

Print from the website of the AMF

22 June 2020

## The AMF draws the public's attention to pyramid structures proposing training courses in trading

**Over the past three months, the AMF has received nearly one hundred reports from retail investors denouncing the often aggressive practices of Multi-Level Marketing (MLM) companies offering training in Forex or crypto-asset trading, via a pyramid recruitment and remuneration scheme.**

The COVID-19 lockdown period has been conducive to the development of the network of these platforms that play on a feeling of urgency and the idea of a unique opportunity that is not to be missed. The AMF has received testimonies from relatives and friends worried about the involvement of a child or friend in a scheme that consists in selling them a training pack for trading on the Forex market (Foreign exchange) or in crypto-assets such as bitcoin. The pack costs several hundred euros, sometimes plus a monthly subscription, and they have to promote the scheme by recruiting other people.

Their arguments circulated on messaging apps and social media, often through attractive videos, promise "good deals", "easy money" and "passive income", and have been quick to draw the attention of many internet users stuck at home, especially students. The slogans include *"wealth is now! Build your global business"*, *"become a professional FX trader"*, *"lock down profitably"* or *"copy, paste, cash"*.

*"My daughter who just turned 18 is asking me about a company called XXX (headquartered in Dubai). One of her friends has given up her studies to focus on*

*“sponsoring” and is trying to convince many of their friends that the operation is lucrative,”* a mother from the Auvergne-Rhône-Alpes region told us.

*“A friend of mine is being harassed to join this platform. She is being promised that she “can get rich without lifting a finger,”* another person said to the AMF.

*“My daughter is often approached by a friend of hers (who was himself approached by another acquaintance) to join the programme. They are piling pressure on young people”* explained another parent.

With the increase in the number of such claims and the many solicitations made to private investors, some of whom are very young, the AMF is recommending the utmost caution: nobody becomes a trader in just a few hours, there is no such thing as easy money, and these products are very risky. The AMF reminds the public that given the complex and dangerous nature of these products, investor protection measures have been taken at the European level and market participants operating in Europe are obliged to display the percentage of retail investor accounts that lose money when trading CFDs on their platform. From one market participant to another, this varies generally between around 70% and more than 80%.

More generally, the AMF reminds the general public of due diligence rules that must be applied before making any investments:

- Be wary of unrealistic promises from trading websites that guarantee quick profits;
- Know that nobody becomes an expert trader after just a few hours of online training;
- Avoid the Forex market, the unregulated market for the trading of currencies, where the risks of a loss of capital exceeding the sum invested are very high (if you are not an experienced investor);

- Check that the company is authorised to offer financial services and is not on one of the AMF blacklists

[“How to check the authorisations of a market participant \(a company, an individual, a product?\)](https://www.amf-france.org/en/node/60677)

URL = [https://www.amf-france.org/en/node/60677]

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### **About the AMF**

*The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected and that investors are provided with adequate information. The AMF also supervises the orderly operations of markets. Visit our website <https://www.amf-france.org> URL = [https://www.amf-france.org/]*

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