



SECURITIES AND EXCHANGE COMMISSION

PUBLIC NOTICE ON FINANCIAL INVESTMENT SCHEMES AND PRODUCTS BY UNLICENSED ENTITIES

NOTICE NO. SEC/PN/005/09/2018

The Securities and Exchange Commission (hereinafter referred to as “SEC”) is the statutory body mandated by the Securities Industry Act 2016 (Act 929) to protect investors and the interest of the general investing public. The Act among others things, specifically mandates SEC to “promote the orderly growth and development of an efficient, fair and transparent securities market in which investors and the integrity of the market are protected”

The SEC has taken note of various unlicensed financial investment schemes and products being offered publicly to the unsuspecting general public through various media forms including electronic, outdoor and mass media advertising. The unique selling proposition of these schemes and products is the unreasonably high rates of return or interest per month or year promised the investor public. Some of the guaranteed returns range from 6%, 10%, 20%, 40% and even as high as 70% a month translating into, 72%, 120%, 240%, 480% and 840% a year respectively. It has come to our notice that some of these high rates of promised interest are surprisingly dollar denominated. Proper disclosure on risk and ability to pay are not made by these entities. **Operators of these unlicensed financial investment schemes are in serious breach of various provisions of the Securities Industry Act, 2016 (Act 929) and are warned to close down or risk being caught on the wrong side of the law.**

Offering such high guaranteed returns, non-disclosure of risk and ability to pay are tell-tale features of **“Pyramid” and “Ponzi Schemes”** where new or fresh money deposited by clients are essentially used to pay previous depositors since there is no real underlying investment in the first place. After a while, the pipe-line for fresh deposits or investments dries up leading to widespread default culminating in loss of the money supposedly invested by unsuspecting depositors or investors. **The high rates of returns are used as a bait to get the public to fall for the scam.** A promise of high returns is in essence a guarantee of high risk which is typically the stock in trade of **Pyramid” and “Ponzi Schemes”**. High risk means you could lose your entire principal.

SEC is not out to destroy anyone's business. It is only committed to its statutory mandate to protect the interest of investors. The SEC wishes to advise the General Public to be wary of these schemes and desist from investing their life's savings in these schemes and unlicensed investment entities. Furthermore, SEC wishes to inform the general public to report any such Schemes and entities directly to the SEC on:

Toll free number: 080010065 or main line: **0302 -768970 – 2.** Or contact us on our website www.sec.gov.gh. **SEC is here to ensure investor protection.**

**ISSUED BY:
SECURITIES AND EXCHANGE COMMISSION OF GHANA
PURSUANT TO ACT 929
This 14th day of September 2018**