



PRESS RELEASE

## THE CIVIL GUARD AND THE CNMV SIGN A COLLABORATION AGREEMENT TO COMBAT FINANCIAL FRAUD

1 July 2019

- Specific collaboration mechanisms have been put in place in order to combat financial fraud committed by unauthorised persons and entities.
- A Monitoring Committee shall facilitate optimal cooperation between the two parties.

The Director-General of the Civil Guard, Félix Azón, and the Chairman of the Spanish National Securities Market Commission (CNMV), Sebastián Albella, have today signed a collaboration agreement for the purpose of combating those responsible for financial fraud, and persons and entities not authorised to provide investment services.

In a context in which new technologies and digital communication channels are triggering significant changes in the financial services industry, both institutions consider it necessary to expand the mechanisms to ensure investor protection.

The agreement establishes a framework for collaboration that strengthens the cooperation and coordination between the two institutions and promotes the exchange of information between the parties.

These collaboration mechanisms include the establishment of agile and direct channels for communication between the two institutions. Thus, the Directorate-General of the Civil Guard, through the Judicial Police Authority of the Civil Guard, shall inform the CNMV of any unauthorised natural or legal persons that it detects and may be breaching the rules of the securities markets, as well as the initiation of legal proceedings in relation to the illegal provision of investment services.

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The Judicial Police Technical Unit (UTPJ) of the Civil Guard shall be the National Coordination Point where all the investigations related to the subject-matter of the agreement and the CNMV's requests for information shall be centralised.

Furthermore, the CNMV shall report to the Judicial Police Authority any information related to indications or evidence of fraud committed by persons not authorised to operate in the securities markets and provide advice to facilitate the investigations.

The agreement provides for the creation of a Monitoring Committee to promote appropriate coordination and understanding between the parties. The committee is composed by four members, two from the CNMV and two from the Directorate-General of the Civil Guard. The two parties shall provide joint training covering the subjects contained in the document.

In March of this year, the CNMV signed a similar collaboration agreement with the Directorate-General of the Police to combat financial fraud.

### **Actions to combat financial boiler rooms**

As indicated in the CNMV's Annual Report for 2018 which has been published recently, the CNMV has issued a total of 620 warnings (24% more than in 2017) related to firms that are not authorised to provide investment services.

The main operations of the Civil Guard in this field include the following:

**MIFOREX OP.:** An investigation arising from a complaint in relation to fraud on the [www.stocksforex.com](http://www.stocksforex.com) platform. Damages amounting to €1,200,000.

**BINARY OP.:** A complaint filed for an alleged fraud committed through the financial boiler room system. Fraud totalling €107,000. The fraudsters are UK financial brokers, which simulate a finance market by using sophisticated software through the website [www.optionsxo.com](http://www.optionsxo.com).

BRONCO OP.: An investigation arising from a complaint for fraud. Fraud amounting to €142,000. The complainant is receiving numerous telephone calls in which employees of the two accused companies, Capital Market Banc and Investint Pro, are pressuring and threatening him to deposit more money, under threat of losing all the capital invested to date.

QUIRINO OP.: Financial fraud on the website: “Briton Price”. Bank account of the recipient located in the Czech Republic. Fraud amounting to: €10,000.

WATERMARK OP.: Fake investments with returns of up to 50% of the capital invested. The company “INVERTRADE SYSTEM GROUP, LTD” located in Barcelona. Bank account of the recipient located in Switzerland. Minimum investment amount per person, €10,000. Many persons affected. The total amount of the fraud exceeds €450,000.

INVERSIONIS OP.: Investigation arising from various frauds in the purchase and sale of securities traded on the XETRA market. A fraud exceeding €50 million.