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Context back in March-April 2020

Suddenly...

- Lock down.
- Fraud attempts.
- Extreme volatility.
- AMF Quebec needed to **cancel** and **create** an already booked campaign.
- Need to be proactive.

A “Vintage” Fraud Attempt

- A massive MAILING sent by a fake stock analyst and geologist.
- “CORONAVIRUS AFFECTING MARKETS: READ NOW!”
- About the **Crestview Exploration** title, predicting that its stock price “will soar as the recession hits”.

A “Vintage” Fraud Attempt

- The short-term upside potential for investors buying shares of Crestview Exploration today is around **500%** while long-term shareholders (12+ months) could see gains exceeding **2,400%,”** the letter says.
- Alert and social media strategy by members of the Canadian Securities Administrators (CSA).

Large campaign during a unique period

- Huge increase of discount brokerage accounts openings.
- Extreme volatility.
- Fraudsters active on social media & the Web.

General public

Professionals
Individuals and firms in the financial sector, Fintech

Becoming a professional
Exams, probationary period, right to practise, trainers

Other AMF mandates
MSBs, VRSPs

Insurance

Investments

Personal finances

Fraud prevention

Calculators and tools

Assistance and Complaints

Compensation and Deposit protection

[General public](#) → [Fraud prevention](#) → [COVID-19: Watch out for financial fraud!](#)

Fraud prevention

COVID-19: Watch out for financial fraud!

COVID-19: Watch out for financial fraud!

Recognize, avoid and report financial fraud

5 steps to avoid fraud

Preventing elder financial abuse

Theft of personal information

Internet fraud

Pyramid investment

Illegal on-line trading platforms

Other types of fraud

This period has seen many Internet, text-messaging and e-mail scams, so be especially careful!



COVID-19-related scams



Is the person offering you an investment authorized to sell it?

Check our register to see whether you're dealing with a representative who is authorized to practise.

[Consult our register](#) →

Large campaign during a unique period

- Campaign on TV, social media and the Web.
- New content on our website.
- Newsletter.
- Special partnerships with Seniors Associations.
- Webinars on most frequent mistakes by novice investors during WIW.

Canadian investors during COVID-19

- Canadian Securities Administrators (CSA).
- Securities regulators from each of the 10 provinces and 3 territories in Canada have teamed up to form the Canadian Securities Administrators (CSA). The CSA protects Canadian investors from unfair, improper, or fraudulent practices and fosters fair and efficient capital markets.

Canadian investors during COVID-19 : CSA Investor Index 2020

- Online survey (Sample : 7,537 adults).
- August 24 – September 8.
- Results were weighted by age, gender, province.
- As well as with a telephone survey of 1,223 adults.

Canadian investors during COVID-19

CSA INVESTOR INDEX is about:

- Investment knowledge.
- Investment behavior.
- Incidence of investment fraud.

Canadian investors during COVID-19

No specific impact of COVID-19...
... on self-reported **RISK TOLERANCE**

- 37% of Canadian investors reported being “very” or “fairly” aggressive in their investment risk tolerance in 2020, compared to 35% in 2017.

Canadian investors during COVID-19

CONFIDENCE remained **relatively steady**

- Less than half (45%) of Canadian investors are **optimistic** about their investment targets over the next 12 months.
- 60 % are optimistic when considering their targets over the next **5 years**.

Canadian investors during COVID-19

CHALLENGE #1 for investor education stakeholders

- Important that **investors remain diligent**, especially during uncertain economic times. **Reviewing risk tolerance regularly** and **developing a financial plan** helps investors ensure their investments are aligned with their goals.

Canadian investors during COVID-19

FRAUD PREVENTION faces old & new challenges

- **One-third (33%)** of respondents with a financial adviser performed background checks, similar in 2017 (31%), but down from **41% in 2012**.
- Fraud victimization steady at **4%**.
- **Under the surface** we see fewer being approach with fraud but more of those approached have been victims.

Canadian investors during COVID-19

CHALLENGE #2 for investor education stakeholders

- Keep focusing on the classic message to **check background**.

Canadian investors during COVID-19

FRAUD PREVENTION faces old & new challenges

- The percentage of respondents who invested money in what turned out to be a fraudulent investment has **declined among those over 55**, while it has been on the **rise among those under 35**.

Canadian investors during COVID-19

CHALLENGE #3 for investor education stakeholders

- Understand and reach out to **young adults investing on their own** and relying mainly on info shared or promoted on social media and the Web.





COVID-19 & Investment Fraud

In this document:

1. What does a COVID-19 scam look like?
 - Claims that a company has a solution to help stop the coronavirus outbreak
 - Companies claiming to have products or services that will prevent, detect or cure COVID-19 infection
 - Potentially fraudulent ads offering opportunities to work from home as securities traders without any former experience or a license
2. How to report suspicious activity
3. How to protect yourself
4. How to stay informed



Fraudsters and scammers have found ways to exploit the COVID-19 pandemic. The Canadian Securities Administrators (CSA) reminds Canadians to be extremely cautious.

What does a COVID-19 scam look like?

- Coronavirus-related investment scams from **companies falsely claiming to have products or services that will prevent, detect or cure COVID-19 infection**. Although research is underway, there is no vaccine or any natural health product that is authorized to treat or protect against COVID-19. Be cautious of any claims that a company has a solution to help stop the coronavirus outbreak.
- Potentially fraudulent ads offering **opportunities to work from home as securities traders without any former experience or a license**. In Canada, anyone in the business of trading securities must be registered with their provincial or territorial securities regulator.

Report Suspicious Activity

If you believe that you or someone you know has been offered a fraudulent opportunity related to the coronavirus, please contact your provincial or territorial [securities regulator](#).



Protect Yourself

There are some simple ways to do your research and protect yourself.

- The CSA [National Registration Search \(NRS\)](#) is an easy-to-use tool to check registration, categories of registration and any disciplinary information about registrants.
- You can make informed decisions by learning how to identify the [red flags of investment fraud](#) and using important sources of information such as the [CSA Disciplined List](#) and [Cease Trade Orders database](#).
- Check the news and search online to see if there are any news releases, investor alerts or other information about the company or person.
- Monitor for the red flags of fraud, which remain consistent regardless of the fraud or scam.
- Ask questions, get satisfactory answers and think critically before making financial or investment decisions.
- The CSA and its members regularly put out [investor alerts](#) informing the investing public of known scammers and fraudulent activities.
- Refer to the Public Health Agency of Canada for reliable information on COVID-19.

Obrigado!
Thank you!
Grazie!
Merci!