Securities and Exchange Commission PHILIPPINES

BAGONG PILIPINAS

FINANCING AND LENDING COMPANIES DEPARTMENT

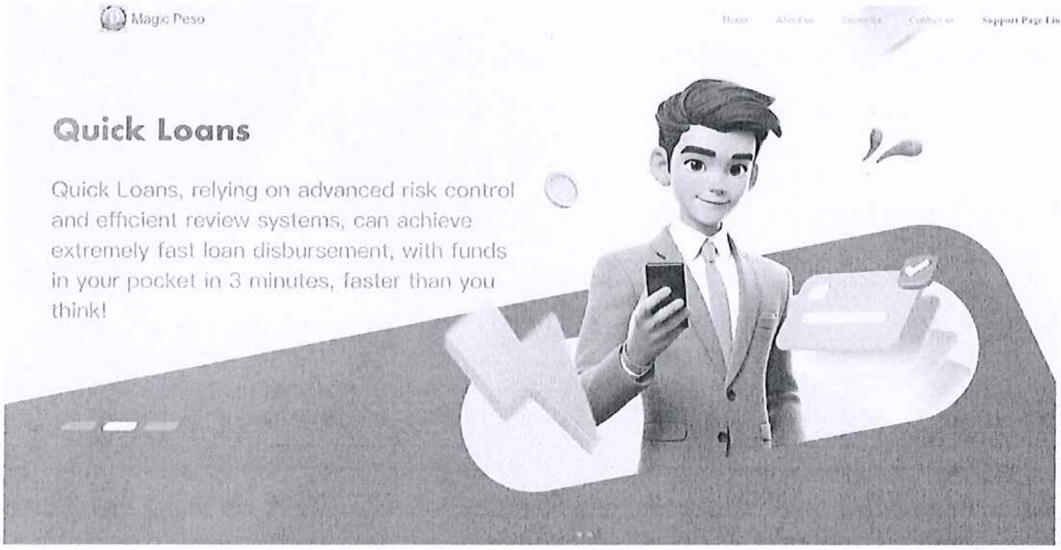
IN THE MATTER OF:	**FLCD CDO Case No. 03** **Series of 2025.**
MAGIC PESO 33 S. Osmeña Street, Cebu City, Cebu. *Respondent.* x--x	**FOR: VIOLATION OF SEC MEMORANDUM CIRCULAR NO. 19, SERIES OF 2019, MEMORANDUM CIRCULAR NO. 10, SERIES OF 2021, AND FINANCIAL PRODUCTS AND SERVICES CONSUMER PROTECTION ACT**

CEASE AND DESIST ORDER

This refers to the reports and complaints received by the Securities and Exchange Commission ("*SEC or Commission*") that an unrecorded and unregistered Online Lending Platform ("*OLP*"), Magic Peso, is committing Unfair Debt Collection Practices.

Antecedents

The Respondent Magic Peso is not among the recorded OLPs under the Commission's records. As an OLP, it offers loans to the general public as shown on its Official Website, to wit:



Based on the foregoing, the continued operation of Magic Peso violates Memorandum Circular No. 19, Series of 2019 ("*MC 19*"), which requires the Disclosure of Online Lending Platforms, and Memorandum Circular No. 10, Series of 2021 ("*MC 10*"), which imposes a Moratorium on New OLPs. Furthermore, the continued operation of Magic Peso poses undue risk to the general public and places each of its customers outside the protection afforded by the Financial Products and Services Consumer Protection Act and its Implementing Rules and Regulations ("FCPA-IRR"), considering that it is not regulated and not supervised by the Commission.

Issue

Whether a Cease and Desist Order should be issued against the Respondent on account of its violation of MC 19, MC 10, and the FCPA?

Ruling

The Commission finds issuing a Cease and Desist Order against the Respondent warranted.

Magic Peso's continued operation violates MC 19, MC 10, and the FCPA. The Commission's supervisory authority and power over Magic Peso are rendered useless because it is not among the Online Lending Platforms allowed to operate. Moreover, its borrowers are at risk of experiencing abusive collection practices, high-interest rates, and violation of their data privacy rights.

To ensure that the Commission is able to perform this mandate and to protect the public, Section 6(d)(4) of the FCPA, as implemented by MC No. 05, Series of 2023, authorizes the Commission to issue a cease and desist order **without the necessity of a prior hearing** if in the Commission's judgment, the act or practice, unless restrained, amounts to fraud or a violation of the provisions of the FCPA and/or the SEC FCPA IRR, or may unjustly cause grave or irreparable injury or prejudice to financial consumers, to wit:

> "**RULE 6**
> *Powers of the SEC*
>
> Section 1. *Powers of the Commission.* – The Commission shall, in the implementation of these Rules and the provisions of the FCPA, have the following powers:
>
> D. Enforcement. The Commission shall have the authority to impose enforcement actions against financial service providers for noncompliance with the provisions of the FCPA, SEC FCPA IRR, and other existing laws pertinent to the jurisdiction and authority of the Commission.
>
> Such enforcement actions may include the following:
>
> **Issuance of a cease and desist order** ("*CDO*") to a financial service provider without the necessity of a prior hearing if, in the Commission's judgment, the act or practice, unless restrained, amounts to fraud <u>or a violation of the provisions of the FCPA and/or the SEC FCPA IRR</u>, or <u>may unjustly cause grave or irreparable injury or prejudice to financial consumers</u>. A CDO is immediately executory upon service or publication on the Commission's website. [Emphasis supplied]

WHEREFORE, premises considered, **MAGIC PESO** including its owners, operators, promoters, representatives, agents, *AND ANY AND ALL PERSONS CLAIMING AND ACTING FOR AND, IN THEIR BEHALF,* are hereby **DIRECTED** to immediately **CEASE AND DESIST** from engaging in, carrying out, promoting and facilitating any lending activity or transaction.

SO ORDERED.

24 June 2025, Makati City.

Kenneth Joy A. Quimio
Atty. Kenneth Joy A. Quimio
OIC-Director

Scan the QR to verify the document