



5251 Duke St, Suite 400
PO Box 458
Halifax, NS
B3J 2P8

tel:(902) 424-7768
fax: (902) 424-4625
nssc.novascotia.ca

Securities Commission

July 8, 2020

Commission warning investors about increase in Forex-related scams

Halifax – The Nova Scotia Securities Commission is alerting Nova Scotians that they are seeing an increase in Forex-related scams targeting investors.

Forex investing includes speculating on the change in value of one currency against another and is legal and regulated in Nova Scotia if done through dealers licensed in Nova Scotia. However, its complexity and volatility can be used by fraudsters to mislead unsuspecting investors into believing a scheme is a legitimate and lucrative investment.

“The Commission and other provincial and territorial securities regulators in Canada have seen a rapid increase in Forex-related scams online in the past few months,” said Stephanie Atkinson, acting director of enforcement for the Commission. “The Commission issued our [latest alert about a Forex-related scam](#) just last week. The scams are being offered on social media, online forums and sites like Reddit and Kijiji, targeting investors with promises of high returns.”

Any firm offering Forex trading to Nova Scotians must be registered with the Commission and be a member of the Investment Industry Regulatory Organization of Canada.

“If you are approached by someone offering Forex investing, before doing anything, check their registration on the [Canadian Securities Administrators'](#) National Registration Search, and check that they are a [member of IIROC](#),” said Atkinson. “If you do invest in Forex, you need to know that it is a complex, volatile and extremely risky investment. Before participating in Forex-related trading or purchasing a Forex-related investment, it is advisable for investors to get expert advice from a registered professional. Do not invest more than you can afford to lose.”

Some of the warning signs that a Forex investment may be fraudulent include:

- a guarantee of little or no risk, and high investment returns;
- dealers or brokers that are not registered with a provincial or territorial securities commission, and based outside of Canada where it can be difficult or impossible to retrieve funds;
- an unwillingness to discuss the past performance or track record of the specialist traders who will handle their money;

- an unwillingness to identify specialist traders or traders located in offshore jurisdictions who will handle their money; and/ or
- high-pressure sales techniques to buy a Forex investment, to purchase software or take courses related to Forex trading.

If a person is approached by anyone offering a Forex investing opportunity or any investment they believe may be fraudulent, they should [Contact the Commission](#).

The Commission is the provincial government agency responsible for regulating the investment industry in the province.

-30-

Media Contact: David Harrison
Nova Scotia Securities Commission
902-424-8586
E-mail: David.Harrison@novascotia.ca