

A smart investor

is aware that scams are now carried out
using social media



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A smart investor

applies healthy scepticism - in an era of historically low interest rates, any investment that offers an unusually high rate of return needs to be treated with great caution.

“If something sounds too good to be true, it almost certainly is too good to be true.”



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A smart investor

knows that legitimate financial institutions and investment companies **will not make unsolicited contact**, and treats such phone calls, text messages or social media messages as an immediate red flag.



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researches the person and company they are in contact with and is aware that brand impersonation is increasingly common. Fraudsters set up professional-looking websites with designs and URLs that look very like those of well-known, legitimate companies. Investment advertisements online in search engine results or on social media platforms are not subject to any verification in most countries.



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verifies whether a company is genuine by only using contact details obtained from **independent reliable sources**, and does not use an email address or telephone number given by the person they have been dealing with.



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knows, for companies claiming to operate in or from the UAE, to **check their status** through the UAE National Economic Register (NER).

https://cbls.economy.gov.ae/Search_By_BN.aspx



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deals only with regulated financial services firms, because they know that financial services is a regulated industry. They make detailed checks at the sites of the Dubai Financial Services Authority and the Securities & Commodities Authority.

<https://www.dfsa.ae/public-register/firms>

<https://www.sca.gov.ae/en/open-data.aspx>



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questions why a company from another country is **seeking UAE customers**, something that is normally a red flag, conducts checks in the country where the company claims to be based (using the websites of regulatory bodies equivalent to the DFSA and SCA) and asks who regulates them in UAE.



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always understands what they're investing in. Fraudsters often use complicated jargon to confuse victims. Human nature may make it difficult for people to admit they don't understand. It is always prudent to have a trusted independent professional check any investment documentation to be signed.



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Is never rushed or pressured to make a quick decision to meet a supposed investment deadline. Fraudsters use this tactic to convince their victims to ignore any doubts they have and to give you less chance to do research or seek alternative sources of financial advice. It is always a good idea to seek independent advice and also to do online background checks, as mentioned above. Always avoid making a rushed decision.



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A smart investor

understands that **education and knowledge are key** to avoiding becoming a victim, and stays up to date with the many types of investment fraud and their red flags.

Please see below for useful education and information resources.



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<https://www.investor.gov/protect-your-investments/fraud/how-avoid-fraud/what-you-can-do-avoid-investment-fraud>

<https://www.finra.org/investors/how-spot-investment-scam-6-steps>

<https://www.aarp.org/money/scams-fraud/info-2019/investment.html>

<https://dfi.wa.gov/financial-education/information/steps-you-can-take-avoid-investment-fraud>

<https://www.fbi.gov/investigate/white-collar-crime#Securities-and%20Commodities%20Fraud>

<https://www.fca.org.uk/scamsmart/types-investment-and-pension-scams>

<https://www.fca.org.uk/scamsmart/how-avoid-investment-scams>

<https://www.investopedia.com/articles/forex/042315/beware-these-five-bitcoin-scams.asp>



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<https://www.kaspersky.com/resource-center/definitions/cryptocurrency-scams>

<https://www.consumer.ftc.gov/articles/what-know-about-cryptocurrency-and-scams>

<https://bitcoin.org/en/scams#money-transfer-fraud>

<https://www.investor.gov/protect-your-investments/fraud/types-fraud/binary-options-fraud>

https://www.sec.gov/files/ia_binary.pdf

https://www.centralbank.ae/sites/default/files/2020-05/Consumer%20tip%20sheet%20consumer%20beware%20-%20fraudulent%20actions%20during%20COVID-19%20pandemic_1.pdf

<https://www.dfsa.ae/alerts>



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