

FSCA warns the public against Fx Trade Bitcoin

The Financial Sector Conduct Authority (FSCA) warns the public to be cautious when conducting financial services business with FX Trade Bitcoin. Whilst it is uncertain what business the company is conducting, the FSCA points out that FX Trade Bitcoin is not authorised to give any financial advice or render any intermediary services in terms of the Financial Advisory and Intermediary Services Act, 2002 (FAIS Act).

The FSCA received information that FX Trade Bitcoin is soliciting investments from the public. The FSCA received complaints from investors who seems to be unable to recover their funds from FX Trade Bitcoin. The warning is made against the background of an ever-increasing number of fraudulent activities in the crypto asset and on-line trading environment. It is also of concern that the website of FX Trade Bitcoin has no contact details.

Members of the public should always check that an entity or individual is registered with the FSCA to provide Financial Advisory & Intermediary Services and what category of advice it is that the entity is registered to provide. Attention is also drawn to the fact that financial services providers are not licenced to be a provider of over the counter derivatives, only to act as an intermediary for such products. In addition, financial services providers may only market the over the counter derivatives of approved product providers.

The FSCA reminds customers who wish to conduct financial services with an institution or person to check beforehand with the FSCA on either the toll free number (0800 110 443) or on https://www.fsc.co.za/Fais/Search_FSP.htm whether such institution or person is authorised to render financial services.

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