FINANCING AND LENDING COMPANIES DEPARTMENT

IN THE MATTER OF:	**FINLEND CDO Case No. 01 Series of 2025.**
HUPAN LENDING TECHNOLOGY INC. Doing business under the Names and Styles of Cashme, Sukiloan, Pesopoly, and LoanTayo (Formerly: Hupan Lending Technology Inc.) (CS20191197, CA No. 2879) Room 303, Executive Building 369 Jupiter Corner Makati Avenue, Bel-Air, Makati City *Respondent.*	**FOR: VIOLATION OF MEMORANDUM CIRCULAR 19, SERIES OF 2019, MEMORANDUM CIRCULAR NO. 10, SERIES OF 2021, FINANCIAL PRODUCTS AND SERVICES CONSUMER PROTECTION ACT AND ITS IMPLEMENTING RULES AND REGULATIONS.**

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CEASE AND DESIST ORDER

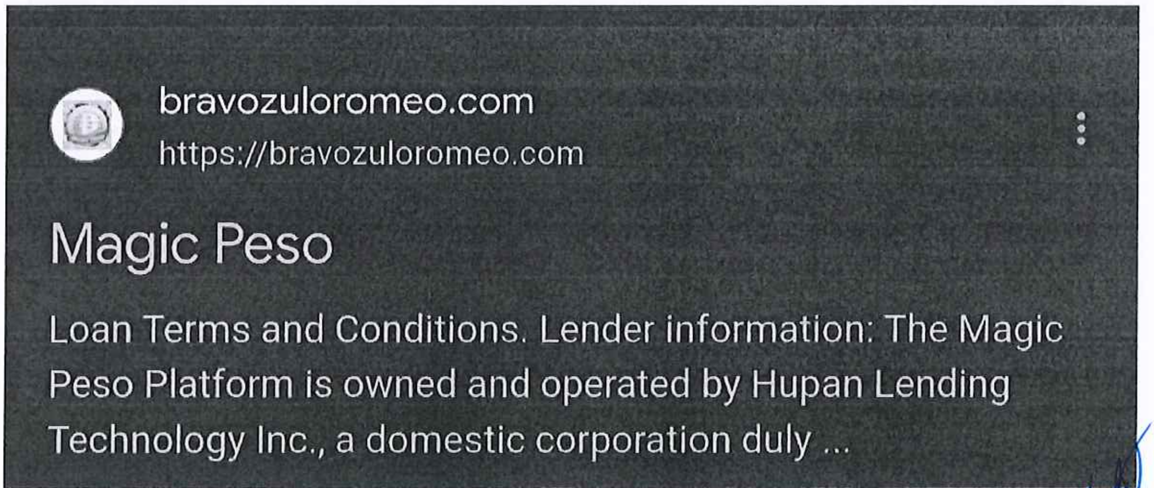
This refers to the results of monitoring and surveillance, and the complaints received by the Financing and Lending Companies Department ("*FinLenD*") regarding Hupan Lending Technology Inc. Doing business under the Names and Styles of Cashme, Sukiloan, Pesoply, and LoanTayo ("*Hupan Lending*") for operating the unrecorded Online Lending Application ("*OLA*") "Magic Peso".

Antecedents

Hupan Lending is a registered stock corporation registered with the Commission on 23 January 2019, under registration no. CS20191197. The Commission approved its license to engage in lending business under Certificate of Authority No. 2879. Its primary purpose is:

> *"to engage in the business of direct lending without, however, engaging in pawnbroking under P.D. 114 and financing under R.A. 8556, provided that borrowing shall be sourced from not more than 19 lenders including stockholders."*

Acting on complaints received from borrowers who claimed to experience abusive collection practices from an OLA named Magic Peso, FinLenD conducted its own surveillance and investigation. The results show that Magic Peso is an unrecorded and unregistered OLA owned and operated by Hupan Lending. Internet sources will further support FinLenD's findings, to wit:



For operating an unrecorded OLA, Hupan Lending violated 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, and as a consequence of operating an unrecorded OLA, Hupan Lending has deemed to have placed each borrower and customer of Magic Peso outside the protection afforded by the Financial Products and Services Consumer Protection Act and its Implementing Rules and Regulations ("*FCPA-IRR*").

Issue

Whether Hupan Lending's operation of the unrecorded OLA, Magic Peso, warrants the imposition of Cease and Desist Order against it.

Ruling

The Commission finds issuing a Cease and Desist Order against Hupan Lending warranted.

Hupan Lending's nondisclosure of its operation of Magic Peso violates MC 19 and MC 10. By operating an undisclosed OLA, the Commission's supervisory authority and power over this OLA are rendered useless. Moreover, its borrowers are at risk of experiencing abusive collection practices, high-interest rates, and violation of its 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]

On account of Hupan Lending's continuing operation of Magic Peso, the Commission holds that the issuance of a CDO is warranted in the instant case, not only to penalize Hupan Lending but also to prevent fraud, injury, or harm to the public and financial consumers who are at Hupan Lending's mercy.

WHEREFORE, premises considered, **HUPAN LENDING TECHNOLOGY INC. doing business under the names and styles of Cashme, Sukiloan, Pesopoly, and Loan Tayo** 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.

CASHME, SUKILOAN, PESOPOLY, LOAN TAYO AND MAGIC PESO and its owners, operators, promoters, representatives, agents, and any persons acting for and on their behalf are directed to **CEASE AND DESIST** from offering and advertising their lending business through the Internet or any other media and to delete or remove any materials involving or covering the same.

SO ORDERED.

13 May 2025, Makati City.

Atty. Kenneth Joy A. Quimio
OIC-Director

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