Securities and Exchange Commission
PHILIPPINES

ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY

The Commission has received information that individuals or group of persons representing **NARCFUNDS/NARCSFUND**, are allegedly enticing the public to invest/donate in the said entity online or through the internet.

As posted in its website, **NARCFUNDS/NARCSFUND** is allegedly being headed by **Kwon, Jin-ho**, a Korean national who is currently travelling across the globe in order to further the cause. Said CEO is presently and actively working in four (4) countries, namely; UK, Singapore, Korea and Philippines.

A Facebook (FB) Group named **NarcFunds PH** posted a photo of Certificate of Business Registration Request purportedly issued by Thailand's Department of Business Development and claimed to be the registration certificate of the subject entity in Thailand under the name **NARCSYSDEV CO. LTD** with KWON JINHO as its Founder.

An online search likewise showed that **NARCSYSDEV LTD** is registered in UK indicating the name KWON, JIN-HO, CEO as its Officer/Director with nationality of Spanish, resident in the Philippines, businessman and with date of birth as January 1972.

Meanwhile, an FB Group of **NARCFUNDS/NARCSFUND**, known as **Team PH Leaders**, is actively being operated by its administrators and/or moderators. The FB posts of its members present the compensation plans of **NARCFUNDS/NARCSFUND** as follows:

NARCFUNDS
Let's grow together.

DONATION LEVEL		GENEALOGY	TOTAL INCOME
LEVEL	AMOUNT (PHP)	MY TEAM	Per LEVEL
L1 Ruby	1 000.00	2	2 000.00
L2 Sapphire	5 000.00	4	20 000.00
L3 Garnet	10 000.00	8	80 000.00
L4 Pearl	20 000.00	16	320 000.00
L5 Citrine	50 000.00	32	1 600 000.00
L6 Diamond	120 000.00	64	7 600 000.00

Further, a video was posted on the said FB Group explaining the marketing scheme of **NARCFUNDS/NARCSFUND**, to wit:

- To be a member, a person should donate money in the amount of Four Thousand Pesos (Php4,000.00).

- One Thousand Pesos (Php1,000.00) of the donated amount will go to the company, and the remaining Three Thousand Pesos (Php3,000.00) will go to the member's account.

- To earn money, the member-donor should recruit two (2) persons who will also donate an amount of Four Thousand Pesos (Php4,000.00) in order for him/her to receive One Thousand Pesos (Php1,000.00) for every person he/she recruited.

The public is hereby advised to exercise due care and caution in investing their money in this type of scheme being offered by **NARCFUNDS/NARCSFUND** and/or its agents.

Where the scheme involves the sale of securities to the public, the SRC requires that the issuing entity must be a registered corporation with the SEC, the said securities offered are duly registered and that the appropriate license and/or permit to sell securities to the public are issued to the corporation and/or its agents, pursuant to the provisions of Sections 8 and 28 of the SRC

Those who act as salesmen, brokers, dealers or agents of **NARCFUNDS/NARCSFUND** in selling or convincing people to invest in their investment schemes including solicitation or recruitment through the internet may likewise be prosecuted, held criminally liable and penalized with a maximum fine of Five Million Pesos (Php5,000,000.00) or a maximum penalty of Twenty-One (21) years of imprisonment or both pursuant to Section 73 of the SRC (*SEC vs. Oudine Santos (G.R. No. 195542, 19 March 2014*).

Furthermore, the names of all those involved will be reported to the Bureau of Internal Revenue so that the appropriate penalties and/or taxes will be correspondingly assessed.

The Commission urges anyone who has knowledge or information about any business transaction of **NARCFUNDS/NARCSFUND** and/or its agents to report such activity to the Enforcement and Investor Protection Department at telephone number 8818-6047.

For the guidance of the public.