



Bangko Sentral ng Pilipinas

OFFICE OF THE DEPUTY GOVERNOR SUPERVISION AND EXAMINATION SECTOR

CIRCULAR LETTER NO. CL- 2007 - 043

To : **All Banks and Non-Bank Financial Institutions
Under BSP Supervision**

Subject : **Anti-Money Laundering Council (AMLC)
Resolution No. 68 dated 1 August 2007**

Investment firms with websites www.smfund.com and www.francswiss.biz, www.eaindex.com and www.globalamerika.biz, among others are reportedly engaged in internet-based Ponzi-like investment or pyramid schemes. They allegedly lure prospective investors with very high returns of up to 4.8% daily interest for a minimum investment of US\$1,000.00. They encourage their members to recruit downline investors and earn additional 10% referral fee from each downline investment. These programs normally exist for a period of time and appear to be religiously paying their investors. Thereafter, they will quickly disappear, leaving the investors, particularly those in the downlines, empty handed. The firms' websites become inaccessible. The losing investors cannot run after the program managers who are either unknown or whose names and addresses, if mentioned in their websites, are usually fictitious.

Pursuant to Anti-Money Laundering Council Resolution No. 68 dated 1 August 2007, you are hereby warned against said internet-based Ponzi-like investment or pyramid schemes offering high-yield investment programs (HYIPs) to the public and required to post a copy of the attached warning in conspicuous places in your head office, branches and other offices.

For your guidance and strict implementation.


MA. CORAZON J. GUERRERO
Sector-in-Charge

 September 2007

Att: A/S

PANANALAPING MATATAG, BANSANG PANATAG



Anti-Money Laundering Council

Bangko Sentral ng Pilipinas Complex
Manila, Philippines

WARNING

The public is hereby warned against internet-based Ponzi-like investment or pyramid schemes offering high-yield investment programs (HYIPs) to the public.

Investors are lured into these programs because of the promise of huge returns of up to 4.8% daily interest. The program managers of these HYIPs encourage their members to recruit downline investors and earn additional 10% referral fee from each downline investment. These programs normally exist for a period of time and appear to be religiously paying their investors. Thereafter, they will quickly disappear, leaving the investors, particularly those in the downlines, empty handed. The programs' websites become inaccessible. The losing investors cannot run after the program managers who are either unknown or whose names and addresses, if mentioned in their websites, are usually fictitious.

**DO NOT BE FOOLED
BY THESE INTERNET-BASED PONZI-LIKE INVESTMENT
SCHEMES**

Please report immediately any offer of investment made by persons or entities using the aforementioned modus operandi to:

The Anti-Money Laundering Council Secretariat
5/F EDPC Building, Bangko Sentral ng Pilipinas Complex,
corner A. Mabini and P. Ocampo Sts., Malate, Manila
Tel. Nos. 523-4421 or 536-7358, Fax No. 524-6085
<http://www.amlc.gov.ph>



Anti-Money Laundering Council

Bangko Sentral ng Pilipinas Complex
Manila, Philippines

**RESOLUTION NO. 68
Series of 2007**

Investment firms with websites www.smfund.com and www.francswiss.biz, www.eaindex.com, and www.globalamerika.biz, among others, are reportedly engaged in internet-based Ponzi-like investment or pyramid schemes. They allegedly lure prospective investors with very high returns of up to 4.8% daily interest for a minimum investment of US\$1,000.00. They encourage their members to recruit downline investors and earn additional 10% referral fee from each downline investment. These programs normally exist for a period of time and appear to be religiously paying their investors. Thereafter, they will quickly disappear, leaving the investors, particularly those in the downlines, empty handed. The firms' websites become inaccessible. The losing investors cannot run after the program managers who are either unknown or whose names and addresses, if mentioned in their websites, are usually fictitious.

Verification reveals that the aforementioned firms are not registered with the Securities and Exchange Commission (SEC) or the Bangko Sentral ng Pilipinas (BSP).

Recently, an AMLC Warning against these illegal investment schemes was posted in the AMLC Website and published in newspapers of general circulation. In addition, this Council deems it necessary to circularize the said Warning to all the covered institutions.

Accordingly, this Council resolved to circularize, thru the Supervising Authorities, the AMLC Warning to all the covered institutions and require the posting thereof in conspicuous places in their offices and branches.

1 August 2007, Manila, Philippines.

AMANDO M. TETANGCO, JR.

Chairman
(Governor, Bangko Sentral ng Pilipinas)

FE B. BARIN

Member
(Chairperson, Securities and Exchange Commission)

EVANGELINE CRISOSTOMO-ESCOBILLO

Member
(Commissioner, Insurance Commission)