

SCA warns the public against falling for fake ads that promote subscription to Salik's IPO

The Securities and Commodities Authority (SCA) urges investors not to deal with unlicensed fictitious entities, which use social media to post ads promoting subscription to Salik's initial public offering for fear of being defrauded as these entities trick investors into believing that they can make profits. The SCA urges the public to exercise caution and not to respond to these misleading calls, especially since there have been cases recently where the names, logo, and documents of licensed companies were used in such fake ads. It warns investors against dealing with any company until after visiting its headquarters or contacting it using its official contact numbers, which are found on the SCA's website under the Licensed Companies list.

Using its website, social media, and other platforms, Salik has previously warned investors against falling for fake ads posted on social media. These ads contain fake information and promote accounts that use Salik's name and call for investing in the company by publishing fake, unrelated links. Salik has stressed that such accounts are unauthorized and that they use its name and the names of those in charge without permission to misappropriate investor funds. Salik has already contacted the Dubai Financial Market and competent government authorities, such as the Telecommunications and Digital Government Regulatory Authority, to put an end to the fake accounts phenomenon. It is also in the process of taking legal action against the owners of these accounts and those being investigated.

Given that the SCA has been entrusted with the responsibility and given the power to safeguard investors,

it stresses that posting the ads described above is seen as being engaged in an activity that is subject to the SCA's supervision without being licensed and constitutes a violation of the provisions of Board Chairman's Decision No. (13/Chairman) of 2021 on the Financial Activity Rulebook and Adjustment Mechanisms. This act is penalized under Federal Law No. (4) of 2000 concerning the Securities and Commodities Authority and Market without prejudice to any other fraud punishments provided for under Federal Law No. (31) of 2021 Issuing the Crimes and Penalties Law.

Accordingly, the SCA stresses that as part of the National Campaign Against Unlicensed Financial Activities, all securities dealers are urged to refer to its website, www.sca.gov.ae, for a list of licensed promoters.