



# MEMORANDUM – 2023-032

TO : THE INVESTING PUBLIC AND THE TRADING PARTICIPANTS

SUBJECT : PUBLICATION OF DISCIPLINARY ACTIONS

DATE : 28 December 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 26 July 2023 to 28 December 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 lapsed<sup>1</sup>.

**GERARD B. SANVICTORES**  
*President*

  
**ACD**  
**FHRAD**  
**IED**  
**SD**

<sup>1</sup> 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 |  |
|------------------------------|---|---|---|--|
| Armstrong Securities, Inc.   | Article IX, Section 1(a)(ii) of the CMIC Rules  | Books and Records Rule ( <i>Books and Records Rule; Blotter and Similar Records</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                       |
| Astra Securities Corporation | Article VII, Section 10(d), in relation to Article IV, Section 20(b) of the Revised Trading Rules of the CMIC Rules | Customer Protection ( <i>Regulation of Short Sale</i> )   | Minor                                   | Monetary penalty                       |
|                              | Article VII, Section 23 of the CMIC Rules   | Customer Protection ( <i>Lending and Voting Customers Securities</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                       |

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| Equitiworld Securities, Inc.                 | Article IV, Section 20 (c) of the Revised Trading Rules           | General Trading Operations ( <i>Error Transactions</i> )   | Minor | Monetary penalty and written reprimand |
|  | Article IX, Section 1 (c) of the CMIC Rules                       | Books and Records Rule ( <i>Books and Records Rule; Customer's Ledger</i> )                              | Minor | Written Reprimand                      |
|  | Article VI, Section 2 of the CMIC Rules                           | Conduct Regulation of Trading Participants ( <i>Supervision</i> )  | Major | Monetary penalty                       |
| F. Yap Securities, Inc.                      | Article VI, Section 1 (a), (b)(i)(ii) and (iii) of the CMIC Rules | Conduct Regulation of Trading Participants ( <i>Ethical Standards Rule</i> )                             | Major | Written reprimand and monetary penalty |
|  | Article VI, Section 1 (b) (vii) (c) and (d) 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                       |
| First Metro Securities Brokerage Corporation | Article IV, Section 20 (b) of the Revised Trading Rules           | General Trading Operations ( <i>Error Transactions</i> )   | Minor | Written reprimand                      |
|  | Article IX, Section 1 (a) and (c) of the CMIC Rules               | Books and Records Rule ( <i>Books and Records Rule; Blotter and Similar Records, Customer's Ledger</i> ) | Minor | Written reprimand                      |

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|                                   | Article VI, Section 2 of the CMIC Rules  | Conduct Regulation of Trading Participants ( <i>Supervision</i> )                     | Major | Monetary penalty                       |
| Jaka Securities Corporation       | Article 3(K)(i) of SEC Memorandum Circular No. 6, Series of 2009   | Board Governance ( <i>Board Committees</i> )  | Minor | Written reprimand                      |
|                                   | Article IX, Section 1(a) (ii) of the CMIC Rules  | Books and Records Rule ( <i>Books and Records Rule; Blotter and Similar Records</i> ) | Minor | Written reprimand and monetary penalty |
|                                   | Article XVII (1) of the Implementing Guidelines of the Revised Trading Rules   | Trade Amendment   | Minor | Monetary penalty                       |
|                                   | PSE Memorandum 2016-0083, in relation to Rule 30.2.5.2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code (“2015 SRC Rules”) | Interpretative Guidelines of the Rule on Minimum Commission Rates                     | Minor | Monetary penalty                       |
|                                   | Article VI, Section 2 of the CMIC Rules  | Conduct Regulation of Trading Participants ( <i>Supervision</i> )                     | Major | Monetary penalty                       |
| Mercantile Securities Corporation | Article VII, Section 12 (a) of the CMIC Rules  | Customer Protection ( <i>Customer Account Statement</i> )                             | Minor | Written reprimand and monetary penalty |



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|                             | Article VI, Section 1 (a), (b)(i)(ii) and (iii), in relation to Article VI, Section 1 (b) (vii) (c) and (d), 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                       |
| Meridian Securities, Inc.   | Article IV, Section 20 (c) of the Revised Trading Rules  | General Trading Operations ( <i>Error Transactions</i> )  | Minor | Written Reprimand                      |
| Mount Peak Securities, Inc. | Article XVII (1) of the Implementing Guidelines of the Revised Trading Rules   | Trade Amendment   | Minor | Monetary penalty                       |
| Papa Securities Corporation | 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>Identification of Customers' Accounts and Orders through the Use of Code, Symbol or Account Number and Multiple Accounts</i> ) | Minor | Monetary penalty                       |
|                             | Article XVI (1) and (5) of the Implementing Guidelines of the Revised Trading Rules  | Aggregation of Client Orders  | 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                       |

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| Philippine Equity Partners, 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                       |
| R. Coyiuto Securities, Inc.      | 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                      |
|                                  | 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 VI, Section 2 of the CMIC Rules.  | Conduct Regulation of Trading Participants ( <i>Supervision</i> )  | Major | Monetary penalty                       |
| R.S. Lim & Company, Inc.         | 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; Determination of Good Delivery</i> )                  | Minor | Monetary penalty                       |
| RTG & Co., Inc.                  | Article IX, Section 1 (a) and (c) of the CMIC Rules   | Books and Records Rule ( <i>Books and Records Rule; Blotter and Similar Records, Customer's Ledger</i> ) | Minor | Written reprimand                      |
|                                  | Article VII, Section 10 (d) of the CMIC Rules   | Customer Protection ( <i>Regulation of Short Sale</i> )  | Minor | Written reprimand and monetary penalty |

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|  | 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 | Monetary penalty                       |
|  | Article VII, Section 21 of the CMIC Rules, in relation to Rule 49.2.6 of the 2015 SRC Rule                           | Customer Protection ( <i>Withdrawals from the Reserve Bank Account</i> )  | Major | Monetary penalty                       |
|  | 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 XI-B, Section 1 (h) of the CMIC Rules  | Trading Irregularities ( <i>General Conduct</i> )   | Grave | Written reprimand and monetary penalty |
|  | Article XVII (1) of the Implementing Guidelines of the Revised Trading Rules   | Trade Amendment   | 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                      |

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|                                  | Article VI, Section 2 of the CMIC Rules                                      | Conduct Regulation of Trading Participants ( <i>Supervision</i> )                                   | Major | Monetary penalty                       |
| S.J. Roxas & Company, Inc.       | Article IX, Section 1(j) of the CMIC Rules                                   | Books and Records Rule ( <i>Books and Records Rule; Securities Record or Ledger</i> )               | Minor | Written reprimand                      |
|                                  | PSE Memorandum 2016-0083, in relation to Rule 30.2.5.2 of the 2015 SRC Rules | Interpretative Guidelines of the Rule on Minimum Commission Rates                                   | Minor | 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                       |
| Salisbury Securities Corporation | Article IV, Section 20 (c) of the Revised Trading Rules                      | General Trading Operations ( <i>Error Transactions</i> )  | Minor | Written reprimand                      |
|                                  | Article XVI (6) of the Implementing Guidelines of the Revised Trading Rules  | Aggregation of Client Orders  | Minor | Written reprimand                      |
| Star Alliance Securities Corp.   | Rule 49.1.1.3 of the 2015 SRC Rules  | Restrictions on Borrowings by Trading Participants, Brokers, and                                    | Minor | Written reprimand and monetary penalty |

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|                                |   | Dealers ( <i>Risk Based Capital Adequacy Requirement</i> )               |       |                   |
| Strategic Equities Corporation | Article XVII (1) of the Implementing Guidelines of the Revised Trading Rules                | Trade Amendment  | Minor | Written reprimand |
| Unicapital 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  |

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