DoJ to file charges vs Modesto OPC for investment solicitations

THE SECURITIES and Exchange Commission (SEC) said the Department of Justice (DoJ) will file criminal charges against Modesto Cardano Market Cap Tr3ding Services OPC, as well as its officials, for allegedly soliciting investments from the public without proper registration.

In a statement on Wednesday, the SEC said the DoJ found sufficient evidence to charge the Modesto OPC for possible violations of the Securities Regulation Code (SRC) and the Cybercrime Prevention Act.

The SEC's Enforcement and Investor Protection Department (EIPD) began monitoring Modesto OPC in March 2024 after the company failed to submit hard copies of its articles of incorporation. A subsequent investigation found that the firm was promoting investments through social media. Its schemes reportedly included multiple plans such as compensation profit and expert options, promising guaranteed monthly returns of 10% to investors.

"The certifications issued by the...SEC show that respondent [Modesto OPC] is not a registered issuer of securities. It is not licensed or authorized to publicly offer or sell securities nor does it have any pending application for registration of securities," the DoJ resolution read.

"Investment solicitation from the public, like the one performed here, is a form of securities issuance classified as investment contracts. Accordingly, it must be registered with the SEC before offering the same to the public," it added.

The company's sole stockholder, director, and president were also cited for potential violations of Sections 8 and 28 of the SRC, in relation to Section 6 of the Cybercrime Prevention Act. Under Sections 8 and 28 of the SRC, entities offering securities to the public must first secure registration and a secondary license from the SEC.

Modesto OPC did not immediately respond to an e-mail seeking comment. — **Alexandria Grace C. Magno**

SEC raises audit threshold to P3M to ease MSME burden

THE SECURITIES and Exchange Commission (SEC) has raised the asset and liability threshold for companies required to submit audited financial statements, easing compliance costs for micro, small, and medium enterprises (MSMEs).

"This reform recognizes the realities faced by micro enterprises, which often operate with very limited resources. By allowing the submission of certified financial statements in lieu of audited ones, we are making compliance more proportionate, allowing them to redirect their resources to growing their business," SEC Chairperson Francisco Ed. Lim said in a statement on Wednesday.

"At the same time, the new threshold preserves accountability by requiring management to formally assume responsibility for the accuracy and integrity of their financial statements, ensuring that regulatory oversight remains firmly in place," he added.

Memorandum Circular No. 4, Series of 2026 exempts both stock and nonstock corporations with total assets or liabilities not exceeding P3 million from submitting audited financial statements. Previously, only corporations below P600,000 were exempt.

Those below the new threshold must submit certified financial statements accompanied by a Statement of Management's Responsibility (SMR).

The higher threshold applies to fiscal years ending on or after Dec. 31, 2025, while corporations with earlier fiscal year-ends continue to follow the previous threshold.

Stock and nonstock corporations must have SMRs signed under oath by the board chair, president or chief executive officer, and treasurer or chief financial officer, duly authorized by the board. One-person corporations must obtain signatures from the president and treasurer.

The SEC said that signatories bear full responsibility for the accuracy, completeness, and truthfulness of the submitted statements.

"Any incomplete, inaccurate, false, or misleading statements will be subject to penalties under the Securities Regulation Code (SRC) and the Revised Corporation Code (RCC), without prejudice to the Commission's authority to require audited financial statements when necessary for investor protection, regulatory enforcement, or public interest," the SEC said.

The new threshold excludes entities in Groups A, B, and C under Revised SRC Rule 68, as well as public interest corporations due to their regulatory duties and public significance.

Group A includes public companies with at least P50 million in assets and 200 or more shareholders holding at least 100 shares each, listed securities issuers, stock and securities exchanges, and self-regulatory organizations.

Group B covers issuers of registered timeshares and membership certificates, investment houses, brokers, dealers, government securities eligible dealers, and universal banks registered as securities underwriters.

Group C includes financing companies with over P10 million in prior-year assets, lending companies exceeding P5 million in prior-year assets, transfer agents, and non-stock non-profit corporations with fund balances above P25 million or receiving substantial annual donations.

Mr. Lim said the policy will ease business operations and reduce unnecessary compliance for micro entities, supporting the government's inclusive economic development goals.

In October 2025, the SEC reported granting over P80 million in fee discounts across 40,157 transactions processed under three memorandum circulars issued from July to October, with more than half of the savings benefiting MSMEs. — **Alexandria Grace C. Magno**

Century Properties gets approval for P12-B debt securities program

THE Securities and Exchange Commission (SEC) has approved Century Properties Group, Inc.'s debt securities program, allowing the company to offer an initial tranche of up to P5 billion in bonds as part of a broader P12-billion shelf registration.

In a meeting on Jan. 15, the Commission En Banc rendered effective the company's registration statement, covering fixed-rate bonds under the shelf registration, subject to Century Properties' compliance with certain remaining requirements, the SEC said in a statement on Wednesday.

The listed property developer plans to offer up to P3 billion in fixed-rate bonds for the initial tranche, with an oversubscription option of up to P2 billion, bringing the potential total of the offering to P5 billion.

The bonds will include four-year Series D bonds maturing in 2030 and seven-year Series E bonds maturing in 2033, both issued at face value.

If fully subscribed and with the oversubscription exercised, the initial offering is expected to generate net proceeds of up to P4.9 billion, which the company intends to use for its residential development projects.

The offer period is scheduled from Jan. 26 to 30, with listing on the Philippine Dealing & Exchange Corp. targeted for Feb. 6, according to the timetable submitted to the SEC. — **Alexandria Grace C. Magno**

Dollar bonds,
from S1/1

The government will use the proceeds from the sale of global bonds for general purposes, including budgetary support.

The government sold the bonds at a minimum investment amount of $200,000 and denominations of $1,000 thereafter.

The notes will be listed on the Luxembourg Stock Exchange Euro multilateral trading facility (MTF), with the settlement date scheduled for Jan. 27.

BofA Securities, Deutsche Bank, HSBC (B&D), JPMorgan, Morgan Stanley, Standard Chartered Bank and UBS were mandated as joint lead managers and bookrunners for the transaction.

The global bonds, which were drawn from the government's existing shelf program, were rated "Baa2" by Moody's Ratings, "BBB+" by S&P Global Ratings, and "BBB" by Fitch Ratings. These ratings are in line with the Philippine government's issuer rating.

The latest issuance leaves $2.55 billion in the government's $5.3-billion foreign borrowing plan for the year.

This is also the Marcos administration's fourth time tapping the offshore debt market, following a dual-currency issuance of $2.25 billion and €1 billion in January 2025, a $2.5-billion triple-tranche offering in August 2024, and a $2-billion dual-tranche offering in May 2024.

The government was able to time the issuance properly for it to fetch strong demand despite high market volatility, Reyes Tacandong & Co. Senior Adviser Jonathan L. Ravelas said in a Viber message.

"The timing was sensible. Global markets have been constructive recently, giving the Philippines a clean window to lock in funding before uncertainty picks up. Investors were receptive, recent issuances saw strong demand," he said.

A trader said in a text message that strong demand likewise allowed the government to price the bonds close to the initial guidance.

"Spreads tightened by around 15-20 bps from initial price thoughts, reflecting strong investor appetite despite a volatile global rates backdrop. The final yields were competitive and aligned with market levels, while the quality of demand, particularly from real-money accounts, underscored continued confidence in Philippine sovereign credit."

Philippine Institute for Development Studies Senior Research Fellow John Paolo R. Rivera likewise said in a Viber message that the strong demand for the bonds is a positive signal of continued investor appetite for Philippine-issued debt, especially amid volatility in global markets and a weak peso.

"Sustaining this demand will depend on fiscal discipline, credible debt management, and clarity on growth prospects. Investors will watch not just yields but how the proceeds are used and how macro policies evolve," he added.

The government borrows from local and foreign sources to help fund its budget deficit, which is capped at P1.647 trillion or 5.3% of gross domestic product this year. Of this, 23% will be raised externally.

VAT,
from S1/1

Marikina Rep. Miro S. Quimbo said the House Ways and Means Committee, which he heads, is open to discussing the proposal, but would need careful scrutiny given the Department of Finance's (DoF) opposition to the measure.

"This is something we are absolutely looking at, but we are trying to tread very carefully," he told a media briefing. "We will evaluate. If there's room to reduce VAT, we will do so."

The DoF had expressed "strong reservations" to Mr. Leviste's proposal, warning it could cost the government more than P1 trillion in foregone revenues through 2030 and jeopardize its fiscal consolidation drive.

The DoF earlier said the government could lose an average of P339 billion in revenue collections yearly from the proposal.

However, the CPBRD countered the projected shortfall could be "less than P200 billion."

"The seemingly small VAT rate reduction will provide all Filipino families significant savings as the reduction would apply to a wide variety of goods and services," the think tank said, noting it could potentially add P8,000 in annual disposable income for an average household.

"Filipinos can expect to reap the benefits from the emergence of more viable businesses, the increase in the availability of jobs, and the intensification of economic activity," it added.

John Paolo R. Rivera, a senior research fellow at the Philippine Institute for Development Studies, said there could be merit in the CPBRD's assessment that a VAT cut might boost the economy enough to offset revenue losses, but stressed it should be paired with other governance measures.

"Sure, a VAT cut can boost consumption and improve purchasing power, which may partly recover revenues through higher volumes and better compliance... however, it depends on timing, targeting and credibility," he said in a Viber message.

"Without strong growth, efficient spending and safeguards against leakages, short-term revenue loss is real and could widen the deficit... It must be paired with spending discipline and complementary reforms to be fiscally sustainable," he added.

The CPBRD said the government should consider "right-sizing" to rein in bloated expenses when considering the VAT cut, noting that salaries accounted for one-fourth of the national budget.

"A 5% reduction of personnel and their accompanying costs would reduce government expenditures by P80 billion... [while] a 10% reduction could reduce government expenditure by P160 billion," it said.

President Ferdinand R. Marcos, Jr. last year signed into law Republic Act No. 12231, also known as the Government Optimization Act, which grants him the authority to reorganize and streamline agencies under the Executive branch to remove redundancies.

The think tank said budget planners should temper the annual increase in the national budget to ensure projected revenues keep pace with rising expenditures.

"Potential revenue loss from lowering the VAT rate can also be substantially minimized through strategic base broadening measures," it added, recommending that lawmakers consider amending VAT-exempted goods and services when discussing HB No. 4302. "The simplification of the tax system through reduced exemptions would lower compliance and administrative costs."

'CRITICAL FIRST STEP'

The CPBRD said cutting the VAT rate would be an important step toward restoring public trust, as the Marcos administration grapples with a multibillion-peso graft scandal.

"[It] can serve as a critical first step in restoring trust in government institutions in light of recent controversies involving the Department of Public Works and Highways," it said.

Several officials, politicians and private contractors have been accused of pocketing funds meant for public works projects in the flood-prone nation.

Leonardo A. Lanzona, an economics professor at the Ateneo de Manila University, said maintaining the current VAT rate could be misguided amid widespread corruption allegations surrounding government spending.

"Given the corruption, it may be wrong to keep the current tax rates," he said in a Facebook Messenger chat.

But the VAT rate reduction, he said, could weaken the government's capacity to fund social protection programs aimed at building human capital.

"If the government had been more efficient and more effective in delivering public services, the taxes could have been a crucial mechanism for promoting inclusive growth," said Mr. Lanzona.

Empowering content creators, supporting livelihoods at Nestlé Professional's first-ever TikTok affiliates event

Social commerce has changed the landscape of discovering and purchasing products online. Through live selling and affiliate content creators on social media platforms like TikTok, buying an item is now as easy as scrolling on your feed, clicking the yellow basket and proceeding to checkout. This streamlined process is what brands are leveraging to keep up with today's dynamic retail space and bring their products directly to consumers.

Nestlé Professional, with its commitment to empower creators and foster collaboration in the food and beverage industry, gathered over 100 affiliates from Metro Manila and nearby cities to join the Nestlé Professional Creator Playground last Nov. 5. Culinary experts conducted hands-on workshops and live demos using Nestlé Professional and Maggi Professional products that served as a guide for attendees to boost their selling potential and further elevate their content on TikTok.

The event also featured informative and inspiring talks about content creation strategies, effective use of social media platforms, and best practices for monetizing content through affiliate marketing.

"We recognize the growing influence of social commerce and the vital role that content creators play in shaping consumer preferences. By bringing together creators, we aim to provide them with the tools, resources, and support they need to thrive in this space," said Nestlé Professional Business Executive Officer Rica Mier. "This event is just the beginning of our goal to build a community where creators feel valued and empowered to share their experiences with our brand."

Michelle Mendoza from Antipolo City is one of the content creators who joined the Nestlé Professional Creator Playground. According to her, she gained valuable insights from the event about developing more creative videos for her audience and driving sales. While new to the TikTok affiliate scene, Michelle has a background in business marketing that makes her comfortable in communicating with all types of people through live selling. *"Swak kami ni* TikTok *at ng pag-a-*affiliate. *'Yan ang aking* passion. *At 'yung gusto ko sa ganito, sarili mo yung oras mo."*

Just like Michelle, fellow Nestlé Professional affiliate Jenalyn Vicente enjoys the freedom that being an affiliate provides especially to moms like her who are looking for an additional source of income. *"'Yung kinikita ko sa dati kong* work, *kinikita ko na rin ngayon. Sina-*sideline *ko lang dati itong pag-a-*affiliate. *Mula pa-isa-isang* items, *dumami nang dumami dahil ina-*approach *talaga ng tao,"* she shared.

Self-proclaimed *rakitero* Genesis Quejada added being an affiliate to his long list of side hustles just after graduating college this year. He believes consistency and hard work are key to make it big in this line of work. *"'Yung* strategy *ko ay mag-*live for two hours in the morning and two hours at night. *'Yung pagitan ng oras ko na 'yun,* I make more content in batches *para kung ma-*busy *man* in the next days, *may* ready-made videos *pa rin* for posting," he said.

Because Nestlé products are pantry and kitchen essentials in Filipino homes, Michelle said they're always in demand. Discounts vouchers and freebies also attract more consumers to their page and to check out the products they're showcasing. This results in higher sales and bigger commissions for the affiliates.

When asked about their long-term goals as an affiliate, everyone expressed their desire to earn enough to save for the future. Michelle and Genesis both also want to one day establish their own brands and employ affiliates of their own as a way to share their expertise and opportunities to others. Jenalyn, on the other hand, aims for financial security. *"Kaya ako nag-*affiliate *para makatulong sa* family *ko* fully *at magkaroon ng* extra income. *'Di na ako hihingi sa iba. Lahat ito sarili kong sikap."*

Being an affiliate may seem easy at first look — just promoting products through videos and live selling — but it does come with its own set of challenges such as managing time wisely, coming up with engaging and fresh content ideas, and avoiding violations that may get your account banned, among others. Genesis advises new and aspiring affiliates to familiarize themselves well with the community guidelines and strictly adhere to them in creating content and during lives.

Through the Nestlé Professional Affiliate Program, Nestlé aims to improve the livelihoods of its affiliates and help them maximize their potential as content creators. Check out @barangayNestlé on TikTok to know more and score the best deals on your favorite Nestlé products.