URC Universal Robina Corp. P113.00 -P1.90 -1.65%	WLCON Wilcon Depot, Inc. P22.40 -P0.05 -0.22%

PSE lists disruptive calamities as reason to halt stock trading

By Revin Mikhael D. Ochave
Reporter

THE PHILIPPINE STOCK Exchange, Inc. (PSE) proposed the inclusion of natural disasters as a reason to suspend or close trading in the local market, saying the practice is being done in other Southeast Asian stock markets.

"A review of the internal trading rules of five Asian stock exchanges showed that all permitted the temporary suspension of trading or closure of the market in the event of a natural disaster or extraordinary circumstance," the market operator said in a memorandum circular posted on its website on Oct. 17.

Under the proposal, the PSE will have the discretion to suspend, halt, or cancel a scheduled trading day if there is an emergency such as earthquake, eruption, fire, flood, civil commotion, terrorist attack, and other "analogous circumstances" that needs evacuation or prevents PSE employees from reentering the exchange's premises.

The PSE's Memorandum CN - No. 2023-0055 contained the proposed guidelines covering natural disasters that would halt,

suspend, or cancel a scheduled trading day.

The PSE cited Asian market operators such as Singapore Exchange Securities Trading Ltd. and Stock Exchange of Hong Kong where temporary trading suspension or market closure could be permitted due to natural disasters or extraordinary circumstances.

The PSE also proposed that trading could be suspended, canceled, or stopped during an emergency that disrupts the trading activities of trading participants who collectively account for over 50% of the average daily trading value as of the end of the six-calendar month period preceding the date of determination, excluding block sales.

It added that trading could be affected during any other emergency or analogous situation including fortuitous events that could impact the operation of a "fair, orderly and efficient market."

"The exchange shall immediately notify the Securities and Exchange Commission (SEC) of its decision to halt, suspend, or cancel a scheduled trading day," the PSE said.

The PSE's proposal also said that a scheduled trading day would be canceled if the Philip-

pine Atmospheric, Geophysical, and Astronomical Services Administration issues public storm warning signal numbers 3, 4, and 5 in the National Capital Region.

Regular market trading will resume if the weather bureau declares warning signal numbers 1 and 2 in the Philippine capital by 6:00 a.m. of the following trading day.

Meanwhile, the PSE also proposed rules for the arrangement of a correspondent trading participant (TP), which would be incorporated in the implementing guidelines of the revised trading rules.

The PSE suggested that all TPs should be mandated to have a correspondent TP as a business continuity requirement.

"The PSE is of the view that if the order management system that a TP uses is unable to connect to the trading system, alternative means, such as placing trades through another TP on a correspondent broker arrangement, should be considered as an added contingency plan," the market operator added.

Sought for comment, AP Securities, Inc. Senior Research Analyst Alfred Benjamin R. Garcia said the proposal is a welcome development.

"Regarding suspension of trading due to natural disasters, it may add a few non-trading days mostly due to typhoons, but it's actually a welcome development," Mr. Garcia said via Viber message.

"This would be a big improvement over the current system where the decision is mostly based on the PSE's judgment call," he added.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the proposal is in line with other stock markets in the Southeast Asian region, which have similar weather patterns.

However, Mr. Ricafort said that trading activities are more resilient against natural calamities with the automation or digitization of trades that reduce the need for physical trading floors.

"This proposal is consistent with the eventual integration of stock markets in ASEAN and Asia and the harmonization of market rules and regulations," Mr. Ricafort said.

He said trading suspensions "are still expected even in developed countries whenever there is an inevitable temporary disruption of trades and other operations on safety grounds of the personnel in areas hit hard by natural calamities."

At least 22,000 entities need to avail of amnesty, says SEC

THE Securities and Exchange Commission (SEC) has released a list of more than 22,000 corporations that can still avail of the agency's amnesty program until the Nov. 6 extended deadline.

In a notice dated Oct. 17 posted on its website, the SEC identified 22,402 corporations, which it urged to take advantage of the reprieve or face revocation due to the non-use of their corporate charter.

The corporations on the list should file an online expression of interest to avail of amnesty on or before Nov. 6 as well as a petition to lift the order of revocation. They should also submit the latest due annual financial statement and general information sheet by Dec. 4.

"Based on the records of the commission as of Oct. 12, the corporations included in the attached list have failed to submit their general information sheet (GIS) within five years from the respective dates of their incorporation," the SEC said.

"In this light, they are advised to avail of the SEC amnesty program before their certificates of incorporation are revoked," it added.

Under Republic Act No. 11232 or the Revised Corporation Code of the Philippines (RCC), domestic and foreign corporations doing business in the country should annually submit their GIS and financial statements to the SEC.

The corporations are also mandated to pass other reporting requirements annually and within such period as prescribed by the SEC.

"Section 21 of the RCC provides that if a corporation does not formally organize and commence its business within five years from the date of its incorporation, its certificate of incorporation shall be deemed revoked as of the day following the end of the five-year period," the SEC said.

Meanwhile, the commission said the list of corporations with revoked certificates of incorporation will be finalized after the amnesty program, which is set to end on Nov. 6.

"The SEC highly encourages the corporations appearing in the attached list to avail of the SEC amnesty program to keep their certificates of incorporation from being revoked," the corporate regulator said.

Launched in March, the amnesty program allows a reprieve for companies from the fines and penalties imposed on the late or non-filing of their GIS and annual financial statement, and non-compliance with Memorandum Circular No. 28, Series of 2020.

In early October, the SEC announced that the deadline for the amnesty program was extended to Nov. 6 from the previous Sept. 30 extension. — **Revin Mikhael D. Ochave**

Mega Prime expects slower growth for the year

MEGA PRIME Foods, Inc. is expecting slower business growth this year amid market uncertainties, the top official of the canned sardines maker said on Wednesday.

"This year the market isn't good, but hopefully next year we'll be getting better," Mega Prime's Chief Executive Officer and Chief Operating Officer Michelle Tiu Lim-Chan told reporters on the sidelines of a company event.

Ms. Lim-Chan added that amid the closed fishing season for sardines, the company would have ample supply to keep up with demand.

"The closed season of fishing happens every year so that is already forecasted," she said. "We have a lot of local sources."

"We will give the local fishermen livelihood, so we will buy their fish. We have

[about] 1,200 fishermen. There are also a lot of local fishermen in the Zamboanga area, so we'd like to help them also during the off-season," she added.

Mega Prime Chief Growth and Development Officer Mavin Tiu Lim said the company is expecting a stable supply of sardines.

"We still have a month left of fishing," he said, adding that it is not at the "optimal level that we want it to be."

"We are sourcing from other regions in the Philippines," he said.

The Bureau of Fisheries and Aquatic Resources said earlier that sardine fishing would be closed from Nov. 15 to Feb. 15 the following year.

Mr. Lim added that Mega Prime is expecting further growth from its other products, amid the limited supply of sardines. He said in the past, the company's non-sardine

stock-keeping units had posted double- or triple-digit growth.

"So we are very hopeful that aside from sardines, our other product will have stronger growth," he said.

Meanwhile, the company launched on Wednesday the fifth year of its Mega Bigay Sustansya program in partnership with the Department of Education, the Department of Science and Technology, the European Chamber of Commerce, and Reach Out and Feed Philippines, Inc.

Mr. Lim said that the company is seeking to "progressively expand" the program nationwide.

"Next year, hopefully, we can visit more regions," he said. "Year on year, the budget [for the program] is growing, so we really pour in extra funds for [it]," he added. — **Adrian H. Halili**

FEU board clears investment in Pampanga school

LISTED educational institution Far Eastern University (FEU) said its board of trustees had cleared a shareholders' agreement with MGHI Holdings, Inc. to invest in a school in Pampanga.

In a regulatory filing on Wednesday, the university said the agreement should stipulate that MGHI and FEU would each invest up to P300 million in Higher Academia, Inc. (HAI) for a total equity investment amount of P600 million.

In turn, HAI would acquire the assets of Colegio de Sebastian-Pampanga, Inc., which is a

secondary and tertiary school located in San Fernando, Pampanga.

MGHI Holdings is a member of the United Laboratories, Inc. group, more commonly known as Unilab, which is engaged in the production of health-care products and medicines.

Meanwhile, FEU said the shareholders' agreement is also envisioned to contain share transfer restrictions, management,

and governance provisions, and termination, dissolution, buy-out mechanisms upon the occurrence of "certain trigger events."

FEU disclosed that no agreement has been signed yet, and would make the necessary disclosures if there are any updates.

"No definitive agreement has been signed pending finalization of the documentation, dis-

cussions, and the conduct of due diligence. We will make the necessary disclosures regarding the project as soon as further information becomes available," FEU said.

FEU managed to narrow its attributable net loss in the first quarter ending August to P73.09 million from the P93.99-million loss a year ago.

The company's revenues jumped 35% to P568.64 million from P421.95 million.

On Wednesday, shares of FEU at the local bourse fell P19 or 3.23% to P570 apiece. — **Revin Mikhael D. Ochave**

