



BINARY OPTIONS AND FOREX PRODUCTS: FSMA ONCE AGAIN WARNS THE PUBLIC AGAINST VARIOUS COMPANIES ENGAGING IN UNAUTHORIZED ACTIVITIES IN BELGIUM

The Financial Services and Markets Authority (FSMA) once again warns the public against the activities of various providers of / intermediaries in binary options and/or forex products which engage in unauthorized activities in Belgium, as well as against various “recovery rooms”.

The companies engaging in unauthorized activities in the binary option and forex product sectors against which the FSMA warns the public are as follows:

- [Mayfair Funds \(Myfair 23\), Highfrequency, Trading Company and Sep Society](#)
- [Centrale Bank Europe \(Banque Centrale d'Europe\), Quantum Group Invest and September Investments Limited](#)
- [Option Bank, Fi-Corporation and Global Secure Ltd](#)
- [GMT Private Broker](#)
- [Cit Markets \(Citmarkets\)](#)
- [Plea \(UK\) LIMITED, GMTInvest and Redlane Ltd](#)
- [Binary Stock Market Bank \(BSMB\) and Kalahouse Limited](#)
- [AMF Capital Limited and BNRMARKETS](#)
- [Groupe Markets Ltd, Capital Markets Ltd, FX Capital Bank \(FXCB\), FXCB Capital Markets Limited and FXCB Limited](#)
- [Fortune Banque and Tareno \(cloned firm\)](#)
- [Expert Data and Option Pros](#)
- [Versailles Finances and Globstate Assets Holdings Limited](#)
- [MT Capital Partners and Justrader](#)
- [DeutscheMarkets](#)
- [Dealinpro and Shaily Global Option Ltd](#)
- [Finance Academy Trading](#)
- [Forex Club \(Forex Club International Limited\)](#)
- [Option-Direct](#)
- [NTD INVEST CORP LTD, LiveTrader and Abena Invest Ltd.](#)

The individual warnings concerning these firms are available on the FSMA website. You can also access the sites directly by clicking on the names of the companies on the list above.

The aforementioned companies are not authorized investment firms or credit institutions in Belgium. They are therefore not allowed to provide banking and/or investment services in or from Belgium. Furthermore, these companies have not published a prospectus approved by the FSMA, as is required before any public offering of investment instruments may be made within the territory of Belgium.



Moreover, many trading platforms for binary options/forex products run by the aforementioned companies are, despite the appearance of being serious firms, used by fraudsters who are not only acting without the requisite authorization but are misappropriating the funds invested. In such cases, investors simply can no longer recover the amounts they invested, and their recourse against these illegal providers is generally limited since the latter are located abroad. Prudence is thus more important than ever before an investor decides to take a risk on these types of products.

Lastly, the FSMA reminds the public that binary options and forex products are highly speculative and involve significant risks. Investors run the risk of losing the entire amount invested or even, in the case of investment in forex products, of losing more than the amount initially invested. The FSMA takes the view that these risky products cannot be considered part of an investment strategy. In May 2014, the FSMA issued a similar warning about the risks associated with [binary options](#). The FSMA also published a warning in June 2011 regarding the risks associated with speculative transactions in foreign currencies ([forex](#)).

As regards “[recovery room](#)”-type fraud, the FSMA reiterates that this practice consists in contacting victims of an earlier fraud, unsolicited and often by telephone, to offer assistance in recovering the losses incurred. Despite the promises made by the persons offering this service, the fees charged do not result in the victims recovering the lost funds, and the sums paid in the process by the client are thus also lost. The FSMA published a [warning](#) against this type of fraud in March 2015.

For this reason, the FSMA strongly advises against responding to any offers of financial or recovery services made by the companies listed above, and against transferring money to any account number they might mention.

By way of illustration, in what follows we provide a few testimonials by consumers:

"I thus began working with XXX at the end of January and with great success, mainly thanks to the direct assistance of a financial analyst ... Investments totalling € 26,000 yielded significant profit: on 27 March of this year, the balance on my XXX account was more than € 131,000. ... I asked for and received (without any particular difficulty) an initial withdrawal of € 4,000. ... I trustingly gave them a mandate to carry out operations on my behalf until the end of February ... insofar as the guarantee was still in force. It was a great success, for thanks to these operations, my balance with XXX rose to more than € 132,000. It was after that that things became a bit more complicated, as my requests for withdrawal were no longer honoured. In the end, [I received] an astonishing email indicating that my request to access a portion of my funds would be fulfilled once I had paid the taxes legally owing and had transferred that sum into XXX's bank account.



"They draw you in [with] great monthly interest rates, which they increase after the payments have been made, and show excellent earnings on 'your' fictitious account ... They also phone you every day. They are very strong, are well versed in trading, and sometimes speak a very elegant French. They claim to be working with [very well-known banks] [and promise you] a statement of your interest earnings for your tax return... They appear to be perfectly honest [and serious] ... They ask you to transfer the money into an account at the [AAA bank] in your name! "

"They phone you every day and push you to deposit a total of € 50,000 in order to use the services of a coach in binary options, and that with him you will be sure to win. I fell into the trap, and now they refuse to refund my money and no longer reply to any phone calls or emails."

"I can no longer sleep ... I despair at having trusted a ... company that was [supposedly] honest, was going to give me all the papers necessary for my tax return and had given me references at the major banks! The result: I am ruined and so are my children, as a consequence. I just want them to pay me back and for this hell come to an end. "

"I've been had... on a trading site named XXX. I traded on this site for around three months, but it turned out to be a vast fraud from every point of view. Next, I was contacted by the regulatory service of the site, both by telephone and by email. They showed me that [the first site had been a] vast fraud and they wanted to refund me the sum of 24,696 euros, which is indeed the sum [owing to me]. ... But to do so, that is to recover the amount, I had first to pay 20 % of the [aforementioned] sum, that is 4,939.20 euros. Of course I did nothing of the sort, as I ... presumed that this was a further swindle."

More generally, in order to try to prevent further fraud, the FSMA recommends that investors:

- always verify the identity of the issuing company (company name, home country, etc.). If the company cannot be clearly identified on the website of the trading platform, it should not be trusted. If the company is located outside the European Union, the investor will also have to be aware of the difficulty of legal recourse in the event of a potential dispute;
- consult the warnings published on the FSMA website as well as on the website of foreign supervisory authorities or of [IOSCO](#), not only as regards the issuing company but also, where applicable, the beneficiary of the account whose number is provided by the latter. Please note: the fact that the FSMA has not published a warning about a provider of binary options/forex products does not mean that the latter company holds a valid authorization. While the FSMA seeks to ensure that it publishes warnings in a timely manner, it is entirely possible that the activity



of a given company that is acting illegally on the Belgian market may not yet have been reported to it, all the more so since unauthorized companies tend to change names regularly;

- check whether the issuing company holds an authorization by consulting the lists of persons authorized to provide regulated financial services that are published on the FSMA website under the tab "[financial service providers](#)";
- be wary of unsolicited phone calls/emails (cold calling), i.e. where no prior request has been made by the investor. Such calls are often indications of an attempt at fraud;
- be wary of requests to transfer money to a State without any connection to the issuing company or with the State of which the investor is resident;
- be wary of (promises of) completely disproportionate returns. In this regard, it is frequently the case that fraudsters present significant earnings at the beginning, until the day when the investor asks to withdraw the funds invested;
- not to accept uncritically the information provided by such companies. More specifically, it is not because a company claims to be authorized by a given State's supervisory authority that this is necessarily so. Investors should be sure always to verify the information they are given. Investors should also beware of "cloned firms": companies that pass themselves off as different, lawful companies even though they in fact have no connection with the latter. A close look at the email addresses or contact details for the companies in question may prove useful in order to detect potential fraud of this sort. Investors should also be wary of any purported guarantees linked to their account: if an offer is fraudulent, the guarantee promised is equally so;
- ask their intermediary for clear and comprehensible information. Investors should refrain from investing if they do not fully understand what is being offered;
- be attentive to any disparities or anomalies in the information provided by the company (a company that claims to be established in one State while the general terms and conditions found on its website refer to a different State; a company that claims to have existed for many years although the website is less than a year old, etc.);
- beware of emails full of spelling mistakes;
- be all the more suspicious if the issuer makes the pay-out of returns conditional on an additional payment and/or the payment of a tax. These additional demands are often the sign of fraud.



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More than ever, then, prudence is necessary. In case of any doubt, don't hesitate to contact the FSMA directly (email: info@fsma.be). As well, please feel free to notify it of any suspicious company that has not yet been the subject of a warning by the FSMA.

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