

Public warning: Beware of scams and frauds

Beware and don't be misled by fraudulent activities/schemes of deposits, loans, investments etc. launched by certain companies, non-corporate entities and/or individuals through advertisements in print and electronic media, agents, brochures, websites, emails and hoardings etc. Some examples of these fraudulent schemes aimed at depriving innocent public from their hard earned money are briefly explained below:

- **Employment Scams** in which job advertisements are published seeking processing charges etc., from the candidates along with the job applications.
- **Deposit Schemes** in which the public is promised unusually high profit/mark-up.
- **Loan Schemes** in which fraudsters promise loans of huge amounts for any purpose on easy terms. They ask borrowers to fill up forms, pay certain charges and eventually tell them that the bank has declined their loan application or just disappear.
- **Relief/ Charity Scams** in which potential donors are contacted by strangers/ unreliable persons through unsolicited e-mails, phone calls, SMS or other means to deposit money into a bank account.
- **Booking of vehicles/ tractors/ capital goods** in which the public is asked to give certain cash by hand or deposit the same into a bank account, in the name of advance money/ booking price for purchase/ lease of capital goods.
- **Cheating through post, e-mails, phone calls, SMS** by offering unexpectedly exciting prizes, lucky draws and sweepstake, and false promotions/ offers.
- **Introducing foreign so called brokerage houses**, a type of business not covered under local laws.
- **Real Estate Scheme/projects** soliciting investors to purchase properties (usually existing on paper only) in Pakistan by promising high gains and promising residency permits abroad.
- **Network Marketing, Multi Level Marketing (MLM), Direct Selling, Ponzi and Pyramid Schemes** requiring customers to bring certain number of more members in a geometric progression.
- **Prize winning frauds- Car, plot of land or lottery schemes etc.**, in which innocent people are informed over telephone or through letter about winning a lottery, car or winning plot of land by getting their names and other particulars from sources like utility bills, telephone directories etc.
- **Registration for making postings and typing work** under this scam some corporate / non corporate entities and individuals invite the general public to register themselves for ad-posting on social media, typing of Directory, Books etc. on payment of hefty amounts.
- **Paid to click** under this scam the customer is asked to register on hefty payment to click and get payments.

In these schemes the fraudsters give so called assurance of deposit safety, guarantee regular high profit, guarantee of provision of employment etc. but their schemes fails on its saturation. They neither return the money nor pay the interest / markup on the investments, give them plots, employments, prizes, vehicles, products etc. and disappear.

The public is, therefore, advised in their own interest to be prudent while making any investments and to verify that the entity they are dealing with is duly authorized/licensed by the relevant authority to carry on its business. Appropriate advice from independent legal or financial professionals regarding the risks involved is suggested. The list of entities licensed by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) is available at their respective websites. For further clarification in respect of these entities, the SECP or the SBP may be contacted at the following addresses:



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