



FINANCIAL SERVICES COMMISSION

Our ref: Warning Notice /FSC1-2020

23 November 2020

PUBLIC NOTICE

SUBJECT: PYRAMID SCHEMES – ADVICE FOR THE PUBLIC AND COMMUNITIES

It has come to the attention of the authorities that persons in Montserrat are participating in and operating in Pyramid Schemes. This Notice is to provide information and advice to the public to avoid the risks of participating in Pyramid Schemes.

A Pyramid Scheme is a fraudulent investment offering that profits almost solely through the recruitment of other participants into the programme. The Eastern Caribbean Securities Regulatory Commission warns the public to be on the alert for the following red flags of a Pyramid Scheme.

- 1 Emphasis on recruiting new participants to join the scheme**
- 2 Promise of a high return over a short time**
- 3 No genuine produce or service is offered; and**
- 4 A complex commission structure**

Advice

- Do not join a pyramid selling scheme – you are likely to lose your money
- Do not ask your family or friends to join – they could also lose their money
- Do not establish, operate or promote a pyramid scheme – it is a fraudulent activity and you may risk a criminal conviction

Do

- Report anyone who operates or promotes a pyramid selling scheme to the Police
- Stop your family, friends, and colleagues from joining a pyramid selling scheme.

Dulcie James (Mrs)
Commissioner