

# Investor Protection Booklet

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KEY MESSAGES OF  
CySEC INVESTOR  
PROTECTION CAMPAIGN 2022



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CYPRUS SECURITIES AND EXCHANGE COMMISSION



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INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS

WORLD  
INVESTOR  
WEEK 2022

It seems like everyone is investing in crypto, but it doesn't mean it's risk-free



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**Social media hype can make it seem like your peers are all investing in crypto, and enjoying big returns on their investment. You may be tempted to invest, out of fear of missing out.**

**Don't follow the crowd blindly. Do your own research and assess the risks yourself. The product being hyped today could be the next to crash, leaving you with no safety net.**



Crypto seems attractive, but you  
can quickly find yourself  
out of your depth

Investing in cryptocurrencies can seem fun and simple at first, but the markets can be very volatile. Returns promised by crypto can quickly drop to zero and leave you with nothing.

Before you invest, ask yourself: Can I afford to lose this amount of money? Never gamble your financial security on cryptocurrencies. The returns are never guaranteed.



Don't take financial advice  
from celebrities, they may not  
be giving you the full story



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If you see a celebrity promoting a certain financial product online, there is a good chance they have been paid for their endorsement. They should not be seen as financial experts or be depended on for advice.

Just because celebrities and influencers are popular does not mean they are qualified to guide your investment decisions.

Investing can seem like a game, but when  
your money is gone, it's **Game  
Over**



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Some online trading and investment platforms have adopted 'gamification' techniques, where design elements from games are incorporated into marketing, in order to attract and retain customers.

The familiar rewards and sense of competition can make you forget that investing has serious consequences. If you lose all your savings, you can't just press 'restart'. It's Game Over.



**Be wary of friendly  
strangers offering  
investment advice online**



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Scam artists are now utilizing social media to push risky investments onto unwitting consumers. If you receive an unexpected message or email with financial advice, think twice.

They may not be authorized to give financial advice and may not have your best interests at heart. Don't invest without thorough research and risk assessment.

When your money's  
gone, it's gone.  
Don't get caught  
investing without  
a safety net



If the value of your investments dropped to zero today, how much trouble would you be in? A wise investor will never gamble on their financial security and will always ensure they have a safety net.

If you use an unauthorized firm, you won't have access to the [Financial Ombudsman Service](#) or the [Investor Compensation Fund](#) so you're unlikely to get your money back if things go wrong.

Keep a cool head when investing online.  
Don't let yourself be led by your emotions.



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If you are led by your emotions, you will be more likely to make unwise and risky financial decisions. Investing out of enthusiasm or a fear of missing out may leave your money vulnerable.

Resist following the advice of social media “hype”. Those marketing risky products aim to provoke an emotional response, hoping you will dismiss your own concerns about the product.

Don't put all your  
eggs in one basket,  
a diverse investment  
portfolio is always  
wiser



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Financial experts recommend keeping a diverse portfolio of investments, to smooth out risk. The positive performance of some investments may neutralize the negative performance of others, leaving you less exposed if one loses value.

You should never pin your hopes on one single financial product, and never invest more than you can afford to lose.

Don't let shady investment advisers trick you over the phone. The safest thing to do is to hang up.



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**Scam artists are very skilled at persuading you that their investment opportunity is legitimate. Their materials and testimonials may seem credible, and they may seem knowledgeable and professional.**

**Never commit to an investment over the phone. It is safest to hang up and do your own research.**

A King penguin stands prominently in the center-right of the frame, surrounded by a dense crowd of fluffy, brown chicks. The penguin has a distinctive yellow patch on its neck and a blue body. The chicks are all looking in various directions, creating a sense of a large, busy colony. The background is slightly blurred, emphasizing the penguin and the chicks in the foreground.

It's okay to be  
different. Resist  
peer pressure, when  
it comes to investing  
in risky products.



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You don't have to follow the crowd when it comes to investments. Your friends may have different financial situations and risk tolerances, so you shouldn't be making the same financial choices.

Peer pressure can be a powerful influence, but it is always better to stay rational and make your own assessments.

A white dog, possibly a West Highland White Terrier, is the central focus. It is wearing black-rimmed glasses and a blue, textured cable-knit sweater. The dog is sitting at a white desk, looking towards the right. In front of it is an open silver laptop and a blue spiral notebook with a pen resting on it. The background is a solid, bright yellow color.

Do your homework.

Before you invest, always  
check the firm is  
authorised to provide  
investment services.



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If you deal with an unauthorized entity, you will not have access to the services of the Financial Ombudsman or the Investor Compensation Fund. This means you will be unlikely to get your money back if things go wrong.

An operating licence is only granted if the firm complies with specific requirements and standards which set out how to treat investors and what sort of information they should give.

## Further links:

- [Financial Literacy](#)
- [Does your investment sound too good to be true?](#)
- [7 key questions before investing](#)
- [How to avoid investment scams](#)
- [Check if an entity is authorised](#)