Legal Watch

PSE CIRCULAR NO. 2026-0028

Photo Credit: www.servcorp.com

Agency Name

The Philippine Stock Exchange, Inc. (PSE)

Issuance Title

Second Exposure Draft of the Proposed Amendments to the Rule on Initial Listing through Preferred Shares Offering

Issuance Date

10 June 2026

Link

https://documents.pse.com.ph/CircularOPSPDF/CN-2026-0028.pdf

SUMMARY

The Philippine Stock Exchange ("PSE") further revised the draft Rules on Initial Listing through Preferred Shares Offering to allow the direct listing of preferred shares as an alternative to traditional initial public offerings (IPOs).

The salient features of the proposed Direct Listing framework are as follows:

(1) Preferred shares may be listed without a prior public offering.

(2) Listed preferred shares shall become immediately tradable upon listing on the Exchange.

(3) Non-applicability of the rules on Public Offering Requirements to a Direct Listing.

(4) Initial listing price must be based on a fairness opinion prepared by an independent and reputable firm and in accordance with the Guidelines for Fairness Opinions and Valuation Reports.

(5) Issuers utilizing the direct listing route shall comply with the following post-listing obligations:

1. Sale of the same class or series of shares to at least 100 distinct investors within one (1) year from the initial listing date on the Exchange.
2. The post-listing distribution or sale must have a minimum aggregate value of Fifty Million Pesos (Php 50,000,000).
3. The sale or distribution may be undertaken by the issuer, any existing stockholder(s) of the Issuer, or a designated arranger or issue manager.

Non-compliance with the forgoing shall subject the Issuer to sanctions such as suspensions, fines and fees, requirement to buy back its securities, and/or delisting.

Legal Watch

PSE CIRCULAR NO. 2026-0028

Photo Credit: www.servcorp.com

Agency Name

The Philippine Stock Exchange, Inc. (PSE)

Issuance Title

Second Exposure Draft of the Proposed Amendments to the Rule on Initial Listing through Preferred Shares Offering

Issuance Date

10 June 2026

Link

https://documents.pse.com.ph/CircularOPSPDF/CN-2026-0028.pdf

ACTIONABLE ADVICE

Issuers and prospective applicants should monitor the progress of the proposed rules and assess how the direct listing framework may affect their listing strategy. Entities intending to utilize the proposed mechanism should review their post-listing compliance plans, particularly with respect to the prescribed investor distribution and minimum distribution value requirements, to mitigate the risk of sanctions should the rules be adopted substantially in their current form.