

WARNING

Risk of Market Manipulation when posting Investment Recommendations on Social Media

CySEC would like to draw the attention of the supervised entities, investors and the public at large on some requirements established by the [Market Abuse Regulation](#) (MAR) which apply when posting investment recommendations on social media and the risk of market manipulation when these requirements are not met.

In specific, according to the MAR framework any video or any other type of public communications, including social media, in which a person gives advice or ideas, directly or indirectly, about buying or selling a financial instrument or on how to compose a portfolio of financial instruments may constitute an investment recommendation. The same is valid for any public message containing an opinion regarding the future price of a share or other financial instrument. Please note that a case-by-case assessment is always necessary to understand if a communication qualifies as an investment recommendation.

Therefore, any person (professional, expert or non-expert) should be careful when they share on social media any opinion in relation to the value or the price of a financial instrument or recommend an investment strategy. You may in fact be posting an investment recommendation.

When posting an investment recommendation on social media you must comply with the requirements established in the MAR framework and be mindful that spreading false or misleading information on social media or selectively disclosing inside information can constitute a serious offence.

Market Abuse

Public communications posted on social media can bring risks in relation to market abuse, i.e. market manipulation, insider dealing and unlawful disclosure of inside information.

All these conducts are serious offences and in Cyprus, as well as other EU member-states they can lead to administrative sanctions and/or criminal prosecution.

Sanctions

Depending on the Member State, National Competent Authorities can impose administrative or criminal sanctions that may vary according to the member state for certain types of infringements.

In Cyprus among the administrative sanctions are the below:

- For **insider dealing, unlawful disclosure of inside information or market manipulation**, up to EUR 5.000.000 for natural persons and up to EUR 15.000.000 for legal persons.
- For breaches of the **investment recommendation** regime, up to EUR 500.000 for natural persons and up to EUR 1.000.000 for legal persons.

For more information and practical examples of Investment Recommendations you may consult the [Warning for people posting Investment Recommendations on social media](#) issued by the European Securities and Markets Authority (ESMA).

Investors and the public at large is also encouraged to study the [CySEC Investor Guide on the dangers of social media and the financial influencers](#), part of its new campaign to inform on the risks the social media could pose for financial detriment, in the framework of [CySEC's financial literacy efforts](#).

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