



## SEBI Warns Against Fraudulent Trading Platforms

[Source: IE](#)

The Securities and Exchange Board of India (SEBI) has issued a cautionary statement regarding deceptive trading platforms falsely asserting ties with its registered [Foreign Portfolio Investors \(FPIs\)](#).

- Pretending as SEBI-registered FPIs, they entice individuals to download applications promising access to stock purchases, IPO subscriptions, and exclusive **'institutional account benefits.'**
  - These platforms lure individuals through online trading courses, seminars, and mentorship programs, exploiting social media platforms like WhatsApp or Telegram.
- SEBI clarified that the **FPI route is not accessible to resident Indians**, with limited exceptions outlined in the [SEBI \(Foreign Portfolio Investors\) Regulations, 2019](#).
  - Also, there is **no provision for an Institutional Account**.
- FPIs encompasses financial investments made by foreign individuals, corporations, and institutions in Indian financial assets like **stocks, bonds, and mutual funds**.
  - Unlike [Foreign Direct Investment \(FDI\)](#), which involves long-term ownership of assets, FPI is primarily driven by the aim of **achieving short-term gains and portfolio diversification**.



**Read more:** [Securities and Exchange Board of India \(SEBI\), Foreign Portfolio Investors](#)

