Republic of the Philippines
Department of Finance
Securities and Exchange Commission
COMMISSION EN BANC

IN THE MATTER OF:

TRADING POINT HOLDINGS LIMITED operating under the name and style of XM (XM Group), XM.COM, XM GLOBAL LIMITED, XM PHILIPPINES, EMMANUEL D. PACQUIAO SR. A.K.A. MANNY PACQUIAO, JONATHAN LOU REYES.	**SEC CDO Case No. 10-25-126**
ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT, *Movant.*	**Promulgated:** 07 November 2025

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CEASE AND DESIST ORDER

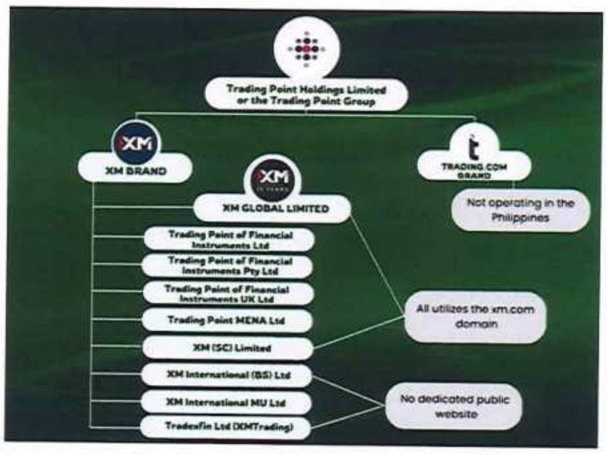
Before this Commission is the *Motion for Issuance of a Cease and Desist Order* (the "Motion") filed by the Enforcement and Investor Protection Department (EIPD) on 02 October 2025, praying that a Cease and Desist Order (CDO) be issued: (*i*) directing Trading Point Holdings Limited, XM, XM Global Limited, and XM Philippines (hereinafter referred to collectively as "XM"), together with their respective officers, directors, representatives, salesmen, agents, brokers, dealers, representatives, promoters, recruiters, uplines, influencers, endorsers, abettors, enablers, and all persons, conduit entities and subsidiaries claiming and acting for and on their behalf (collectively referred to as the "Agents"), to immediately cease and desist from engaging in the unauthorized offer and/or sale in the Philippines of unregistered securities in the form of derivatives for want of the requisite license(s).

The EIPD also prays that XM and its Agents be directed to immediately cease and desist from transacting the funds in their depository banks, and/or from transferring, disposing, or conveying in any manner, any and all assets, properties, real or personal, including bank deposits which they may have any interest, claim or participation whatsoever, directly or indirectly, under their custody, to preserve assets for the benefit of investors.[1]

[1] *Motion for Issuance of a Cease and Desist Order* filed on 02 October 2025.

The instant Motion was filed following a *motu proprio* investigation conducted by the EIPD, pursuant to Section 64.1 of the Securities Regulation Code (SRC).[2] The said investigation focused on the activities and transactions of XM for possible violations of the SRC and its implementing rules and regulations (SRC-IRR).

XM, XM Global Limited, and XM Philippines operate under their parent company, Trading Point Holdings Limited (Trading Point), a financial services company offering and providing brokerage services and products.[3] Trading Point runs two brands namely;[4] Trading.com, which operates in Europe, United States of America, United Kingdom, and Australia;[5] and XM, which operates several entities in other regions, as shown by the organizational chart submitted by the EIPD, to wit:[6]



It is notable that the Trading.com domain, while not accessible in the Philippines, directs all its users to the XM.COM domain at https://www.xm.com.[7] The same is true with the other entities operating under the XM brand.[8]

The XM.COM domain, accessible in the Philippines, is the primary website or global domain used by XM Global Limited, as well as the entities operating under the XM brand. XM Philippines is recognized by XM, and functions as its local branch, representative office or marketing arm, operating Facebook[9] and YouTube[10] accounts intended to promote and offer XM's unregistered securities, products, and services.[11]

XM Philippines promotes and facilitates the offering and sale by XM, through XM Global, of its products and services in the Philippines, which include, among others, trading in derivatives,[12] stock derivative

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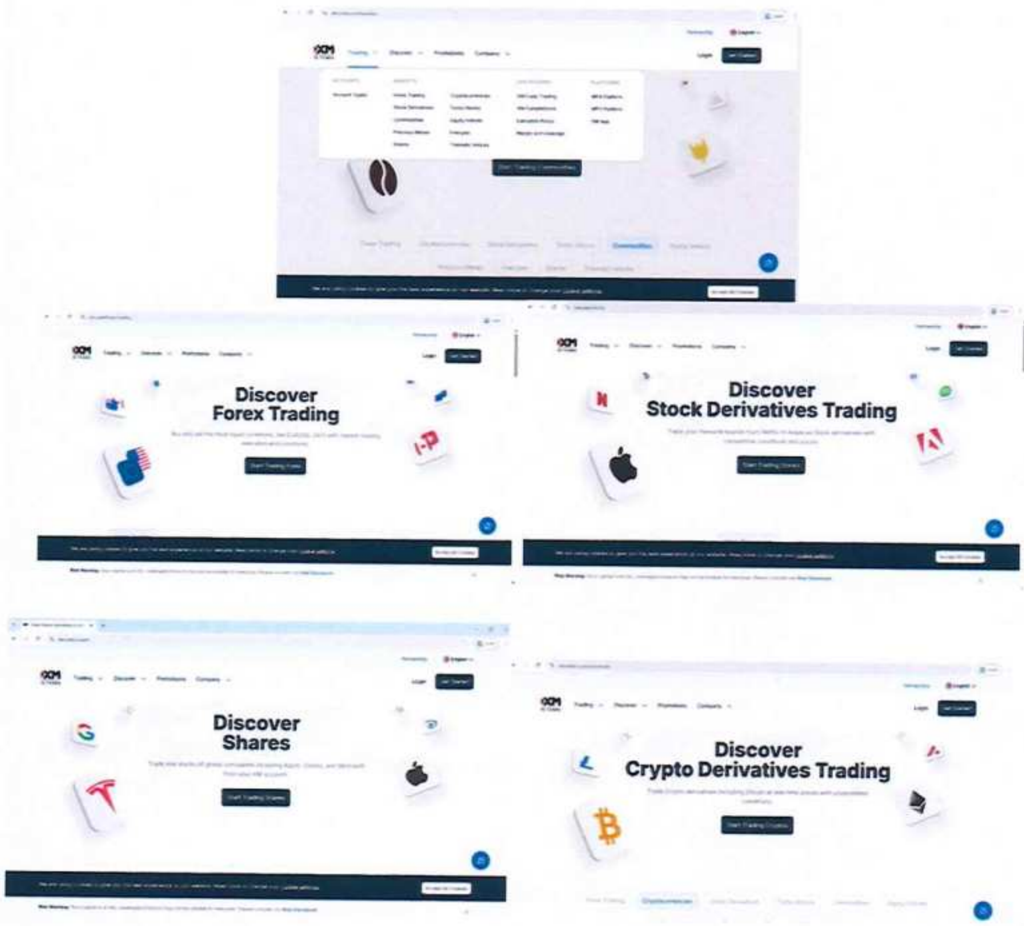
[2] *Motion*. Par. 9.
[3] *Ibid.* Par. 1(a). See also Annex "A" of Annex "E", Motion.
[4] *Ibid.* Annex "C" of Annex "E".
[5] *Ibid.* Par. 1(c). See also Annexes "D" and "D-1" of Annex "E".
[6] *Ibid.* Annex "E" of Annex "E".
[7] *Ibid.* Annex "B" and "I" of Annex "E".
[8] *Ibid.* Par. 3(A).
[9] Annexes "F", "F-1", "F-2" of Annex "E", Motion.
[10] Annexes "G", "G-1", "L", L-1", and "L-2", of Annex "E", Motion.
[11] *Ibid.* pars. 3 and 5. See Annexes "F" to "F-2" of Annex "E".
[12] *Id.* Pars. 23 to 59.

products,[13] and foreign exchange (Forex);[14] shares; and/or cryptocurrencies, as shown by the screenshots of its websites which were submitted in support of the Motion, to wit:



Investors in the Philippines can use, access, and create an account on XM's trading platforms through its website at https://www.xm.com, or by downloading the mobile applications found on Google Play[15] and Apple Store,[16] as shown below:

An investor that has successfully created an XM account can choose from the plans offered by XM on its platform by depositing the minimum

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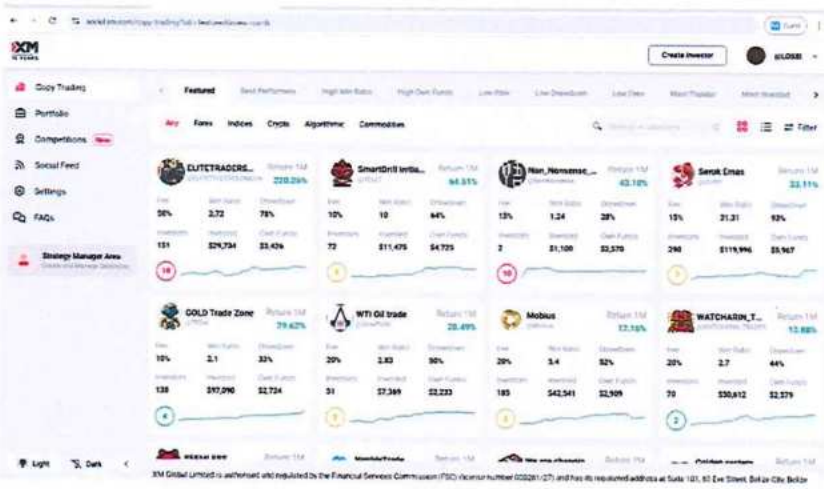
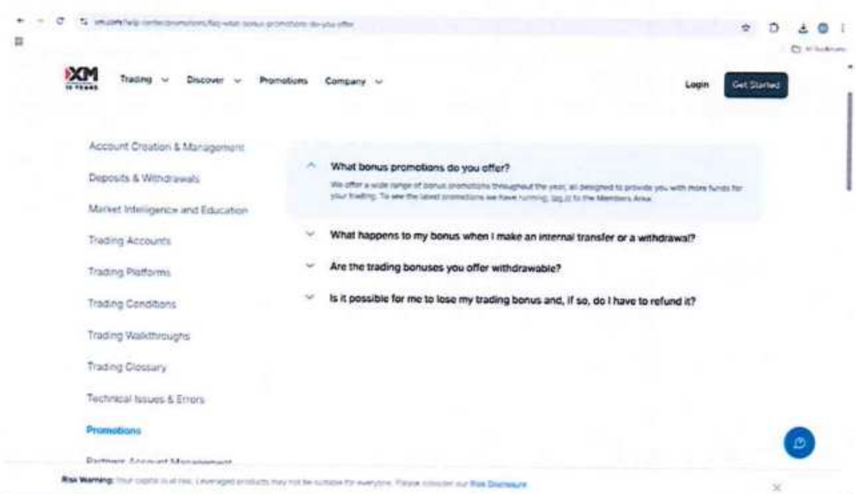
[13] *Id.* Par. 37.
[14] *Id.* Par. 40. See Annexes "S" and "S-1" of Annex "E".
[15] *Id.* Annex "P" of Annex "E".
[16] *Id.* Annex "Q" of Annex "E".

amount required in the chosen plan.[17] The fact that XM has tapped and made available the local banks and e-wallets as its payment partners clearly shows that investors in the Philippines are primarily its target market.[18] An investor who has an existing account, and who is deemed to have agreed to the Client Agreement Terms and Conditions of Business ("Agreement"),[19] may start purchasing and trading the securities and other products offered or sold by XM using its different platforms such as, MT4, MT5 platforms, and/or the XM App.[20] These platforms highlight potential returns (e.g., Return 1M) to entice users to invest their money,[21] as shown below:



In addition, XM grants bonuses[22] and cash rewards for every successful referral under the Friend Referral Program,[23] to ensure that investments from existing investors continue to flow in, and that new investors are added to the fold, to wit:



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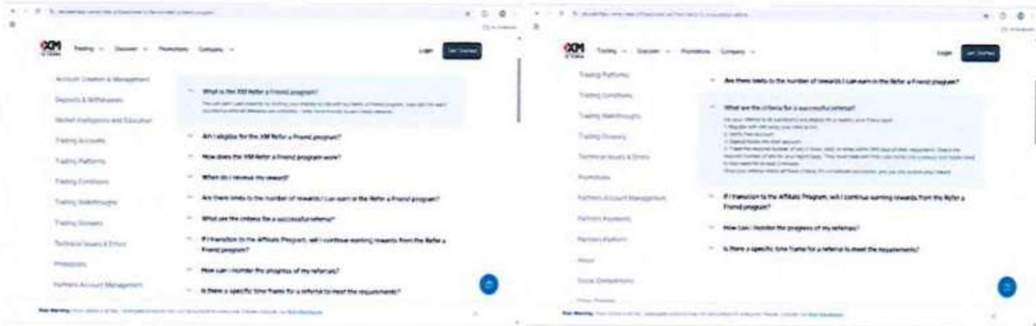
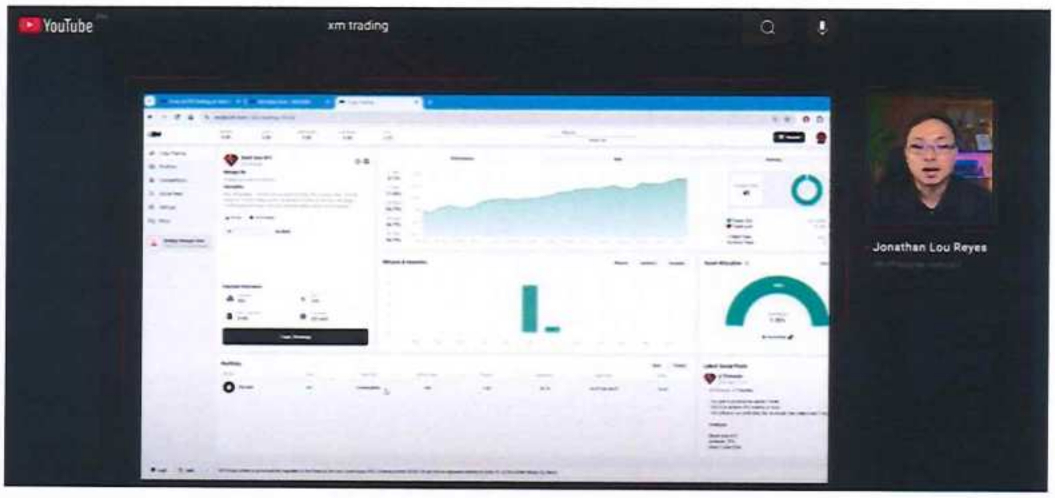
[17] *Id.* par. 17.
[18] *Id.* par. 5((B)
[19] *Id.* Annex "X to X-1" of Annex "E"
[20] *Id.* pars. 12 and 13 (see Annexes "R", "W" and "W-1" of Annex "E")
[21] Annex "AA" of Annex "E", Motion.
[22] *Id.* Par. 18. See also Annex "CC" of Annex "E",
[23] *Id.* Par. 19. See also Annex "DD" and "DD-1" of Annex "E",



Relatedly, XM has also tapped the services of Emmanuel D. Pacquiao Sr. (Manny), a Filipino boxing icon, and Jonathan Lou Reyes (Jonathan), to effectively market its unregistered securities and products to the investing public. XM has uploaded in its YouTube account the videos of Manny[24] and Jonathan[25] encouraging the investing public to invest with XM, and providing a tutorial on trading, respectively.

[24] *Id.* Annex "EE" of Annex "E".
[25] *Id.* Annex "Z" of Annex "E".



To support its allegation that XM is engaged in the unauthorized sale or offer of unregistered securities, the EIPD attached to its *Motion* the Certifications issued by the Commission's Company Registration and Monitoring Department (CRMD),[26] Corporate Governance and Finance Department (CGFD),[27] and Markets and Securities Regulation Department (MSRD).[28] All of which certify that Trading Point Group, XM, XM Global, and XM Philippines are not registered with the Commission either as a corporation or as a partnership, and has not been issued a secondary license to act as a broker or dealer of securities; nor do they have a pending application for the registration of their securities.

On 14 March 2024, the Commission issued an Advisory, warning the public from investing in unregistered online investment platforms like XM. The Advisory emphasized that XM's registration or licenses obtained from foreign jurisdictions do not authorize it to offer or sell securities in the Philippines without the requisite license from the Commission.

After a careful consideration of the allegations and the evidence presented in support thereof, We find the Motion to be impressed with merit.

The SRC and the SRC-IRR define securities as shares, participation or interests in a corporation or in a commercial enterprise or profit-making venture and evidenced by a certificate, contract, instruments, and includes shares of stock, bonds, debentures, notes, evidences of indebtedness, asset-backed securities, and derivatives.[29]

Section 8.1 of the SRC expressly provides that securities shall not

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[26] *Id.* Annexes "A" and "A-1".
[27] *Id.* Annexes "B" and "B-1".
[28] *Id.* Annexes "C" and "C-1".
[29] Section 3, SRC; Section 3.1, SRC-IRR.

be sold or offered[30] for sale or distribution within the Philippines without a registration statement duly filed with and approved by the Commission;[31] while Section 28 of the SRC which explicitly states that no person shall engage in the business of buying or selling securities in the Philippine as a broker or dealer, or act as a salesman, or an associated person of any broker or dealer unless registered as such with the Commission.[32] Such unauthorized investment-taking activities also constitute as investment fraud under the Financial Products and Services Consumer Protection Act ("FCPA").[33] Relatedly, the Commission has recently issued SEC Memorandum Circular No. 4, series of 2025 (SEC Rules on Crypto-Asset Service Providers) which requires the prior registration of crypto-asset securities that will be offered, marketed or sold in the Philippines,[34] implementing the foregoing statutory requirement.

The registration and regulation of securities, as well as the individuals involved in these activities, are essential due to the significant public interest inherent in such transactions. Thus, the offer or sale of unregistered securities and the acts of persons in dealing with the same without the requisite license, constitute a violation of Sections 8 and 28 of the SRC, which warrant the imposition of the appropriate administrative and criminal actions. This notwithstanding, Section 64 of the SRC grants the Commission the power to issue a CDO *motu proprio* to protect the investing public[35] from any act that constitutes a violation of the provisions of the SRC and the SRC-IRR, thus:

> SEC. 64. Cease and Desist Order. – 64.1. **The Commission,** after proper investigation or verification, motu proprio, or upon verified complaint by any aggrieved party, **may issue a cease and desist order without**

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[30] Rule 3.1.17 of the SRC-IRR provides: "Public offering is any offering of securities to the public or to anyone, whether solicited or unsolicited. Any solicitation or presentation of securities for sale through any of the following modes shall be presumed to be a public offering:

x x x

3.1.17.2 Presentation in any **public** or commercial **place**;

3.1.17.3 Advertisement or announcement in radio, television, telephone, **electronic communications, information communication technology or any other forms of communication**;" (Emphasis supplied)

[31] "**Section 8.** *Requirement of Registration of Securities.*– 8.1. Securities shall not be sold or offered for sale or distribution within the Philippines, without a registration statement duly filed with and approved by the Commission. Prior to such sale, information on the securities, in such form and with such substance as the Commission may prescribe, shall be made available to each prospective purchaser."

[32] "**Section 28.** *Registration of Brokers, Dealers, Salesmen and Associated Persons*. – 28.1. No person shall engage in the business of buying or selling securities in the Philippine as a broker or dealer, or act as a salesman, or an associated person of any broker or dealer unless registered as such with the Commission."

[33] Republic Act No. 11765.

[34] See Sections 6 and 7

[35] "The law is clear on the point that a cease and desist order may be issued by the SEC *motu proprio,* it being unnecessary that it results from a verified complaint from an aggrieved party. A prior hearing is also not required whenever the Commission finds it appropriate to issue a cease and desist order that aims to curtail fraud or grave or irreparable injury to investors. There is a good reason for this provision, as any delay in the restraint of acts that yield such results can only generate further injury to the public that the SEC is obliged to protect." (*Primanila Plans v. Securities and Exchange Commission,* G.R. No. 193791, 02 August 2014 [Per J. Reyes, *First Division*]).

the necessity of a prior hearing if in its judgment the act or practice, unless restrained, will operate as a fraud on investors or is otherwise likely to cause grave or irreparable injury or prejudice to the investing public. (Emphasis supplied)

Considering that XM was shown, by substantial evidence, to be offering and selling unregistered securities in the Philippines without the requisite license in violation of Sections 8 and 28 of the SRC, the issuance of a CDO is therefore warranted for the protection of the investing public, as it operates as a fraud on investors.[36]

WHEREFORE, premises considered, **TRADING POINT HOLDINGS LIMITED, XM, XM GLOBAL LIMITED, and XM PHILIPPINES** are hereby ordered to **IMMEDIATELY CEASE AND DESIST** from further engaging in the unlawful and unauthorized offer and/or sale of securities and/or any other similar or related acts until the requisite registration statements are duly filed with and approved by the Commission and the corresponding license and/or permit to offer or sell securities are issued.

TRADING POINT HOLDINGS LIMITED, XM, XM GLOBAL, and XM PHILIPPINES, its officers, operators, administrators, promoters, representatives, salesmen, agents, investment team planners, mentors, enablers, influencers, assigns, conduit entities, subsidiaries, and any and all persons claiming and/or acting for and in their behalf are likewise directed to immediately **CEASE** their internet presence relating to the transactions and investment scheme covered by this Cease and Desist Order.

Finally, the Commission hereby **PROHIBITS TRADING POINT HOLDINGS LIMITED, XM, XM GLOBAL LIMITED, and XM PHILIPPINES**, or any of its officers, representatives, agents, and any persons acting for and on their behalf, from transacting any and all business involving the funds in its depository banks, and from transferring, disposing, or conveying in any other manner, any and all assets, properties, real or personal, including bank deposits, if any, of which the named persons herein may have any interest, claim or participation whatsoever, whether directly or indirectly, under their custody, immediately to forestall grave damage and prejudice to all concerned and to ensure the preservation of the assets for the benefit of the investors without authority from the Commission.

The **EIPD** of the Commission is hereby **DIRECTED** to cause the posting of this *Cease and Desist Order* in the Commission's website.

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[36] "**The act of selling unregistered securities would necessarily operate as a fraud on investors as it deceives the investing public by making it appear that respondents have authority to deal on such securities.** Section 8.1 of the SRC clearly states that securities shall not be sold or offered for sale or distribution within the Philippines without a registration statement duly filed with and approved by the SEC and that prior to such sale, information on the securities, in such form and with such substance as the SEC may prescribe, shall be made available to each prospective buyer." (*Securities and Exchange Commission vs. CJH Development Corp.* (G.R. No. 210316, November 28, 2016)

The **EIPD** is **FURTHER DIRECTED** to submit a formal compliance report, by way of a pleading, to the Commission *En Banc* within ten (10) days from receipt of this ***Cease and Desist Order.***

Let a copy of this Order be furnished to the Company Registration and Monitoring Department, Markets and Securities Regulation Department, Corporate Governance and Finance Department and the Information and Communications Technology Department of this Commission, the Bangko Sentral ng Pilipinas, the Department of Trade and Industry, the National Privacy Commission, and the Department of Information and Communications Technology.

In accordance with the provisions of Section 64.3 of the SRC, and Part II, Rule IV, Section 4-3 of the 2016 Rules of Procedure of the SEC, the Respondents may file a verified *Motion to Lift the CDO* with the Commission *En Banc* thru the Office of the General Counsel, within five (5) days from receipt of this Order.

FAIL NOT UNDER PENALTY OF LAW.

SO ORDERED.

Makati City, Philippines.

FRANCIS ED. LIM
Chairperson

JAVEY PAUL D. FRANCISCO
Commissioner

KARLO S. BELLO
Commissioner

MCJILL BRYANT T. FERNANDEZ
Commissioner

ROGELIO V. QUEVEDO
Commissioner