The Capital Market Authority (CMA) affirmed that investment, speculation and participation in the digital currency initial offers involve high risk, including risk of capital loss and fraud, as well as market risks associated with high volatility in digital currency prices, and uncertainty about its valuation, in addition to the difficulty of protecting investors as it being out of the Kingdom of Saudi Arabia's scope of control.

The warning comes in view of spread invitations and promotions for investment in digital currencies and the emergence of websites and social media advertisements that promote these currencies and target Saudi citizens and residents, as well as its vast volatility recently.

Furthermore, the CMA clarified that these investments are linked to several risks; the most important of which are: the risk of high price volatility, and the risk of fraud due to not being subject to any supervisory and surveillance authority protecting investors. Many of those websites claim that they are licensed bodies for investments and speculation in digital currencies. They tend to sign fake contracts and request to transfer funds to unknown parties. This act also involves operational risks resulting from the possibility of electronic and cyber penetration.

The CMA announces that due to the limited information available to investors about such investments, and the lack of supervision and control of the CMA; it is challenging for individual investors to realize the risks of getting involved in such investments. In the event of engaging into such risks, investors may face significant capital losses and fraud.