

For some time now, the FSMA has been noticing that various types of particularly risky financial derivatives are being distributed to the public in Belgium via electronic trading platforms. In the past few years, the FSMA has received numerous complaints, with new ones arriving almost every day.

Some of the complaints refer to providers acting without authorization to offer financial services or products. Their offers thus constitute investment fraud. On the FSMA's website, there is a list of companies operating unlawfully in Belgium, which also indicates what products they offer.

The FSMA takes the view that these particularly risky financial derivatives are not suitable for retail investors. The instruments are, moreover, marketed to the general public in a particularly aggressive manner. The FSMA often notes that such instruments are even offered to senior citizens, the unemployed, people in financial difficulty or consumers who clearly do not have the requisite knowledge and experience. That is one of the reasons why the Regulation also prohibits certain undesirable marketing methods.

The Regulation serves not only to protect the specific interests of consumers, but also to contribute to ensuring the integrity of and public confidence in the financial sector.

Other countries have also banned the distribution of such instruments. For example, the United States, Israel and Japan have adopted regulations restricting or banning CFDs and/or binary options. In some countries, the use of leverage has also been prohibited (Hong Kong, United States, Japan and Singapore).

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