

25 January 2023

SEC REVOKES FAST COIN LENDING LICENSE, CORPORATE REGISTRATION

The Securities and Exchange Commission (SEC) has revoked the Certificate of Authority (CA) of Fast Coin Lending Corp. to operate as a lending company for its continuous non-compliance with SEC Memorandum Circular No. 19, Series of 2019 (SEC MC 19) and its non-operation within 120 days from the grant of its CA.

In an order dated January 10, the SEC Corporate Governance and Finance Department (CGFD) found that Fast Coin Lending Corp. has committed several violations of SEC MC 19, which provides the Disclosure Requirements on Advertisements of Financing Companies and Lending Companies and Reporting of Online Lending Platforms.

The company was also found to have violated the Implementing Rules and Regulations (IRR) of Republic Act No. 9474, otherwise known as the Lending Company Regulation Act of 2007 (LCRA).

Fast Coin Lending had been operating Cashcow Mobile Application despite failing to submit the required disclosures to the SEC, while also operating two more OLPs, namely Cashguard and Coco Peso, without registering the entities with the Commission, according to the CGFD.

SEC MC 19 requires lending and financing companies to report their OLPs to the Commission prior to their launch and operation. Lending companies must also disclose in their advertisements and OLPs specific information, such as their corporate names, SEC Registration Numbers, and CAs.

The rules further require lending companies to register their OLPs as business or trade names, and to report any OLP which they plan to develop, operate, or utilize no later than 10 days before their launch.

Further, the company failed to comply with Rule 3(e) of the LCRA IRR, which states that “a corporation/company that has been duly registered and granted a [CA] to operate as a Lending Company shall commence operations within one hundred twenty (120) days from date of grant of such authority.”

The company was issued a CA on February 12, 2020, which gave it until June 11, 2020 to commence operations. Failure to operate within the time frame warrants the suspension of the issued CA, based on the LCRA.

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“[T]he company’s continuous failure to comply with the provisions of SEC MC 19, and, considering the Company’s wanton disregard of the [CGFD]’s directives relative to the SEC MC 19 violations, the [CGFD] deems it appropriate under the circumstances to revoke [Fast Coin Lending’s] Certificate of Authority,” the order read.

Accordingly, the CGFD has decided to revoke the corporate registration of Fast Coin Lending Corp. due to its violations of SEC MC 19 and the LCRA.

“Considering the number, nature, gravity, and duration of [Fast Coin Lending’s] violations that warrant the revocation of its CA, this Department finds that the revocation of its primary license or Certificate of Incorporation is likewise appropriate,” the CGFD said.

The revocation of Fast Coin Lending’s CA brings to 39 the total number of financing/lending companies with cancelled licenses due to various violations of SEC rules and regulations.

To date, the SEC has also revoked the primary registration of a total of 2,084 lending companies for their failure to secure the requisite secondary license— a CA to Operate as a Lending/Financing Company— pursuant to the LCRA, and for other violations.

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