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CSA Issues Investor Watch Regarding Foreign Currency Exchange (Forex/FX) Trading

Saint John – The Canadian Securities Administrators (CSA) today issued an investor watch to make investors aware of the significant risks involved in foreign currency exchange (Forex/FX) investments. Investors who trade Forex are also warned against dealing with unregistered firms offering Forex trading.

The investor watch was created after CSA staff identified an increase in unregistered foreign exchange trading services being offered to Canadian investors, by both Canadian and foreign firms.

“Forex trading can be complex, volatile and extremely risky. It should only be entered into if investors are aware of the risks and prepared to lose their investment,” said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. “If they do enter this market, investors are advised to get expert advice from a registered professional before participating in Forex trading or purchasing a Forex-related investment.”

Use the [National Registration Search](#) or check with your local securities regulator to find out if an individual or firm is registered in your province or territory.

To improve public understanding of foreign exchange trading, the CSA have published a [detailed document describing Forex and the various risks associated with this type of investment](#). It has also created a [Forex resource page](#) on its website.

Investors should be aware of the potential for fraud and avoid offers to trade Forex associated with any of these characteristics:

- a guarantee of little or no risk and high investment returns;
- dealers or brokers that are not registered with the provincial or territorial securities commissions, and typically are based outside of Canada where it can be difficult or impossible to protect or retrieve funds;
- an unwillingness to discuss the past performance or track record of the specialist traders who will purportedly handle their money;
- an unwillingness to identify specialist traders or traders located in offshore jurisdictions who will purportedly handle their money; and/ or
- high-pressure sales techniques to buy a Forex investment, to purchase software or take courses related to Forex trading.

This investor watch is published on the new Investor Alert Page and is the first major one issued by the CSA since the launch of this resource on its website. This centralized location of investor alerts is designed to aid the public in identifying potential threats related to investing.

The [Investor Alerts list](#) is available on the CSA website.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

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