

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

Eighteenth Congress  
First Regular Session



HOUSE BILL NO. 1027

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Introduced by **Representative JOEY SARTE SALCEDA**

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**AN ACT**  
**ESTABLISHING A PHILIPPINE REGISTRY PORTAL OF**  
**SEC-REGISTERED SECURITIES AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

Investments scams are a dime a dozen. Ever since Charles Ponzi contrived this scheme in the 1920s, a lot of enterprising, albeit unscrupulous, individuals have adopted the same or similar stratagem to dupe people of their hard-earned money. Appealing mostly on investor's greed and allure of easy money, these criminals are able to rake in enormous amounts of money from unsuspecting investors. With some variants, the principle is based on the promise of high rates of return with little risk to investors. With the advent of the internet and other social media platforms, recruitment of new victims has become much easier and the dissemination of the fraud faster. More often than not government agencies are slow to react and put a stop to these scams. If ever they are forced to do so, hundreds, if not thousands have already have been victimized and the amounts involve have become staggering, often have assumed mind-boggling proportions. Because people are slow to learn about the insidious character of these scams, the deleterious effects on the financial condition of the investors and their families can be disastrous, contributing much to the poverty of the people.

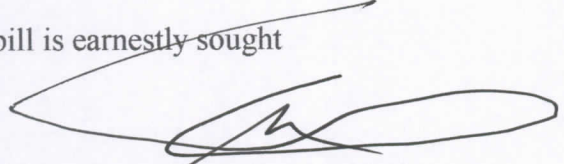
Financial scam issues are always in headlines and are never new to our collective consciousness. The incident keeps on recurring, years and years, and has victimized hundreds of people. But despite series of issuances and advisories given by many government agencies to the public to avoid these schemes still many fall prey to unscrupulous individuals.

This proposed bill mandates the Securities and Exchange Commission to establish and maintain a Philippine Registry of SEC-Registered Securities to afford full protection to every citizen, providing accessible and available information that will guide and protect the public from fraud and scams.

With one click, one button away, a potential buyer can easily verify whether the security being transacted is registered with the SEC. Thus, this law is short-named as SCAM FINDER ACT. Although nothing can guarantee that there will be no more scam victims, every ordinary citizen is afforded a first pass – is the security duly registered with the SEC?

With the accessibility and continuous availability of this portal, it is an important step for protection of the public against investment scams and assist the public to navigate better the financial landscape and avoid its pitfalls so that he or she knows how to spend resources in a judicious manner, to save, when and where to invest and when to contract debt and how to manage it in order to avoid financial trouble.

In view of the foregoing, the passage of this bill is earnestly sought

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a smaller, more intricate flourish.

**JOEY SARTE SALCEDA**

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*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. *Short Title.* – This Act shall be known as the “**Scam Finder Act**”.

SEC. 2. *Declaration of Policy.* –

- a) It is the avowed policy of the State to afford full protection to its citizens;
- b) Cognizant that an informed and knowledgeable citizenry will translate into a protected and responsive nation, the State shall provide accessible and available information to guide and protect the public against fraudulent schemes and other harmful investment devices; and
- c) To this end, the State shall institute procedures and data protocols to ensure that the public has full and complete information on removed or delisted securities including matters relative thereto that the public has the right to know.

SEC. 3. *Establishment of Philippine Registry Portal of SEC-registered Securities.* – Pursuant to its powers, functions and jurisdictions, the Security and Exchange Commission (“SEC”) shall establish the Philippine Registry of SEC-registered Securities as an online portal of all securities such as debt instruments including promissory notes, equities, collective investment schemes including mutual funds, and derivatives and the like that are registered with the agency and licensed to be sold to the public;



All securities whether scripless or on paper approved by the SEC shall be electronically automatically and simultaneously in the Philippine Registry Portal of SEC-registered Securities. The SEC shall also institute procedures and data protocols for removal at the earliest of delisted securities, including a specific field for the annotation in the securities the adverse decisions and information of the Commission.

SEC. 4. *Role of Government Agencies.* – The SEC shall be the lead agency to implement this Act and is tasked to formulate procedures and management programs to ensure the integrity of the database, its regular maintenance, and real-time updating of the registry, and the accessibility of the record to the public for the immediate verification of the records of the securities.

The Department of Information and Communications Technology (DICT) and the National Privacy Commission shall provide technical support to the SEC as necessary.

SEC. 5. *Mandatory Verification.* – All citizens are enjoined to verify the name or names of such security with the SEC portal of registered securities before transacting them.

SEC. 6. *Implementing Rules and Regulations.* – Within ninety (90) days from the approval of this Act, the SEC shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 7. *Repealing Clause.* – All laws, decrees, executive orders and proclamations, rules and regulations or parts thereof inconsistent with this Act, are hereby amended or modified accordingly.

SEC. 8. *Separability Clause.* – If any provision of this Act is held invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 9. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,