



## ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

### SEC ADVISORY

The Commission has received information that a Filipino investor accessed and invested money in **Blazing Traders** and **Trader.Online**. These websites have links about business/investment opportunities involving forex, binary options and contract for differences (CFDs).

Binary options and CFDs are financial products that give an investor exposure to price movements in securities without actually owning the underlying assets such as a currency, commodity or stock.

Upon review, **Blazing Traders** is a binary options robot that promises, to make investors' money grow fast. In an article published by The Straits Times which can be accessed at <https://www.straitstimes.com/business/companies-markets/eu-watchdog-clamps-down-on-binary-options-cfds>, the European Securities and Markets Authority (ESMA) said that it was prohibiting the marketing, distribution and sale of binary options to retail investors, while its restrictions on CFDs would affect their marketing, sale and distribution. This is in response to the complexity and lack of transparency of binary options and CFDs that makes them a risky undertaking for investors.

In another report from the Australian Broadcasting Corporation which can be accessed at <http://www.abc.net.au/news/2018-03-10/binary-option-industry-a-scammer-takes-us-inside-the-job/9526606>, featured a former employee of a binary options trading company based in Israel. The said employee was a party to defrauding people of their hard-earned money.

The employee also claimed to have targeted people from Australia as well as other nations such as New Zealand, Singapore, Malaysia, America, and Canada. Hiding under a fake name, he was able to convince them to invest.

Because of these instances, one should not take investing in forex, binary options and CFD's lightly.

In view of the foregoing, the public is hereby informed that **Blazing Traders** and **Trader.Online** are **NOT REGISTERED** with the Commission as a corporation or partnership and are **NOT AUTHORIZED** to solicit investments from the public, not having secured prior registration and/or license to solicit investments as prescribed under Section 8 of the Securities Regulation Code (SRC).

Those who act as salesmen, brokers, dealers or agents of these unregistered investment entities in selling or convincing people to invest in the these schemes being offered by them including solicitations or recruitment through the internet may likewise be prosecuted and held criminally liable under Section 28 of the Securities Regulation Code and penalized with maximum fine of Five Million Pesos (P5,000,000.00) or imprisonment of Twenty One (21) years or both pursuant to Section 73 of the SRC.

Accordingly, those who invite or recruit other people to join or invest in this venture or offer investment contracts or securities to the public may be held criminally liable or accordingly sanctioned or penalized in accordance with the Supreme Court decision in the case of SEC vs. Oudine Santos (G.R. No. 195542, March 19, 2014).

Should you have any information regarding the operation of the subject entities and other similar schemes, please coordinate with the Enforcement and Investor Protection Department at telephone numbers 818-6047 or email us at [epd@sec.gov.ph](mailto:epd@sec.gov.ph).

For the guidance of the public.