



BINARY OPTIONS AND FOREX PRODUCTS: THE FSMA ONCE AGAIN WARNS THE BELGIAN PUBLIC AGAINST VARIOUS COMPANIES OPERATING ILLEGALLY ON THE TERRITORY OF BELGIUM

The Financial Services and Markets Authority (FSMA) once again warns the public against the activities of various companies operating illegally on the territory of Belgium, most of them in the binary options, forex products and/or CFD sectors, as well as against various "recovery rooms".

The illegally operating companies against which the FSMA warns the public are as follows:

- [Banque Investissement](#)
- [CapitalCourtage, Eich Invest Ltd, 10 Spheres Media Ltd and First Consulting SCS](#)
- [CEDIE](#)
- [E Trade Securities \(cloned firm\)](#)
- [FXSEP, SEP Global, Hedge Funds Liège 2015 and Fonds d'investissement Liège 2015](#)
- [G.M. Marketing Group Limited, Tradesolid and G.M. Software Solutions Limited](#)
- [GCI Financial LLC and GCI](#)
- [Lau Global Services Corporation, MXTrade and Taris Financial Corp.](#)
- [NG-Bank, Arian Financial, Alborg Trading Inc. and Kalahouse Limited](#)
- [Option500, Option Solution Group Limited and Option Solution Online Limited](#)
- [Service Qualité des Plateformes Boursières \(SQPB\)](#)
- [Stock Binary \(cloned firm\) and STB](#)
- [Swiss Investment \(cloned firm\), Global Capital Ltd, T.T.F. and SwissPartners AG](#)
- [Trading Technologies Ltd and Consorfx](#)
- [Zulutoys Ltd, RBOptions and RB Secured Processing Ltd](#)

The individual warnings concerning these companies/organizations 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/CFDs operated 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. This is true of the aforementioned companies that offer other kinds of investment services. Prudence is thus more important than ever before an investor decides to take a risk on these types of products.



Lastly, the FSMA emphasizes that binary options, forex products and CFDs 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](#)" fraud, the FSMA reminds readers that this practice consists of contacting victims of an earlier fraud, unsolicited and often by telephone, to offer assistance in recovering the losses incurred. In spite of the promises made by the persons offering these services, the fees collected do not enable the victims to recover their losses, and hence the fees paid for the purpose are likewise lost forever. In March 2015, the FSMA published a [warning](#) against this type of fraud .

The FSMA therefore strongly advises against responding to any offers of financial services or to any public offers of investment instruments made by these companies and against transferring money to any account number they might mention.

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

- always verify the identity of the 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 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 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 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;



Press release / Binary options and forex products: the FSMA once again warns the Belgian public against various companies operating illegally on the territory of Belgium

- 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 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.

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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| Press contact | Jim Lannoo Spokesman |
| Tel. direct | + 32 2 220 57 06 |
| Email | Press@fsma.be |