Securities and Exchange Commission
PHILIPPINES

THE NEWSEC NEWSLETTER

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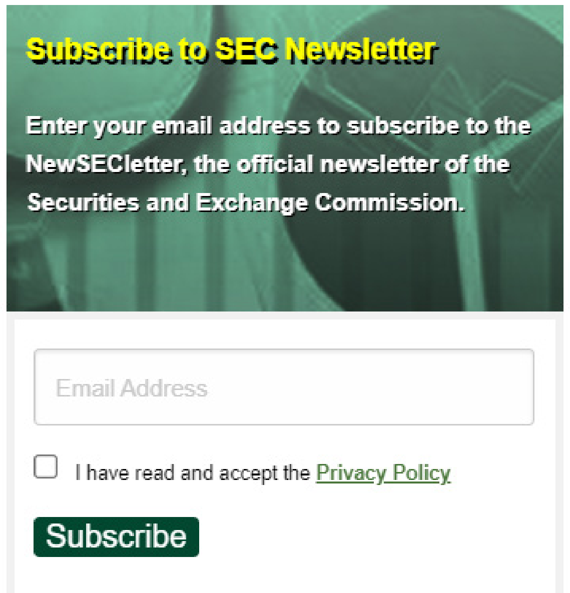
Safeguarding Filipinos from predatory lenders

Story on page 1



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Chairman EM@IL Message

From	Emilio B. Aquino ebaquino@sec.gov.ph
To	Our SEC Stakeholders
Date	June 30, 2022

The role of technology in the growth of today's economy cannot be understated. Every day, we see new innovations that replace years- or decades-old practices, constantly improving and elevating the way we go about our day-to-day lives.

In this issue of the NewSECLetter, we take a look at the rise of online lending applications, their role in the development of our country's financial industry, and how we can promote their growth while protecting financial consumers.

As regulator, the SEC recognizes the critical role of such entities in providing access to credit to Filipinos in need. Quick and easy access to credit is essential in fulfilling the urgent financial needs of an individual, especially during the tough and hardened times of the COVID-19 pandemic. However, the Commission is also aware of how some financing and lending companies have taken advantage of our fellow Filipinos,

In the fight against illegal, abusive, and predatory lending practices, the SEC has already revoked the corporate registration of more than 2,000 non-compliant lending companies, and cancelled the certificate of authority to operate as a lending or financing company of 37 lenders. We have likewise issued cease and desist orders against 81 online lending platforms without the necessary license to operate.

And we will continue to do more to protect Filipino borrowers from abusive lenders, while keeping the balance to ensure the steady growth of our lending industry.

In the first half of 2022, we also expanded our horizons and boosted partnerships with local groups and organizations through the hardworking men and women from our SEC Extension Offices (EOs). We saw the successful launch of the SEC Campaign Market Promotion and Inter-Agency Network in the regions, led by our respective EOs in Bacolod, Baguio, Cagayan de Oro, Cebu, Davao, Legazpi, Iloilo, Tarlac, and Zamboanga.

I strongly commend our EO Directors for stepping up to the Commission's challenge to establish expansive networks that would allow us to reach out to our kaabayans, as part of our strategies towards capital market promotion, investor protection and stakeholders' awareness and satisfaction, all for the betterment of our nation's economy.

We look forward to forging partnerships with more organizations in the future, to further strengthen our campaign against investment scams and to improve financial literacy in the country.

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SAFEGUARDING FILIPINOS FROM PREDATORY LENDERS

Over the years, the country has seen a rising number of lending and financing companies, especially those operating online. With a few easy steps and minimal requirements, apps readily available on the internet can now provide Filipinos with quick and easy options to finance their urgent needs.

Alongside this technological innovation, however, came the increasing number of complaints on abusive lenders. Reports of harassment and unfair debt collection practices are widespread among borrowers who, in the end, fall into a grim cycle of acquiring debt to pay for earlier ones.

The Securities and Exchange Commission (SEC), as the national regulatory agency charged with the protection of the investing public and other financial consumers, is working toward striking a balance between supporting the growth of the country's lending industry, while also promoting the protection of Filipino borrowers.

Being a responsible borrower

Borrowing money from a lending or financing company carries with it certain rights and responsibilities. Once signed, a loan contract is binding among the parties involved. This means that the borrower is bound to pay the amount lent to them, despite violations made by the lender.

As such, one must carefully consider whether proceeds for the money they intend to borrow is reasonable or not. Distinguishing between wants and needs is a key factor before deciding to engage with a lending or financing company. Making sure that borrowing money for urgent needs, instead of luxurious wants, is the first step in avoiding the debt trap.

Once decided, the borrower must then ensure that the lending or financing company they intend to borrow from is legitimate. Pursuant to Republic Act No. 9474, or the Lending Company Regulation Act of 2007, and Republic Act No. 8556, or the Financing Company Act, a lending or financing company must be registered as a corporation.

Lending and financing companies must also secure a certificate of authority (CA) to act as a lending or financing company, in addition to their corporate registration.

The SEC further requires all lending and financing companies to report the online lending platforms they operate to the Commission, as per SEC Memorandum Circular No. 19, Series of 2019, or the Disclosure Requirements on Advertisements of Financing Companies and Lending Companies and Reporting of Online Lending Platforms.

The Commission regularly updates the list of OLPs found on its website, to ensure that the public can easily check if online lenders are registered or not.

When the borrower has ruled that the lending or financing company is legitimate, they must then check if they have the means to pay for the loan they plan to acquire. This includes budgeting their expenses for the near future with the payment for the loan in mind.

Conducting due diligence goes a long way in avoiding falling into a cycle of debt.

Protecting borrowers

The SEC, in turn, ensures that borrowers' rights are duly protected.

With the increase of lenders using undignified means to collect debt from borrowers, the Commission issued SEC Memorandum Circular No. 18, Series of 2019, or the Prohibition on Unfair Debt Collection Practices of Financing Companies and Lending Companies.

The memorandum circular prohibits lenders from the use of threat or violence, the use of obscenities, insults, or profane language, and the use of any false representation or deceptive means, among others, in the collection of debt.

To address the proliferation of lending and financing companies charging sky-high interest rates on its lenders, the SEC has proposed to the Bangko Sentral ng Pilipinas (BSP) the imposition of interest rate limits on loans offered by such entities.

The Commission's proposal was concretized in December 2021, with the central bank's issuance of BSP Circular No. 1133, Series of 2021 on the Ceiling/s of Interest Rates and Other Fees Charged by Lending Companies, Financing Companies, and their Online Lending Platforms.

The BSP circular prescribes the maximum interest rates and other fees charged by lending and financing companies, and their OLPs.

The central bank fixed the maximum nominal interest rate at 6 percent per month, or about 0.2 percent per day, and the effective interest rate (EIR) at 15 percent per month, or about 0.5 percent per day for covered loans which are unsecured, general-purpose loans that do not exceed the amount of P10,000 and with a loan tenor of up to four months.

The EIR is expressed as the rate that exactly discounts estimated future cash flows throughout the life of the loan to the net amount of loan proceeds. It includes the nominal interest rate along with other applicable fees and charges, such as processing fees, service fees, notarial fees, handling fees, and verification fees, among others. It excludes fees and penalties for late payment and non-payment.

Meanwhile, lending and financing companies may only charge penalties up to 5 percent per month for late payment or non-payment on outstanding scheduled amounts due.

A total cost cap of 100 percent of the total amount borrowed, applying to all interest, other fees and charges, and penalties, regardless of time the loan has been outstanding, will likewise be imposed.

The Commission subsequently issued SEC Memorandum Circular No. 3, Series of 2022, which implements the BSP Circular. The cap on interest rates and other fees apply to covered loans offered by lending and financing companies starting March 3, 2022.

Lending companies that fail to comply with the rate limits will be subject to penalties worth P25,000 and P50,000 for the first and second offense, respectively, while financing companies will be penalized with P50,000 for the first offense and P100,000 for the second offense.

The penalty for the third offense for both lending and financing companies will amount to twice the amount imposed for the second offense up to P1 million; the suspension of their financing and lending activities for 60 days; or the revocation of their CA.

All lending and financing companies must submit an Impact Evaluation Report on or before January 15 of each year starting 2023. Noncompliance will entail a penalty of P10,000 plus P200 daily for financing companies and P10,000 plus P100 daily for lending companies. The second and third offenses will lead to the suspension and revocation of their CAs, respectively.

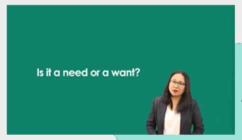
In addition to imposing limits on interest rates, the SEC has stepped up efforts to stop unregistered personal loan apps before they reach the public.

Since May 2019, the Commission has been working with tech giant Google to address the proliferation of illegal online lending apps in the country. Thanks to this collaboration, Google has started to submit a Personal Loan App declaration, effective May 11.

The personal loan app declaration should show that the developer is duly registered with and duly licensed by the SEC to operate an OLP or to perform lending-based crowdfunding activities, such as peer-to-peer lending, or to act as a crowdfunding intermediary. Developers shall also confirm that they are engaged in a lawful business activity and are undertaking the same in compliance with the applicable laws.

Personal loan apps operating in the Philippines without proper declaration and license attribution will be removed from the Play Store. In the event where the submitted license, registration or declaration is no longer valid under the applicable laws, the developers are required to promptly remove the app from Google Play Store.

WHAT TO CONSIDER BEFORE BORROWING MONEY



IS IT A NEED OR WANT?
Am I borrowing to pay for something I need, or can I delay buying it later?

IS THE COMPANY LEGITIMATE?
Am I engaging with a lending/financing company that is registered, licensed, and listed?

DO I HAVE ENOUGH TO PAY FOR MY DEBT?
Will I be able to pay for the loan on the date agreed upon, with the corresponding interest rate and other charges?

Scan the QR code or visit https://bit.ly/SECLendingWebinar to watch the SEC Webinar entitled, "Baon sa Utang? Mga Dapat Gawin Para Makaiwas at Makawala sa Maling Pagkakautang" on the SEC's Facebook page.

HOW TO FILE A COMPLAINT AGAINST LENDING OR FINANCING COMPANIES

1. Download the Complaint Form by visiting this link: https://bit.ly/LendingComplaintForm
2. Fill out the Complaint Form completely and accurately.
3. Attach all evidence or proof that supports your complaint. This may include the disclosure statement, amortization schedule, receipts, promissory notes, and other relevant documents in connection with your loan transaction.
4. Submit one Complaint Form per lending or financing company.
5. Together with one valid government issued ID, submit the Complaint Form and all evidences to cgfd_md@sec.gov.ph.

Scan the QR code or visit https://bit.ly/LendingComplaints if you want to file a complaint against lending or financing companies supervised by the Commission.

Lending/financing companies issued with cease-and-desist orders

Goodpocket
Easymoney Lending
Tacoloan
VCash
365 Cash
SwipeCash
BootCash
PesoBee
Peso T-Safe Online Cash
RushLoan
SkyMart
SpendCash
Tapa
WithU
PesoKwento
Pondo Cash
TBAG
Cash Sky
Loan Cash
East Cash
Golden Cash
Help Cash
Grace Cash

Lending/financing companies issued with revocation orders

Fynamics Lending, Inc.
Familyhan Credit Corporation
Cashtrees Lending Corporation

NEWSEC

The Securities and Exchange Commission (SEC) reaped awards from both local and international organizations in the first half of 2022, showing its commitment to the highest standards of good governance, while also securing the highest audit mark from the Commission on Audit for the fourth straight year. Read about the SEC's awards and other milestones of the Commission by visiting **bit.ly/SECNews2022** or scanning the QR code.

SEC maintains unqualified COA audit mark for fourth straight year

The SEC received an "unmodified opinion" from the Commission on Audit (COA) for the fourth consecutive year, proof of its transparent and sound management of public funds.

COA State Auditor Concepcion C. Reyes rendered an "unmodified opinion," also known as an "unqualified opinion" on the fairness of the presentation of the commission's 2021 financial statements in an independent auditor's report dated May 31, 2022.

The SEC also received an unqualified opinion on the fairness of presentation of its financial statements for 2018, 2019, and 2020, making this the longest streak of unqualified opinions the Commission has received over the past decade.

SEC adopts zero face-to-face setup amid COVID-19 surge

In light of the rising number of COVID-19 cases in the country, the SEC has implemented a zero face-to-face transaction policy in its Metro Manila offices effective January 13, 2022 until further notice.

In a notice issued on January 11, the Commission announced that all applications for company registration, submissions of reportorial requirements, and other transactions in its main office in Pasay City and former headquarters in Mandaluyong City will be processed through its online portals, email, courier, and other remote means.

The adoption of the zero face-to-face setup is in compliance with Republic Act No. 11032, otherwise known as the Ease of Doing Business Law, as the Commission seeks to effectively avoid further spread of COVID-19 in the workplace.

SEC keeps ISO certification for all core services

The SEC has successfully maintained the ISO 9001:2015 Certification of its quality management system covering all core services across its main and extension offices.

The ISO 9001:2015 Certification is a testament to the Commission's adherence to world-class standards in the provision of regulatory services over the corporate sector, the capital market participants, and the securities and investments instruments market in the Philippines, as well as the protection of the investing public.

The certification further covers the provision of registration of partnerships and corporations doing business in the Philippines in all SEC Extension Offices in Baguio, Tarlac, Legazpi, Cebu, Bacolod, Iloilo, Davao, Cagayan de Oro, and Zamboanga.

DOF lauds SEC digital transformation toward ease of doing business

The Department of Finance (DOF) lauded the SEC for making significant strides in improving the ease of doing business in the country through its digital transformation.

In his report to then DOF Secretary Carlos G. Dominguez III, SEC Chairperson Emilio B. Aquino highlighted how the Commission's digitization initiatives ensured the continued delivery of services to its clients and stakeholders amid the pandemic.

"I don't know in the past, but I don't think this has ever happened in SEC's history that you have achieved so much in the ease of doing business, so, congratulations," Mr. Dominguez said.

The innovations introduced by the SEC include the Electronic Filing and Submission Tool (eFAST), Electronic System for Payments to SEC (eSPAYSEC), and Electronic System for Processing and Registration of Companies (eSPARC), which allow for zero face-to-face transactions.

SEC takes home more global awards for good governance, transparency

For the second year in a row, the SEC was awarded the 3G Advocacy and Commitment to Corporate Governance Award by Cambridge International Financial Advisory (IFA) at the 7th Annual Global Good Governance or 3G Awards in Dubai last May 18, 2022. The SEC was also awarded the 3G Transparency Award in the same event.

The 3G Advocacy and Commitment to Corporate Governance Award honors organizations that have demonstrated a strong commitment to corporate governance practices and policies and a sustainable corporate strategy and business policy geared toward creating long-term value for shareholders, strategic and problem-solving skills, and competence in dealing with change.

The 3G Transparency Award, meanwhile, recognizes an organization with the most rigorous and transparent reporting on financials, governance and strategy.

SEC welcomes Commissioner Bryant Fernandez

The SEC welcomed Atty. McJill Bryant T. Fernandez as new commissioner, after former Commissioner Ephyro Luis B. Amatong ended his eight years of service in the Commission.

Commissioner Fernandez previously served as the Deputy Executive Secretary for General Administration under the Office of the President. He assisted the Executive Secretary in articulating the policy directives through Executive Orders and other ordinances, processing of applications for the establishment of special economic zones, evaluation of Special Authorities for executive agreements, foreign loans and grants, and in addressing policy, legal and administrative concerns of various agencies in the Executive department, as well as of government-owned and -controlled corporations.

Meanwhile, Commissioner Javey Paul D. Francisco will serve another term of seven years after he was reappointed by then President Rodrigo Duterte.

SEC welcomes enactment of Financial Consumer Protection Law

The SEC welcomed then President Rodrigo Duterte's signing of Republic Act No. 11765, or the Financial Products and Services Consumer Protection Act (FCPA), which seeks to ensure that mechanisms are in line with global best practices to protect consumers of financial products and services.

The FCPA serves as reinforcement to the SEC's mandate of protecting the investing public, by allowing the Commission to impose administrative sanctions on persons responsible for investment fraud and further reiterating the SEC's authority to impose enforcement actions on its supervised entities for noncompliance with existing laws.

SEC director named among Asia's Top Sustainability Superwomen for 2021

SEC Corporate Governance and Finance Department (CGFD) Director Rachel Esther Gumtang-Remalante has been selected as one of 10 Asia's Top Sustainability Superwomen, an annual listing by CSRWorks International of exceptional female sustainability leaders in the region.

Asia's Top Sustainability Superwomen is a non-profit project initiated by CSRWorks, Singapore's most trusted name in sustainability consulting, training and thought leadership. The awardees were selected from 52 nominations from 12 countries. Director Remalante is the only awardee from the Philippines.

THE SEC REPORTS

Rodrigo Roa Duterte
16th President of the Philippines

Emilio B. Aquino
SEC Chairperson

> ***"I don't think this has ever happened in SEC's history that you have achieved so much in the ease of doing business [.] SEC has also contributed in a big way to improving the capital market, and of course in catching fraudulent transactions."***

Carlos G. Dominguez III
Former DOF Secretary

The Securities and Exchange Commission has consistently delivered on its mandate as the number one investor champion and advocate for capital market development and business formation in the country under the Duterte administration. Read up on the most important milestones the Commission has achieved over the past six years that will show the public that indeed, it's easy at SEC!

BROADER AND MORE RESILIENT CAPITAL MARKET

52.2% 2022 (May) **size of bonds market relative to GDP**
FROM 32.0% IN 2016

More retail investors in the market*

3.36% 2022 (May) **retail participation rate in the equities market**
FROM 1.88% IN 2016

32 **Newly listed companies**
FROM 2016 (July) TO 2022 (June)

PhP 475.28 B
Capital raised
FROM 2016 (July) TO 2022 (June)

PhP 270.5 B
2022 (May) **worth of securities registered**
FROM PhP 222.28 B IN 2016 (July)

PhP 3.36 T
Increase in authorized capital stock
FROM 2016 TO 2022 (June)

$ 6.54 B
2022 (May) **worth of ASEAN-labeled Green, Social and Sustainability Bonds issued by Philippine companies**
FROM $ 3.53 B IN 2020

PhP 451.22 B
2022 (May) **investments in mutual funds**
FROM PhP 241 B IN 2016

245 **Licensed capital market institutions**
as of 2022 (June)

5,206 **Newly licensed capital market professionals**
FROM 2016 (July) TO 2022 (June)

EASY AND FUTURE READY COMPANY REGISTRATION

201,801
New registered corporations
FROM 2016 (July) TO 2022 (June)

77,476 **Registrations processed through eSPARC**
Electronic Simplified Processing of Application for Registration of Company
FROM 2021 (April) TO 2022 (June)

7,095 **Registrations processed through OneSEC**
One day Submission and E-registration of Companies
FROM 2021 (April) TO 2022 (June)

31,207 **Online payments through eSPAYSEC**
Electronic System for Payment to SEC
FROM 2021 (March) TO 2022 (June)

277,430 **Reports submitted through eFAST**
Electronic Filing and Submission Tool
FROM 2021 (March) TO 2022 (June)

29 Notch-improvement in the Philippines' ranking in World Bank's Doing Business Report, from 124th to 95th, largely on reforms implemented by the SEC

INTENSIFIED INVESTOR PROTECTION AND EDUCATION

735
Entities subjected to advisories against investment fraud and other unauthorized activities

264
Entities issued with cease-and-desist orders for unathorized investment-taking and other

Success in Legal Proceedings
Against KAPA Community Ministry International, Calata Corporation, GDM Financial SARL, RJF Construction and Development Corp.

2.16 M
2022 (June) **number of reach** by the Commission's investor education campaign with **46 Investor champions** composed of **Olympic champions, content creators and celebrities**.

Partnerships under the SEC CAMPAIGN Network **49**
for investor education and advocacy
FROM 2020 TO 2022 (April)

Investor Protection Week
Every 2nd week of November as declared by the President through Proclamation No. 846, s. 2019

GOOD HOUSEKEEPING AND SOUND FINANCIAL MANAGEMENT

4 Unqualified Opinions
Conferred by the Commission on Audit **for four (4) consecutive years**

Bronze Award (2019)
From the Presidential Anti-Corruption Commission

Government Quality Management Committee Award (2019)
For commitment to improving quality and productivity

FOI Champion (2019 and 2020)
As recognized by the Presidential Communications Operations Office

PhP 12.1 B
Contributed to the National Treasury

PhP 2 B
Contributed to the national government's war chest against COVID-19

ISO 9001:2015 Certification (2018 and 2021)
Of the SEC Quality Management System

Top 10 Best Performing Agencies
In the Makati Business Club Executive Outlook Survey 2019

GLOBAL RECOGNITIONS

Asia's Top 10 Sustainability Superwomen
(2022)

Global Good Governance (3G) Advocacy and Commitment to Corporate Governance Award
(2021-2022)

Asia CEO Awards Best Sustainability Company of the Year
(2022)

3G TransparencyAward
(2022)

UNCTAD
UN Conference on Trade and Development Recognition
for promoting best practices in sustainability and reporting on the Sustainable Development Goals (2019)

#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.

SEC stops Alphanet's illegal investment scheme

The SEC has ordered AlphanetWorld Corporation, which has been doing business under the name NWorld, to stop soliciting investments from the public without the necessary license.

AlphanetWorld has been selling and/or offering investment packages in exchange for NWorld products and a guaranteed monthly return of up to P127,000. Business transactions are supposedly made through the company's official webpage. Member-investors could also earn discounts, referral bonuses, and an additional P25,000 when they meet the 25 pairs of recruits.

The scheme involves the sale and offer of securities to the public in the form of investment contracts, but is violative of Section 8 of The Securities Regulation Code (SRC) for having no license to carry out the same.

SEC orders Astrazion Group to stop fraudulent investment scheme

The SEC has ordered the Astrazion Group, together with its operators, directors, officers, representatives, salesmen, agents, uplines, influencers, and enablers to stop offering their supposed digital currency through an illegal multilevel marketing platform.

The Commission found that it has been operating an online multi-level marketing platform where it actively promotes the sale of its digital currency called AZNT Token and offers seven packages with guaranteed returns.

Although Astrazion Global and Astrazion Foundation are duly registered corporations with the Commission, they have never secured a secondary license as issuer of securities or broker dealer, nor registered any securities for public offering pursuant to the SRC. Meanwhile, Astrazion International is not registered with the SEC.

SEC issues cease and desist order against RGS World Marketing

The SEC has ordered RGS World Marketing Corp. to stop its illegal investment scheme and unlawful or unauthorized solicitation, offer and/or sale of securities. RGS World has been selling and/or offering compensation plans with promised returns, using its Facebook accounts to show photos of investors who have allegedly received their payouts.

The company distributed products such as soap, liniment oils, rice, eggs, and other poultry products, to disguise its investment scheme as a legitimate distribution business.

RGS World has never secured a secondary license from the Commission as issuer of securities or broker dealer nor registered any securities for public offering pursuant to The Securities Regulation Code. Records from the Food and Drug Administration also show that RGS World and its affiliated entities have no license to operate a distribution business.

SEC halts PawisngPinoy illegal investment scheme

The SEC directed PawisngPinoy Online Investment to stop soliciting investments from the public through a non-existent product distribution, real estate, and jewelry business. PawisngPinoy have been soliciting from the public investments in exchange for a guaranteed passive income within five to six days, and additional bonuses.

PawisngPinoy has also been using a fake Certificate of Filing of Amendment of Bylaws, to make it appear as if it has been authorized by the SEC to solicit investments from the public. It is not registered with the Commission as a corporation or partnership and so, it cannot secure a secondary license needed for the issuance of securities for public offering, pursuant to the SRC.

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

SEC hunts down Decentra investment scam

The combined forces of the SEC Enforcement and Investor Protection Department (EIPD) and Philippine National Police Anti-Cybercrime Group (PNP-ACG) on June 11 arrested officers of investment scam Decentra while in the act of soliciting investments from the public without the requisite license during a seminar or business presentation in a hotel in Quezon City.

Criminal cases against the Decentra officers, two of whom were identified as foreign nationals, were subsequently filed before the Department of Justice on June 12.

Decentra was found to be offering several investment packages online, with an initial membership fee of 99.95 Tether (USDT). Investors are also required to pay 34.95 USDT per month, or 349.95 USDT per year, in order to access reward opportunities on Decentra's platform. Overall, a member could supposedly earn a profit of US$100,000, or P5 million per day, on an investment of US$50,000.

The EIPD also found that Decentra was headed by former members of Crowd1 Asia Pacific, Inc., whose certificate of incorporation was revoked by the SEC on September 9, 2020, over its illegal solicitation of investments from the public.

SEC revokes Suhail Medical Center's Incorporation over illegal investment scheme

The SEC has canceled the corporate registration of Suhail Medical Center, Inc. for its unauthorized solicitation of investments from the public. The company was found to have been publicly offering and selling securities without the necessary secondary license from the Commission. It has been soliciting investments from the public for the co-ownership seat to its supposed hospital in Laguna.

The company promised investors returns in the form of quarterly revenues based on the hospital's performance, free laboratories and check-ups for the co-owners and their next of kin, as well as lifetime income. This scheme involved securities, particularly an investment contract, for which it has not secured the prior registration and/or license to do so. The SEC further noted that its promised profits and returns would be derived from the investments of new member-investors, not its actual operations.

INVESTOR ALERTS

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

J Shoes Footwear Trading
Accure Wealth Finance
Southpole Finance/Southpole Administration of Financial Marketing
Omnimeta Global Solutions (OMGS)
Decentra
Multi Fortune Stake
Dragonfly Philippines Inc./Dragonflytech
Borrego Solar Inc.
Crowd1 Asia Pacific, Inc.
Sengre
Leefire/Leefire Limited/Leefire Ph/Leefire Philippines
YDYS Trading OPC
LFC Football/LFC Football Philippines/LFC Football Platform
ADZ Traffic Solution ("ADZ Traffic")
Dela Rosa Trading Company/DRB/DRT
Autotrade International/Autotrade Computer Software Trading
Intime Import and Export (LLC) Corporation
"DYMS" or Double Your Money Schemes
Adscity Nation/ADS City Nation/Adscitynationph
Utmostpeak Corporation
Metaprofit
Algoscalp/Algoscalp Auto Trading/Algoscalp Trading
SFCshare
Great4 International Mktng. Corporation/Home of Organic Wellness (HOW)
AVZ Ventures/Avzventures, Inc.
Sky International Trade Co., Ltd./Philippine88.Com
Ground Zero Poultry
Companies House
Global Booking Hub/Global Booking Hub.Com/Gbh/Gbh-12 Consumer Goods Trading
Beastnessallday Corporation
Wellcons Unlimited Systems, Inc.
Astrazion International, Astrazion Noble Task Community Foundation And Astrazion Global Holdings Inc.
LMB Football
QFX Markets Limited/ QFX Trade Limited/ QFX Technology Services/Heart Capital Limited
Freecit/Freebit
Sos Venture
S.O.S. System/SOS System
PHTOP
Future Farming/Future Farming Icd/Future Farming Ff Store ("Future Farming")
Seymoure Paul Conceptualized Piggery Farming/Spc Piggery Farming/Seymoure Piggery Farm
Videospays
BF Football/BF Football Investment Platform/BF Football Hedge Fund Investment Platform ("BF Football")
FXD Philippines ("FXD")
Ignite Virtus International
Epic Trading
Cryptopayz
Ride2success Digital Marketing Services ("Ride2Success" or R2S)
Kaizen Unlimited Philippines
Pawisngpinoy Online Investment
Paidtunes
Walletpays/Walletpays
Cryptostakers/Crypto-Stakers.Com
Trust Legacy International/Trust Legacy Internation/ Trust Legacy International Community PH
Outrace "Play to Earn"
Tunegaga/Tunegaga
Up-Mass Innovative Marketing Corporation/ UMIM Corporation

SEC RULES

From January to June 2022, the Securities and Exchange Commission 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. 01

Series of 2022

Publication date : February 3, 2022

Adoption of Philippine Standards on Auditing and Philippine Financial Reporting Standards

The Commission, in its meeting held January 27, 2022, approved the adoption of the Philippine Standards on Auditing (PASs) and Philippine Financial Reporting Standards (PFRSs). Memorandum Circular No. 01, Series of 2022 lays down the specific list of pronouncements PASs and PFRSs that have become part of SEC's rules and regulations on financial reporting and their corresponding effectivity dates. These pronouncements have been adopted by the Auditing and Assurance Standards Council and Financial Reporting Standards Council, approved by the Board of Accountancy and Professional Regulation Commission, and published in the Official Gazette.

SEC Memorandum Circular

No. 02

Series of 2022

Publication date : February 10, 2022
Date of effectivity : February 10, 2022

Schedules for Filing of Annual Financial Statements and General Information Sheet

This lays down the schedule of the filing of Audited Financial Statements (AFS) and General Information Sheet (GIS) for the year 2022. All corporations, both stock and non-stock, are now required to file their AFS and GIS through the Electronic Filing and Submission Tool (eFAST), formerly known as the Online Submission Tool (OST). The schedule for AFS submission is based on the last digit of a corporation's registration number. Submission of reports over the counter or through mail or courierhall no longer be accepted. Other reports not available in the eFAST may be submitted through email at ictdsubmission@sec.gov.ph.

SEC Memorandum Circular

No. 03

Series of 2022

Publication date : March 2, 2022
Date of effectivity : March 3, 2022

Implementation of Bangko Sentral ng Pilipinas Circular No. 1133 Series of 2021 on the Ceiling/s on Interest Rates and Other Fees Charged by Lending Companies, Financing Companies, and their Online Lending Platforms

This implements BSP Circular No. 1133, which prescribes the ceilings for interest rates and other charges imposed by lending and financing companies. The caps shall apply to unsecured, general-purpose loans offered by lending and financing companies, as well as their online lending platforms, that do not exceed the amount of P10,000, and with a loan tenor of up to four months, and are entered into, restructured, or renewed beginning March 3, 2022. The following applicable ceiling/s on interest rates, and other fees are imposed for the covered loans: a nominal interest rate ceiling of 6% per month; an effective interest rate ceiling equivalent to 15% per month, or around 0.5% per day, which shall include the nominal interest rate along with all other applicable fees and charges but excluding fees and penalties for late payment and non-payment; a cap on penalties for late payment or non-payment at 5% per month on outstanding scheduled amount due; and a total cost cap of 100% of total amount borrowed regardless of time the loan has been outstanding.

SEC Memorandum Circular

No. 04

Series of 2022

Publication date : March 4, 2022
Date of effectivity : March 4, 2022

Disqualifications of Directors, Trustees and Officers of Corporations; and the Guidelines on the Procedure for their Removal

This provides the grounds for disqualification, as well as the procedure for the removal of directors, trustees, and officers of corporations, pursuant to Sections 26, 27, 96, 124, 158, and 179(a) and (c) of the Revised Corporation Code (RCC). Disqualification may be grounded on conviction by final judgment of an offense punishable by imprisonment for a period exceeding six years, or a violation of the RCC, the Securities Regulation Code, and other laws, rules or regulations enforced by the SEC, or a combination of these offenses.

SEC Memorandum Circular

No. 05

Series of 2022

Publication date : March 9, 2022
Date of effectivity : March 9, 2022

Guidelines on Corporate Dissolution under Sections 134, 136 and 138 of the Revised Corporation Code

This implements Sections 133 to 138 of the Revised Corporation Code (RCC), which provide for the classification, requirements, and procedure for corporate dissolution. This standardizes the procedure on corporate dissolution by providing the specific documentary requirements and guidelines set forth in Section 134 of the RCC, which provides for voluntary dissolution where no creditors are affected; Section 136, which provides for corporate dissolution by shortening corporate term; and Section 138, which provides for involuntary dissolution commenced either by the Commission motu proprio or upon filing of a verified complaint by any interested party.

SEC Memorandum Circular

No. 06

Series of 2022

Publication date : June 15, 2022
Date of effectivity : June 15, 2022

Extension on the Deadline of Compliance of Paragraphs 5.C. and 5.D. of Part III of the Revised SRC Rule 68 Particularly on the Transition from Sole Practitioner to Partnership Structure and Two-Partner Requirement

This extends the deadline of compliance with Paragraphs 5.C. and 5.D., Part III, Rule 68 of the Revised Securities Regulation Code (SRC), for four more years. The deadline is now set from June 30, 2022 to June 30, 2026, with no further extension. Accordingly, all SEC-accredited external auditors and auditing firms must comply with Rule 68 of the Revised SRC, which provides for the compliance requirements on the transition of a sole proprietorship into partnership and/or into a two-partner structure.

SEC prepares for bigger investor education campaign as extension offices bring in more CAMPAIGN partners

Emboldened by its mission to boost financial literacy among Filipinos, the Securities and Exchange Commission (SEC) continues to strengthen its efforts to educate the public on legitimate and sound investments in the country.

On April 29, 2022, the SEC, through its Extension Offices (EOs), successfully expanded the SEC CAMPAIGN Network, composed of partner organizations from both the public and private sectors with a shared mission to promote financial literacy and investor education among Filipinos.

Formally launched in 2020, the SEC CAMPAIGN Network serves as a channel for the SEC and its partner organizations to collaborate on information, education and communication initiatives aimed at raising awareness on business and capital market, and encouraging participation therein. These initiatives include the conduct of webinars, development and dissemination of information.

From 11 members during its initial launch, the organizations tapped by the EOs now bring the total number of CAMPAIGN Network partners to 49. The Commission looks forward to building more partnerships in the future to advance its message of financial literacy in the country.

EO CORNER

The 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 SEC's fulfilment of its mandate of overseeing the corporate sector and protecting investors from fraudulent investment schemes.

SEC Bacolod partners with Negros Occidental financial group

The SEC Bacolod EO (BacEO) forged a partnership with the Association of Financial Institutions of Negros Occidental Inc. last April 19. as part of the Commission's SEC Communication, Advocacy, and Network or the SEC CAN! initiative.

As one of AFINO's goals is to keep abreast with the latest applicable laws and memorandum circulars relevant to their operation as well as updates on reportorial requirements and other compliance, this partnership will enable the organization to realize its objectives and continue its operations while maintaining the ethics of lending and financing.

Following the partnership, AFINO was invited to join the BacEO's webinar entitled "Ethical Lending" last July 1, which focused on lending and financing companies' compliance with SEC regulations, particularly the implementation of the ceilings on interest rates and other finance charges.

UC, IBP, PAGIOA join SEC Baguio Campaign Network

The SEC Baguio EO (BEO) has secured the commitment of the University of the Cordilleras (UC), the Integrated Bar of the Philippines – Baguio-Benguet Chapter, and the Pangasinan Association of Government Information Officers Inc. for the SEC Baguio CAMPAIGN Network launched on April 29.

Representatives of the aforementioned organizations signed a Memorandum of Undertstanding with BEO, where they have agreed to pursue common interests in financial literacy and investor protection thru information dissemination, promotion, and knowledge and resource sharing.

As an initial activity, the BEO and UC conducted a webinar entitled, "Avoidance and Detection of Investment Scams," attended by more than 300 participants composed of faculty, staff, and students of the university.

SEC Cebu cements partnership with local organizations

The SEC-CEO has established linkages with the private sector in the region pursuant to the Commission's mission of promoting financial literacy and investor protection.

The SEC-CEO formally marked its collaboration with its three pioneer partners in the SEC CAMPAIGN Network, namely the Junior Chamber International WoMandaue Chapter (JCI WoMandaue), the Sustainable Energy and Enterprise Development for Communities (SEED4COM), and the Talisay City Chamber of Commerce, Trade, and Industry (TCCTI), in a signing ceremony on April 29.

The CEO also joined the induction ceremonies for the new sets of trustees, officers and members of the Cebu Chamber of Commerce & Industry (CCCI) and the Mandaue Chamber of Commerce & Industry (MCCI) on May 30, where it awarded a Plaque of Recognition to CCCI and MCCI for their invaluable support to the Commission.

More recently, on June 17 to 19, the SEC-CEO participated in the Talisay Trade Fair hosted by the TCCTI. Being the first ever trade fair held in Talisay City, the Talisay Trade Fair was organized to boost commerce and promote financial literacy in the area.

SEC Cagayan de Oro pays courtesy visit to NEDA-X

The SEC Cagayan de Oro EO gave a courtesy call to the National Economic Development Authority – Region X to establish rapport with the agency, as it aims to forge a partnership for future activities.

The Cagayan de Oro EO sees NEDA-X as a potential partner in the implementation of its investor education efforts, as NEDA is charged with the formulation of the country's national and regional development plans, investment programs, while also monitoring its implementation.

The agencies discussed the activities they held such as NEDA's celebration of Economic and Financial Literacy Week, and Investor Protection Week for the SEC.

Cagayan de Oro EO Director Frederick A. Enopia also handed a plaque of appreciation to NEDA-X.

NEDA-X Regional Director Mylah Faye Aurora B. Cariño meanwhile commented on the recovery state of Northern Mindanao and the impact of the investments and businesses incurred even during the height of the pandemic.

SEC Davao resumes in-person events

As community restrictions in the city further eased, the operations of the SEC Davao EO have started returning to pre-pandemic normal after the office resumed face-to-face activities as early as February this year.

Among Davao EO's first face-to-face activities was the Traditional Madrasah Orientation Workshop on SEC Registration on February 24, where Atty. Emee Villasenda imparted the use of the SEC Electronic Simplified Processing of Application for Registration of Company.

Another were a series of activities with the Department of Environment and Natural Resources (DENR) in June, held in the cities of Tagum, Digos and Mati on June 9, 14 and 22 respectively.

Together with Davao EO, the DENR's Community-Based Forest Management

Stakeholders Organizational Assessment sought to capacitate 65 people's organizations in the use of the SEC registration system and the online submission of reports through the Electronic Filing and Submission Tool.

SEC Iloilo inks deal with provincial government to boost investor education

The SEC Iloilo EO signed a Memorandum of Agreement with the Iloilo Provincial Government on June 22, 2022 as part of the SEC Communication Advocacy Network (SEC CAN!).

The partnership with the local government unit of Iloilo is relevant in ensuring a wider and more efficient dissemination of information of SEC policies and issuances, as well as effective engagement with the local business sector.

The agreement is seen to maximize Iloilo EO's reach and minimize the financial literacy gap in the province. The Iloilo EO expects to conduct a series of collaborations with the Iloilo provincial government, including webinars, advocacies, and other related programs to educate investors and protect themselves from fraudulent schemes and highlight accessible investment options

available to the public.

Earlier, the Department of the Interior and Local Government Region 6 and the Regional Association of State Universities and Colleges (SUC) VI, Inc. also joined the SEC Campaign network in April 2022.

SEC Legazpi expands Campaign Network in Region V

The SEC Legazpi EO continues to expand its Campaign Network with the execution of Memorandum of Agreement (MOA) with five new partners: PICPA-Bicol Regional Council, PICPA-Camarines Sur Chapter, Napili Bonacua and Associates, Bicol University and Team Albay Youth Organization.

The Legazpi EO previously signed in April 2022 an agreement with four initial partners, namely Integrated Bar of the Philippines-Albay Chapter, PICPA-Albay Chapter, Philippine Information Agency-Region V and Care 104.3 DWAY FM-Legazpi. Care 104.3 provides the Legazpi EO with 30 minutes of free airtime twice a month in its morning show "Oras na Bicolandia."

With the expansion of its campaign network, the Legazpi EO expects to deliver an even more proactive information dissemination, investor education and advocacy campaigns to its stakeholders in the Bicol Region.

SEC Tarlac recognized as top performing agency for 2021

The SEC Tarlac EO received a plaque of recognition from the Government Service Insurance System (GSIS) for being one of the Top Performing Agencies in CY 2021 for exemplary performance as GSIS' partner in fulfilling its mandate to manage the fund and dispense benefits under the law efficiently.

Tarlac EO Director Richard R. Laus was likewise hailed as Most Outstanding Agency Authorized Officer, while Ms. Charito B. Santiago, securities specialist, was awarded as the Most Outstanding Alternate Agency Authorized Officer and Most Outstanding Electronic Remittance File Handler.

Director Laus said the recognition will serve as a motivation and inspiration for the whole Tarlac EO team in delivering efficient and quality service to its clientele, adding that the award is a testament to the commitment of Tarlac EO to work harder and perform its best in fulfilling the mandate of the SEC.

SEC Zamboanga continuously promotes investor education campaigns

The SEC Zamboanga EO has unceasingly pushed for investor education campaigns amidst the pandemic.

It has launched 10 campaigns during the 1st semester of 2022, in collaboration with its SEC Campaign Local Network Partners.

Most recently, the SEC Zamboanga EO has welcomed its new local network partner, the Ateneo Center for Legal Services (ACLS) of the Ateneo De Zamboanga University, College of Law.

The SEC Zamboanga and the ACLS launched an Investor Education campaign at the Labuan Central School focusing on the Red Flags of Investment Scams. The SEC Zamboanga stays committed in advocating for financial literacy to protect the investing public from illegitimate investments.

SEC MATTERS

Read the latest notices and announcements of the SEC by visiting **bit.ly/SECMatters** or by scanning the QR code.

MC 28 Submission Portal

Starting January 17, 2022, compliance with SEC Memorandum Circular No. 28, Series of 2020 must be submitted using the MC 28 Submission Portal, which can be accessed via this link:
https://apps010.sec.gov.ph

Updated link for the submission of Mandatory Disclosure Form

Pursuant to SEC Memorandum Circular No. 25, Series of 2019, all nonstock corporations are required to comply with the one-time submission of the Mandatory Disclosure Form (MDF). All non-stock corporations registered after the effectivity of the said MC are required to submit the required information in the MDF, as may be applicable, within six months from date of registration. The MDF is required to be accomplished and submitted online through the following updated link:
https://forms.gle/98PgYVzVj9RUU59r8

FAQs on SEC Memorandum Circular No. 3, Series of 2022

The SEC released answers to Frequently Asked Questions (FAQs) to help facilitate the enforcement of SEC Memorandum Circular No. 3, Series of 2022, which provides for the Implementation of Bangko Sentral ng Pilipinas Circular No. 1133, series of 2021 on the Ceiling/s on Interest Rates and Other Fees Charged by Lending Companies, Financing Companies, and their Online Lending Platforms.

Read the FAQs here:
https://bit.ly/FAQs-on-SECMC3

Transfer of the SEC Examination Room to the SEC Headquarters in Makati City

Beginning 27 June 2022, the SEC Examination Room will be transferred from PICC Complex, Pasay City to the SEC Headquarters located at 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City.

Those scheduled to take the SEC Certification Examinations in PICC Complex, Pasay City on 27 June 2022 onwards are advised to proceed to the SEC Headquarters in Makati City on their scheduled examination date and time.

Submission of Audited Financial Statements for fiscal year ending December 31, 2021

All corporations, including branch offices, representative offices, regional headquarters and regional operating headquarters of foreign corporations whose fiscal year ends on December 31, 2021 shall file their audited financial statement based on the last digit of their SEC registration or license number:

Last digit of SEC registration/license number	Schedule
1 and 2	July 1 to 15
3 and 4	July 16 to 31
5 and 6	August 1 to 15
7 and 8	August 16 to 31
9 and 0	September 1 to 15

Starting this year, all stock and nonstock corporations are required to submit their annual reports online through the Electronic Filing and Submission Tool (eFAST), previously called the Online Submission Tool (OST), at **https://efast.sec.gov.ph.**

SEC MATTERS

Receiving and Releasing of CRMD-approved Applications at SEC Robinsons Galleria Satellite Office

Effective July 4, the SEC Company Registration and Monitoring Department will offer the following services exclusively at the SEC Robinsons Galleria Satellite Office:

1. Receiving of proof of payment and copies of signed and notarized/authenticated approved CRMD applications and supplemental documents
2. Releasing of Certificates of Incorporation/Amendment/Confirmation of Payment and other approved CRMD applications, through presentment of original copy of proof of payment
3. Releasing of orders, such as but not limited to the Petitions to Lift Order of Suspension/Revocation and/or Correction through presentment of Original copy of proof of payment
4. Registration of Stock and Transfer/Membership Book

Receiving of documentary requirements may be done over the counter at the SEC Robinsons Galleria Satellite Office or may be sent through the company's courier of choice, addressed to the CRMD Receiving Section, Ground Floor, SEC Main Office, Secretariat Building, PICC Complex, Pasay City.

Notwithstanding the abovementioned services, applicants may also avail the in-house courier services of SEC LISTO and company's courier of choice for the delivery of Certificates and receiving copies of the application requirements.

The receiving of application documents may be accepted at the SEC Main Office only if payments are made simultaneously with its filing.

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.

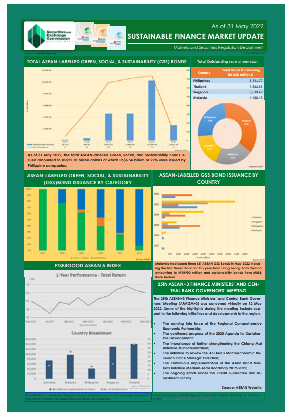
DAILY MARKET UPDATES

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.