



## WARNING!

### RE: ONLINE LENDING

The public is hereby warned that several companies engaged in “**online lending activities**” are not registered with the Securities and Exchange Commission. These unregistered lending companies operate through popular and free social media websites; i.e., Facebook, Twitter, LinkedIn and the like.

This is a typical lending scheme where borrowers are asked to provide their general and personal information. Thereafter, they are required to deposit certain amount of money as “processing fee”. However, after depositing the money, the companies close all communication threads with the borrowers and delete all negative comments against them. Some lending companies are even using fake or inexistent address in their profile to make the websites appear legitimate and valid.

The SEC is the lead government agency that supervises and regulates lending companies. As such, all companies engaged in the granting of loans must be registered with the Commission and issued a Certificate of Authority to operate as a lending company. Otherwise, they may be held administratively and criminally liable pursuant to The Lending Company Regulation Act of 2007 or Republic Act No. 9474, which provide, in part:

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SEC. 12. *Penalty.* - A fine of not less than Ten Thousand Pesos (P10,000.00) and not more than Fifty Thousand Pesos(P50,000.00) or imprisonment of not less than six months but not more than ten (10) years or both, at the discretion of the court

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As a precautionary measure, the public is hereby advised to exercise prudence in dealing with online lenders by checking with the Commission if they are registered and have a Certificate of Authority to operate as a lending company. Anyone who is desperately looking for money could be easily maneuvered by these bogus or pseudo lending companies.

For additional information on online lending companies, you can call the Corporate Governance and Finance Department with telephone number (02) 818-5476.