



ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY

Based on the information gathered by the Commission, the entity operating under the name **CRYPTTEC** by **POINT PLACE, LTD.** in the Commonwealth of Dominica is engaged in investment-taking activities in the Philippines which is **NOT AUTHORIZED** by the Commission.

CRYPTTEC is a non-licensed offshore crypto-currency broker which started in September 2019 using the domain “*http://crypttec.io.*”

As posted online, **CRYPTTEC** offers a number of account types or compensation packages which grants access to its unique web-based trading platform. *To wit:*

BASIC	SILVER	GOLD	VIP	BLACK DIAMOND
1-10 Leverage	1-20 Leverage	1-30 Leverage	1-40 Leverage	1-40 Leverage
Account Manager	Senior Acc Manager	Executive Acc Manager	VIP Acc Manager	BDG Acc Manager
50% Bonus	75% Bonus	100% Bonus	150% Bonus	150% Bonus
Crypto Trading	Crypto Trading	Daily Trades	Daily Trades	All periods
Platform Walkthrough	Technical Education	Technical & Fundamental Education	Technical & Fundamental Education	Technical & Fundamental Education
\$250 to \$10,000	\$10,000 to \$25,000	\$25,000 to \$50,000	\$50,000 to \$500,000	\$500,000 & above

Basically, **CRYPTTEC** offers Fifty to One Hundred Fifty Percent (50-150%) Trading Bonus or income which is more than enough considering the volatility of the cryptocurrencies.

It also includes leverages of 1:10 up to 1:40 depending on the chosen package which apparently helps in increasing the investors’ trading success rates and potential return investments.

Hence, it must be emphasized that the **Trading bonus system** is a favorite tool used by scammers because it prevents the investors from withdrawing their investments until they fulfill certain conditions such as the constant minimum trade volume requirement and payment of corresponding withdrawal fees imposed by **CRYPTEC** which are not usually enforced by legitimate brokers.

CRYPTEC also uses the **Leverage system** as an investment strategy by retaining a portion of the investors' monies as securities and capitalize therefrom by using it for other business and/or ventures.

As an additional tactic, **CRYPTEC's** account managers will frequently and persistently converse with the investors online in order to continually solicit bigger investments in exchange for higher returns.

Accordingly, the scheme of **CRYPTEC** involves the offering and sale of securities, in the form of investment contracts, to the public because its investors need not exert any effort other than to invest or place monies in the said entity in order to derive income.

Therefore, the said offer and sale of securities must be duly registered with the Commission and that the concerned corporation and/or its agents must have appropriate registration and/or license to sell such securities to the public in accordance with Section 8 of the Securities Regulation Code (SRC).

However, **CRYPTEC** and its operator, **POINT PLACE, LTD.** are **NOT REGISTERED** as a corporation or partnership with the Commission and have **NO SECONDARY LICENSE** 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).

Also, the names **CRYPTEC** and **POINT PLACE, LTD.** **DO NOT APPEAR** 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)** which requires all entities engaged in Virtual Currencies in the Philippines to obtain a Certificate of Registration to operate as remittance and transfer company pursuant to the BSP rules and regulations.

Consequently, the **public is advised NOT TO INVEST** or **STOP INVESTING** in any scheme offered by **CRYPTEC** and **POINT PLACE, LTD.** or any entities engaged in digital asset trading which promises ridiculous rates of return with little or no risks or show any other indications or characteristics of a **Ponzi Scheme**.

The public must be mindful that such unregulated entities are completely unaccountable for the way they handle their businesses, and often, these entities tend to disappear after quite some time to the prejudice of their investors.

Thus, the public is encouraged to make conscious effort before making or placing their investments in any investment scheme offered by said entities especially during these difficult times.

Everyone is reminded that aside from the strict penalties imposed by the Commission for violations of the Securities Regulation Code, the Revised Corporation Code, and such other rules and regulation it enforces, 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.

In addition, 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 penalty of Twenty-one (21) years of imprisonment or both pursuant to Sections 28 and 73 of the SRC.

Further, 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 *Securities and Exchange Commission 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 correspondingly assessed.

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

For the guidance of the public.

Pasay City, 06 April 2020.