

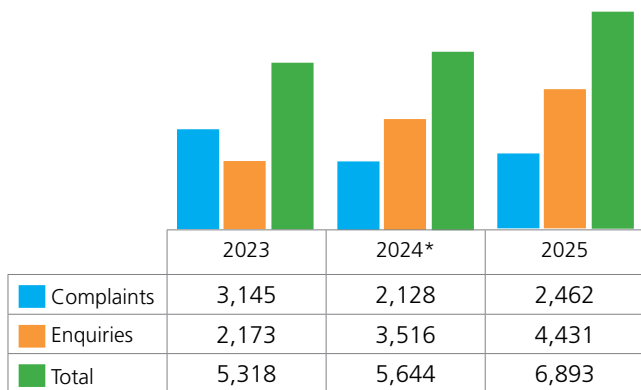
COMPLAINTS AND ENQUIRIES

The SC reported a significant rise in the overall number of complaints and inquiries received in 2024 compared to previous years, indicating a consistent upward trend over the years.

In 2025, the SC received a total of 6,893 cases, consisting of 2,462 complaints and 4,431 enquiries. This represents a 22% increase from 2024 (Chart 3).

Of the total complaints and enquiries received in 2025, 61% and 70% of enquiries were on unlicensed activities and scams (Chart 4 and Chart 5).

CHART 3
Complaints and Enquiries (2023-2025)



Note:

* The figures reflect the number of complainants and enquirers compared to the figures reported in the *SC Annual Report 2024* which were calculated based on number of complaints and enquiries received.

CHART 4
Classification of complaints

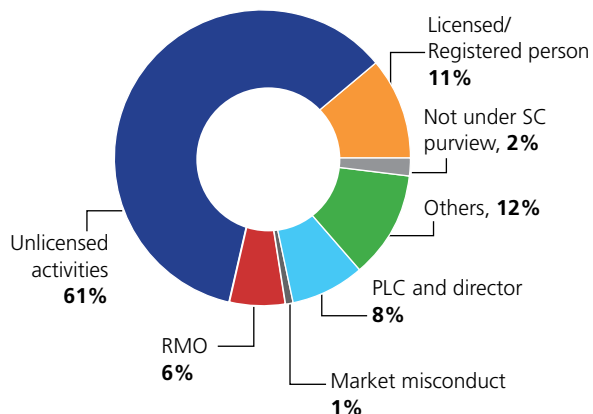
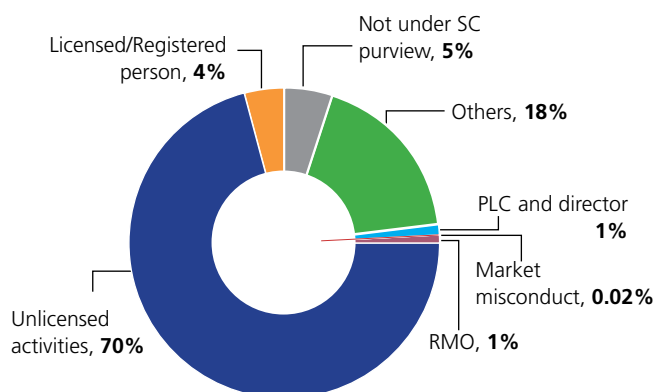


CHART 5
Classification of enquiries

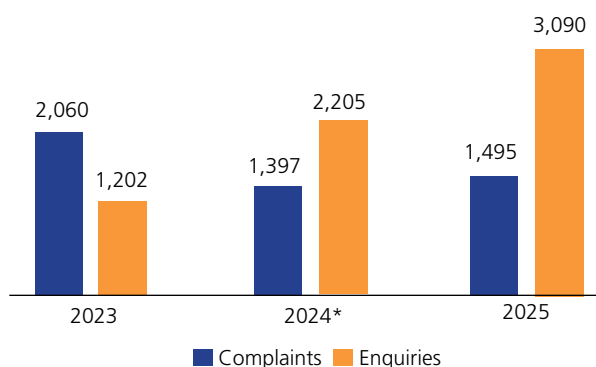


Unlicensed Activities and Scams

The SC observed an increase in the total number of enquiries received in 2025. Compared to 2023, the number of enquiries received in 2025 saw an increase of 157%.

The SC finds this encouraging as this reflects greater public awareness and scepticism where the public is mindful to check with the SC before investing.

CHART 6
Complaints and enquiries on unlicensed activities and scams



Note:

* The figures reflect the number of complainants and enquirers compared to the figures reported in the *SC Annual Report 2024* which were calculated based on number of complaints and enquiries received.

Broad Types Identified

The complaints and enquiries received by the SC and proactively identified through our surveillance can generally be divided into two categories:

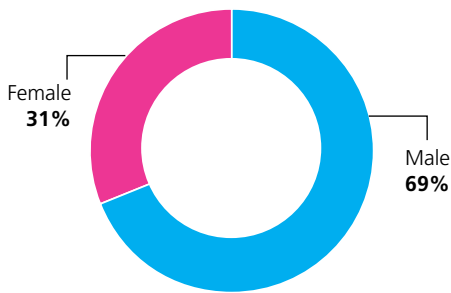
- **Scams** – including various types of scams, such as those involving non-existent investment products.

- **Unlicensed activities** – where individuals or entities conduct regulated business without being licensed or registered with the SC.

Demographic of Unlicensed Activities and Scams

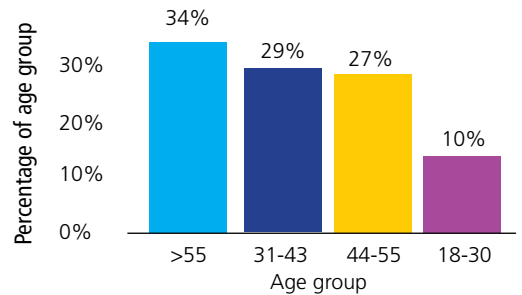
Gender

Percentage of complaint or enquiries by gender



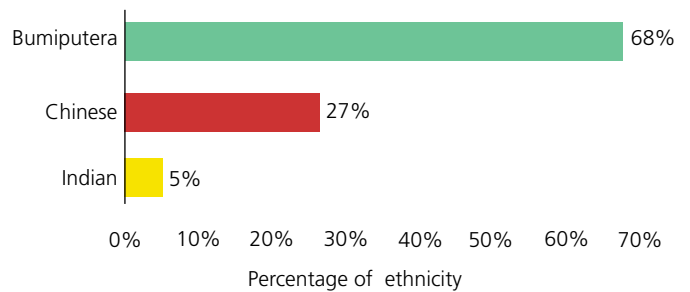
Age

Percentage of complaint or enquiries by age group



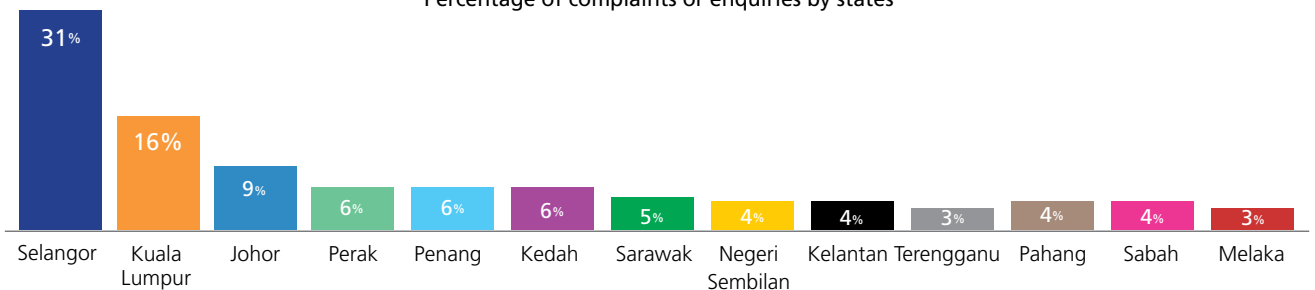
Ethnicity

Percentage of complaint or enquiries by ethnicity



States

Percentage of complaints or enquiries by states



Source: SC.

Investment Scams

The primary difference between an investment scam and other types of scams lies in the nature of the deception and the focus of fraudulent activity. For instance, in an investment scam, the deception revolves around financial investments where promises of high returns or low-risk opportunities either do not exist or are misrepresented. They exploit people’s desire for financial gain by misleading them about the nature, profitability, or legitimacy of the investment.

Scammers have continued to evolve their tactics and exploit behavioral biases to deceive the investing public. The SC’s analysis of complaints and enquiries findings in 2025 revealed that scammers systematically employed

psychological manipulation techniques, forming a scammers’ playbook, as follows:



Manipulating Greed and Fear of Missing Out (FOMO)

Scammers manipulate investors’ desire for quick profits by promising high returns with minimal or no risk. They often create a false sense of urgency claiming that the opportunity is limited or time-sensitive to pressure victims into making hasty decisions without proper verification. This combination of greed and fear of missing out remains one of the most common psychological levers exploited.



Fabricating Credibility and Social Proof

Fraudsters impersonate licensed entities, misuse images of regulators or public figures, and display fake credentials to appear credible. They also forge legitimacy through fabricated testimonials, online reviews, and group chats designed to create the illusion of successful investments and community trust. These tactics effectively mislead investors into believing the schemes are genuine, increasing susceptibility to fraudulent offers.



Personalised Outreach and Relationship-Based Manipulation

Scammers increasingly employ direct messaging and personalised engagement through platforms such as WhatsApp and Facebook to approach potential victims. By cultivating trust through perceived friendships, mentorships, or romantic relationships, these fraudsters gradually establish emotional dependence before introducing fraudulent investment opportunities. Such tactics often lead victims to disregard red flags and make financial decisions driven by emotions rather than due diligence.



Exploiting Trending Products and Investor Vulnerabilities

Scammers often capitalise on trending products such as digital assets, AI-driven trading, or pre-IPO shares to attract public interest. These schemes prey on individuals with limited investment knowledge who may not fully understand the associated risks or recognise the red flags of fraudulent offerings. Based on SC's survey findings, many investors continue to rely on informal sources such as friends, family, or social media for investment decisions, making them more vulnerable to misinformation and manipulation.



Use of Unregulated Platforms and Deceptive Applications

Scammers increasingly operate through unregulated websites and fraudulent trading apps that mimic legitimate platforms. These fake interfaces display fabricated investment balances and return to create an illusion of authenticity. In some cases, their presence

on mainstream app stores further reinforces credibility, misleading investors into believing that the platforms are genuine and regulated.

Emerging Scam Trends

The SC continues to monitor evolving scam typologies to detect new methods and ensure timely intervention. In 2025, scammers became more sophisticated in exploiting digital platforms and social engineering tactics. Several new trends were observed through the SC's monitoring and complaints received, as outlined below:



Fake Investment Lesson Advertisements on Social Media

This scam typically originates from advertisements on social media platforms such as Facebook or Instagram, promoting free investment classes or financial literacy sessions. Once individuals register their interest, they are invited to join WhatsApp groups purportedly led by investment 'mentors' or 'experts'. Within these groups, scammers gradually build credibility by sharing market updates and simulated investment tips. As the engagement progresses, participants are told that the Malaysian stock market is underperforming and are persuaded to invest through links to download mobile applications or APK files. These applications are in fact fraudulent trading platforms designed to defraud or to obtain personal information.



Clone of the SC's Investment Checker and Public Registrar of Public Register of Licence Holders and Registered Persons

Scammers created fake versions of the SC's Investment Checker and Public Registrar, as well as fake email communications purportedly issued by the SC. These tactics were aimed at convincing victims that the fraudulent investment opportunity by the scammers were legitimate or endorsed by the regulator. Arising from this, the SC issued a media release on 11 April 2025 titled *SC Alerts Public on Impersonation Scam Involving Fake Guarantee Deposits*. This was issued to warn the public of such impersonation scams. The SC reiterated that it does not offer or solicit investments from the public, nor does it issue guarantee deposit

letters or appoint any individuals or companies to collect funds on its behalf. As the regulator of Malaysia's capital market, the SC's role is to oversee and regulate market participants, not to provide investment opportunities.



Misuse of Cryptocurrency for Fund Transfers

The SC observed an increasing trend where scammers utilised cryptocurrency as a medium to receive or transfer illicit funds. Victims were often instructed to convert their money into digital assets or transfer funds to wallets controlled by the scammers, making recovery and tracing of funds more difficult. This trend reflects scammers' growing sophistication in exploiting the anonymity of digital assets to evade detection.



Use of SSM-Incorporated Companies' Bank Accounts to Receive Illicit Funds

In 2025, the SC observed scams involving the misuse of company bank accounts to receive illicit funds. Scammers use bank accounts of companies that have ceased operating to receive ill-gotten monies. They also incorporate companies with names that contain words that may suggest that it's carrying out regulated activities which do not correlate with the business activities contained in Companies Commission of Malaysia's (SSM) records. They will then convince victims to transfer monies into the bank account of such companies to lend credence to their illegal activities.

Unlicensed Activities

Unlicensed activities entail regulated activities that are carried out by a person or an entity without a licence or is not registered with the SC. There are eight types of regulated activities, and they are contained in Schedule 2 of the *Capital Markets and Services Act 2007* (CMSA) which includes dealing in securities, dealing in derivatives, fund management and investment advice.

We observe that there are many entities that claim to be properly licensed in other jurisdictions that target Malaysian investors. Any entity offering capital market products or services to the Malaysian public must be licensed or registered with the SC, regardless of their regulatory status elsewhere.

Unlicensed Investment Advice / Finfluencer

The SC observed promotion of unlicensed investment advice by individuals who claim to be self-styled 'investment gurus'. This was done through seminars, WhatsApp and Telegram Groups. In July 2024, the SC revised and issued the Guidance Note on the Provision of Investment Advice to address the concern on financial influencers promoting and giving recommendation on capital market products and services that may be tantamount to unlicensed investment advice.

Further to this, the SC revised its Advertising Guidelines in 2025, incorporating requirements for influencers to be regarded as advertisers and consequently, be accountable for their actions.

Measures Implemented to Curb Scams and Unlicensed Activities

The SC strengthened its monitoring and surveillance of scams and unlicensed activities offered online, including through websites and social media platforms. The SC undertook a proactive approach in combatting scams and unlicensed activities by, among others, conducting early intervention and disrupting the activities including inclusion in the SC's Investor Alert List, blocking of the websites and social media platforms as well as collaborating and coordinating with the relevant authorities. The SC also issued notification letters to local banks to alert them of possible mule bank accounts linked to unlicensed activities. The SC further implemented social media intervention strategies, where warning messages were publicly posted on the social media pages of suspected scammers and unlicensed operators to notify them that the SC is aware of their activities and that they are in breach of securities laws.

TABLE 17
Intervention efforts on scams and unlicensed activities

Actions Taken	2025	2024
Commencement of enforcement action	4	4
Inclusion in the SC's Investor Alert List	249	273
Blocking of websites with assistance from Malaysian Communication and Multimedia Commission (MCMC)	175	153
Facebook and Instagram Accounts Geo-Block	35	81
Request to block Telegram accounts	208	180
Social media interventions	215	336
Lodgement of police reports	66	141
Referrals to other agencies/ foreign regulators	174	235
Issuance of Notices of Cease and Desist	4	3
Notification Letter to Banks	22	7

In addition to the above interventions, the SC in 2025 embarked on a new intervention approach by issuing requests to the MCMC to suspend phone numbers involved in investment scam activities uncovered by the SC.

Media Releases to Alert Public on Scams

In 2025, the SC issued media releases to alert the public on scams involving impersonation of the SC. These included fraudulent schemes related to fake 'guarantee deposits' and the cloning of the SC's Public Registry. The alerts served to remind investors to remain vigilant, verify any information through SC's official channels, and report suspicious activities through the SC's complaints and enquiries portal.

- <https://www.sc.com.my/resources/media/media-release/sc-alerts-public-on-impersonation-scam-involving-fake-guarantee-deposits>
- <https://www.sc.com.my/resources/media/media-release/sc-warns-public-on-cloned-public-register-scam>

MOU with MCMC

The SC has also explored opportunities to streamline coordination between the SC and MCMC to ensure rapid response to address the growing proliferation of investment scams and unlicensed activities. Through this collaboration, the SC and MCMC will among others, work closely with service providers and relevant stakeholders to expedite scam detection and take down such content(s) immediately.

Enhancements to the Investor Alert List

Enhancements were made to the Investor Alert List in 2025 to include images of fake letters, forged certificates, and marketing materials that misused the SC's name and logo. This initiative aims to help the public more easily verify the authenticity of documents and identify potential scams by cross-checking against examples published on the SC's website.

National Scam Response Centre

In July 2025, the SC also became a member of the National Scam Response Centre (NSRC), which is a joint venture between, among others, the National Anti-Financial Crime Centre (NFCC), the Royal Malaysia Police (PDRM), BNM, MCMC. The NSRC brings together these key enforcement and regulatory bodies to strengthen Malaysia's scam response framework. Through the NSRC, the SC plays an important role in addressing capital market related fraud.

IOSCO's International Securities and Commodities Alerts Network

Given the borderless nature and cross-jurisdictional characteristics of investment scams, the SC regularly populates the International Securities and Commodities Alerts Network (I-SCAN). The portal allows all members of IOSCO to populate alerts and warnings, creating global awareness on such scams.

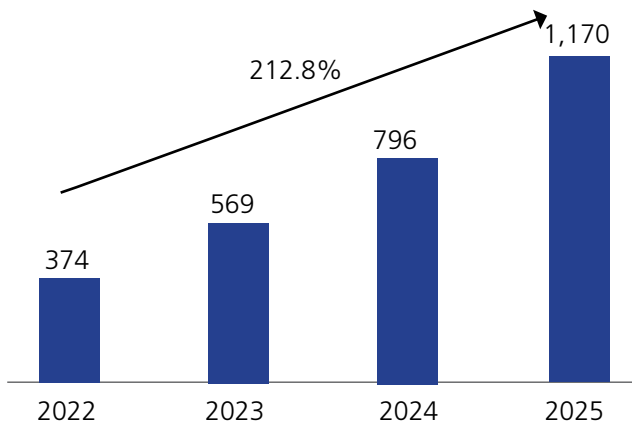
In 2025, the SC has included 60 names into I-SCAN.

Surveillance of Unlicensed Activities

Protecting Investors Through Proactive Surveillance and Early Intervention Against Online Scams and Unlicensed Activities

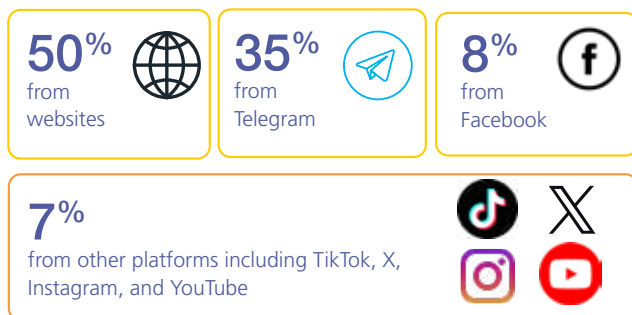
The SC continued to conduct proactive surveillance of possible online investment scams and unlicensed capital market activities and undertake early intervention to protect unsuspecting investors from falling prey to such nefarious activities.

CHART 7
Number of URLs detected



As of 31 December 2025, the SC identified a total of 1,170 URLs (2024: 796 URLs) across various websites and social media platforms that were potentially involved in scams or the offering of unlicensed products and services to Malaysians.

The distribution of the URLs was as follows:



Upon detection, the SC undertook various measures to mitigate public exposure to these harmful sources.

TABLE 18
Measures taken to mitigate public exposure to harmful sources

Actions Taken	Number of URLs
Disruptive Actions (e.g., geo-blocking, content blocking)	483
Inclusion in SC Alert List	498
Social Media Intervention	406
Other Measures (e.g., warning letters, referrals, cease and desist notices)	305

Based on the SC’s surveillance, current methods observed in relation to online scam and unlicensed operators include:

- Increasing use of mule corporate bank accounts:** In order to lend legitimacy to the scam or unlicensed operations and avoid suspicion, potential victims are asked to make payments into corporate bank account numbers instead of individual bank accounts.
- Use of Alternative Payment Channels:** Unlicensed operators increasingly adopted the use of popular e-wallets such as Touch ‘n Go and Shopee Pay to receive payments instead of bank accounts.
- Rise in Crypto-Related Scams:** A total of 73% of suspicious URLs detected involved crypto assets. This reflects the increasing trend of unlicensed offerings of crypto products and services in addition to traditional asset classes such as shares, forex, indices, commodities, and contracts for difference (CFDs).

The SC continues to explore and implement AI-driven technology solutions by leveraging Large Language Models (LLMs) to detect suspected online scams and unlicensed activities. SC’s ongoing technology initiatives aim to make efficiency improvements by automating key surveillance processes.