



## INVESTOR DECALOGUE

### Second tip: Remember that “boiler rooms” are dangerous. If you are suspicious, ask. Obtain written information

- Remember that "boiler rooms" are dangerous and try to deceive you. If you are suspicious, **ask**.
- Be proactive. Ask questions about the features of the service and the investment you are being offered.
- Obtain **written information**.

- Remember that “boiler rooms” are dangerous. These are not entities that are more or less solvent or which have greater or lesser expertise in financial management: they are illegal and try to deceive you.

The term "boiler rooms" informally defines those entities that offer and provide investment services without being authorized to do so.

They are dangerous because, in most cases, the apparent provision of such services is just a cover through which to appropriate the capital of their victims, making them believe that they are making a high-return investment.

It is important to be clear that the high yields they offer are often too good to be true: they are just the bait with which they get the less informed or more trusting investors to give them their savings.

When they cannot justify losses, they simply disappear or change their name.



- **If you are suspicious, ask. Be proactive.**

Any investment must be approached with sufficient knowledge of the features and risks of the product and, therefore, it is important to be clear on all aspects before committing your capital.

Investors need time to decide and have the right to express and obtain answers to all their doubts.

However, “boiler rooms” pressure victims in order to obtain an immediate affirmative response, without giving them the opportunity to reflect.

Precisely one of the main differences between authorized entities and “boiler rooms” is that the former invite investors to raise their doubts, and provide them with all the necessary information, while the aim of fraudsters is to confuse them and make him feel ignorant, so that they trust them without questioning their arguments.

No question can be either inappropriate or irrelevant when it comes to how to invest your money.

Below are examples of suggested questions that you should ask the contact person to check if they represent a “boiler room”.

In fact, many of them, especially those related to the features and risks of the investment, should also be asked when dealing with authorized entities. The difference is that “boiler rooms” will be unwilling to provide us with direct answers.

- **Ask them questions about the features of the service and the investment.**

Below are some of the questions that you should ask the contact person. If they represent a “boiler room”, they will be unwilling to give direct answers.

- How did you get my name and phone number? Why have you contacted me?
- Is your entity registered with CNMV or Bank of Spain? Are you supervised by any public body? Are you affiliated with any investment guarantee fund?
- How long have you been in this business? What is your professional experience? Is there a financial institution that can give me references on your entity?
- Does this investment meet my objectives? Is it right for me?
- What are the risks of the investment? How much could I lose and under what circumstances?
- How long should I keep investing? What is its liquidity, that is, how and under what conditions can I recover the capital if necessary?
- What fees do I have to pay for your services? How are they calculated? Could you send me a copy of the current fees?
- How and how often will I receive information about my investment?

- **Obtain written information.**

Demand that they provide you with clear answers to these types of questions and ask them for written information.

- Could you send me copies of the documents and contracts that I have to sign? Regarding the financial product you are offering, is there an official document registered with CNMV? Could you provide me with a summary of it?
- Could you send me a written and detailed explanation of the proposed investment so that I can take some time to think about it and discuss it with an independent expert? Would you mind explaining the investment at a meeting that I could attend with my lawyer or a trusted financial expert?
- If any disputes arise in connection with my investments, what claim mechanisms are available to me?

And always remember, should you have any doubts, to consult CNMV's investor assistance office (900 535 015) or send a query via the [form](#) found in CNMV's Investor Section.

Go to the complete [Investor Decalogue](#).