



Republic of the Philippines
Department of Transportation
LAND TRANSPORTATION FRANCHISING & REGULATORY BOARD
East Avenue, Quezon City

RESOLUTION NO. 096 Series of 2018

(Re: ACCREDITATION OF VELOX TECHNOLOGY PHILIPPINES, INC. AS
TRANSPORTATION NETWORK COMPANY)

WHEREAS, pursuant to DOTr Department Order No. 2018-013 (Re: Authority of the Land Transportation Franchising and Regulatory Board (LTFRB) to regulate the Transport Network Companies (TNC) and Transportation Network Vehicles Service (TNVS)), LTFRB is empowered by law to promulgate, administer, enforce and monitor compliance of policies, laws and regulations of public land transportation services i.e. Transport Network Companies and Transportation Network Vehicle Service.

WHEREAS, pursuant to Memorandum Circular No. 2015-015-A (Re: Rules and Regulations to Govern the Accreditation of Transportation Network Companies) a Pre-Accreditation Committee was created to evaluate all applications for Transportation Network Company (TNC) accreditation filed before the LTFRB and recommend to the Board its approval and disapproval;

WHEREAS, on November 26, 2018, the Committee conducted its evaluation of the documents submitted by Velox Technology Philippines, Inc.

WHEREAS, during the scheduled evaluation, the Committee found that Velox Technology Philippines, Inc. failed to file a verified application for TNC accreditation sufficient in form and substance to warrant further evaluation by the Committee.

WHEREAS, pursuant to Item (II) first paragraph of the Memorandum Circular No. 2015-015-A dated 23 October 2017, it stated thus:

"An Application for the Issuance of a Certificate of Accreditation shall be made in writing on a form provided by the Board, and signed and sworn to by the applicant, or if the applicant is juridical entity, by its duly authorized representative. Each Application, in addition to other documents that are required, shall submit at a minimum the following:"

(emphasis ours.)

WHEREAS, Article XII Section 11 of the 1987 Philippine Constitution reads thus:

Section 11. **No franchise, certificate, or any other form of authorization for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least sixty per centum of whose capital is owned by such citizens, nor shall such franchise, certificate, or authorization be exclusive in character or for a longer period than fifty years. Neither shall any such franchise or right be granted except under the condition that it shall be subject to amendment, alteration, or repeal by the Congress when the common good so requires. The State shall encourage equity participation**

in public utilities by the general public. The participation of foreign investors in the governing body of any public utility enterprise shall be limited to their proportionate share in its capital, and all the executive and managing officers of such corporation or association must be citizens of the Philippines.

(emphasis ours.)

WHEREAS, the Committee recognized that the corporation's Articles of Incorporation shows that the stockholdings are divided as follows:

<u>NAME</u>	<u>NATIONALITY</u>	<u>NO. OF SHARES SUBSCRIBED</u>	<u>AMOUNT SUBSCRIBED (in PHP)</u>	<u>AMOUNT PAID (in PHP)</u>
Velox South-East Asia Holdings Pte. Ltd.	Singapore	1,044,999,995	10,449,999.95	10,449,999.95
Atticus Robert R. King	Filipino	1	0.01	0.01
Maria Margarita B. Flores	Filipino	1	0.01	0.01
Mark M. Tiaoqui	Filipino	1	0.01	0.01
Lyne L. Arnaldo-Vega	Filipino	1	0.01	0.01
Carlos Raphael N. Francisco	Filipino	1	0.01	0.01
TOTAL		1,045,000,000	PHP10,450,00.00	PHP10,450,000.00

NOW THEREFORE, premises considered, this Committee resolves to DENY applicant Velox Technology Philippines, Inc.'s petition for accreditation as a Transportation Network Company due to its failure to file a verified application as prescribed in the Item (II) first paragraph of the Memorandum Circular No. 2015-015-A dated 23 October 2017 and for being a foreign-owned corporation in violation of Section 11 Article XII of the 1987 Philippine Constitution.

APPROVED AND SIGNED by the undersigned Chairman and Members of the Pre-Accreditation Committee, this 20 day of December 2018 at Quezon City, Philippines.

ATTY. SAMUEL A. M. JARDIN
Chairman

ATTY. CARL SHA JEMIMAH F. MARBELLA
Member

ATTY. ZONA RUSSET M. TAMAYO
Member

NIDA R. QUBIC
Member

JOEL J. BOLANO
Member