



Legal Watch

PSE CN 2026-0015



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SUMMARY

The Philippine Stock Exchange (PSE) has invited stakeholders to submit comments on the proposed amendments to the Rule on Initial Listing through Preferred Shares Offering (the “Proposed Rules”). The amendments are intended to make the preferred shares listing framework more accessible, particularly for small and medium enterprises (“SMEs”), while streamlining the applicable disclosure and compliance requirements.

The key proposed amendments are as follows:

- 1. Reduced Minimum Offering Size and Stockholder Requirement:** The Proposed Rules seek to reduce the minimum offering size for initial listing through preferred shares offering from One Billion Pesos (Php1,000,000,000.00) to One Hundred Million Pesos (Php100,000,000.00). Correspondingly, the minimum number of stockholders required upon listing is proposed to be reduced from 1,000 to 100.
 - 2. Revised Public Float Requirement:** The Proposed Rules also align the minimum public float requirement with SEC Memorandum Circular No. 11, series of 2026 (“SEC MC No. 11-2026”). Instead of the current fixed 20% public float requirement, the applicable public float will range from 15% to 20%, depending on the issuer’s market capitalization at the time of listing. The PSE may likewise approve a lower public float requirement, provided that it will not fall below 12%.
- For this purpose, both the market capitalization and public float computation shall be based solely on the issuer’s outstanding and listed preferred shares.
- 3. Streamlined Disclosure Requirements:** The Proposed Rules rationalize the disclosure obligations applicable to “preferred shares-only” issuers. The PSE explained that investors in preferred shares are primarily concerned with dividend payments, issuer creditworthiness, and cash flow stability. Accordingly, disclosure obligations will focus on matters affecting or potentially affecting the issuer’s ability to pay dividends. As a result, the number of immediately disclosable events will be reduced from 42 to 29.

* Agency Name

The Philippine Stock Exchange, Inc. (PSE)

* Issuance Title

Proposed Amendments to the Rule on Initial Listing Through Preferred Shares Offering

* Issuance Date

21 April 2026

* Link

<https://documents.pse.com.ph/CircularOPSPDF/CN-2026-0015.pdf>





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4. **Annual Certifications for Mining and Energy Companies:** The Proposed Rules introduce annual certification requirements for companies operating in the mining and energy sectors.

Mining companies, as well as companies with interest in mining activities whose preferred shares are listed on the Exchange, will be required to submit an annual certification from the Mines and Geosciences Bureau confirming that their mining claims and leases remain valid and subsisting, are being developed in accordance with the approved work program, and disclosing any liens or encumbrances.

Similarly, petroleum, renewable energy, and natural gas service contractors, including related companies and subsidiaries with listed preferred shares, are required to submit an annual certification from the Department of Energy attesting that their service contracts remain valid and that they have no pending violations with the agency.

5. **Modified Penalty Framework:** The Proposed Rules introduce a revised penalty framework for preferred shares issuers. While the existing fines for structured disclosure violations will generally remain, the PSE proposes simplified penalties for unstructured disclosure violations and lower penalties for violations of the black-out rule and those involving matters affecting preferred shareholders, such as dividend declarations, redemption rights, and changes in the terms or rights attached to preferred shares.

ACTIONABLE ADVICE

Issuers and prospective applicants should continue to monitor developments to the Proposed Rules, as these amendments may significantly affect the framework for preferred shares-only listings.

If adopted, the Proposed Rules may provide greater flexibility for companies seeking to raise capital through preferred shares offerings, particularly through the reduced offering size, lower stockholder requirement, and streamlined disclosure framework.

