

FSCA Press Release

18 August 2020

Mirror Trading International

The FSCA is investigating the activities of Mirror Trading International. The FSCA is of the view that the current business model of Mirror Trading International requires it to be in possession of a financial service provider licence. MTI has informed us that they accept clients' funds in the form of Bitcoin, pool the funds into one trading account on a forex derivative trading platform, and conduct high frequency trading through the utilisation of a Bot. If this is being done as described, then this amounts to financial services, hence the licence requirement.

However, the FSCA has a much greater concern about the activities of the company. MTI claims to have more than R2.9 billion (at current conversion rates) in clients' funds in trading accounts, but we have not been able to conclusively confirm that the funds exist.

Moreover, the returns on the investments claimed by MTI seem far-fetched and unrealistic. According to MTI its Bot-trading is able to generate consistent profits of an average of 10% per month. The FSCA warns the public that MTI is not licensed to conduct the proclaimed business that they are conducting and that they are aware of the need for a FSP licence. The FSCA also draws attention to the fact that FX Choice, the previous platform broker for MTI seems to have made public statements that gainsay the version of MTI in terms of trading volumes and Bot trading. FX Choice has blocked the account of MTI due to compliance concerns. We are in the process of obtaining confirmation from FX Choice of the correctness of the statements attributed to them.

Transitional Management Committee:

DP Tshidi (Commissioner) CD da Silva JA Boyd MM du Toit LP Kekana K Gibson OB Makhubela P Mogase

The investigation is ongoing, and MTI has partially co-operated with the FSCA. We are reviewing the information as it becomes available and will involve the South African Police Service if the discrepancies are confirmed. MTI has undertaken to inform all of its clients of the investigation and to provide the opportunity to all its clients to withdraw their assets that are with MTI. We recommend that clients request refunds into their own accounts as soon as possible.

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