

Analysts see SEC broker director cap strengthening governance

By Alexandria Grace C. Magno
Reporter

THE Securities and Exchange Commission's (SEC) new 10-year term limit for broker directors could strengthen governance standards at exchange boards by encouraging leadership renewal and broader market representation, analysts said.

The SEC is imposing a cumulative 10-year term limit on broker directors serving on exchange boards, a rule opposed by some market participants.

Analysts said the policy could help reduce over-reliance on long-serving directors while opening leadership opportunities to individuals with different backgrounds and expertise.

"The term limit and cooling-off rule may cause some initial disruption as experienced directors rotate out, but over time they reduce over-reliance on a few individuals and promote more balanced, credible board decision-making," BDO Securities Corp. President John Tristan D. Reyes said in a Viber message on Friday last week.

He said the rules would encourage exchanges to regularly refresh their boards and strengthen succession planning, creating opportunities for new

entrants and supporting a more dynamic and balanced board composition.

Under SEC Memorandum Circular No. 17, a broker director may serve a maximum cumulative period of 10 years in the same exchange, whether cumulative or intermittent.

A broker director that has served for five cumulative years will be required to undergo a one-year cooling-off period before becoming eligible for reelection.

The five-year term and 10-year maximum period will be reckoned up to the date of the next annual stockholders' meeting following the fifth or 10th cumulative annual election.

A broker director's service of more than six months in a year will be counted as one full year for purposes of computing the five-year term and 10-year maximum cumulative service under the circular.

Following the cooling-off period, a reelected broker director may serve a fresh term of up to five cumulative years.

The new directive would affect several long-serving broker directors at the Philippine Stock Exchange (PSE), including Ma. Vivian Yuchengco, who has served for 28 years, Eddie T. Gobing, who has served for 25 years, and Wilson L. Sy, who has served for 12 years.

China Bank Capital Corp. Managing Director Juan Paolo E. Colet said the term limit strikes a balance between preserving continuity and allowing leadership renewal.

"The 10-year cumulative term limit enables seasoned directors to serve long enough to ensure an exchange benefits from their experience, while also opening the doors for competent candidates to bring new backgrounds and perspectives," he said in a Viber message on Tuesday.

The SEC circular also provides for a two-year transition period for incumbent broker directors, allowing them to complete their current terms and remain eligible for the next two annual elections.

During the transition period, exchanges are expected to progressively restructure their boards by adding independent directors, foreign brokerage representatives, and members with capital markets or investment banking expertise to strengthen corporate governance and minority shareholder protection.

Mr. Colet said the phased reconstitution of exchange boards could diversify leadership and introduce new expertise into the sector.

He added that the inclusion of foreign independent directors may provide greater objectivity, while investment bankers

and other industry practitioners could help exchanges become more responsive to developments in the capital markets.

"I'm optimistic that with faithful implementation and collaboration by regulators and stakeholders, the changes will improve our capital markets and protect the investing public," he said.

The SEC's proposal on term limits had earlier faced criticism from some individuals, including Ms. Yuchengco, who described the measure as "wrong," noting that brokers are also shareholders of the PSE.

Meanwhile, some business groups have expressed support for the reforms. They also pledged to collaborate with regulators and stakeholders in refining policies to promote a fair and efficient capital market.

Covered exchanges that exceed the maximum cumulative term limit for broker directors will face penalties, including a P1-million fine per broker director per year and a P30,000 monthly penalty for continuing violations.

A third or subsequent offense may result in the suspension or revocation of an exchange's secondary or primary license.

The SEC circular will take effect 15 days after its complete publication in the Official Gazette or in at least two newspapers of general circulation.



PHILIPPINE STAR/MIQUEL DE GUZMAN

DoE cites almost P1B in mall energy savings amid persistent alerts

ENERGY conservation efforts by private establishments, particularly malls, have generated nearly P1 billion in electricity savings, according to the Department of Energy (DoE), as the government continues to push efficiency measures amid ongoing grid tightness.

"We're now close to almost P1 billion in total since we've encouraged them," Patrick T. Aquino, director of the DoE Energy Utilization Management Bureau, told *BusinessWorld* on Monday.

In its advisory in March, the DoE urged commercial, industrial, and transport sector players to adopt energy efficiency and demand-side management measures amid concerns over supply conditions.

These include setting air-conditioning units at no lower than 24°C in common areas, maximizing natural lighting, and installing on-site renewable energy systems such as solar photovoltaic facilities in buildings and establishments.

To reinforce its campaign, the DoE launched the "Oras Natin sa Efficiency" (O.N.E.) initiative, which encourages households, businesses, and communities to switch off non-essential lights and unplug unused appliances every Saturday from 8 p.m. to 9 p.m.

"Every month, big malls are already contributing their savings. So, it also helps the bottom line further," Mr. Aquino said.

At present, 212 malls nationwide have collectively saved over 65,000 megawatt-hours (MWh) of electricity, equivalent to about P785 million in savings, based on an estimated rate of P12 per kilowatt-hour.

Energy Secretary Sharon S. Garin said the campaign reflects a broader shared responsibility to embed energy conservation as a long-term practice rather than a short-term response.

"Sustained weekly participation at a similar level could translate into significant annual energy savings, while helping ease pressure on the grid during periods of high demand," Ms. Garin said.

The Philippines has experienced recurring yellow and red alerts in recent weeks due to thin power reserves and elevated demand.

In particular, yellow alerts in the Visayas have persisted for three weeks, driven by constrained supply conditions and rising consumption.

As of May 27, available grid capacity stood at 2,682 megawatts (MW) against peak demand of 2,415 MW, according to system data. — **Sheldeen Joy Talavera**

MGEN explores wind energy opportunities

MGEN RENEWABLE ENERGY, Inc. (MGEN Renewables), the renewable energy arm of Meralco PowerGen Corp. (MGEN), is exploring wind energy opportunities, its president said, as the company continues to expand its renewable energy portfolio.

MGEN Renewables President and Chief Executive Officer Dennis B. Jordan said the company is looking to diversify beyond its current solar and battery storage assets, with plans to assess opportunities in both onshore and offshore wind power.

"We're certainly interested. At one point, we're looking at, certainly, opportunities in wind," Mr. Jordan told reporters on the sidelines of an energy forum organized by the Economic Journalists Association of the Philippines on Tuesday.

"We don't have something complete yet, but I think it will be wrong for us to totally not look into onshore wind at least," he added.

The company is also evaluating offshore wind projects, an emerging segment in the

country's renewable energy sector due to its significant untapped potential.

MGEN Renewables currently maintains over 400 megawatts alternating current (MWac) of net sellable capacity across seven solar sites in Bulacan, Ilocos Norte, Rizal, Nueva Ecija, Isabela, Batangas, and Tarlac.

The company's parent, MGEN, has a combined net sellable capacity of 5,069.7 MW from both conventional and renewable energy sources. It aims to double this to 10,346 MW by 2030.

Mr. Jordan said liquefied natural gas (LNG) currently accounts for the largest share of the company's portfolio, but its contribution is expected to decline as renewable energy capacity expands aggressively in the coming years.

He said renewable energy capacity is projected to grow significantly over the next two years, supported by ongoing and planned projects, including large-scale solar and battery storage developments.

Among these is the MTerra Solar project, which MGEN describes as one of the world's

largest integrated solar and battery storage facilities. The project has an estimated cost of P200 billion and is expected to supply clean energy to about 2.4 million households.

Spanning municipalities in Nueva Ecija and Bulacan, the project includes a 3,500-MW solar power plant and a 4,500-MWh energy storage system. The first phase is targeted for completion by August.

MGEN Renewables is also expected to move forward with its planned asset injection with subsidiary SP New Energy Corp. by the fourth quarter of 2026, followed by a planned re-initial public offering (IPO) in March 2027, coinciding with the commercial rollout of MTerra Solar.

Meralco's controlling shareholder, Beacon Electric Asset Holdings, Inc., is partly owned by 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. — **Sheldeen Joy Talavera**



XiamenAir launches Manila-Hangzhou direct flights

CHINA'S Xiamen Airlines has launched direct flights between Manila and Hangzhou amid its push to boost air connectivity between the Philippines and China, the Department of Tourism (DoT) said.

The route will operate four times weekly — every Monday, Wednesday, Friday, and Sunday — until Oct. 31, the DoT said in a statement on Wednesday.

"The route connects Manila to one of China's leading centers for innovation and technology and is expected to support not only tourism exchanges but

also business and investment opportunities," the DoT said.

XiamenAir also recently launched its Chongqing-Manila flights, which will operate every Tuesday, Thursday, and Sunday until Oct. 31.

This was followed by the launch of Qingdao Airlines' inaugural Changsha-Manila flights on May 21. The route will run every Tuesday, Thursday, and Saturday until Oct. 24.

This route is expected to provide Filipinos with greater access to Changsha, the capital of Hunan Province, which is

known for its history, cultural attractions, and cuisine.

Tourism Secretary Dita Angara-Mathay said the Philippines' new direct flights to China, a major tourism market, would help expand opportunities for tourism growth.

"We are accelerating the restoration of air connectivity from China because we recognize that this market remains one of the Philippines' biggest opportunities for tourism growth," she said.

China remains among the Philippines' leading source markets in 2025,

accounting for 4.56% of total visitor arrivals.

The Philippines has also launched new and resumed routes from Manila and Cebu with destinations including San Francisco, Seattle, Vancouver, and Paris, the DoT said.

In the first five months of the year, the Philippines recorded 30,729 international flight arrivals, up 4.71% from the same period in 2025, the DoT said.

The Philippines also recorded 7.78 million international air seats for direct inbound flights, 8.31% higher than last year. — **Beatriz Marie D. Cruz**

Philippine Stock Exchange index (PSEi) 5,963.24 ▼46.14 PTS. ▼0.76% TUESDAY, MAY 26, 2026 BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P465.00 +P5.00 +1.09%	ACEN ACEN Corp. P3.08 ---	AEV Aboitiz Equity Ventures, Inc. P31.00 +P0.45 +1.47%	ALI Ayala Land, Inc. P15.80 -P0.12 -0.75%	AREIT AREIT, Inc. P39.00 -P0.35 -0.89%	BDO BDO Unibank, Inc. P118.00 +P0.80 +0.68%	BPI Bank of the Philippine Islands P92.00 +P0.90 +0.99%	CBC China Banking Corp. P55.45 +P0.15 +0.27%	CNPF Century Pacific Food, Inc. P27.70 -P1.25 -4.32%	CNVRG Converge ICT Solutions, Inc. P11.02 -P0.12 -1.08%
DMC DMCI Holdings, Inc. P9.11 -P0.03 -0.33%	EMI Emperador, Inc. P15.46 +P0.18 +1.18%	GLO Globe Telecom, Inc. P1,710.00 -P30.00 -1.72%	GTCAP GT Capital Holdings, Inc. P475.00 -P14.00 -2.86%	ICT International Container Terminal Services, Inc. P799.00 -P27.00 -3.27%	JFC Jollibee Foods Corp. P136.50 -P1.50 -1.09%	JGS JG Summit Holdings, Inc. P27.00 -P0.10 -0.37%	LTG LT Group, Inc. P15.20 +P0.16 +1.06%	MBT Metropolitan Bank & Trust Co. P64.15 -P0.65 -1.00%	MER Manila Electric Co. P600.00 -P4.50 -0.74%
MONDE Monde Nissin Corp. P7.06 ---	PGOLD Puregold Price Club, Inc. P46.15 -P1.15 -2.43%	PLUS DigiPlus Interactive Corp. P11.76 -P0.32 -2.65%	RCR RL Commercial REIT, Inc. P6.94 -P0.01 -0.14%	SCC Semirara Mining and Power Corp. P25.80 -P0.20 -0.77%	SM SM Investments Corp. P622.00 +P10.00 +1.63%	SMC San Miguel Corp. P67.80 +P0.05 +0.07%	SMPH SM Prime Holdings, Inc. P19.00 -P0.14 -0.73%	TEL PLDT Inc. P1,192.00 -P4.00 -0.33%	URC Universal Robina Corp. P60.50 -P0.50 -0.82%