FINANCING AND LENDING COMPANIES DEPARTMENT

IN THE MATTER OF:

UMETA CREDIT LENDING CORP.
doing business under the name/s and style/s of MorePautang Lending, MetaPeso Lending, MoreJuan Lending and MetaCash Lending
(*Certificate of Registration No. 2022020043677-01; CA No. L-22-0143-87*)

Respondent.

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FLCD Case No. 02-26-29
Series of 2026.

FOR: VIOLATION OF THE SEC MEMORANDUM 05, SERIES OF 2023 OR THE SEC RULES AND REGULATIONS OF THE FINANCIAL PRODUCTS AND SERVICES CONSUMER PROTECTION ACT OF 2022 (MC 05, SERIES OF 2023); MC 18, SERIES OF 2019 OR THE PROHIBITION ON UNFAIR DEBT COLLECTION PRACTICES OF LENDING AND FINANCING COMPANIES, MC NO. 19, SERIES OF 2019 ON THE DISCLOSURE REQUIREMENTS ON ADVERTISEMENTS OF FINANCING COMPANIES AND LENDING COMPANIES AND REPORTING OF ONLINE LENDING PLATFORMS; AND MC NO. 10, SERIES OF 2021 OR THE MORATORIUM ON NEW ONLINE LENDING PLATFORMS.

C E A S E A N D D E S I S T O R D E R

This refers to the information received by the Securities and Exchange Commission (Commission or SEC) concerning the operation of unrecorded Online Lending Platforms (OLPs) named FinLedger – Smart Ledger, Cashtwig, Metacash, and Morepautang, which was operated by **UMETA CREDIT LENDING CORP.** (the Respondent) and its engagement of unfair debt collection practices.

Antecedents

The Respondent is a registered lending company with the Commission on 01 March 2022 under SEC Registration Number 2022020043677-01, Certificate of Authority Number L-22-0143-87, and a principal office at 18A Trafalgar Plaza 105 H.V. Dela Costa, Salcedo Bel-Air, Makati City. Its primary purpose is:

> “to engage in the business of direct lending without however engaging in pawn-broking under Presidential Decree No. 114 and financing under Republic Act No. 8556, provided that borrowings shall be sourced from not more than nineteen (19) lenders, including shareholders. Provided, however, that there shall be continuing compliance of SEC Memorandum Circulars on 1) Prohibition of Unfair Debt Collection Practices of Financing Companies (FC) and Lending Companies (LC) and 2) Disclosure Requirements on Advertisements for Financing Companies and Lending Companies and Reporting of Online Lending Platforms (MC Nos. 18 and 19, Series of 2019, respectively).”

Records of the Commission disclose that the Respondent is not among the financing or lending companies duly authorized to operate or maintain any Online Lending Platform under the existing rules and regulations of the Commission. A verification conducted by the Financing and Lending Companies Department (FLCD) confirms that the above-named OLPs were neither recorded nor disclosed to the Commission as required under prevailing SEC issuances governing digital lending operations.

Concurrently, the FLCD received numerous complaints from borrowers and financial consumers alleging that the Respondent, through its aforementioned OLPs, engaged in unfair and abusive debt collection practices. These complaints uniformly narrated acts constituting harassment, intimidation, unauthorized disclosure of personal information, and other coercive collection methods, in violation of:

- SEC Memorandum Circular No. 18, Series of 2019 or the Prohibition Against Unfair Debt Collection Practices (MC 18);
- SEC Memorandum Circular No. 19, Series of 2019 or Disclosure Requirements for OLPs (MC 19);
- SEC Memorandum Circular No. 10, Series of 2021 or the Moratorium on New OLPs; and
- SEC Memorandum Circular No. 05, Series of 2023, otherwise known as the SEC Rules and Regulations Implementing the Financial Products and Services Consumer Protection Act of 2022 (FCPA IRR).

In view thereof, the Commission, through the FLCD, issued several Show Cause Letters (SCLs) directing the Respondent to explain its unauthorized operation of the OLPs and the reported violations, as follows:

<table>
<tr><th>Date</th><th>Violation</th><th>Case No.</th><th>Remarks</th></tr>
<tr><td>29 October 2025</td><td rowspan="4">MC 19, series of 2019 and MC 10, series of 2022</td><td>N/A</td><td>For Operating Metacash</td></tr>
<tr><td>09 December 2025</td><td>N/A</td><td>For Operating MorePautang – Loan Hub</td></tr>
<tr><td rowspan="2">16 December 2025</td><td>N/A</td><td>Cashtwig, FinLedger – Smart Ledger</td></tr>
<tr><td>N/A</td><td rowspan="6">Filed by Complainants.</td></tr>
<tr><td rowspan="4">22 January 2026</td><td rowspan="5">MC 18, series of 2019</td><td>FINLEND CASE NO. 01-26-74</td></tr>
<tr><td>FINLEND CASE NO. 01-26-75</td></tr>
<tr><td>FINLEND CASE NO. 01-26-80</td></tr>
<tr><td>FINLEND CASE NO. 01-26-81</td></tr>
<tr><td>26 January 2026</td><td>FINLEND CASE NO. 01-26-93</td></tr>
</table>

Notwithstanding the issuance of the foregoing Show Cause Letters and the pendency of administrative proceedings, monitoring activities conducted by the FLCD reveal that the Respondent continues to operate the subject OLPs, which remain accessible and downloadable by the public. Such continued operation manifests open defiance of regulatory directives and a clear disregard of the Commission's supervisory authority.

Issue

Whether a Cease and Desist Order (CDO) should be issued against the Respondent for its continued operation of unrecorded OLPs and its alleged violations of SEC Memorandum Circular No. 05, Series of 2023; MC 18, Series of 2019; MC 19, Series of 2019; and MC 10, Series of 2021.

Ruling

The Commission finds issuing a CDO against the Respondent warranted.

To ensure that the Commission is able to perform the mandate and to protect the public, Section 6(d)(4) of the FCPA IRR authorizes the Commission to issue a CDO **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 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]

The regulatory framework governing financial service providers, as cited above, vests upon the Commission not only supervisory authority but also immediate enforcement power to restrain acts prejudicial to financial consumers. To reiterate, Section 6(d)(4) of the FCPA IRR expressly authorizes the Commission to issue a CDO without the necessity of a prior hearing if, in its judgment, the act or practice complained of: (a) amounts to fraud or a violation of the provisions of the FCPA and/or the SEC FCPA IRR; or (b) may unjustly cause grave or irreparable injury or prejudice to financial consumers.

The rule further provides that such CDO shall be immediately executory upon service or publication on the Commission's website.

The records sufficiently establish *prima facie* that:

First, the Respondent brazenly operates multiple OLPs without proper disclosure, recording, or authority from the Commission, in open and continuing defiance of the regulatory framework governing digital lending operations.

The operation of an OLP is not an informal or peripheral undertaking. It is a regulated activity that directly interfaces with the public, collects sensitive personal and financial data, and extends credit under terms that affect borrowers' economic welfare. As such, it is subject to strict oversight. Compliance with disclosure and recording requirements is neither optional nor a matter of corporate discretion. It is a mandatory condition precedent to lawful operation.

The Respondent's decision to deploy and maintain multiple OLPs, under varying names and digital identities, without proper recording with the Commission, constitutes a deliberate circumvention of regulatory safeguards. This is not a case of mere technical lapse or administrative oversight. It is a calculated evasion of supervision.

By operating unrecorded OLPs, the Respondent effectively placed itself beyond the Commission's monitoring mechanisms. It deprived the regulatory authority of visibility into its digital operations, frustrated enforcement efforts, and exposed financial consumers to unmonitored, potentially abusive practices. Such conduct strikes at the very heart of the Commission's mandate to ensure transparency, accountability, and fairness in the lending industry.

The proliferation of multiple platform names further aggravates the violation. The use of multiple digital personas without regulatory disclosure fosters confusion, obscures accountability, and impedes aggrieved borrowers' ability to trace responsibility. This multiplicity is not an innocent branding strategy—it is regulatory opacity by design.

A lending company does not enjoy an inherent or unqualified right to operate in cyberspace. Its authority is conditional and continuing, anchored upon strict adherence to the laws and circulars governing its operations. When it ventures beyond the bounds of such authority, it does so at its peril.

The Respondent's conduct reveals a pattern of willful noncompliance. Each day that these unauthorized OLPs remain active is a renewed violation. This is an ongoing affront to the Commission's regulatory authority and a continuing risk to the borrowing public.

The Commission will not countenance such defiance. Regulatory oversight in the financial sector exists precisely to prevent entities from operating in the shadows. The Respondent's unauthorized digital operations constitute a clear and present threat to financial consumers and to the integrity of the lending industry itself. Immediate and decisive regulatory intervention is therefore not only justified but also imperative.

Second, the magnitude of the Respondent's misconduct is not speculative. It is quantifiable.

Based on the official complaint monitoring report covering January 2025 to 30 January 2026, the Respondent amassed Three Hundred Sixty-Three (363) informal complaints, of which Five (5) escalated into formal administrative proceedings for violations of MC 18 and related SEC issuances.

These statistics are not mere numerical entries in a monitoring report. They are regulatory indicators.

A complaint volume of this magnitude within a single reporting cycle places the Respondent among the most complained-against entities under MC 18 enforcement monitoring. Such a concentration of complaints signals not sporadic dissatisfaction but a recurring pattern of borrower grievances. In regulatory analysis, complaint density functions as an early-warning metric. When hundreds of consumers independently narrate substantially similar misconduct, the pattern ceases to be anecdotal and becomes systemic.

The escalation of five (5) complaints into formal administrative cases further underscores the gravity of the situation. Formal proceedings are not initiated lightly; they are commenced only upon *prima facie* determination of actionable violations. Thus, the transition from informal grievance to formal case reflects that the allegations have crossed the threshold of regulatory concern into prosecutable territory.

In effect, the statistics reveal three critical realities:

a. In terms of volume, the frequency of complaints reflects sustained consumer exposure to alleged abusive practices;
b. In terms of consistency, the uniformity of allegations suggests operational, not accidental, misconduct; and
c. With regard to escalation, the conversion of complaints into formal cases demonstrates the presence of substantial evidence warranting enforcement action.

Complaint statistics, when viewed in isolation, may be numbers. When viewed in context, they are warning signals. Here, they point to a pattern of conduct that poses measurable and ongoing risk to financial consumers.

The Commission cannot disregard such a concentration of complaints without undermining its consumer protection mandate. The data itself compels regulatory response.

These figures are not incidental. They are regulatory indicators of systemic noncompliance.

Three hundred sixty-three (363) informal complaints within a single reporting period cannot be dismissed as an isolated lapse. They constitute a pattern of borrower grievance repeatedly brought before the Commission. When allegations of harassment, intimidation, coercive messaging, and improper disclosure of personal information recur with such frequency, the issue transcends individual error and points to operational practice.

The repetition of substantially similar allegations across hundreds of complaints strongly suggests that the conduct complained of is not aberrational. It reflects either institutional tolerance of prohibited methods or, at the very least, a conscious indifference to regulatory compliance.

In regulatory enforcement, volume is not noise. It is a signal. Numbers establish a pattern; pattern establishes risk.

That the Respondent stands among the most complained-against entities during the covered period is, by itself, a matter of serious regulatory concern. When viewed together with its unauthorized operation of multiple unrecorded OLPs, the inference becomes compelling: the Respondent's digital lending operations pose a continuing and measurable risk to financial consumers.

Third, the Respondent's conduct following the regulatory notice is even more telling.

The records show that five (5) separate SCLs were issued to the Respondent. These were not casual correspondences. They were formal regulatory directives issued upon *prima facie* determination of violations. Each SCL afforded the Respondent an opportunity to explain, justify, or rectify its conduct.

Yet, despite repeated official notices, the Respondent did not submit a single reply.

Silence in the face of one regulatory directive may suggest oversight. Silence in the face of five separate directives reveals something else entirely.

It reveals a deliberate refusal to engage with lawful authority.

The issuance of an SCL is an exercise of the Commission's statutory mandate. It is an invocation of regulatory jurisdiction. It is a formal demand for accountability. To ignore it, repeatedly and without explanation, is to treat the Commission's authority as inconsequential.

This is not mere negligence. It is open defiance.

A regulated entity operating in good faith would, at the very least, have responded, clarified, or suspended questionable activities pending resolution. The Respondent did none of these. Instead, it continued to operate its unauthorized OLPs unabated, even as complaints mounted and administrative scrutiny intensified.

Such conduct betrays a blatant disregard of the Commission's supervisory powers and a troubling indifference to the rule of law. Regulatory oversight is not advisory. It is binding. A lending company that chooses to ignore formal regulatory directives positions itself outside the bounds of lawful compliance.

Each day of continued operation after five unanswered SCLs magnifies consumer exposure. Each day increases the risk of further harassment, improper disclosure of personal data, and financial harm. Each day compounds the injury inflicted upon borrowers who rely on the Commission to enforce the standards of fairness in the lending industry.

The Commission cannot remain passive while its lawful directives are ignored and while consumer harm continues. To tolerate such conduct would amount to regulatory surrender. It would signal that compliance is optional and that enforcement may be evaded through silence.

The convergence of the following circumstances: (a) unauthorized operation of multiple OLPs; (b) hundreds of complaints alleging unfair collection practices; and (c) the Respondent's repeated refusal to respond to five formal regulatory directives creates a clear and present danger to financial consumers.

The law does not compel the Commission to wait until harm becomes irreversible. The preventive authority granted under the FCPA exists precisely to restrain ongoing violations before they erode public trust in the financial system.

Preventive regulatory action, in this context, is not only justified but also compelled.

Accordingly, the issuance of a CDO is necessary to immediately halt the Respondent's operations and prevent further injury to the borrowing public pending final determination of its administrative liability.

WHEREFORE, premises considered, **UMETA CREDIT LENDING CORP.**, together with its owners, incorporators, directors, officers, operators, promoters, representatives, agents, affiliates, and **ALL PERSONS CLAIMING AND ACTING FOR AND ON ITS BEHALF**, are hereby **ORDERED** and **DIRECTED** to **IMMEDIATELY CEASE AND DESIST** from engaging in, conducting, carrying out, promoting, facilitating, advertising, or otherwise participating, whether directly or indirectly, in any lending activity or transaction.

This prohibition expressly includes, but is not limited to, the operation, maintenance, promotion, or continued availability of the OLPs known as **Meta Cash, MorePautang – Loan Hub, Cash Twig, FinLedger – Smart Ledger**, and any other platform, application, website, or digital interface operated under whatever name, alias, or guise.

This **CEASE AND DESIST ORDER** shall be **IMMEDIATELY EXECUTORY** upon service or publication on the Commission's official channels and shall remain in full force and effect unless sooner lifted by the Commission.

Let copies of this **CEASE AND DESIST ORDER** be furnished to the Philippine National Police – Anti-Cybercrime Group (PNP-ACG), the Cybercrime Investigation and Coordinating Center (CICC), and the Presidential Anti-Organized Crime Commission (PAOCC), for their appropriate action, coordination, investigation, and enforcement assistance, including such measures as may be necessary to prevent the continued operation, digital accessibility, promotion, and facilitation of the Respondent's unauthorized OLPs.

Let a copy of this **CEASE AND DESIST ORDER** likewise be furnished to the City Government of Makati, through the Office of the Mayor and the Business Permits and Licensing Office, with the request that appropriate action be undertaken for the immediate cancellation, suspension, or revocation of the Respondent's Business Permit, in accordance with applicable laws and local ordinances.

The public is hereby **WARNED** to refrain from transacting with **UMETA CREDIT LENDING CORP.** and any of its associated OLPs.

SO ORDERED.

18 February 2026, Makati City.

ROGELIO V. QUEVEDO
Commissioner