



MEMORANDUM – 2023-015

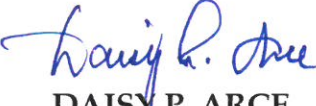
TO : THE INVESTING PUBLIC AND THE TRADING PARTICIPANTS

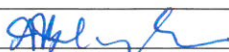
SUBJECT : PUBLICATION OF DISCIPLINARY ACTIONS

DATE : 25 July 2023

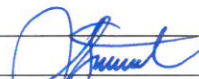
As mandated by Article XII, Section 6 of the Capital Markets Integrity Corporation (“CMIC”) Rules, which states, in part, that CMIC shall publish at its website the sanctions imposed on trading participants (“TPs”), attached is a list of the TPs sanctioned by CMIC, together with details on the securities laws violated and the corresponding penalties. The period covered is from 30 December 2022 to 25 July 2023.

It must be emphasized that the list may cover matters recently decided by CMIC, including cases that, after having been resolved by CMIC, are or may be appealed to the Securities and Exchange Commission and/or the courts. Conversely, the list does **not** include matters that are pending resolution by the Board of Directors of the CMIC (“CMIC Board”) or where the period to appeal to the CMIC Board has not yet lapsed¹.


DAISY P. ARCE
President


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¹ Likewise excluded are cases where notices containing the CMIC Board’s resolutions on requests for reconsideration have not yet been duly received by the concerned TPs.

TRADING PARTICIPANTS	SECURITIES LAWS VIOLATED		TYPES OF SANCTION AND PENALTIES IMPOSED	
Abacus Securities Corporation	Article IV, Section 20 (b) of the Revised Trading Rules, in relation to Article IV, Section 20 (c) of the Revised Trading Rules	General Trading Operations (<i>Error Transactions</i>)	Minor	Written reprimand and monetary penalty
	Article VI, Section 1(b)(ii) of the CMIC Rules, in relation to Article IV, Section 19 (1) of the Revised Trading Rules and Article IV, Section 20 (a) of the Revised Trading Rules	Conduct Regulation of Trading Participants (<i>Ethical Standards Rule</i>)	Major	Monetary penalty
	Article V, Section 2 (a) of the CMIC Rules, in relation to Article VII, Section 11(a) of the CMIC Rules and Article IV, Section 2(b) of the Revised Trading Rules	Conduct Regulation of Trading Participants (<i>Relationship of Traders and Salesmen with their Clients</i>)	Major	Monetary penalty
	Article VII, Section 10(d) of the CMIC Rules, in relation to Article IV, Section 5.2(b) of the Revised Trading Rules and Sections I (4) (a) and (5) of CMIC	Customer Protection (<i>Regulation of Short Sale</i>)	Major	Monetary penalty

	Memorandum 2020-005			
	Rule 30.2.2.6 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code ("2015 SRC Rules")	Transactions and Responsibilities of Brokers and Dealers (<i>Confirmation of Customer Orders</i>)	Minor	Written reprimand and monetary penalty
	Article IX, Section 1 (c) of the CMIC Rules	Books and Records Rule (<i>Books and Records Rule</i>)	Minor	Written reprimand and monetary penalty
	Article V, Sections 1 and 2 of the CMIC Rules, in relation to Article IV, Section 2 (c) of the Revised Trading Rules	Code of Conduct and Professional Ethics for Traders and Salesmen (<i>General Principles; Relationship of Traders and Salesmen to their Clients</i>)	Major	Monetary penalty
	Article VI, Section 1(b) and (c) of the CMIC Rules, in relation to Rule 30.2.1.2.6.3 and Rule 30.2.1.2.7.3 of the 2015 SRC Rules	Conduct Regulation of Trading Participants (<i>Ethical Standards Rule</i>)	Major	Monetary penalty
	Article VII, Section 19 of the CMIC Rules	Customer Protection (<i>Special Reserve Bank Account for the Exclusive Benefit of Customers</i>)	Major	Monetary penalty

	Article XVII (1) of the Implementing Guidelines of the Revised Trading Rules	Trade Amendment	Minor	Monetary penalty
	Philippine Stock Exchange ("PSE") Memorandum Nos. 2008-0467 and 2016-0083, in relation to Rule 30.2.5.2 of the 2015 SRC Rules	Minimum Commission Rates	Minor	Written reprimand
	Article VII, Section 1 (q) of the CMIC Rules, in relation to Article IV, Section 4(a) of the Revised Trading Rules and Article XVI (1) of the Implementing Guidelines of the Revised Trading Rules	Customer Protection (<i>Customer Account Information Rule</i>)	Minor	Monetary penalty
	Article XV (1) of the Implementing Guidelines of the Revised Trading Rules	Account Codes	Minor	Written reprimand
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty

Alakor Securities Corporation	Rule 30.2.2.6 of the 2015 SRC Rules	Transactions and Responsibilities of Brokers and Dealers (<i>Confirmation of Customer Orders</i>)	Minor	Monetary penalty
	Rule 34.11.3 of the 2015 SRC Rules	Segregation and Limitation of Functions of Members, Brokers and Dealers (<i>Segregation of Functions - Chinese Walls</i>)	Minor	Written reprimand
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
Alpha Securities Corporation	Article VII, Section 21 of the CMIC Rules, in relation to Rule 49.2.6 of the 2015 SRC Rules	Customer Protection (Withdrawals from the Reserve Bank Account)	Major	Monetary penalty
	Article VI, Section 1 (b)(iv) of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Ethical Standards Rule</i>)	Major	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty

Astra Securities Corporation	Rule 30.2.2.6 of the 2015 SRC Rules	Transactions and Responsibilities of Brokers and Dealers (<i>Confirmation of Customer Orders</i>)	Minor	Written reprimand and monetary penalty
	Article VII, Section 1 (q) of the CMIC Rules, in relation to Article IV, Section 4 (a) of the Revised Trading Rules and Article XVI (1) of the Implementing Guidelines of the Revised Trading Rules	Customer Protection (<i>Customer Account Information Rule</i>)	Minor	Written reprimand
	Article VI, Section 1 (a) and (b) (vii) of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Ethical Standards Rule</i>)	Major	Monetary penalty
	Article VII, Section 10(d) of the CMIC Rules	Customer Protection (<i>Regulation of Short Sale</i>)	Minor	Written reprimand and monetary penalty
	Article VII, Section 10(d) of the CMIC Rules, in relation to Article IV, Section 20(b) of the Revised Trading Rules	Customer Protection (<i>Regulation of Short Sale</i>)	Minor	Written reprimand and monetary penalty
	Rule 34.11.1 of the 2015 SRC Rules	Segregation and Limitation of Functions of Members, Brokers and Dealers	Minor	Written reprimand

		<i>(Segregation of Functions - Chinese Walls)</i>		
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants <i>(Supervision)</i>	Major	Monetary penalty
Aurora Securities, Inc.	Article VIII(A), Section 2(2.5)(A)(1)(1.a) of the CMIC Rules	Risk Based Capital Adequacy Requirements <i>(Satisfactory Subordination Agreement, Subordinated Liabilities)</i>	Major	Monetary penalty
	Article VIII-A, Section 2 (2.6)(A)(A.2)(a)(a.1)(i) and (iv) of the CMIC Rules, in relation to Article VIII(A), Section 2 (2.6)(A)(A.2)(c)(c.2) of the CMIC Rules	Capitalization Requirements of Trading Participants <i>(Risk Based Capital Adequacy Requirements; RBCA Guidelines)</i>	Major	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants <i>(Supervision)</i>	Major	Monetary penalty
BA Securities, Inc.	Article XVII (1) of the Implementing Guidelines of the Revised Trading Rules	Trade Amendment	Minor	Written reprimand
	Article VII, Section 1 (q) of the CMIC Rules, in relation to Article IV, Section 4 (a) of the Revised Trading Rules, and Article XVI (1) of	Customer Protection <i>(Customer Account Information Rule)</i>	Minor	Monetary penalty

	the Implementing Guidelines of the Revised Trading Rules			
	Article XVI (4) and (5) of the Implementing Guidelines of the Revised Trading Rules	Aggregation of Client Orders	Minor	Monetary penalty
	Article IV, Section 19 of the Revised Trading Rules	General Trading Operations <i>(Identification of Customers' Accounts and Orders through the Use of Code, Symbol or Account Number)</i>	Minor	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants <i>(Supervision)</i>	Major	Monetary penalty
BPI Securities Corporation	PSE Memo No. 2008-0467, in relation to PSE Memo 2016-0083 and Rule 30.2.5.2 of the 2015 SRC Rules	Minimum Commission Rates	Minor	Written reprimand
Campos, Lanuza & Company, Inc.	Article XI-B, Section 1 (h) of the CMIC Rules	Trading Irregularities <i>(General Conduct)</i>	Grave	Written reprimand and monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants <i>(Supervision)</i>	Major	Monetary penalty

Eastwest Capital Corporation	PSE Memo No. 2008-0467, in relation to PSE Memo 2016-0083 and Rule 30.2.5.2 of the 2015 SRC Rules	Minimum Commission Rates	Minor	Written reprimand and monetary penalty
	Article XVI (1)(4)(5) of the Implementing Guidelines of the Revised Trading Rules	Aggregation of Client Orders	Minor	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
Equitiworld Securities, Inc.	Article VIII-C, Section 2 of the CMIC Rules	Capitalization Requirements of Trading Participants (<i>Minimum Paid-Up Capital Requirement</i>)	Major	Monetary penalty
F. Yap Securities, Inc.	Article IV, Section 4 (c) of the Revised Trading Rules, in relation to Rule 34.1.5 of the 2015 SRC Rules	General Trading Operations (<i>Aggregation of Client Orders</i>)	Minor	Written reprimand
	Article IV, Section 20 (c) of the Revised Trading Rules	General Trading Operations (<i>Error Transactions</i>)	Minor	Written reprimand
	Article V, Section 4 (c) of the CMIC Rules	Code of Conduct and Professional Ethics for Traders and Salesmen (<i>Rules on Trading for One's Personal Account</i>)	Major	Monetary penalty

	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
First Metro Securities Brokerage Corporation	PSE Memorandum Nos. 2008-0338 and 2008-0390	Early Settlement of Trades	Minor	Written reprimand
Golden Tower Securities & Holdings, Inc.	PSE Memorandum 2016-0083, in relation to Rule 30.2.5.2 of the 2015 SRC Rules	Minimum Commission Rates	Minor	Monetary penalty
Intra-Invest Securities, Inc.	Article VI, Section 1 (a) and (b) (vii) of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Ethical Standards Rule</i>)	Major	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
Litonjua Securities, Inc.	Article VII, Sections 19 and 22 of the CMIC Rules	Customer Protection (<i>Special Reserve Bank Account for the Exclusive Benefit of Customers; Notification in the Event of Failure to Make a Required Deposit</i>)	Major	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
Lucky Securities, Inc.	Article XVII (1) of the Implementing Guidelines of the Revised Trading Rules	Trade Amendment	Minor	Monetary penalty

	Article IV, Section 23 (e) of the Revised Trading Rules	General Trading Operations (<i>Done-Through Transactions</i>)	Minor	Written reprimand
	Rule 52.1.6.7 of the 2015 SRC Rules	Accounts and Records, Reports, Examination of Exchanges, Members, and Others (<i>Customer Account Information Rule</i>)	Minor	Written reprimand and monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
Luy's Securities Company, Inc.	Article VII, Section 1 (q) of the CMIC Rules, in relation to Article XV (3)g of the Implementing Guidelines of the Revised Trading Rules	Customer Protection (<i>Customer Account Information Rule</i>)	Minor	Written reprimand
Mandarin Securities Corporation	Article VII, Section 10(d) of the CMIC Rules, in relation to Article IV Section 20 (b) of the Revised Trading Rules	Customer Protection (<i>Regulation of Short Sale</i>)	Minor	Written reprimand and monetary penalty
	Article XVII (8) of the Implementing Guidelines of the Revised Trading Rules	Trade Amendment	Minor	Written reprimand
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty

Optimum Securities Corporation	Article XVII (1) of the Implementing Guidelines of the Revised Trading Rules	Trade Amendment	Minor	Monetary penalty
	Article XVI (4) and (5) of the Implementing Guidelines of the Revised Trading Rules	Aggregation of Client Orders	Minor	Written reprimand and monetary penalty
	Article 3 (A) of the Revised Code of Corporate Governance and Title III, Section 22 of the Revised Corporation Code of the Philippines	Board Governance (<i>Composition of the Board</i>)	Minor	Written reprimand and monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
Papa Securities Corporation	Article VII, Sections 6, 7, and 8 of the CMIC Rules	Customer Protection (<i>Margin; Call for Additional Margin; When Call for Additional Margin Not Met</i>)	Minor	Written reprimand
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
PNB Securities, Inc.	Article IV, Section 5 of the CMIC Rules	Employees of Trading Participants (<i>Director, Officer, Agent or Employee Movement</i>)	Minor	Written reprimand and monetary penalty

	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision Rule</i>)	Major	Monetary penalty
Premium Securities, Inc.	Article XV of the Implementing Guidelines of the Revised Trading Rules	Account Codes	Minor	Written reprimand
Regina Capital Development Corporation	Article V, Section 6 (a) and (c) of the CMIC Rules, in relation to Rule 34.1.5 of the 2015 SRC Rules and Article IV, Section 4 (c) of the Revised Trading Rules	Code of Conduct and Professional Ethics for Traders and Salesmen (<i>Prohibited Acts</i>)	Major	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
R. Nubla Securities, Inc.	Article VII, Section 21 of the CMIC Rules, in relation to Rule 49.2.6 of the 2015 SRC Rules	Customer Protection (<i>Withdrawals from the Reserve Bank Account</i>)	Major	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
R.S. Lim & Company, Inc.	Article IV, Section 20 (b) of the Revised Trading Rules	General Trading Operations (<i>Error Transactions</i>)	Minor	Written reprimand and monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty

RTG & Co., Inc.	Article VIII-C, Section 2 of the CMIC Rules	Capitalization Requirements of Trading Participants (<i>Minimum Paid-Up Capital Requirement</i>)	Major	Monetary penalty
S.J. Roxas & Company, Inc.	Article IV, Section 20 (c) of the Revised Trading Rules	General Trading Operations (<i>Error Transactions</i>)	Minor	Written reprimand and monetary penalty
	Rule 30.2.2.6 of the 2015 SRC Rules	Transactions and Responsibilities of Brokers and Dealers (<i>Confirmation of Customer Orders</i>)	Minor	Written reprimand
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
SB Equities, Inc.	Article XI-B, Section 2 of the CMIC Rules	Trading-Related Irregularities (<i>Obligation to Report Known or Suspected Violations</i>)	Grave	Written reprimand and monetary penalty
	Article V, Section 1 of the CMIC Rules	Code of Conduct and Professional Ethics for Traders and Salesmen (<i>General Principles</i>)	Major	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision Rule</i>)	Major	Monetary penalty

Tansengco & Company, Inc.	Article VI, Section 1 (b) (iv) of the CMIC Rules, in relation to Article VI, Section 7 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Ethical Standards Rule</i>)	Major	Monetary penalty
	Rule 30.2.2.6 of the 2015 SRC Rules	Transactions and Responsibilities of Brokers and Dealers (<i>Confirmation of Customer Orders</i>)	Minor	Written reprimand and monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
Timson Securities, Inc.	Article VII, Sections 19 and 22 of the CMIC Rules	Customer Protection (<i>Special Reserve Bank Account for the Exclusive Benefit of Customers; Notification in the Event of Failure to Make a Required Deposit</i>)	Major	Monetary penalty
	Article VIII-A, Section 2 (2.6)(A.2)(a.1)(i) of the CMIC Rules, in relation to Article VIII (A), Section 2 (2.6) (A) (A.4) (b) (b.1 – b.2) of the CMIC Rules, and Article VIII(A), Section 2(2.6)(A)(A.2)(a)(a.3) of the CMIC Rules	Capitalization Requirements of Trading Participants (<i>Risk Based Capital Adequacy Requirements; RBCA Guidelines</i>)	Major	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty

The First Resources Management and Securities Corporation	Article II, Section 2 of the CMIC Rules	Investigation and Resolution of Cases by CMIC (<i>Duty and Responsibility of Trading Participant in Investigations</i>)	Minor	Written reprimand and monetary penalty
	Article VII, Section 19 of the CMIC Rules	Customer Protection (<i>Special Reserve Bank Account for the Exclusive Benefit of Customers</i>)	Major	Monetary penalty
	Article IV, Section 23 (d) of the Revised Trading Rules, in relation to Section XVII (1) of the Implementing Guidelines of the Revised Trading Rules	General Trading Operations (<i>Done-Through Transactions</i>)	Minor	Written reprimand
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
	Article VII, Section 1 (a) and (d) of the CMIC Rules, in relation to Rules 52.1.6.1 and 52.1.6.1.8 of the 2015 SRC Rules	Customer Protection (<i>Customer Information Account Rule</i>)	Minor	Written reprimand and monetary penalty
	Rule 30.2.1.2.4. of the 2015 SRC Rules	Transactions and Responsibilities of Brokers and Dealers (<i>Information about Clients</i>)	Minor	Written reprimand and monetary penalty

Tower Securities, Inc.	Article VIII, Section 2 (2.1) (B) (1) of the CMIC Rule	Capitalization Requirements of Trading Participants (<i>Risk Based Capital Adequacy Requirements; RBCA Guidelines</i>)	Major	Monetary penalty
	Article VI, Section 1 (b) (iv) of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Ethical Standards Rule</i>)	Major	Monetary penalty
	Rule 30.2.2.6 of the 2015 SRC Rules	Transactions and Responsibilities of Brokers and Dealers (<i>Confirmation of Customer Orders</i>)	Minor	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
Westlink Global Equities, Inc.	Article IV, Section 4 (c) of the Revised Trading Rules and Rule 34.1.5 of the 2015 SRC Rules	General Trading Operations (<i>Aggregation of Client Orders</i>); Segregation and Limitation of Functions of Members, Brokers and Dealers (<i>Segregation of Broker and Dealer Transactions, Affiliations and Practices</i>)	Minor	Monetary penalty
	Article IV, Section 21 (d) of the Revised Trading Rules	General Trading Operations (<i>Give-Up/Take-Up Transactions</i>)	Minor	Written reprimand

	Article VIII-C, Section 2 of the CMIC Rules	Capitalization Requirements of Trading Participants (<i>Minimum Paid-Up Capital Requirement</i>)	Major	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major	Monetary penalty
Yu & Company, Inc.	Article IV, Section 20 (c) of the Revised Trading Rules	General Trading Operations (<i>Error Transactions</i>)	Minor	Monetary penalty
	Rule 34.11.1 of the 2015 SRC Rules	Segregation and Limitation of Functions of Members, Brokers and Dealers Segregation of Functions (<i>Segregation of Functions - Chinese Walls</i>)	Minor	Written reprimand

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