



PRESS RELEASE

Press Release No.	: 2/2021	Telephone	: (679) 322 3333
Date	: 25 February 2021	Facsimile	: (679) 331 6454
		Email	: info@fjifiu.gov.fj

CRYPTOCURRENCY TRADING & ILLEGAL PYRAMID SELLING SCHEMES

Possible scams involving unregulated cryptocurrency trading and illegal pyramid selling schemes were brought to the attention of the Financial Intelligence Unit (FIU).

Unregulated Trading of Bitcoins

An entity was reported for engaging in possible unregulated trading of bitcoins whereby a group of individuals were promoting such trade on social media and online platforms.

The Director of the FIU, Mr. Razim Buksh, said that interested “investors” were provided with the entity’s bank account details and instructed to note the first and last four alphabets/numbers of their bitcoin wallets as the transaction narration when depositing funds for their acquisition of bitcoins.

Another entity was reported for possible unregulated trading of cryptocurrencies following an attempted remittance transaction for the acquisition of digital goods in Australia. It was established that over 20 suspicious deposits totalling approximately \$8,300 were made into the reported entity’s bank account within two months.

Illegal Pyramid Selling Schemes

The owner of the second reported entity was also brought to the attention of the FIU for promoting a potential illegal multi-level marketing (MLM) scheme, a type of pyramid selling scheme.

Mr. Buksh said that the scheme had been designed to appear as a business model that provides educational programmes on financial trading, market analysis, etc. and customers pay a monthly subscription fee of \$99.00. Mr. Buksh added that subscribers can receive commission from the illegal MLM/pyramid selling scheme if they get other individuals to subscribe to the scheme’s programmes.

Another illegal MLM/pyramid selling scheme was reported, which promised easy and high returns for subscriptions as low as \$2.00. This scheme operates similarly to the above-mentioned scheme. In January 2021, the FIU identified more than 150 potential victims of the alleged illegal scheme who conducted over 300 deposit transactions totalling approximately \$9,000 into one active subscriber’s local mobile money wallet. It was also established that the active subscriber received two suspicious cash deposits of \$10,000 each in 2019 and 2020, and received suspicious remittances over \$80,000 from 2018 to 2021 into her bank account.

Mr. Buksh said that these scams involving cryptocurrency trading and MLM/pyramid schemes need further scrutiny. For MLM/pyramid schemes, the focus is mainly on increasing the number of subscribed users/members/customers rather than the quality and/or usefulness of products/services offered. Under section 87A of the Fijian Competition and Consumer Commission (FCCC) Act 2010, it is an offence for a person to be a promoter or operator of a pyramid selling scheme. Mr. Buksh further stated that potential victims/investors may not be fully aware of what they are investing in and promoting to others.

Mr. Buksh warns members of the public to exercise extreme caution and not engage in any cryptocurrency trade or MLM/pyramid selling schemes.

The FIU is working closely with the FCCC, Reserve Bank of Fiji and Consumer Council of Fiji on this matter.

Members of the public may also report any fraudulent or suspicious transactions to the FIU on telephone number 322 3333 or email: info@fjifiu.gov.fj.