

IOSCO'S STATEMENT ON COMBATTING ONLINE HARM AND THE ROLE OF PLATFORM PROVIDERS

Retail investors are increasingly participating in capital markets, a trend accelerated by digitalisation including the use of mobile apps, social media and online platforms of Platform Providers¹ to promote and purchase financial products and services.

While greater accessibility through digitalisation has expanded the capital base, increased competition and reduced costs, it also has created new risks. Retail investors lose significant amounts of money to investment fraud orchestrated through online paid-for advertisements and user-generated content.

Regulators and Platforms Providers are strategically positioned to mitigate the potential investor harm arising from these risks. IOSCO is concerned about current threats and asks Platform Providers to enhance efforts, consistent with local law, aimed at reducing risk of pecuniary harm to investors, which also threatens public trust in the services provided by Platform Providers.

Working together, we can help retail investors, uphold market integrity, and prevent financial harm globally, particularly given the cross-border nature of online harm.

To facilitate these efforts, IOSCO launched in March 2025 the **IOSCO International Securities and Commodities Alerts Network (I-SCAN)**, a global database of unlicensed firms providing investment services or engaging in illegal financial activities. Platform Providers now have the opportunity to play a crucial role in the protection of investor by connecting automatically to I-SCAN to block, warn against or eliminate illegal investment offerings from their platforms.

IOSCO welcomes and strongly supports current efforts by some Platform Providers in some jurisdictions,² to disrupt the misuse of their products and services by bad actors who seek to target retail investors, but a continually improving approach is needed to achieve tangible success.

IOSCO has identified the following measures currently used in some jurisdictions, that can help disrupt online harm involving financial misconduct and encourages Platform Providers to consider adopting these measures, as consistent with local law:

- **Due diligence on unauthorised offerings:** Conducting due diligence, including by using I-SCAN, to ensure that entities seeking to advertise paid content on their platforms are legally authorised to operate in the targeted jurisdictions and are not the subject of investor warnings by regulators;

¹ Platform Providers include internet search engines, social networks or providers of apps.

² Including by rejecting or removing advertisements by entities that are not authorised by, or are the subject of warnings from, the relevant regulator; removing fraudulent content or profiles following identification; and improving their proactive monitoring process to better identify online harm, including collaborating with relevant regulators.

- **User compliance:** Rigorously enforcing applicable terms of services by monitoring and swiftly removing investment scam content or advertisements that violate platform policies;
- **Internal processes:** Developing and regularly updating appropriate internal rules, policies, processes, and tools for detecting scams;
- **Legal requirements:** Ensuring knowledge of and compliance with all applicable local laws and regulations in the jurisdictions where the Platform Provider company operates;
- **Direct engagement with regulators:** Establishing active communication channels with financial regulators and governmental authorities to enable effective information sharing, including referrals of identified fraudulent activity. Collaboration with national regulators can help produce tailored and jurisdiction-specific strategies to combat online financial misconduct.

Accordingly, IOSCO today calls on Platform Providers to join this urgent effort to combat online harm and to thwart their services from being misused to conduct fraud.