



SMV
Superintendencia del Mercado de Valores
República de Panamá

ENFORCEMENT ACTIONS TO PREVENT SECURITIES FRAUD

- **SMV performance and compliance actions**
- **Alerts issued**
- **International Assistance**
- **Investor Alert Campaign**
- **Educational Messages for and future investors**

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Performance Actions

- Maintain the continuity of operations.
- Enable remote working for SMV staff and intermediaries.
- Ensure safety of on site staff.
- Use of technology to handle public inquiries instead of receiving them on site.
- Strengthen and promote our investor alert website section.

Compliance Actions

- Promoting and strengthening the use of our investor alert site section to communicate to the public our notices, warnings and announcements targeted to prevent investors from being victims of securities fraud.
- Reinforce our investor education program by publishing warnings and alerts on the SMV web site **www.supervalores.gob.pa** and **twitter account @Supervalores_Pa.**

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Investor Alerts 2020 – 2021 (October)

- **15** investor alerts of unregulated entities.
- Cryptocurrencies schemes –unregulated.
- Companies without operations or address in Panama.
- Investors Complaints:
 - North America
 - Caribbean
 - South America



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SMV signatory of Appendix A –MMoU IOSCO

- Regarding International Cooperation, during 2020 the SMV addressed **17** request of international assistance from our counterparts, in which they required our support on identifying unregulated activities and operations that required immediate response.
- The SMV addressed request from: United States, Canada, Dominican Republic, Ecuador, China, Uruguay, proving that it has mechanisms to cooperate and provide timely response.

During 2021, **13** request of international assistance have been received.

Countries: Ecuador, Spain, Nicaragua, United States, Bahamas, Australia and South Africa.

International assistance requested by the SMV : **15**

Countries: Dominican Republic ,United States, Germany, Spain , Bermuda, Canada, Australia, Bahamas, Luxemburg, Switzerland and United Kingdom.

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Investor Education Regulated individuals, employees and the general public.

- During the year 2020, **25** trainings were given impacting a total of 3,056 person.
- In 2021, there have been **23** trainings so far, impacting a total of 2,573persons.
- National Strategy of Financial Education

- **Investor Alert Campaign**
- **Educational Messages for and future investors**

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Investor Alert Campaign- Objectives:

- Broadcast at the level of networks and social media, public communications issued by the SMV about companies and individuals who do not have authorization to carry out activities of the securities market, in or from the Republic of Panama.
- Inform the media of the alerts received in the entity.
- Provide recommendations to the public, to prevent and not get caught by unregulated schemes.



Recommendations for the Investors

Some advice to consider before investing:

- Organize your personal finances, let it be the surplus of your income that you use to invest.
- Know your profile as an investor; define your investment objectives; diversify.
- Seek advice from a certified intermediary of the securities market.
- Continuously analyze and verify the behavior of your investments.
- Review the financial information of the issuers.



Recommendations for the Investors

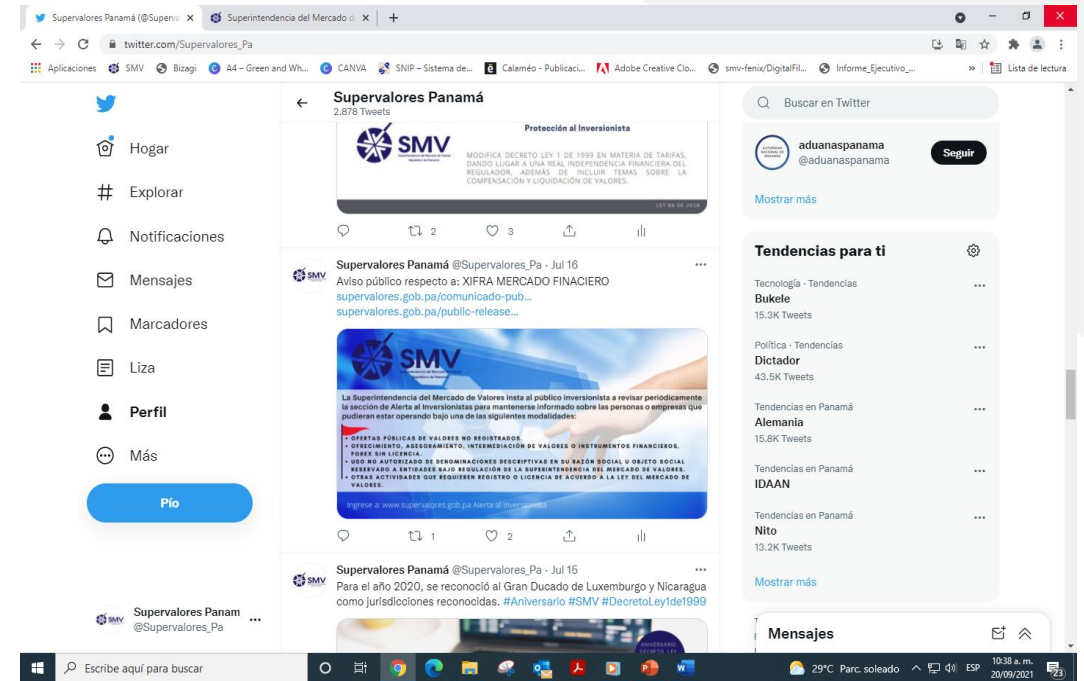
Cryptocurrencies

- According to Opinion No. 7 of 2018, cryptocurrencies are not part of the category of "security" recognized by the Securities Market Law, therefore, anyone who invests in them must be clear about the absence of regulation, absence of a supervising authority and absence of the guarantees for investors that are recognized in investment schemes that are subject to control and regulation, offered for intermediaries regulated by the SMV.

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Media:

- SMV Social Media: Twitter, LinkedIn and the Investors Alert Section of the Web Site.



- SMV Web Site/ Investors Alert Section: How to file a complaint?



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Recommendations for the active and future investor

- **Find out about the different investment alternatives, know, and understand the products in which you are going to invest.** The Information is essential.
- **How much are you willing to lose?** Identify the level of risk to assume.
- **Diversify.**
- **Be cautious of third-party recommendations.** The advice to invest in any alternative of investment are frequent and not necessarily the same.
- **Verify that the entity from which you will make your investments is a licensed entity.**
- **Carefully review the documentation that is being made available to you before, during and after making your investment.** Demand information.
- **Know the Numbers.** A company needs to prove the financial performance of their portfolios to the investor and its own financial situation.
- **Verify Identity.** The person selling a service or product should be a licensed professional of the industry.
- **No pressure.** Beware of ready to sign deals.
- **Know in what you are Investing:** Read the financial information. There is always the basic literature like for example the fact sheet of a mutual fund. *Ask yourself this question: Does the company exists?*
- **Read before you sign.** Is a lot of paperwork, but just reading it can save you from a big headache.
- **Beware of Online Scams:** Some examples can be: A link by email to invest, give your credit card by phone, receiving an email from your firm, but the last name of your investment advisor is wrong.

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Investor Education in Regulated Entities and Issuers Web sites

- ❖ *Blogs*
- ❖ *Bulletins*
- ❖ *Newsletters*

Other alerts of fraud:

- ❖ *If it sounds too good to be true, it is.*
- ❖ *"Guaranteed returns" aren't.*
- ❖ *Beauty isn't everything.*