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VOLUME NO. 2

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BECOMING SEC-SEE INVESTORS

(Scam-proof, Equipped, Empowered)

The Securities and Exchange Commission embarked on a nationwide roadshow to highlight the importance of financial literacy in avoiding investment scams, drawing hundreds of participants from all walks of life hoping to have a secure and comfortable life in the future.

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NewSEC

Get to know the Commission, what it does and everything new about it
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IPW 2022

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#CheckwithSEC

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Chairman EM@IL Message



From Emilio B. Aquino ebaquino@sec.gov.ph
To Our SEC Stakeholders
Date November 29, 2022

A few years ago, we envisioned the Securities and Exchange Commission (SEC) to be the Home of Champions. On its 86th year, the Commission not only celebrated a breakthrough performance, but also made the long overdue move to its permanent headquarters, right at the heart of Makati City, the premier financial district in the country.

I am proud to say that we have, indeed, turned the SuperVision into reality. The SEC has evolved into the Home of Champions - with a home fit for champions.

Our transfer to our new headquarters was not the only highlight of 2022. This year, we kicked off a nationwide roadshow entitled, "Balik Alindog for Financial Literacy: The Road to Being a SEC-SEE (Scam-proof, Equipped, and Empowered) Investor" in all nine SEC Extension Offices.

In this issue of the NewSECletter, we look back at the roadshows and how they enabled the public to become SEC-SEE investors. The conduct of these roadshows demonstrate the Commission's continuously grander initiatives as part of Investor Protection Week, whose theme this year was "Kapag SEC-SEE, Iwas Scam 'Yan!," SEC-SEE being a scam-proof, equipped, and empowered investor. The annual celebration is an encapsulation of the Commission's steadfast commitment to inform and educate the public on the wide-ranging investment instruments that are available to them, in order to spare them from becoming victims of unscrupulous investment scams.

Beyond investor protection, the SEC is reaping the rewards of its efforts in sustainability and good corporate governance. In 2022, I am proud to share that the SEC once again received the prestigious ISAR Honours from the United Nations Conference on Trade and Development. The Commission first received this award in 2019, testament to our steady commitment to promoting sustainability in the country.

We offer our overwhelming victory to the investing Filipinos worldwide, whom we commit to educate and protect in pursuit of the eight-point socio-economic agenda of President Ferdinand R. Marcos, Jr.

Fueled by our shared passion to create an enabling and secure environment for the investing Filipinos, the SEC will be untiring in our pursuit of a more secure and comfortable life for all Filipinos.

Thank you and mabuhay!

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In the last six months of 2022, the Securities and Exchange Commission (SEC) continued to reap awards for its digital transformation initiatives, while taking on a greater role in achieving broader connectivity of the ASEAN capital markets as co-chair of the ASEAN Working Committee-Capital Market Development. Read about these and other milestones of the Commission by visiting bit.ly/SECNews2022 or scanning the QR code.



SEC receives top honors from United Nations anew for sustainability reporting initiatives

The SEC received another recognition from the United Nations Conference on Trade and Development (UNCTAD) for promoting sustainability and sustainable development goals (SDG) reporting in the Philippines. The ceremony took place at the Palais des Nations in Geneva and the SEC received the ISAR Honours 2022 in the national category, besting 45 organizations from various countries.

The UNCTAD recognized the Commission's efforts to organize a series of workshops to capacitate publicly-listed companies (PLCs) in the proper preparation of their annual sustainability reports as well as several trainings, webinars, and workshops to inform PLCs of the trends and policy development on sustainability reporting.



SEC cited for outstanding accounting office

The SEC, through its Financial Management Department, was recognized by the Association of Government Accountants of the Philippines, Inc. (AGAP) for its sound and transparent use of public funds. The award is given to organizations nominated by the Commission on Audit (COA) for exemplifying quality, timeliness and accuracy in their financial reports.

The SEC has consistently been recognized for its prudent use of public funds, having received an unqualified opinion from COA for four consecutive years from 2018 to 2022. Auditors render an unqualified or unmodified opinion when they conclude that the financial statements as a whole are free from material misstatements, which could arise from either error or fraud, according to the International Public Sector Accounting Standards.

IDC names SEC Chairperson Emilio Aquino CEO of the Year for the Philippines

The International Data Corporation (IDC) named SEC Chairperson and Chief Executive Officer (CEO) Emilio B. Aquino CEO of the Year for the Philippines in its Future Enterprise Awards 2022, recognizing his efforts for steering the Commission towards a digital-first world.

An advocate for the use of digital innovations, Mr. Aquino led the Commission in its digital transformation journey through the launch of the Digital Transformation and Technology Modernization Roadmap. This roadmap paved the way for the rollout of programs such as eSPARC, its subsystem One-Day Submission and E-Registration of Companies (OneSEC), the Electronic Filing and Submission Tool (eFAST), and the Electronic System for Payments to SEC (eSPAYSEC), to facilitate the faster and easier processing of company registration, reports submission, and payments for SEC transactions.

SEC shares digital transformation story with global counterparts in Maldives

The SEC showcased its digital transformation story to various global counterparts during the 2022 Corporate Registers Forum (CRF) Annual Conference in Maldives. The Commission highlighted its role in supporting and enabling the Philippine corporate sector during the pandemic.

Among others, the Commission showcased the Electronic Simplified Processing of Application for Registration of Company (eSPARC), its company registration system that is a vital part of its digital transformation journey. With the launch of eSPARC, the number of newly registered domestic corporations and partnerships jumped by 50.5% and 33.4% in 2021, respectively.

SEC bags Asia CEO Award for service excellence

The SEC was named among the Circle of Excellence Awardees for the Airspeed Service Excellence Company of the Year during the 13th installment of the Asia CEO Awards held at the Manila Marriott Hotel on October 11.

Winners of the award were chosen based on service level improvements and advancements made by the organization to enable business expansion; the financial impact of such improvements; pioneering achievements; customer satisfaction; as well as other recognitions garnered by the initiative.

SEC approves country's first corporate debt vehicle

The SEC paved the way for the introduction of the first corporate debt vehicle (CDV) in the country following its approval of the application of ATRAM Unitized Corporate Debt Vehicle, Inc. to act and operate as a CDV.

A CDV is a closed-end investment company that offers for sale its shares of stock or units of participation with the specific objective of investing in the corporate debts of large corporations and medium-sized enterprises. Although CDVs are exempt from registration requirements as prescribed by Republic Act No. 8799, or the Securities Regulation Code, the Commission must still confirm and approve such exemptions through the submission of a simplified prospectus and product highlight sheet.

Incorporated in 2021, ATRAM Unitized Corporate Debt Vehicle, Inc. is the first investment company to apply as a CDV. Its registration covers 50 billion units of participation, with up to one billion units comprising the ATRAM Unitized Corporate Debt Fund 1 to be offered at a price of up to P1 per unit.

SEC Philippines strives for greater connectivity of ASEAN capital markets

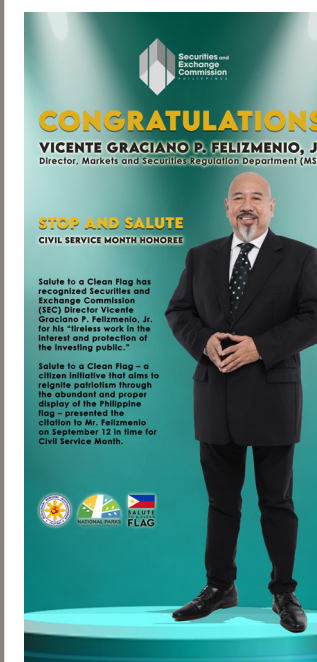
The SEC kicked off its first four months as co-chair of the ASEAN Working Committee-Capital Market Development (WC-CMD), working alongside the Ministry of Finance and Economy (MOFE) Brunei Darussalam from 2022 to 2024. This committee was established with the vision of achieving cross-border collaboration among capital markets in the ASEAN region.

Following the handover event on August 11, the committee reconvened on September 14 to discuss various developments in cross-sectional cooperation including updates on the ASEAN Bond Market Development Scorecard, the Risk Monitoring Template, and the successful socialization of the Conversation Pack of Sustainable Finance First for Sustainable Projects' Initiative.

The Commission also welcomed delegates from the Nepal Rastra Bank (NRB) on September 22 at the SEC Headquarters in Makati City, which was arranged by the Bangko Sentral ng Pilipinas (BSP), where the commission shared its knowledge and capabilities on consumer protection and education initiatives to the NRB.

SEC expands online payment options with Landbank

The SEC successfully expanded payment options available to the transacting public through an amended Memorandum of Agreement with the Land Bank of the Philippines (LANDBANK) on November 28. The amended MOA allows payments for SEC-related transactions through LANDBANK's Online Collection (OnColl) facility, which is now available in all 609 LANDBANK branches across the country.



SEC Director lauded for championing investors, capital market development

Salute to a Clean Flag, a citizen initiative aiming to reignite Filipino patriotism through the abundant and proper display of the Philippine Flag, honored SEC Director Vicente Graciano P. Felizmenio, Jr. of the Markets and Securities Regulation Department (MSRD) for his "tireless work in the interest and protection of the investing public."

With over three decades of dedicated work in the Commission, Director Felizmenio, Jr. successfully led the MSRD in ensuring that the first public offering by a Real Estate Investment Trust would take off in 2020, as well as establishing a regulatory framework that would make crowdfunding a viable source of financing for micro, small and medium enterprises.

SEC shifts payments online, offsite in 2023

In line with the SEC's zero-contact policy and automation of business-related transactions, the SEC announced that all payments will only be accepted through eSPAYSEC or at any Landbank branch nationwide starting February 1, 2023. Over-the-counter transactions will only be accepted until January 31, 2023. The Cashier's Office located at the SEC Headquarters in Makati City and all extension offices will be closed by then.

The shift to online and offsite payments will help further the Commission's commitment to ensuring the transparent and efficient management of public funds, as well as complement the government's push for digital transformation of public services to make doing business easier in the Philippines.

BECOMING SEC-SEE (Scam-proof, Equipped, Empowered)

The Securities and Exchange Commission (SEC) mobilized its forces across the country to secure the financial future of Filipinos in a nationwide roadshow on personal finance and legitimate investments.

Led by its nine extension offices in Baguio, Tarlac, Legazpi, Cebu, Bacolod, Iloilo, Davao, Cagayan de Oro, and Zamboanga, the SEC launched Balik Alindog for Financial Literacy on November 9, as part of the celebration of the 2022 Investor Protection Week.

The nationwide information caravan attracted over 1,000 attendees from all walks of life seeking to improve their management of finances and investments. Participants included students, prospective and existing investors, entrepreneurs, government workers, uniformed personnel, as well as members of the general public.

During the EO roadshows, the Commission encouraged the public to become SEC-SEE investors who are scam-proof, equipped, and empowered, in line with the theme of the IPW, an annual celebration every second week of November that aims to highlight the importance of sound and legitimate investments in securing a comfortable life and future for Filipinos.

"I reckon that this activity is a success as our participants have learned that no matter how small or big your income is, there is always a way to budget your monies. The learnings will help you to be more conscious of your expenses and savings, even on a tight budget, and to be wiser in your investment decisions," SEC Commissioner Javey Paul D. Francisco said in a speech to close the roadshows.

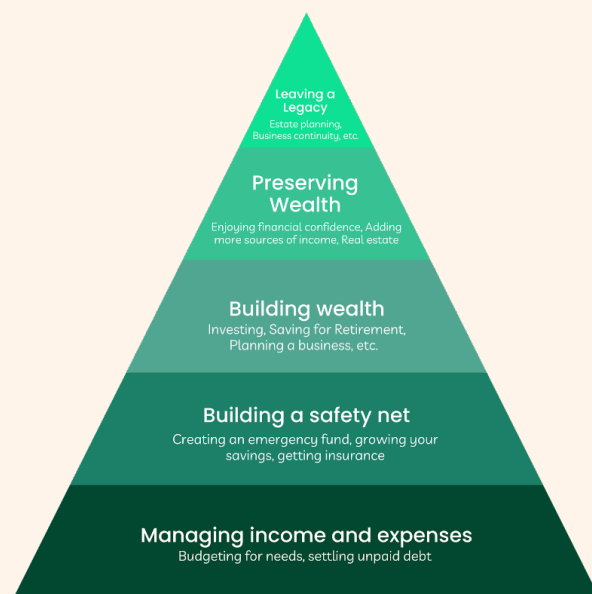
Lessons on personal finance

The lack of financial literacy has long been a problem for the Philippines. In the 2022 Financial Inclusion Survey by the Bangko Sentral ng Pilipinas, only 2 in 10 Filipinos were able to score a hundred percent on basic financial literacy questions, while 7 in 10 answered correctly in at least half of the questions.

Meanwhile, a separate study by the World Bank in 2015 revealed that only a quarter of adult Filipinos were knowledgeable on basic

financial concepts.

As the national government agency mandated to promote the protection of investors, the SEC has consistently endeavored to improve financial literacy among Filipinos. For the EO roadshows, the Commission developed a learning module on personal finance to help the public understand basic financial terms. The module also aimed to provide advice on how people can better control their funds and finances, as well as promote the importance of financial and investment planning to meet personal financial goals.



Sidebar 1: The Personal Finance Pyramid

Through the module, speakers from the SEC EOs taught the public about the personal finance pyramid (see sidebar 1), which sought to inculcate the importance of creating an emergency fund first before building up one's savings. The Commission likewise introduced four habits that can help participants cut costs, namely Reduce, Reuse, Repair, and Recycle.

Participants also learned about budgeting and saving through real-life scenarios, emphasizing how one can benefit from keeping a record of how much they earn versus their total expenses every month.

(continued on page 5)

Sidebar 2: Tests to determine the legitimacy of an investment

LEGIT OR SCAM?

Know if you're engaging with legitimate entity or an investment scam by using these tests

8-POINT TEST

Know if you're engaging with either a legitimate multi-level marketing company or a bogus pyramiding scheme by asking these eight questions, as developed by the Direct Selling Association of the Philippines:

1. Is there a product?
2. Are commissions paid on the sale of products and not on registration/entry fees?
3. Is the intent to sell a product not a position?
4. Is there no direct correlation between the number of recruits and compensation?
5. If recruitment were to be stopped today, will the participants still make money?
6. Is there a reasonable product return policy?
7. Do products have fair market value?
8. Is there a compelling reason to buy?

If you answered YES to all questions, then it must be a legitimate company. But if the answer is NO, then there is a high probability that it is a pyramid scam.

HOWEY TEST

Know if a scheme involves an investment contract and thus, requires registration with additional licenses from the SEC. Under the Howey Test, there is an investment of money in a common enterprise, and there is an expectation of profit derived from the efforts of others. See how this can be applied on Kapa Community Ministry International, one of the biggest investment scams in recent Philippine history:

Investment of money

1 In Kapa's scheme, the money invested is the "donation" worth at least P10,000

In a common enterprise

2 The common enterprise is Kapa Community Ministry International, previously registered as a religious corporation

Expectation of profit

3 The member-donor expects a "blessing" equivalent to 30% of the donated amount every month for life

Primarily from the effort of others

4 The member-donor need not do anything other than invest and wait for the day of the monthly payout

INVESTMENT CHECKLIST

Ask for copies of the following documents to ensure that the investment you are entering into is registered with the SEC:



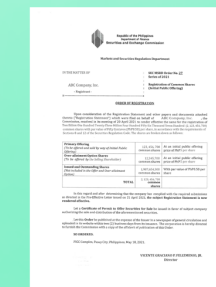
Certificate of Incorporation



Articles of Incorporation



Bylaws



Order of Registration



Certificate of Permit to Offer Securities for Sale



Certificate of Registration with the salesperson or broker's name



Registration statement or prospectus

Unmasking investment scams

The second module presented during the roadshows focused on how to unmask illegal investment schemes, given the continued rise of individuals and entities offering investments without the necessary licenses from the SEC.

In 2022, the SEC issued a total of 113 advisories against entities soliciting investments from the public, who have been shown to be vulnerable to unauthorized investment schemes resembling legitimate businesses.

More than ever, knowledge on how to spot investment scams is crucial to safeguard the public from falling victim to these scams and safeguarding their hard-earned money.

With this, the module highlighted the two most common types of investment scams in the Philippines, namely Ponzi and pyramiding schemes. The Commission also clarified the difference between pyramiding schemes and multi-level marketing companies using the 8-Point Test by the Direct Selling Association of the Philippines (DSAP).

Participants were also taught how to determine whether a particular scheme would qualify as an investment contract using the Howey Test, which provides for the definition of investment contracts. Investment contracts are treated as securities, which must be registered with the Commission before they can be offered to the public as investments, as per Republic Act No. 8799, or the Securities Regulation Code.

Under the Howey Test, there is an investment contract when there is an investment of money in a common enterprise, and there is an expectation of profit derived from the efforts of others.

Knowing how to apply the Howey Test when one is presented with an investment opportunity allows them to be more careful before engaging in such, protecting their hard-earned money from potential fraud and scams.

To better illustrate the importance of the Howey Test, the modules looked at the case of Kapa-Community Ministry International, Inc., one of the biggest investment scams in recent history, and how its products satisfy the elements of an investment contract (see sidebar 2).

Prior to the enforcement actions brought by the SEC against Kapa in 2019, the supposed religious organization solicited “donations” from its member-donors, in exchange for “blessings” in the form of 30% monthly returns for life.

The SEC has since stopped Kapa’s unauthorized investment activities, with its founder, Joel Apolinario, and associates now facing several cases before the Department of Justice.

Before engaging with an investment offer,

participants were advised to always consult an investment checklist provided by the SEC to verify its legitimacy (see sidebar 2).

Becoming SEC-SEE

After the roadshows, knowledge of the participants improved based on the pre-tests and post-tests conducted for the activity. The tests revealed that participants already had a grasp of basic financial concepts, but some points still had to be addressed to ensure that they will not be trapped in investment scams.

Almost all participants agreed that they should keep a record of their income and expenses to track where they spend their money. There was also general agreement on the statement that keeping a record helps them plan their budget ahead. Majority of participants likewise recognized the importance of placing their money in a savings account in the bank, instead of traditional piggy banks.

However, results showed that some struggled with the application of financial concepts in real life. Some participants still said low-income earners need not save up for emergencies after the education roadshow.

Participants also found difficulties in topics surrounding loan products, suggesting why several Filipinos still fall into debt traps from lending and financing companies.

On the other hand, participants showed general improvement when asked about legitimate investments. Most importantly, participants were able to correctly spot investment scams versus legitimate ones using the different tests taught during the roadshow.

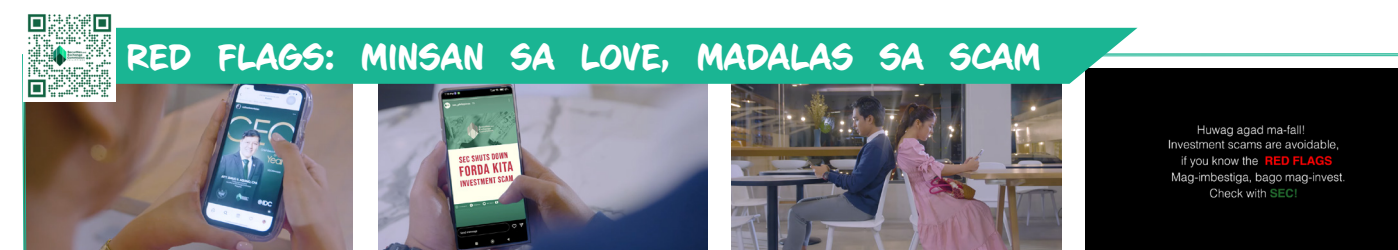
The journey toward becoming a SEC-SEE investor— scam-proof, equipped, and empowered— is one focused on improving financial literacy to uplift the lives of more Filipinos.

The Commission will continue to hold roadshows across the country to guide more investors to becoming SEC-SEE, recognizing that this is the first step in the path to a more secure and comfortable life. 🟩



INVESTOR PROTECTION WEEK 2022

The Securities and Exchange Commission continues to educate and steer the public toward sound and legitimate investments as it led the 2022 celebration of Investor Protection Week from November 7 to 11, 2022. Look back on the webinars, games, and other activities launched by the Commission for the annual celebration.





BAGUIO



ILOILO

TARLAC



BACOLOD



Investor Education Roadshow



LEGAZPI



DAVAO

CAGAYAN DE ORO



CEBU



ZAMBOANGA

SEC 86th

Anniversary



The Securities and Exchange Commission celebrated its 86th Founding Anniversary and Recognition Ceremony on November 29 at The SEC Headquarters in Makati City, where it recognized 65 individuals and organizations from both the public and private sectors for their contributions in championing capital market development, sustainability and good corporate governance, investor protection, ease of doing business, and organizational development.

In a keynote speech during the event, Department of Finance Secretary Benjamin E. Diokno congratulated the Commission for its efforts in advancing the capital markets and improving the ease of doing business in the country through digitalization and sustainable practices.

"I trust that the SEC will continue to be a strict and responsible regulator and a bold enabler of enterprises. I am confident that the SEC will continue to secure the public's trust and inspire confidence in our markets," Mr. Diokno said.



Look back on the momentous occasion here: <https://bit.ly/Happy86thSEC>



#CheckwithSEC

The Securities and Exchange Commission (SEC) regularly issues advisories, as well as cease and desist orders, to protect the public from individuals and groups soliciting investments without the necessary licenses from the Commission. It also revokes the certificates of registration of partnerships and corporations engaged in unauthorized investment-taking activities, and actively pursues them in court. Read the advisories issued by the Commission by visiting bit.ly/SECAdvisories or by scanning the QR code.



✓ DOJ files criminal case against Silverlion

The Department of Justice filed criminal charges against Silverlion Livestock Trading Corp. for its unauthorized solicitation of investments from the public.

The filing of cases followed the successful search and seizure operation in Silverlion's offices in Zamboanga City. The operation uncovered bundles of cash, vouchers, and other devices that were supposedly scheduled to be used for upcoming payout of profits to existing investors.

State prosecutors found probable cause to charge the company, its CEO, incorporators, officers, and agents for violations of the SRC. CEO Ryan Ladoing was likewise charged for violation of Republic Act No. 10591 or the Comprehensive Firearms and Ammunition Regulation Act.

✓ SEC revokes Wellcons' corporate registration

The SEC has revoked the corporate registration of Wellcons Unlimited Systems, Inc. for publicly offering and selling securities without the necessary secondary license from the Commission and employing a "double-your-money" scheme to illegally solicit investments, worth between P2,500 to P13,890, from the public.

The scheme incorporates a Binary System that guarantees returns of up to P9,000 to P32,000 per day. As a form of security, the SEC reminded the public that investment contracts must be registered with the Commission before they can be sold or offered within the Philippines, in pursuant of Section 8 of Republic Act No. 8799 or the Securities Regulation Code (SRC).

✓ SEC secures conviction for One Dream Global scammers

The SEC has secured yet another victory against investment scammers after the Regional Trial Court in Batangas convicted seven perpetrators employed by One Dream Global Marketing, Inc. of violating Sections 26.1 and 28.1 of the SRC.

The perpetrators, namely Arnel Garcel, Jobelle de Guzman, Judith Itoh, Marlon de Guzman, Louie de Guzman, Belinda de Guzman, and Jun de Guzman, were all fined a grand total of P2.8 million and sentenced to serve up to 20 years in prison. The court also

issued warrants of arrest against accused Ariel de Guzman, Richard Ramos, Jay-ar De Guzman, and Joel De Guzman, who all remain at large.

✓ SEC cancels Flying Bear Lending license and corporate registration

Due to its failure to disclose its online lending platforms (OLPs) to the Commission, Flying Bear Lending Corp., operating as Yopeso, Morepeso, and Rapidpeso, had its lending license and corporate registration cancelled by the Commission.

Flying Bear was found to have continuously violated SEC Memorandum Circular No. 19, Series of 2019 (SEC MC 19), after failing to disclose the lending platforms it operates

✓ SEC declares cease and desist order against Alphanetworld permanent

The SEC declared permanent its cease and desist order against AlphanetWorld Corporation, operating under the name NWorld, for selling and/or offering investment packages priced from P4,750 to P19,000 in exchange for NWorld products and a guaranteed monthly return of P127,000.

Despite being a duly registered corporation, it has never secured a secondary license as an issuer of securities, in violation of Section 8 of the SRC.

The Commission subsequently revoked AlphanetWorld's corporate registration for fraud, after the SEC Company Registration and Monitoring Department (CRMD) found that the company provided an invalid Tax Identification Number (TIN) in the Articles of Incorporation it submitted, which constitutes as fraud.

✓ SEC cancels Katuwang Poultry's registration over illegal investment solicitation

The SEC has revoked the registration of Katuwang Poultry Chicken Egg Producing Co. as a partnership for illegally soliciting investments from the public online. The company had been using Facebook to publicly offer securities without the proper license from the Commission.

Katuwang Poultry's investment scheme involves investment contracts, where a person invests his/her money in a common enterprise and is led to expect profits from the efforts of others. The Commission had

advised the public to be cautious in dealing with Katuwang Poultry as early as September 2021 due to its illegal investment solicitation activities.

✓ SEC stops Unity Premier's illegal investment scheme

The SEC directed Unity Premier Business Group OP, which also operates under the name of UnityPremier Beauty and Wellness Products Trading, to immediately cease and desist from engaging in the aforementioned unauthorized solicitation, offer, and/or sale of securities in the form of investment contracts without the appropriate license from the Commission.

The EIPD found that Unity Premier has been touting itself as a financial institution that can provide its members the opportunity to start their own e-commerce business by creating an account on the company's website and paying the investment fee as well as investors being promised a 15% commission when recruiting more people into their system.

✓ SEC warns public against Lodi Coins

The SEC flagged the public offering by Lodi Technologies Incorporated of its supposed virtual currency Lodi Coins

Though Lodi Technologies argued that Lodi Coins are utility tokens and are not considered securities, the Commission stated that some virtual currencies may partake in the nature of securities as defined under the SRC and, echoing its counterpart in the United States, "securities law may apply to various activities."

✓ SEC warns public against Bitdefihub

The SEC warned the public against investing in BitdefiHub Advertising, which had been promising to double an investor's money in 10 days. According to the company's Facebook page, prospective investors only need to pay a minimum investment of P300 in exchange for 20% of the earnings daily as well as those who park their money within a span of 10 days stand to double their profits. There is also a 25% referral bonus and a registration bonus of P50.

Though the company's owner, Mark Guevarra Mercado, conferred a certificate of business name registration with the Department of Trade and Industry, BitdefiHub Advertising is not registered as a corporation or partnership with the Commission and, thus, does not have a license to solicit investments from the public.

✓ SEC revokes Astrazion's corporate registration

The SEC has revoked the Astrazion Noble Task Community Foundation and Astrazion Global Holdings Philippines, Inc.'s corporate registration for soliciting investments from the public without the required license and through a fraudulent scheme.

It has been found that Astrazion Foundation and Astrazion Global operated an online multi-level marketing platform where it actively promoted the sale of its digital currency, AZNT Token. The group offered 7 packages to the public with guaranteed returns of 3% per day.

INVESTOR ALERTS

The SEC has issued advisories against the following entities for soliciting investments from the public without the necessary license from the Commission.

Amazon80.Com/Amazon.Pro/Amazonphilippines/
Amazon-Bonus.Com
Recharging And Tasking Scam
Paynance
Marsgas Petrochemical Products Trading/
Marsgas/Mars-Gas.Com
AA Castro Construction And Aggregates Trading
AA Castro Hauling Construction Management and
Aggregates Trading OPC
Cari Bon Store
PSE.Tavfar.com
Universal Bot Corporation/Universal Chatbot Online Shop
ASJ Forex Global Limited
The Peak Finance/The Peak Finance Consultancy Services
Koan Solutions Opc
88Dragons Nest Franchising Corp./Aadragon's Franchising
Corporation/88Dragon's Franchising Corp.
Phil Maritime And Ocean Institute Of Technology Inc.
Sophia Francisco Holding Opc/Financial Consultancy
Services Sophia-Francisco/Sophia Francisco Trading
Lodicoin/Lodi Technologies
Wozmara Or Wozmara.Com
Purecash, Sugercash, Tcredit, Goldapple, and Spendcash
Bitdefi Hub/Bitdefihub Advertising
Movie Daddy
Asenso Business Group Trading Inc
Crypto Marketers/Crypto Marketers Worldwide
Cryptogix
Teck Resources Limited
Frutas Comida Zamboanga
Bitbankups.com
Heromining/Hero Mining/Hero Mining International Group
Advance Fee Loan Scam
Cashbaka
A Power/Apower Pro/A Power Ph/Apower Power Bank/
Apower Power Bank Sharing Solution, Opc.
OTCJKE/OTC Automated Trading Platform/
Jke International Limited
Vertex Evo Trading
Gameloot Advertising Services
PH-IGM/IGM/Inspiration Global Media
Electronic World Trade Platform-EWTP
Royal Bull Master Trading International/Royal Bull Master
Spboss/Spower/ Sun Power
Unregistered Cryptocurrency Exchanges
Disclaimer And Non-Affiliation of Mr. Nino Wendel I.
Catulpos with the SEC
Ground Zero Poultry Agricultural Corporation
Tether-Pay/Tether.Pay.Com/Tether Pay Ltd./
Tether Pay Limited
CSTmine.com
Bit-Cryptorising Marketing Consultancy
and BCR Rising Trade Inc.

✓ SEC files criminal complaint against 4 lending companies

Suncash Lending Investors Corp., UCash Lending Investors Corp., Suncredit.ph Finance Corp., and ECredit Finance Inc. will be facing criminal charges before the Department of Justice for operating unregistered online lending platforms (OLPs).

In a joint operation with the Philippine National Police Anti-Cybercrime Group (PNP-ACG), Eastern District Anti-Cybercrime Team, Manila Police District, and the Special Weapons and Tactics Philippines (SWAT), the SEC EIPD implemented a search warrant against Suncash as part of the Commission's crackdown against unregistered ledgers.

The search uncovered evidence of Suncash using three unregistered OLPs, namely Suncash, Flashloan, and Peso Pautang, and revealed that other lending companies, such as UCash, Suncredit, and ECredit, had been operating alongside Suncash in its headquarters in Sampaloc, Manila.

✓ Before you invest, always remember to #CheckwithSEC. Report investment scams to the SEC Enforcement and Investor Protection Department at epd@sec.gov.ph.

EO CORNER

The Securities and Exchange Commission (SEC) ensures the efficient delivery of its services across the Philippines through its Extension Offices (EOs). Located in strategic locations in Baguio, Bacolod, Cagayan de Oro, Cebu, Davao, Iloilo, Legazpi, Tarlac, and Zamboanga, the EOs are vital in the Commission's fulfilment of its mandate of overseeing the corporate sector and protecting investors from fraudulent investment schemes.

Baguio EO chairs Cordillera RLECC task force vs scams



The Regional Law Enforcement Coordinating Committee (RLECC) revived the RLECC Task Force against investment scams, further expanding its purpose to include all online and cyber scams. The task force introduced SEC Baguio EO Director Regina May Cajucom-De Guzman as the chairperson during its launch on November 16.

The task force is set to conduct comprehensive and intensive information campaigns for the transacting public to promote and work towards a #ScamFreeCordillera.

Legazpi EO partners with Far East Broadcasting Company

The SEC Legazpi EO entered into a partnership with Far East Broadcasting Company-Philippines.

Under the partnership, the Legazpi EO will have a regular guest slot on the station's "Oras na, Bicolandia!" morning show. This is also part of the Commission's nationwide investor education campaign under the SEC Capital Market Promotion and Advocacy Inter-Agency Network, or SEC Campaign Network.



Tarlac EO brings frontline services closer to people of Zambales



The SEC Tarlac EO has brought the Commission's services to the province of Zambales through a one-stop shop registration for newly organized civil society organizations (CSOs) of the province.

In partnership with the local government unit of San Felipe, the Tarlac EO assisted a total of 24 CSOs in the processing of their registration to the Commission. The CSOs were composed of associations of farmers, fisherfolks, barangay health workers, tricycle drivers, public school teachers, indigenous peoples, retired government employees and senior citizens.

Cebu EO sustains pursuit of investor information and education drive

The SEC Cebu EO continued its investor education and capital market awareness initiatives in the countryside through a webinar entitled "InvestTalk: Pagbatok sa Investment Scams ug Hustong pag-Invest," which focused on spotting and unmasking investment scams.

The Cebu EO also reaffirmed its commitment to encourage and sustain investments in Bohol, as it participated in the Abante Negosyo Caravan, wherein lectures and business registration facilitation were imparted to 168 business owners and other stakeholders. The Caravan was also held in the municipalities of Valencia, Bien Unido, and Panglao, Bohol during the rest of year, rounding up a total of 599 participants.



Bacolod EO promotes SEC services in Negros Oriental



The SEC Bacolod EO promoted the Commission's services and advocacies in Negros Oriental on a three-day trip to visit key partners in the southern part of Negros Island. The trip produced partnerships with Foundation University, IBP-Negros Oriental Chapter, and Silliman University Law Alumni Association. The Bacolod EO also visited the National Irrigators Association Negros Oriental Satellite Office, and the Philippine Information Agency Negros Oriental Information Center, who have been active members in its campaign for a more inclusive business environment. The City Administrator of Bais City, Dumaguete City Prosecutors Office, Provincial Prosecutors Office, Department of Trade and Industry and other agencies were also paid courtesy visits to discuss SEC policies.

Iloilo EO intensifies awareness campaign for stakeholders, partners

The SEC Iloilo EO saw a total of 265 participants from Western Visayas attend its various efforts to educate local stakeholders and partners on financial literacy and investor protection. The activities included the SEC Reportorial Requirements and Penalties to Minimize BIR and SEC-related Business Risks for accounting professionals and students in partnership with the University of the Philippines Visayas, Balik Alindog for Financial Literacy, as well as a seminar on company registration using eSPARC during the National Government Agencies, Cooperatives, Civil Society Organizations and Stakeholders' Forum on Livelihood in the Province of Antique, among others.



Davao EO strengthens links with gov't agencies, universities, business orgs



The SEC Davao EO has intensified its campaign on financial literacy and investor protection by partnering with nine entities last year, including the DSWD Field Office XI, DAR Region 12, Notre Dame of Dadiangas University, and the Association of Certified Public Accountants in Public Practice (ACPAPP) – Southern Mindanao Region, among others.

The agreements aim to build and raise awareness on financial literacy and investment scams under the SEC Campaign Network.

Cagayan de Oro EO gives support to irrigators orgs

The SEC Cagayan de Oro EO has partnered with the National Irrigation Administration – Region 10 in an effort to help irrigators organizations keep up with the digitalization initiatives of the Commission.

The partnership aims to mobilize the Irrigator Management Offices of Region 10, which include Bukidnon, Lanao del Norte, Misamis Occidental, Misamis Oriental, Camiguin, and Lanao del Sur, by conducting a series of training-workshops that will familiarize the organizations with the latest updates on SEC activities and programs.



Zamboanga EO joins information service caravan



The SEC Zamboanga EO joined the Information-Service Caravan organized by the Mindanao Communicator's Network (MCN) together with 30 national government agencies (NGAs) and the local government unit (LGU) in Barangay Saad, the most remote barangay in Dumingag, Zamboanga Del Sur to deliver programs and services to hundreds of Saad residents on October 25, 2022.

The SEC ZEO set up a booth to help address queries about the Commission, as it continuously collaborates with NGAs to bring SEC services to the grassroots level.

SEC RULES



From July to December 2022, the Securities and Exchange Commission (SEC) has issued six memorandum circulars embodying new rules and regulations concerning corporations and other SEC-supervised entities. The full text of the following memorandum circulars may be found on the SEC website by visiting bit.ly/SECMemoCirculars or scanning the QR code.

SEC Memorandum Circular

No. 07

Series of 2022

Publication date : August 29, 2022
Date of effectivity : September 13, 2022

Rules on Qualified and/or Eligible Personal Equity and Retirement Account (PERA) Investment Products

Pursuant to Republic Act No. 9505, otherwise known as the Personal Equity and Retirement Account (PERA) Act, and its Implementing Rules and Regulations, the SEC provided the list of qualified and eligible PERA investment products falling under the purview of the SEC. The list of PERA Qualified and/or Eligible Investment Products is laid down in Section 2 of this MC, while Sections 3 and 4 provide for the kind of equity and other securities that may be qualified as eligible PERA Investment Products.

SEC Memorandum Circular

No. 08

Series of 2022

Publication date : September 30, 2022
Date of effectivity : September 30, 2022

Guidelines on Arbitration of Intra-Corporate Disputes for Corporations

This implements Section 181 of the RCC, concerning arbitration agreements and/or dispute resolution for intra-corporate disputes. These rules apply to arbitrators appointed by the SEC, upon the request of the parties, except for instances where the Arbitration Agreement expressly states a seat or place of arbitration that is other than the Philippines.

SEC Memorandum Circular

No. 09

Series of 2022

Publication date : December 14, 2022
Date of effectivity : December 14, 2022

2023 Filing of Annual Financial Statements and General Information Sheet

Pursuant to its mandate to comply with the zero-contact policy and automation of business-related transactions mandated by the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, the SEC issued the guidelines on the orderly filing of AFS and GIS through the Electronic Filing and Submission Tool. Check the schedule under SEC Matters of this newsletter.

SEC Memorandum Circular

No. 10

Series of 2022

Publication date : December 21, 2022
Date of effectivity : January 01, 2023

Amendments to SEC Memorandum Circular No. 15, Series of 2019 Increasing the Penalties and Imposing Additional Non-Financial Penalties and providing further Guidelines for Submission

This implements Section 73 of the RCC, and amends SEC MC No. 15, Series of 2019, by increasing the penalties and including additional non-financial sanctions for non-compliant corporations. These rules remain applicable to foreign corporations. The public is further required to file their annual reportorial requirements through eFAST since over-the-counter and/or through mail/courier submissions shall no longer be accepted.

SEC Memorandum Circular

No. 11

Series of 2022

Publication date : January 03, 2023
Date of effectivity : January 04, 2023

Rules on Sustainable and Responsible Investment Funds

To enhance the transparency and disclosures related to sustainability-related products, as well as improve comparability between funds which incorporate Environmental, Social, and Governance (ESG) into the investment process, this memorandum circular lays down the rules on disclosures and reporting of investment companies classified as Sustainable and Responsible Investment (SRI) Funds and their Fund Managers. These rules shall apply to newly formed or existing investment companies that seek to qualify, or have qualified, as SRI Funds, and to non-SRI investment companies that incorporate or seek to include sustainability or ESG considerations in their investment objective, and discloses such information in its Registration Statement.

SEC MATTERS



Read the latest notices and announcements of the Securities and Exchange Commission by visiting bit.ly/SECMatters or by scanning the QR code.

Notice on eFAST enrollment

Effective September 26, 2022, the account to be enrolled in Electronic Filing and Submission Tool (eFAST) shall be subjected for review before it will be activated. In this process, it is recommended that information to be declared or enrolled and required documents to be submitted/uploaded are consistent, correct and in proper order.

Procedures on enrollment and submission of reportorial requirements is provided in the video material available in the eFAST portal and SEC website.



Advisory on the completeness and accuracy of submitted reports through eFAST

Reportorial requirements submitted by corporations shall be accepted and considered complete and accurate. Any inaccuracy, incompleteness, and/or false or misleading information in the submitted reports shall be penalized accordingly.

The Electronic Records Management Division (ERMD) of the ICTD shall accept all reports filed in the e-FAST regardless of the forms and contents.

Effective November 2, 2022, all inaccurate, incomplete, false or any misleading information, which can be found in the submitted reports, shall be penalized accordingly by the Compliance Monitoring Division of the Company Registration and Monitoring Department and/or other Operating Departments monitoring the reports. No report/s shall be returned to the filers for correction. Amendments shall no longer be allowed unless directed by the Commission.



SEC completes main office transfer to Makati

The public is hereby informed that the SEC has moved its main office operations to The SEC Headquarters, 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City. All SEC departments and offices have completed their transfer to the new headquarters as of 30 November 2022.

Accordingly, the Commission has ceased operations at its former main office within the Philippine International Convention Center (PICC) Complex in Pasay City. The SEC will continue to observe a "zero face-to-face transaction" policy, in line with the zero-contact policy and automation of business-related transactions mandated by Republic Act No. 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

The Commission shall accept and process all applications for company registration, submissions of reportorial requirements, and other transactions through its online portals, email, courier, and other remote means.

Mandatory Disclosure Form Submission from September 1, 2022 onwards

All non-stock corporations required to submit the Mandatory Disclosure Form (MDF) pursuant to Memorandum Circular No. 25, Series of 2019 are advised that the physical submission of the hard copy of the MDF shall no longer be required, effective immediately. To those who have not yet submitted the MDF, please be informed that starting 1 September 2022, only scanned copies in PDF format of the printed and notarized MDF sent through email will be accepted. Know how to submit the MDF here: <https://bit.ly/MDFsubmission>

2023 AFS FILING SCHEDULE

The SEC reminds all corporations of the deadlines for the submission of their annual financial statements (AFS) and general information sheets (GIS) for 2023.

Make sure to submit your AFS on or before the last day of your assigned filing schedule, which is based on the last digit of your company's SEC registration or license numbers below.

You may also opt to submit your AFS prior to the start of the filing schedule on May 29.

Schedule	Last digit of SEC registration/ license number
May 29 to 31; June 1 to 2	1 and 2
June 5 to 9	3 and 4
June 13 to 16	5 and 6
June 19 to 23	7 and 8
June 26 to 30	9 and 0

Also, make sure to submit your company's latest GIS within the prescribed periods:

GENERAL INFORMATION SHEET

All corporations shall file their GIS through eFAST within

**30
DAYS**

From the date of actual annual stockholders' meeting, for **stock corporations**

From the date of actual annual members' meeting, for **nonstock corporations**

From the anniversary date of the issuance of their respective SEC licenses, for **foreign corporations**

All corporations must file their AFS and GIS through the SEC Electronic Filing and Submission Tool (eFAST) at <https://efast.sec.gov.ph>. Read the complete filing guidelines provided in SEC Memorandum Circular No. 9, Series of 2022.

Failure to file your AFS or GIS within the prescribed deadlines will result in penalties and other fines, based on rules and regulations set by the SEC. All submissions made on or after June 5, 2023 shall be considered late.



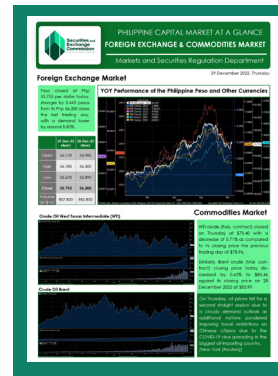
For inquiries and other concerns, head to the SEC Contact Center via the link <https://www.sec.gov.ph/contact-us/> or by scanning the QR code.

SEC PUBLICATIONS

Check out these other SEC publications to learn more about the Philippine capital markets, business sector, and overall economy.

DAILY MARKET UPDATES

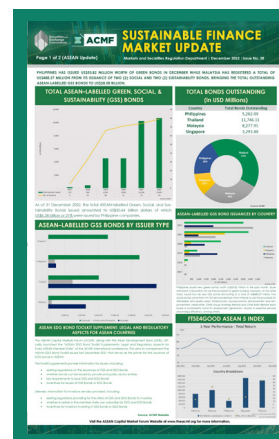
bit.ly/SECMarketUpdates



Track the movement of stock, bond, and commodity prices, as well as foreign exchange rates by tuning in to this daily publication by the SEC Markets and Securities Regulation Department. Daily updates are available for the Equity, Fixed Income, and Foreign Exchange and Commodities Markets.

SUSTAINABLE FINANCE MARKET UPDATE

bit.ly/SECSustainableFinance



This monthly publication by the SEC Markets and Securities Regulation Department contains news on sustainable finance, as well as a rundown of green, social, and sustainability bonds issued in the Philippines and the ASEAN region for the period.

SECONOMICS

bit.ly/SECEconomics



The SEC Economic and Research Training Department provides monthly updates on the Philippine economy, i.e. the country's economic growth, government spending, developments in the business sector, performance of capital markets, as well as other pertinent domestic and international news for the period.