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

CASHBEE LENDING SERVICES INCORPORATED,
Appellant,

-versus-

FINANCING AND LENDING COMPANIES DEPARTMENT,
Appellee.

SEC En Banc Case No. 07-25-580
RE: Revocation of the Certificate of Registration and Authority to Operate as a Lending Company

Promulgated: **07 November 2025**

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DECISION

Before this Commission is the Memorandum on Appeal (the "Appeal") filed by Cashbee Lending Services Incorporated on 11 July 2025,[1] praying for the reversal and setting aside of the Order of Revocation dated 19 May 2025 (the "Assailed Order") issued by the Financing and Lending Companies Department (FLCD), the dispositive portion of which, reads:

> **WHEREFORE**, pursuant to SEC Office Order No. 545, granting the FinLenD the authority to revoke Certificate of Registration and Authority of erring financing and lending companies in accordance with existing rules and to act on cognate activities, the Certificate of Registration and authority of **CASHBEE LENDING SERVICES INC.**, including its Online Lending Platforms/Applications is hereby **REVOKED** for continuous non-compliance with MC 3 series of 2022 for non-submission of its Business Plan.
>
> **SO ORDERED**.

The Assailed Order was sustained by the FLCD in its Resolution dated 26 June 2025 (the "Assailed Resolution").

THE PARTIES

Appellant Cashbee Lending Services Incorporated ("Cashbee Lending") is a corporation duly organized and existing under Philippine laws, having been issued a Certificate of Incorporation bearing Company

[1] Docket Fees were paid on the same day.

Registration No. CS201912321. Cashbee Lending was also issued on 26 July 2019, a Certificate of Authority (CA) to Operate as a Lending Company with CA No. 3041. Its principal place of business is at Unit 10-B SIX/NEO Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig.

Appellee, the FLCD is a department of this Commission tasked to monitor and enforce compliance by financing companies (FCs) and lending companies (LCs) with the Financing Company Act (FCA), the Lending Company Regulation Act (the "Lending Act"), the Financial Products and Services Consumer Protection Act, and their respective implementing rules and regulations, among others; having the authority to suspend or revoke the Certificates of Registration and CA of LCs or FCs.

THE RELEVANT FACTS

On 19 March 2025, the FLCD conducted a walkthrough audit of Cashbee Lending which resulted in the issuance of a Walkthrough Audit Findings[2] (the "Audit Findings") sent *via* email on 24 March 2025 to Cashbee Lending. Based on the Audit Findings, Cashbee Lending failed to submit its Business Plan, as required under Section 5 of SEC Memorandum Circular No. 3, series of 2022 (MC No. 3-2022).[3] Thus, Cashbee Lending was directed to either show proof of compliance with MC No. 3-2022 or show cause why its licenses/registrations should not be suspended or revoked.[4]

On 03 April 2025, Cashbee Lending submitted its Business Plan and other relevant supporting documents by email to one of the FLCD's official accounts (finlend_queries@sec.gov.ph), in compliance with the directive from the FLCD. The FLCD acknowledged receipt of Cashbee Lending's submission in its 04 April 2025 email and stated that it had forwarded the same to the designated processor.[5]

On 19 May 2025, the FLCD issued the Assailed Order[6] revoking the Certificate of Registration and CA (collectively referred to as the "Certificates") of Cashbee Lending on the basis of its continuous non-compliance with MC No. 3-2022, specifically for its alleged non-submission of its Business Plan.

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[2] *Appeal.* Annex "D". See *Comment* dated 15 August 2025. Par. 1.
[3] *Ibid.* par. 2
[4] *Comment* dated 15 August 2025. Par. 1. See *Position Paper* dated 17 September 2025. Par 3.0.
[5] *Ibid.* Annex "G".
[6] *Id.* par. 4. (see Annex "A").

On 22 May 2025, Cashbee Lending filed its Motion for Reconsideration (the "Motion")[7], which was thereafter denied by the FLCD in the Assailed Resolution, ruling that that the failure of Cashbee Lending to timely submit its Business Plan constitutes a blatant disregard of the regulatory deadlines and raises doubts in its capacity to operate in a lawful, responsible, and compliant manner within the financial services industry.

Hence, the instant Appeal.

Cashbee Lending prays for the Commission to consider the fact that it actually submitted its Business Plan, including the other requirements enumerated in the Audit Findings, to the FLCD *via* email on 04 April 2025,[8] which was acknowledged by the latter.[9] Considering that during the conference conducted by the FLCD on 14 May 2025, it was allegedly not informed of any irregularity or infirmity relating to its submission, Cashbee Lending was led to assume that it has complied with the requirement in Section 5 of MC No. 3-2022.[10]

In its Comment,[11] the FLCD moved for the denial of the Appeal for lack of merit. The FLCD maintained that Cashbee Lending's failure to (a) submit its Business Plan within the prescribed period, and (b) comply with the proper mode and manner of submission thereof, in violation of MC No. 3-2022, warranted the revocation of its Certificates which is the penalty prescribed under Section 6 of MC No. 3-2022.[12]

In compliance with the Order of the Commission, Cashbee Lending and the FLCD filed their Position Papers on 11 September 2025 and 18 September 2025, respectively, essentially reiterating the allegations and arguments in their earlier pleadings.

ISSUE

Whether Cashbee Lending's belated filing of its Business Plan warrants the imposition of the ultimate penalty of revocation of its Certificates.

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[7] *Id.* Annex "E"
[8] *Supra.* Note 5.
[9] *Id.* par. 9.
[10] *Id.* par. 13.
[11] dated 15 August 2025
[12] *Comment.*

RULING

The Appeal is impressed with merit.

Section 5 of MC No. 3-2022 provides for the requirement to submit a Business Plan by FCs and LCs. The provision, in part, reads:

> SECTION 5. *Other Requirements*. – The Commission shall require all LCs and FCs, whether or not offering loans covered by the ceiling, to submit a Business Plan indicating the company's loan products and services as well as the applicable pricing parameters, which must be compliant with Section 3 of this Circular.
>
> **The Business Plan shall be submitted on or before 5 May 2022 in portable document format (pdf) with text layer to cgfd_md@sec.gov.ph with the following subject line: CGFD_Complete Name of the Company_Type of Document_Date Submitted.**
>
> The Business Plan submitted under this Section shall supersede the initial Business Plan or Plan of Operation in the Company Information Sheet submitted to the Commission prior to the issuance of the Certificate of Authority of the LC/FC. (Emphasis supplied)

The requirement in the afore-quoted provision is intended to implement and ensure transparency in the conduct of business of all FCs and LCs, including those operating OLPs. A Business Plan submitted in compliance with MC No. 3-2022 constitutes a formal statement or declaration by the submitting FC or LC that the interest rates, penalties, loan costs, and other information provided therein are all within the prescribed limits, and/or complies with the requirements prescribed under applicable laws, rules and regulations. Such requirement implements the broader mandate of the Commission under the Lending Act to ensure that lending companies operate on a sound, efficient and stable condition, thus allowing the public to derive optimum advantages from them as an additional source of credit; and preventing lending companies from engaging in practices that are prejudicial to public interest.[13]

MC No. 3-2022 is intended to facilitate the attainment of the objectives of the law that it seeks to implement.[14] It has the force and

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[13] SEC 2. Of R.A. No. 9474 provides: "*It is hereby declared the policy of the State to regulate the establishment of lending Companies and to place their operation on a sound, efficient and stable condition to derive the optimum advantages from them as an additional source of credit, to prevent and mitigate, as far as practicable, practices prejudicial to public interest; and to lay down the minimum requirements and standards under which they may be established and do business.*"

[14] "The authority to make IRRs in order to carry out an express legislative purpose, or to effect the operation and enforcement of a law is not a power exclusively legislative in character, but is rather administrative in nature. The rules and regulations adopted and promulgated must not, however,

effect of a law, having been issued pursuant to a valid exercise of a quasi-legislative function.[15] Thus, non-compliance with its provisions, or with the requirements prescribed therein will justify the imposition of the appropriate penalties, considering the objectives of the statute, and the attendant public interest.

In the instant case, it is not disputed that in compliance with the Audit Findings, Cashbee Lending submitted its Business Plan on 03 April 2025 *via* email to the FLCD.[16] The records further show that the FLCD acknowledged receipt of the said submission in its email to Cashbee Lending dated 4 April 2025.[17]

Nonetheless, considering that Section 5 of MC No. 3-2022 provides for specific requirements relating to the submission of a Business Plan, the Commission finds, after a careful review of the records, that Cashbee Lending failed to comply with such specific requirements. Notably, the email address that it used in complying with the requirement to submit its Business Plan is not the email address prescribed in the circular, i.e., ictdsubmission@sec.gov.ph, copy furnished cgfd_md@sec.gov.ph. In this regard, We note that Cashbee Lending directly replied to the email address used by the FLCD in issuing the Audit Findings *i.e.* finlend_queries@sec.gov.ph.

While the FLCD acknowledged the belated filing by Cashbee Lending of its Business Plan, the former nonetheless decided to revoke the Certificates of Cashbee Lending, ruling that the latter's failure to comply with the mandatory regulatory requirement *within* the prescribed period is not curable by its belated compliance.

We do not agree with FLCD.

In the exercise of its power to impose sanctions for violation of laws, rules or regulations[18] administered by it, the Commission has

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subvert or be contrary to existing statutes. The function of promulgating IRRs may be legitimately exercised only for the purpose of carrying out the provisions of a law. The power of administrative agencies is confined to implementing the law or putting it into effect." (Lokin, Jr. vs Commission on Elections. G.R. No. 179431-32. June 22, 2010)

[15] *"Based on the foregoing, it must be recalled that administrative regulations., such as the DBM-DOH Joint Circular herein, enacted by administrative agencies to implement and interpret the law they are entrusted to enforce are entitled to great respect. They partake of the nature of a statute and are just as binding as if they have been written in the statute itself. As such, administrative regulations have the force and effect of law and enjoy the presumption of legality. Unless and until they are overcome by sufficient evidence showing that they exceeded the bounds of the law, their validity and legality must be upheld."* (*Cawad vs Abad*. G.R. No. 207145. July 28, 2015)

[16] *Supra*. Note 5

[17] *Ibid.*

[18] Section 5.1(f) and (m)

consistently adopted the rule that the revocation of a corporation's primary and/or secondary franchise should be a penalty of last resort.

Thus, in a number of cases where it was called-upon to review and pass upon a decision of an operating department that imposed the penalty of revocation, this Commission decided to afford the erring corporation a second chance and an opportunity to reform, ruling that (a) the drastic remedy of dissolving a corporation, or revoking a franchise/license must be exercised with great caution, to the extent that all remedies must be exhausted before imposing the harsh penalty of dissolution/revocation;[19] (b) revocation will only be resorted if all the available remedies have been exhausted;[20] and (c) the erring corporation must be given an opportunity to correct any misdeed, or to comply with the law.[21] The doctrine in the case of *Government of the Philippine Islands v. El Hogar Filipino*[22] which embodies the foregoing rules is instructive, to wit:

> The question then arises whether the failure of the respondent to get rid of the San Clemente property within five years after it first acquired the deed thereto, even supposing the five-year period to be properly counted from that date, is such a violation of law as should work a forfeiture of its franchise and require a judgment to be entered for its dissolution in this action of *quo warranto*. **Upon this point we do not hesitate to say that in our opinion the corporation has not been shown to have offended against the law in a manner that should entail a forfeiture of its charter. Certainly no court with any discretion to use in the matter would visit upon the respondent and its thousands of shareholders the extreme penalty of the law as a consequence of the delinquency here shown to have been committed.**
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> xxx xxx xxx
>
> **This provision clearly shows that the court has a discretion with respect to the infliction of capital punishment upon corporations and that there are certain misdemeanors and misusers of franchises which should not be recognized as requiring their dissolution.** Xxx. In the case before us the respondent appears to have rid itself of the San Clemente property many months prior to the institution of this action. It is evident from this that the dissolution of the respondent would not be an appropriate remedy in this case. **We do not of course undertake to say that a corporation might not be dissolved for offenses of this nature perpetrated in the past,**

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[19] See *FCash Global Lending, Inc. vs CGFD* (SEC *En Banc*. Case No. 12-20-480., March 2, 2021) citing 16A Fletcher *Cyc Corp* [Perm Ed] sec. 8035 at p. 155
[20] See *Marbel Institute of Technical College, et al. vs. Agapito Lubaton, et al.* (SEC Case No. 05-09-0336. October 18, 2016)
[21] *In the Matter of the Petition for Involuntary Dissolution of Starconnection, Inc.*, (SEC Case No. 06-09-271, January 7, 2010)
[22] G.R. No. 26649.,13 July 1927

> **especially if its conduct had exhibited a willful obduracy and contempt of law. We content ourselves with holding that upon the facts here before us the penalty of dissolution would be excessively severe and fraught with consequences altogether disproportionate to the offense committed.** (Emphasis supplied)

It should nonetheless be emphasized that the rule on corporate revocation as a last resort has no application in cases where the violation or infraction is attended by fraud, serious misrepresentation, illegality, or if there is a repeated violation. Thus, the Supreme Court in various occasions sustained the action of the Commission imposing the penalty of revocation against a corporation (a) that carried out an unlawful and fraudulent investment-taking scheme;[23] (b) whose incorporators misrepresented their identities by using fictitious names or aliases;[24] (c) that continuously failed to file the required reports, being a registered issuer of securities, notwithstanding prior revocation of its license;[25] and (d) whose incorporators were not unit owners of the condominium which is required under the old Corporation Code.[26]

On the basis of the foregoing disquisitions, and applying the foregoing jurisprudential principles and parameters, We find and so hold that the attendant facts and circumstances, considered in their entirety, does not justify the imposition of the supreme penalty of revocation of the Certificates of Cashbee Lending.

While the *non-submission* of a Business Plan will warrant the imposition of the penalty of suspension or revocation, a *belated submission* thereof, as what happened in the instant case, should not merit the same harsh penalty. The non-filing of a Business Plan will certainly defeat, or prevent the attainment of the objectives of the law being implemented by MC No. 3-2022, which may likely prejudice the public. The submission of a Business Plan on the other hand, even if belated, might still result in, or contribute to the attainment of the objectives of the law, and reduce the risk of damage or prejudice to the public. Thus, Section 6(C) of MC No. 3-2022 is very clear that *only* the non-submission of a Business Plan will justify the imposition of the penalty of suspension or revocation, while the late submission of the same will be meted with monetary penalty, to wit:

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[23] *Kapa-Community Ministry International, Inc. vs EIPD of the SEC* (G.R. No. 259600. July 27, 2022); See also *In the Matter of: Organico Agribusiness Ventures Corp.* (SEC En Banc Case No. 08-19-462)
[24] *Care Best International, Inc. vs Securities and Exchange Commission* (G.R. No. 215510. March 16, 2015)
[25] *Securities and Exchange Commission vs Universal Rightfield Property Holdings, Inc.* (G.R. No. 181381. July 20, 2015)
[26] *Skyworld Condominium Owners Association, Inc. vs Securities and Exchange Commission.* (G.R. No. 95778. July 17, 1992)

Violation	FCs	LCs
Late submission of Business Plan	P10,000.00 plus P200.00 daily penalty	P10,000.00 plus P100.00 daily penalty
Non-submission of Business Plan Implementing Amended Business Plan without prior approval of the Commission	Suspension or Revocation of CA	

The evidence on record shows that on the basis of the findings in the Audit Report, Cashbee Lending submitted its Business Plan in compliance with Section 5 of MC No. 3-2022, but beyond the period provided therein. This affirms Cashbee Lending's late submission of the Business Plan. Moreover, an examination of Cashbee Lending's Business Plan shows that it complied with the prescribed format and contains all the material information required under MC No. 3-2022, *i.e.*, plan of operations, internal control procedures, marketing program, source of capital, credit process, customer service process, third party service providers, OLPs, lending process, loan products and pricing parameters. It is equally notable how Cashbee Lending responded to and addressed the findings in the Audit Report which included, among others, its submission of the Business Plan within fifteen (15) days from receipt thereof.[27]

On the basis of the foregoing, this Commission holds that Cashbee Lending's belated submission of its Business Plan constitutes substantial compliance with Section 5 of MC No. 3-2022. Nonetheless, such belated submission equally warrants the imposition of fine in the in the amount of One Hundred Sixteen Thousand Five Hundred Pesos (PhP116,500.00), applying Section 6(C) of MC No. 3-2022, computed as follows:

Penalty	Amount
Basic Penalty	PHP10,000.00
Daily Penalty (1065xPHP100.00)[28]	PHP106,500.00
Total Penalty	**PHP116,500.00**

WHEREFORE, premises considered, the Appeal is hereby **GRANTED**. The penalty in the Assailed Order is hereby **MODIFIED,** to the extent that the penalty of revocation against Cashbee Lending Services Inc. is hereby lifted but the company is hereby assessed and **DIRECTED** to pay a fine of One Hundred Sixteen Thousand and Five Hundred Pesos (PHP 116,500.00) for the late submission of its Business Plan.

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[27] Cashbee Lending received the Audit Report on 19 March 2025; it submitted the Business Plan on 3 April 2025.

[28] 1065 days since the 2022 deadline

This is without prejudice to the institution of appropriate cases for other violations which Cashbee Lending may, now or hereafter, be found to have committed.

SO ORDERED.

Makati City, Philippines.

FRANCISCO ED. LIM
Chairperson

JAVEY PAUL D. FRANCISCO
Commissioner

KARLO S. BELLO
Commissioner

MCJILL BRYANT T. FERNANDEZ
Commissioner

ROGELIO V. QUEVEDO
Commissioner