



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

PRESS RELEASE

For immediate release

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General Public Being Deceived Through Fraudulent Real Estate Investment Schemes

Islamabad, Feb 7 – The Securities and Exchange Commission of Pakistan (SECP) has been receiving complaints on a continuous basis from individuals, especially senior citizens, who have been deprived of their hard-earned money through investments in fraudulent real estate schemes.

Typically, these real estate investment schemes solicit deposits/ investments from general public by promising lucrative returns on their deposited amounts. The perpetrators of these schemes trap investors by displaying FBR national tax number and incorporation certificates of companies registered with SECP. The perpetrators raise deposits from hundreds of individuals in huge amounts by presenting this deposit raising as an investment in a real estate project being developed, by promising an unrealistic monthly return. The funds are usually collected in bank accounts of unincorporated entities controlled by the perpetrators whereas companies are presented as legal structure to attract investments. These real estate schemes operate as Ponzi schemes, initially paying returns to early investors before collapsing and depriving other investors of their hard earned money with no legal recourse for recovery.

It is emphasized that mere registration of a company with SECP does not permit it to raise illegal deposits / fraudulent investments or offer/ guarantee returns on investments on the pretext of investing in real estate schemes. To protect themselves, the general public is advised to exercise extreme caution and not invest in any such fraudulent real estate schemes merely on the basis of lucrative monthly profit payments. SECP further clarifies that it does not regulate real estate investment schemes except for Real Estate Investment Trusts. Any suspicious real estate investment activity should be immediately reported to law enforcement agencies.

STAY ALERT – PROTECT YOUR LIFE SAVINGS!