

The FSMA warns the public against various companies that are selling training in Belgium intended to teach people to trade in complex financial instruments such as forex derivatives.

Anyone who signs up for such training, is given access to instructional videos, webinars and live chat sessions with all sorts of information about how the forex market works. They explain what forex derivatives are, how exactly you can trade in them, what type of orders you can place and what software you can download for the purpose. The message is that forex trading offers opportunities on condition that you have thoroughly studied and have a full understanding of how it works.

This comes with risks. First, the FSMA wishes to remind you that distribution of derivative instruments traded on an electronic trading system and involve leverage (including certain forex instruments) is prohibited in Belgium.

Secondly, such training materials are often distributed done via a pyramid structure. In general, these are referred to as 'MLM' (multi-level marketing) schemes, in which consumers are incentivized to bring in new members. In exchange, they receive compensation in the form of a commission or discount on the price of the training.

Such MLM networks appear to be active on social media via countless (private) groups. It appears that these schemes mainly target young people. The message is that everyone can afford a luxurious lifestyle provided they bring in enough new members and make the appropriate investment in the training on offer.

Offers of instruments on forex via internet are very risky and open to fraud: anyone who invests in instruments on forex runs the risk of losing the entire sum invested. **The chance of loss is far greater than the chance of profit:** surveys by other European supervisors among investors shows that at least 75% to 89% of the investments in derivative products, such as forex derivatives, are loss-makers! These products are appropriate only for those who really wish to speculate, are ready to lose the entire amount invested or even more, and are familiar with derivative financial products. **There have also been many cases of fraud with these instruments.** In a number of cases, it turned out that no actual transactions were ever made by the offeror.

The FSMA is aware of the following websites that offer this type of training to Belgian consumers.

- **Edu4traders** (www.edu4traders.com)
- **SmartCapitale.fr** (www.smartcapitale.fr)
- **Tradehouse Europe** (www.tradehouseeurope.com)

Have you received an offer of an investment and would like to find out whether it could be fraudulent? If so, take the test under the heading '[Beware of fraud](#)'.

We also urge investors always to check that the company in question has the requisite authorization. A simple search via the [search function](#) on the FSMA website is all you need. You can also contact the FSMA directly via the [consumer contact form](#).

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