



JOINT PUBLIC ADVISORY

BY THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION, THE FINANCIAL INTELLIGENCE UNIT OF TRINIDAD AND TOBAGO AND THE CENTRAL BANK OF TRINIDAD AND TOBAGO ON "PYRAMID SCHEMES" MARKETED IN TRINIDAD AND TOBAGO

The Financial System Regulatory Authorities: the Trinidad and Tobago Securities and Exchange Commission (TTSEC), the Financial Intelligence Unit of Trinidad and Tobago (FIU) and the Central Bank of Trinidad and Tobago (CBTT) are jointly issuing this Advisory to the public to be cautious about entering into ventures commonly referred to as "pyramid schemes".

These schemes are currently being heavily marketed to nationals through online chat groups, via virtual meeting platforms and by direct face-to-face contact. **Pyramid schemes may take many forms and are often falsely presented as new investments including different types of securities, foreign currency trades and even traditional "sou-sou" arrangements.**

How can you recognise a Pyramid Scheme?

- They require persons to join groups and make an initial contribution of money with **the promise of a significant pay-out or "return"** on their contribution at a later date.
- They rely on the recruitment of new members in order to ensure high pay-outs – this is very **different from "sou-sou" arrangements, for example, which do not require recruitment of new members and are not profit-making ventures.**
- Early contributors to the scheme are paid from the money contributed by newer members. Existing members are encouraged to recruit new persons so that they can move to a different "level" or "circle" which promises higher

returns on their contribution. The overall intention is to get to the "highest level" or to the top of the pyramid which will produce the highest pay-outs, while the newest members, those at the bottom of the pyramid, receive the lowest returns on their contributions. **When fewer or no new members join the scheme, it collapses and disappears along with the payment platform and the money that was 'invested'.**

Schemes outside of regulated financial facilities, such as pyramid schemes, promising exorbitant cash pay-outs pose a serious risk to those participating including loss of their hard-earned money. In addition, recipients of these funds may not be able to determine their true origins, which may be from illicit sources. **You should therefore avoid pyramid schemes.**

Please note that ANY individual or entity promoting investment opportunities must be registered with the TTSEC. Reporting Entities should pay special attention to any unusual activity/transaction and if it is suspicious, report to the FIU.

The Regulatory Authorities are advising the public to remain vigilant and report any fraudulent activity to the **Fraud Squad of the Trinidad and Tobago Police Service (TTPS) at Telephone numbers: 1(868) 625-2310 or 1(868) 623-2644 or; Fraud Squad South office at 1(868) 652-8594; or by Email: fraud@ttps.gov.tt.**

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