Learn & Protect

- Understanding Prediction Markets and Event Contracts
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Digital Assets

Digital Assets

Today, fintech is driving innovation in financial markets across the globe. New technologies are wide-ranging in scope, from cloud computing and algorithmic trading to distributed ledgers to artificial intelligence and machine learning to network cartography, and many others. These technologies have the potential for significant or even transformational impact on CFTC-regulated markets and the agency itself. One of the most recent marketplace developments driving a lot of interest is the rise in prominence of digital assets. Below are resources for market participants and customers about digital assets and the CFTC's oversight role.

Customer Advisories

Investor Alert: Relationship Investment Scams
The CFTC together with the SEC, FINRA, and the North American Securities Administrators Association are issuing this joint advisory to warn the public about relationship investment scams. 09/10/2024

Relationship Cons, Recovery Scams, & Money Laundering
In many cases, fraud is a long story, not a single act. People who are victimized by one fraud are often victimized again and again.
07/30/2024

Customer Advisory: Avoid Forex, Precious Metals, and Digital Asset Romance Scams
Fraudsters are using dating apps, social media, and messaging app “wrong numbers” to lure victims into trading scams. Read how they do it and get 10 tips to protect yourself and your money. 02/07/2022

Beware of Fee Scams Targeting Workers Sidelined by COVID-19
Unregistered brokers selling binary options, foreign exchange (forex) programs, and cryptocurrencies are targeting people who lost their jobs due to COVID-19. The scams promise unrealistically high profits, but later force victims to pay excessive “fees” and “taxes” to get their supposed earnings. 4/20/2020

There’s Nothing to Like about Scammers on Social Media
Use extra caution when considering trading advice, products or services touted on social media. It’s easy for fraudsters to create a profile that hides their true identity, or use multiple profiles to promote their schemes. Find out what to look for, and how to avoid getting lured into their frauds. 07/03/2019

Watch Out for Fraudulent Digital Asset and “Crypto” Trading Websites
The CFTC and SEC have observed investment scams where fraudsters pose as “cryptocurrency” advisory trading businesses touting proprietary trading systems or mining farms. 4/26/2019

Use Caution When Buying Digital Coins or Tokens
The market for digital coins and tokens is still very young and there is no widely-accepted standard for placing a value on a particular coin or token. This customer advisory emphasizes the need for conducting extensive research to determine your rights, what could affect the future value of a digital coin or token, and steps you can take to avoid fraud or other problems. 07/16/2018

Beware Virtual Currency Pump-and-Dump Schemes
This customer advisory highlights virtual currency pump-and-dump schemes that occur in the largely unregulated cash market for virtual currencies and digital tokens, and typically on platforms that offer a wide array of coin pairings for traders to buy and sell. 02/15/2018

Beware of “IRS Approved” Virtual Currency IRAs
This customer advisory is designed to encourage investors to be cautious of sales pitches touting “IRS approved” or “IRA approved” virtual currency retirement accounts. Virtual currency prices sometimes experience wild price swings. This volatility is not reduced or limited just because the virtual currencies are held in an IRA. 02/02/2018

Risks of Virtual Currency Trading
This customer advisory covers virtual currency and how it is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. 12/15/2017

Primers/Backgrounders

Digital Assets Primer
This primer provides an overview of digital assets and the digital assets market. Regulation of digital assets, including the CFTC’s role, is also explained in this primer. 12/2020

CFTC Backgrounder on Oversight of and Approach to Virtual Currency Futures Markets
This backgrounder brings clarity to federal oversight of and jurisdiction over virtual currencies, the self-certification process, and the constituencies the CFTC believes could be impacted by virtual currency futures. 01/04/2018

A CFTC Primer on Virtual Currencies
This primer provides an overview of virtual currencies and their potential uses, helps outline the CFTC's role and oversight of virtual currencies, and cautions investors and users of the potential risks involved with virtual currencies. 10/17/2017

CFTC Backgrounder on Self-Certified Contracts for Bitcoin Products
The Chicago Mercantile Exchange Inc. (CME) and the CBOE Futures Exchange (CFE) self-certified new contracts for bitcoin futures products and the Cantor Exchange self-certified a new contract for bitcoin binary options. This backgrounder outlines the CFTC self-certification process as well as the CFTC's role in oversight of virtual currencies.

Brochures

What is a Bitcoin ETF?
A bitcoin futures exchange-traded fund (ETF) issues publicly traded securities that offer exposure to the price movements of bitcoin futures contracts.

Bitcoin Basics
This downloadable brochure provides basic information about what bitcoin is, what the CFTC’s jurisdiction covers, and how virtual currencies can be a target for fraud and for hackers. If you’re new to bitcoin, this guide provides an introduction and points you to more information about bitcoin and its risks.

An Introduction to Virtual Currency
This downloadable brochure is a quick guide to virtual currencies that covers how virtual currencies can be purchased, why they are considered commodities, and what types of fraud can be found in the market. Use this guide to explore the world of virtual currencies and learn about potential risks.

Curious About Crypto? Watch Out for Red Flags
Remember, the digital asset marketplace is largely unregulated and fraud is a significant risk. Avoid websites or advisers that display these common red flags.

14 Digital Asset Risks to Remember
The more you understand the risks of your investment, the more effectively you can minimize their potential effects. Here are some common risks associated with digital assets.

10 Digital Asset Terms You Should Know
Before investing in digital assets, it’s critical to understand the technology and differences between them. Here are 10 key terms to help get you started.

10 Signs of a Scam Crypto or Forex Trading Website
If someone on social media or a messaging app directs you to a cryptocurrency or foreign currency trading website, look for these 10 telltale signs to help you determine if it’s a scam.

Crypto Investment Scams: What You Should Know
Fraudsters are stealing billions of dollars using “wrong-number” or random text messages, fake social media profiles, and promises of easy wealth. Learn how to spot and report these crimes.

RELATED LINKS

- The CFTC's Role in Monitoring Virtual Currencies
- A Primer on Smart Contracts
- A Primer of Artificial Intelligence in Financial Markets