Press Release

Advisory to Regulated Entities to Take Note of IOSCO's Statement on Rising Fraud Targeting Retail Investor Accounts at Market Intermediaries

The International Organization of Securities Commissions (IOSCO), vide its press release dated November 16, 2026, titled – "***IOSCO's Statement on Rising Fraud Targeting Retail Investor Accounts at Market Intermediaries***", issued a warning that fraudulent schemes targeting retail investor accounts held at market intermediaries are on the rise and becoming more sophisticated. The Statement, *inter alia*, highlights that:

a) Fraudulent actors are increasingly leveraging artificial intelligence (AI), social engineering, and digital channels to reach more investors, across more jurisdictions, and with greater impact than before.

b) Common schemes to recognize include impersonation of trusted individuals or organizations, including regulators, account takeover and identity theft. Such schemes have the potential to harm investors, weaken market integrity, and diminish investor confidence in financial markets.

2. The Statement details areas contributing to the rise in this type of fraud. New technologies, including AI, are amplifying existing fraud, and facilitating it at a greater, industrialized scale. Digital finance lowers barriers to execution, speeding up the scam process, and victims are increasingly deceived into authorizing the transactions themselves.

3. The Statement shares lessons learned and practical steps that can help reduce investor harm, both through enhanced resilience for market intermediaries and through investor awareness. As contemporary fraud schemes frequently span multiple products and jurisdictions, timely information exchange and coordinated responses are essential, with complementary roles for regulators and market intermediaries.

4. In this regard, IFSCA Regulated Entities are advised to take note of the IOSCO's Statement. The Regulated Entities are encouraged to remain vigilant and periodically review the adequacy and effectiveness of their existing systems and controls to address evolving fraud risks.

Gandhinagar,
November 16, 2026

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