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## Philippine SEC Targets Unlicensed Crypto Exchanges

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The Philippine Securities and Exchange Commission (SEC) has issued a strong warning against offshore cryptocurrency platforms operating without proper authorization in the country. In an advisory released on August 1, 2025, the regulator cautioned investors about the risks of engaging with unregistered digital asset service providers that continue to offer services to Filipino users in violation of domestic securities laws.

According to the SEC, several platforms have been found actively promoting and providing cryptocurrency trading services without securing the required licenses under Memoranda Circulars No. 4 and No. 5, which came into effect on July 5, 2025. These regulations mandate that any individual or entity facilitating access to crypto-asset trading venues, whether for buying, selling, or derivatives trading, must first obtain formal registration and approval from the SEC.

The advisory identified ten exchanges currently in breach of the rules: OKX, Bybit, MEXC, KuCoin, Bitget, Phemex, CoinEx, BitMart, Poloniex, and Kraken. All have either maintained full accessibility to users in the Philippines or have been actively marketing their services locally without an SEC-issued license. The regulator stressed that this list is not comprehensive, noting that other platforms may also be operating unlawfully under the same provisions.

The move follows the earlier geo-blocking of Binance, one of the world's largest cryptocurrency exchanges, as part of the SEC's broader enforcement push. Despite these measures, the regulator disclosed that several other platforms remain accessible and continue to engage in unauthorized promotional activities targeting Philippine residents.

Beyond individual investor risks, the SEC emphasized the broader threat posed by unregulated cryptocurrency operations to national financial security. Because these entities operate outside the scope of the country's Anti-Money Laundering Act (AMLA), they are exempt from key compliance requirements, such as customer due diligence, record-keeping, and suspicious transaction reporting. The absence of these safeguards, the SEC warned, may facilitate cross-border illicit finance and increase the Philippines' vulnerability to inclusion on international gray lists for inadequate anti-money laundering enforcement.

To address these violations, the SEC outlined potential enforcement measures, including cease-and-desist orders, the initiation of criminal proceedings, and collaboration with technology companies to block local access to offending platforms. The regulator reaffirmed its commitment to protecting investors and upholding market integrity in the face of rapidly evolving digital asset markets.

While some have welcomed the advisory as a necessary step toward investor protection, it has also prompted calls from certain cryptocurrency advocates for a more collaborative regulatory framework. Proponents argue that constructive engagement between authorities and industry players could foster innovation while ensuring that appropriate safeguards

remain in place for consumers. The Philippine SEC's latest action underscores the growing tension between the fast-paced development of cryptocurrency markets and the need for comprehensive regulatory oversight. As the digital asset industry continues to expand globally, the regulator has made clear that compliance with domestic securities laws is non-negotiable for any platform seeking to operate within the country's jurisdiction.