



ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY

Based on information gathered by the Commission, the entity operating under the name “**BITCOIN DIGITAL**” utilizing the domain “www.bitcoindigital.com” is soliciting investments in the Philippines **WITHOUT THE NECESSARY LICENSE AND/OR AUTHORITY** from the Commission. *To wit:*

Similar to **BITCOIN REVOLUTION** and **IMMEDIATE EDGE** which are subjects of our previous SEC Advisories, **BITCOIN DIGITAL** is also an unregulated entity with unknown operators and is using **FABRICATED** or **FAKE** celebrity endorsements online including Finance Secretary Carlos G. Dominguez III in promoting its scheme. *To show:*

BITCOIN DIGITAL claims to be a new “*wealth loophole*” which offers a lucrative money-making scheme that will help the public build fortunes overnight through its “*award-winning*” cryptocurrency investment platform or automated-trading program promising a success rate of Ninety-Nine Percent (99%) per transaction similar to the modus of other cookie-cutter websites already flagged by the Commission as scams.

Apparently, for a minimum investment of Two Hundred Fifty Euros (€ 250.00) or almost Fifteen Thousand Pesos (Php 15,000.00), **BITCOIN DIGITAL** promises a potential income as high as Five Hundred Euros to Two Thousand Euros (€ 500.00 - € 2,000.00) or **100% to 700% profit daily** in exchange for a very small percentage therefrom for the use of its application which is surely a “*too good to be true*” investment program. *As posted online:*

FREQUENTLY ASKED QUESTIONS

1 **What type of results can I expect?**
Most members of the program typically profit from €500 to €2000 daily. However, users who spend more than 5 hours a day make a lot more.

2 **How many hours per day do I work on the program?**
You are not required to work constantly, it's best to work 10-20 mins per day then check-in every now and then to see how your trades are doing.

3 **Can I work from my mobile?**
Yes, the trading applications are all mobile friendly. You can work from any location in the world, as long as you have an internet connection.

4 **How much does the application cost?**
Access to the program is currently FREE. You are required to deposit/invest €250 to activate your account. This is your money and you don't have to use it all at once. Remember, you can withdraw your capital at any time.

5 **Are there any fees?**
The application takes a very small percentage of your profits. This is how the program generates revenue and pays for your Account Managers salary and other operating expenses.

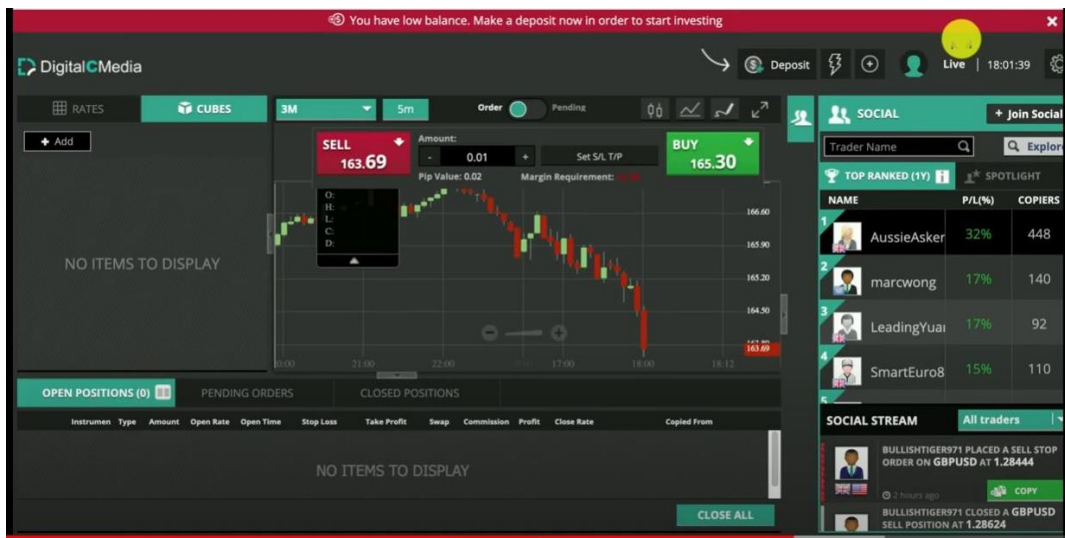
6 **How long does it take to start making money?**
You can start making money instantly. Deposit €250 into your account straight away, then you will get priority and your Account Manager will phone you within 30mins (Mon-Fri).

Again, the public is warned of such possible “**Ponzi Scheme**” similarly devised like other cryptocurrency scams which systems or structures are based and/or relative to the offering and selling of securities, in the form of investment contracts, to the public due to their promise of lucrative passive income.

Therefore, the Securities Regulation Code (SRC) requires that said offer and sale of securities must be duly registered with the Commission and that the concerned corporation and/or its agents have appropriate registration and/or license to sell such securities to the public.

However, based on our records, **BITCOIN DIGITAL** is **NOT REGISTERED** with the Commission and is **NOT AUTHORIZED** to solicit, accept or take investments/placements from the public nor to issue investment contracts and other forms of securities defined under Section 3 of the Securities Regulation Code (SRC).

BITCOIN DIGITAL also manages its digital exchange platform without a proper registration with the Commission relative to Section 32 of the SRC on the “Prohibition on Use of Unregistered Exchange.” *As shown:*



Moreover, **BITCOIN DIGITAL** is likewise **NOT INCLUDED** among the registered banks, exchanges or companies engaged in digital assets with the Bangko Sentral ng Pilipinas (BSP) in accordance with the **GUIDELINES FOR VIRTUAL CURRENCY EXCHANGES (BSP CIRCULAR NO. 944)**.

Likewise, **BITCOIN DIGITAL** is also **NOT REGISTERED** either as a crowdfunding intermediary or a funding portal under SEC Memorandum Circular No. 14, Series of 2019 or the *Rules and Regulations Governing Crowdfunding*.

As such, the public is advised **NOT TO INVEST** or **STOP INVESTING** in any scheme offered by **BITCOIN DIGITAL** that promises ridiculous rates of return with little or no risk.

As always, the public is reminded to be cautious of any and all false and/or misleading investment opportunities offered by dubious entities such as **BITCOIN DIGITAL** that are rampant online.

Accordingly, the public is encouraged to constantly check the Commission's website at "www.sec.gov.ph" and our Official Facebook page "**Securities and Exchange Commission Philippines (@PhilippineSEC)**" for information and/or guidance before investing their hard-earned monies on any investment schemes and/or programs available relative to our campaign for investor education. Hence, "**#magINVESTiga**" and "**#HuwagMagingBiktima**."

Nevertheless, the Commission assures the public that it will continuously monitor and oversee such entities and their activities in a way that it sees as proper in order to prevent the proliferation of their unauthorized and/or illegal operations in the country.

Thus, the Commission warns all unscrupulous individuals and/or entities that **strict penalties are imposed for violations of the Securities Regulation Code, the Revised Corporation Code, and such other rules and regulation enforced by the Commission**.

Those who act as salesmen, brokers, dealers or agents of such unauthorized entities in selling or convincing people to invest in their investment scheme offered including solicitations and recruitment through the internet may likewise be criminally prosecuted and penalized with a **maximum fine of Five Million pesos (P5,000,000.00) or a penalty of Twenty-one (21) years of imprisonment or both** pursuant to Sections 28 and 73 of the SRC.

In the same manner, those who invite or recruit others to join or invest in such venture or offer investment contracts or securities to the public may incur criminally liability, or otherwise be sanctioned or penalized accordingly as held by the Supreme Court in the case of *SEC vs. Oudine Santos* (G.R. No. 195542, 19 March 2014).

The names of all those involved will also be reported to the Bureau of Internal Revenue (BIR) so that the appropriate penalties and/or taxes be assessed correspondingly.

Apart therefrom, the **Bayanihan to Heal as One Act (Republic Act No. 11469)** also punishes those participating in cyber incidents that make use or take advantage of the current crisis situation to prey on the public through scams, phishing, fraudulent emails, or other similar acts.

It must be noted that the above laws are not aimed to hinder or pose significant threats or risks to businesses and cryptocurrency projects but are intended for the protection of both the registered entities and the investing public from any anomalies and/or irregularities which tend to result from any unlawful and/or unauthorized operations.

Further, the public is informed that offering and sale of securities in the form of investment contracts using the “**Ponzi Scheme**” which is fraudulent and unsustainable, is NOT a registrable security. The Commission will not issue a License to Sell Securities to the Public to persons or entities that are engaged in this business or scheme. A “**Ponzi Scheme**” is a scam that involves a scheme where monies from new investors are used in paying “fake profits” to prior investors and is designed mainly to favor its top recruiters and prior risk takers and is detrimental to subsequent members in case of scarcity of new investors.

Also, the issuance of a Certificate of Incorporation only grants entities juridical personality but does not constitute an authority or license for the corporation to engage in activities that require a secondary license from the SEC such as a License to Sell Securities to the Public.

Should you have any information regarding any investment solicitation activity by any individual or group of individuals representing **BITCOIN DIGITAL**, please send your report to the EIPD at epd@sec.gov.ph.

For the guidance of the public.

Pasay City, 27 October 2020.