



BOILER ROOMS: THE FSMA WARNS THE PUBLIC AGAINST VARIOUS COMPANIES ENGAGING IN UNAUTHORIZED ACTIVITIES IN BELGIUM

The Financial Services and Markets Authority (FSMA) warns the public against the activities of various "boiler rooms" that are contacting Belgian consumers.

Companies operating unlawfully and against which the FSMA warns the public are the following:

- [Aichi BMO International \(ABMOI\) / Leiyu Trade Limited / GHY Partners Limited](#)
- [Apex Alliance](#)
- [Citic Tokyo International / Bai Xin Cheng Limited / Jin Yam \(HK\) Trade Co., Limited](#)
- [Drukenmiller Investment Services / Timmermans Asia Ltd / Hansen Peters Ltd / Sarandon Asia Ltd](#)
- [Lexus Group / MCA Advisors / Raeat Holdings Limited](#)
- [Sino Link Japan / Mypal International Co, Limited / Bai Xin Cheng Limited](#)
- [West Pacific Dealers](#)

The above companies are not authorized investment firms or credit institutions in Belgium and may under no circumstances offer investment services in or from within Belgium.

Moreover, according to information in the possession of the FSMA, these companies may be "boiler rooms".

We wish to reiterate that boiler-room fraud is a type of fraud that generally involves contacting consumers unsolicited, often by telephone, offering to sell them shares or other financial products. In recent times, the services being offered have been diversifying. Products being offered also include: management accounts, term deposit accounts, investment advice, investment in crowdfunding, etc. Although the boiler rooms claim to be an authorized service provider with a professional website and forms to fill out, they are in reality swindlers who offer fictitious or worthless shares or products. As a rule, the consumer is enticed to make an initial, limited investment that very soon appears to be profitable. After that, the consumer is asked to make more and more additional investments. But unlike with the first, limited investment, the new investments lose money and/or when a consumer asks for his or her money back, it turns out to be impossible unless he or she makes further payments. Fraudsters running such operations often do not hesitate to put the consumer under severe pressure (hence the term "boiler room").

According to the latest information available, the FSMA has noted that these "boiler rooms" appear to be targeting company managers and directors in particular.

For these reasons, the FSMA strongly advises against responding to any offers of financial services made by the companies listed above and against transferring money to any account number they might mention.



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

- always verify the identity of the firm (company identification, home country, etc.). If the company cannot be clearly identified, it should not be trusted. If it 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 investment firm but also, where applicable, the company that is the beneficiary of the account whose number is provided by the latter. Since 17 July 2015, the FSMA has been publishing a recapitulative list of companies operating unlawfully within the territory of Belgium; this list is regularly updated;

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 operating unlawfully 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 firm 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" (the lists are available only from [French](#) or [Dutch](#) pages);
- 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;
- 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 assurances/guarantees linked to their account: if an offer is fraudulent, the assurance/guarantee promised is equally so;



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- ask their intermediary for clear and comprehensible information. Investors should refrain from investing if they do not fully understand what is being offered;
- be all the more suspicious if the firm 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 using the [contact form](#) on the website of the FSMA. As well, please feel free to notify it should you come across a suspicious company that has not yet been the subject of a warning by the FSMA.

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