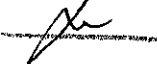


FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

7 AUG -1 P6:03

SENATE

RECEIVED BY: 

PSR No. 56

Introduced by Senator Loren Legarda

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE/S TO CONDUCT, IN AID OF LEGISLATION, AN INQUIRY INTO THE OPERATIONS OF THE PERFORMANCE INVESTMENT PRODUCT CORP. (PIPC) AND OTHER CORPORATIONS WITH SIMILAR TRANSACTIONS, WITH THE END IN VIEW OF INSTITUTING REMEDIAL MEASURES THAT WOULD PROTECT PHILIPPINE INVESTORS AGAINST FRAUDULENT INVESTMENT SCHEMES

WHEREAS, Republic Act No. 8799 otherwise known as the Securities Regulation Code was enacted in the year 2000 to establish a socially conscious free market that regulates itself, encourage the widest participation of ownership in enterprises, enhance the democratization of wealth, promote the development of the capital market, protect investors, ensure full and fair disclosure about securities, minimize if not totally eliminate insider trading and other fraudulent or manipulative devices and practices which create distortions in the free market;

WHEREAS, Sec. 5 of the same law provides that the Securities and Exchange Commission have jurisdiction and supervision over all corporations, partnerships or associations who are the grantees of primary franchises and/or a license or permit issued by the Government;

WHEREAS, Sec. 5 of Presidential Decree No. 902-A otherwise known as the Reorganization of the Securities and Exchange Commission with additional powers and placing the said agency under the administrative supervision of the Office of the President provides that the SEC has original and exclusive jurisdiction to hear and decide cases involving devices or schemes employed by or any acts of the board of directors, business associates, its officers or partnership, amounting to fraud and misrepresentation which may be detrimental to the interest of the public and/or of the stockholder, partners, members of associations or organizations registered with the Commission;

WHEREAS, the SEC has undertaken initial investigation on Philippine Investment Product Corp.'s (PIPC's) operations and found out that it is registered as a research company but does not have a secondary license to operate as a foreign exchange trading firm.;

WHEREAS, a total of thirteen (13) complainants filed formal complaints against the PIPC before the National Bureau of Investigation (NBI) as reported in the article "More investors file raps vs. PIPC" in the 01 August 2007 of the *Philippine Star* article entitled "More investors file raps vs. PIPC. The combined total investments of the 13

complainants reportedly amounted to \$750,000 or P37.5 million. PIPC has allegedly enticed investors based on a guaranteed average of 12% return per annum for a minimum investment of \$40,000;

WHEREAS, in the 29 July 2007 issue of *Philippine Daily Inquirer*, an article entitled "Int'l sleuths hot on trail of missing \$250M, investors assured" reports that the PIPC convened a secret meeting attended by about 350 investors where they were informed that Liew asked the PIPC to stop remitting funds to investors' accounts on July 7;

WHEREAS, newspaper reports that the head of the PIPC Michael Liew, a Singaporean national, has been missing since July 12 and has reportedly disappeared with as much as \$250 million in investors' money;

WHEREAS, the NBI Interpol Division's counterpart in Singapore reported last July 12 that Hong Kong authorities were able to temporarily block the transfer of the \$2 million account of PIPC owner Michael Liew to his account in Tokyo, Japan;

WHEREAS, the PIPC scam is but one in a series of fraudulent investment schemes that has proliferated over the years despite existing laws on trade and investment;

WHEREAS, investments are necessary to accelerate the development of our domestic economy by infusing the much needed capital in the production of goods and services but foreign exchange investment scams have victimized Filipino investors who would have otherwise invested their capital to make the domestic economy more productive;

WHEREAS, it is incumbent upon Congress to institute legislative measures to curb the proliferation of such scams;

NOW BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to direct the appropriate Senate Committee/s to conduct an inquiry, in aid of legislation, into the operations of the Performance Investment Product Corp. (PIPC) and other corporations with similar transactions, with the end in view of instituting remedial measures that would protect Philippine investors against fraudulent investment schemes and monitoring the transactions of unlicensed trading firms.

Adopted,


LOREN LEGARDA
Senator