

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO. 1681

ANSWERED ON MONDAY, MARCH 10, 2025/ PHALGUNA 19, 1946 (SAKA)

**CONSUMER PROTECTION AGAINST OFFSHORE MARGIN TRADING
PLATFORMS**

1681. Shri PP Chaudhary:

Will the Minister of FINANCE

be pleased to state:

- (a) whether the Government plans to implement consumer protection measures to safeguard Indian users from the risks associated with unregulated foreign platforms offering margin trading in forex, commodities and cryptocurrencies, if so, the details thereof;
- (b) the number of complaints received regarding financial losses suffered by Indian residents due to such offshore margin trading platforms in the last three years, year-wise;
- (c) whether any mechanism put in place to help affected consumers to recover their funds from such platforms, if so, the details thereof;
- (d) whether the Government has conducted any assessment of the total value of Indian investments in such platforms, if so, the details thereof; and
- (e) the steps taken by the Government to create awareness among Indian residents about the risks of investing through such unregulated platforms, and whether any inter-ministerial coordination exists to address this issue?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (e): The Reserve Bank of India (RBI) has cautioned the public against dealing in forex with unauthorized entities/unauthorized forex trading platforms as per provisions of Foreign Exchange Management Act (FEMA), 1999 through advisories and awareness campaigns. An 'Alert List' containing names of entities which are neither authorized to deal in forex nor authorized to operate electronic trading platforms has been published on the RBI website. This list also contains names of entities/platforms/websites which appear to be promoting unauthorized entities/ETPs, including through advertisements of such unauthorized entities or claiming to be providing training/advisory services.

RBI has been cautioning users, holders, and traders of virtual currencies about the potential risks associated with potential economic, financial, operational, legal, customer protection, and security concerns through public notices. RBI has also advised its regulated entities to carry out customer due diligence processes for transactions in virtual currencies, in line with regulations governing standards for Know Your Customer (KYC), Anti-Money Laundering (AML), Combating of Financing of Terrorism (CFT) and obligations under Prevention of Money Laundering Act (PMLA), 2002, etc. Further, the Advertising Standards Council of India has laid down in its guidelines that all advertisements for Crypto/Virtual Digital Asset (VDA) and VDA exchanges need to carry the disclaimer that such assets are unregulated and can be highly risky and that there may be no regulatory recourse for any loss from such transactions.

RBI received 169 references related to the issue of unauthorized forex trading in the last three years. The number of complaints reporting financial losses on account of trading on unauthorized forex trading platforms are as follows:

Year	Number of complaints
2022	2
2023	8
2024	7

The number of complaints received by Directorate of Enforcement are as follows:

Financial Year	No. of Complaints
2022-23	01
2023-24	02
2024-25*	03

*till 28 February 2025

Directorate of Enforcement is mandated to take appropriate action in cases of violations of the FEMA and PMLA.

Further, the Ministry of Home Affairs has established the Indian Cyber Crime Coordination Centre (I4C) to provide a framework and eco-system for Law Enforcement Agencies (LEAs) to deal with any cybercrime in a comprehensive and coordinated manner. The 'Citizen Financial Cyber Fraud Reporting and Management System' has been launched for immediate reporting of financial frauds, including trading through such unauthorised platforms.
