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Corporate Communications Department

## **TWSE decrypts four major tactics of frauds in online investment advertisements**

In recent years, the number of investment fraud cases and the amount of financial losses have remained high. Many instances involve the public being attracted by automatically pushed investment advertisements while browsing investment-related news or videos online. They subsequently click on links or add friends, inadvertently joining fraudulent investment groups. In response to the proliferation of online investment fraud ads, the Taiwan Stock Exchange (the TWSE) reminds the public to stay vigilant when encountering investment-related ad messages, not easily trusting them to avoid falling into fraud traps.

The TWSE states that fraud groups often employ four main tactics to lure people into traps. Firstly, they impersonate celebrities: many fraud groups create fake investment groups on platforms like Facebook, using photos of investment influencers or financial celebrities or inserting celebrity videos to arouse curiosity and gain quick acceptance. Secondly, they use high returns as bait: they advertise "guaranteed high profits with no risk", "profits from investing in skyrocketing stocks", or "guaranteed stock subscription", using sensational and enticing language to deceive people into believing it's an unprecedented money-making opportunity, when in fact, it's a scam. Thirdly, they emphasize free services: claiming "free access to skyrocketing stocks", "free stock analysis tutorials", "free latest stock market news", etc., to lure people to join LINE groups. However, these seemingly good freebies are actually signs of fraud. Fourthly, they pose as legitimate operators: fraud groups often claim to be legal investment advisory businesses approved by the Financial Supervisory Commission, even forging documents, licenses, margin receipts, trademarks, etc., in an attempt to gain trust from investors.

Fraudulent investment scams typically request joining LINE groups and continuously brainwash and deceive people into investing. If asked to transfer funds, it is crucial to remain vigilant. If funds are mistakenly transferred and suspicions or potential fraud are detected, it is recommended to immediately call the Anti-Fraud Hotline 165 or report to 110. There is still a chance to stop the withdrawal or transfer of funds within 24 hours through police investigations and financial institutions' joint defense mechanisms to prevent fraudulent funds from being withdrawn.

In response to the prevalence of online fraud, the TWSE uses technology to target high-traffic and influential websites, conducting daily spot checks to identify suspected violations or fraudulent advertisements and promptly notifying regulatory authorities to help curb false advertisements for online securities investments. The

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TWSE reminds the public that faced with a variety of messages soliciting online investment offering, it is essential to verify through multiple sources and not easily believe.