



BINARY OPTIONS, FOREX PRODUCTS AND CFDS: THE FSMA WARNS THE PUBLIC AGAINST SEVERAL ACTORS OPERATING UNLAWFULLY WITHIN THE TERRITORY OF BELGIUM

The Financial Services and Markets Authority (FSMA) warns the public against the activities of several actors operating unlawfully within the territory of Belgium in the binary options, forex products and CFD sectors.

The FSMA reminds the public that since 18 August 2016, no investment firm (authorized or not) is permitted actively to distribute binary options within the territory of Belgium via an electronic trading system. The same applies to derivative instruments (and in particular forex derivatives and CFDs) traded via an electronic trading system whose maturity is less than one hour, and those that directly or indirectly use leverage.

Moreover, any company wishing to offer such products must be an authorized investment firm.

The actors that are the subject of this warning do not comply with the aforementioned prohibitions. Furthermore, in the vast majority of cases, investment fraud is involved: in such cases, the investors simply never recover the sums invested.

The FSMA therefore strongly advises against responding to any offers of financial services made by the following:

- [Aaoption / CFDSStocks / Pacific Sunrise UK Ltd](#)
- [Benedict Morris / BMBOption / Log Trading Capital Ltd](#)
- [BigOption / Wirestech Limited](#)
- [Binaryinvest](#)
- [Brevan Invest / Kasuar Ventures Ltd](#)
- [Capital Epargne](#)
- [CFDSStocks / Pacific Sunrise UK Ltd](#)
- [City Bank CFD](#)
- [Comex Partners](#)
- [Edgedale Finance / Gold Horizen Ltd](#)
- [Finances Capital](#)
- [Financial Futures Ltd \(cloned firm\) / Digifirst Hungary Kft](#)
- [FMTrader / Terapad Services Ltd / FM Marketing Ltd](#)
- [Ivoryoption / Arya Group Ltd / Arianus Marketing Ltd](#)
- [London Global Markets](#)
- [Markets Central Investment](#)
- [OptionXchange / Globe & co Ltd / Sterling Consultancy Options \(SC-Options\)](#)
- [Owpremium](#)
- [Swiss Capital Invest \(Swiss Capitalinvest / Swiss-CapitalInvest\) / Atlasreference Unipessoal LDA](#)



The FSMA wishes to remind the public as well that binary options and forex products are highly speculative products and involve significant risks. Investors run the risk of losing the entire amount invested or even of losing more than the amount initially invested. The FSMA refers in this regard to its [warning](#) of 2 May 2014 about the risks associated with binary options and to its [warning](#) of 29 June 2011 about the risks associated with speculative transactions in foreign currencies (forex).

The FSMA also warns victims of investment fraud against a second type of fraud, known as "recovery room" fraud. This type of fraud consists of contacting victims of earlier frauds, unsolicited and often by telephone, to offer assistance in recovering the losses incurred. The services offered will then vary: an offer to help recover the sums invested, to return the invested amounts on condition, for example, that a certain sum be paid or an account opened on a trading platform, etc. In any event, demanding that a payment be made before the proposed service is a clear indication of a "recovery room". For more information on the topic, please consult the FSMA's [warning](#) of 16 March 2015.

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

- always verify the identity of the firm (company identification, home country, etc.). If the company cannot be clearly identified, it should not be trusted. If it 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. Please note: the mention of a contact address does not always correspond to the actual head office of the company; it frequently occurs that companies established outside the European Union mention a fictitious address in Europe in order to gain the confidence of investors;
- 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 investment firm but also, where applicable, the company that is the beneficiary of the account whose number is provided by the latter. Since 17 July 2015, the FSMA has been publishing a recapitulative list of companies operating unlawfully within the territory of Belgium; this list is regularly updated;

Please note: the fact that the FSMA has not published a warning about a company 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 operating unlawfully 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 firm 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" (the lists are available only in [French](#) and [Dutch](#));
- 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;



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- 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 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 assurances/guarantees linked to their account: if an offer is fraudulent, the assurance/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 all the more suspicious if the firm 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.

More than ever, then, prudence is necessary. In case of any doubt, don't hesitate to contact the FSMA using the [contact form](#) on the website of the FSMA. As well, please feel free to notify it should you come across a suspicious company that has not yet been the subject of a warning by the FSMA.

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