

INVESTING FRAUDS/SCAMS THROUGH SOCIAL MEDIA

Pakistan Stock Exchange Limited (PSX) is issuing this 'Investor Alert' in order to caution its investors of fraudulent practices being performed using social media platform to lure investors for personal gains.

Social media has become an important platform to attract customers for driving their investment decisions. Many retail investors follow social media including Facebook, YouTube, Twitter, LinkedIn or other media platforms for gathering information regarding investment in particular stocks, looking up background information on a Brokers or Investment Advisory, guidance on investing strategies and prediction of changes in the stock market's direction or in the price of a security.

While social media provides many benefits to retail investors, it also poses risks due to presence of unauthorized advisors/dealers, who misuse these platforms for their personal gains. These unauthorized advisors/dealers can spread false or misleading information about a stock through many channels, including by setting-up an account, WhatsApp groups, Facebook profile, logos, similar looking domains and email ids, etc. to impersonate a particular regulated/licensed company or in their own capacity falsely presenting themselves as Stock Market experts/analysts.

Please be informed that information from social media may be inaccurate, incomplete or misleading. **It may also be noted that in order to perform acts like advising on investment related topics, a valid license is required under licensing regime for Securities Advisor, under the Securities Act, 2015.**

Therefore, the investing public is hereby expressly advised to remain mindful of self-proclaimed social media experts/analysts and ensure to deal with registered and licensed advisors.

Some forms of luring the investing public into making investment decisions among others can be:

- **Promise of Guaranteed Fixed Returns:**
Be cautious if someone is promising guaranteed fixed returns periodically on investments.
- **Promise of High Investment Returns:**
Be cautious if someone promises a high rate of return on the investment with low risk.
- **Provision of Unsolicited Investment Advice:**
Be cautious while receiving a call, message, e-mail or other communications offering unsolicited advice on investments whether from unknown person or even from a person connected to some known person.

▪ **Pressure to Act Immediately:**

Be cautious if someone is repeatedly contacting and compelling to quickly invest otherwise the opportunity will be missed.

▪ **Unauthorized Advisors/Dealers:**

Be cautious from unauthorized/unregistered employees of Brokers or Advisor. Such unauthorized/unregistered persons create fake websites/Facebook pages to mislead the investors on buying and selling of securities based on the tips/advise provided by them.

▪ **Research Before Investing:**

Do the research by examining companies and their financials before making any investment decision in its stock.

Investors are advised to regularly visit the official websites of SECP, PSX, CDC and NCCPL in order to keep themselves updated and make well-informed and prudent investment decisions.

Furthermore, PSX strongly encourages investing public, who become aware of any fraudulent scam, fake websites/pages to report the same to PSX along with the details which may include email and website addresses, registration numbers, or any other relevant evidence(s). Reporting fraud will help PSX in preventing other investors from unknowingly becoming victims.

The Fraud/Scam can be reported to PSX at following addresses:

Mailing Address: PAKISTAN STOCK EXCHANGE LIMITED (PSX) HEAD OFFICE, Stock Exchange Building, Stock Exchange Road, Karachi - 74000, Pakistan.

E-mail Address: investor.complaints@psx.com.pk

On behalf of Regulatory Affairs Division of Pakistan Stock Exchange Limited