

## "TAX-FREE WITHDRAWALS FROM YOUR RRSP OR LIRA" BEWARE OF FRAUD!

In these difficult times, you might be targeted by fraud schemes offering what appear to be attractive investments: withdrawing money - **tax-free** - from your registered retirement savings plan (RRSP), your locked-in retirement account (LIRA) or your pension fund.

### Example of ad used by fraudsters:

**\$\$\$ Financial Assistance \$\$\$**

**Financial assistance available using  
an RRSP, LIRA or LIF**

(pension fund from former employer)

Speedy and serious transaction

*514 000-0000*

### REAL-LIFE FRAUD

Some fraudsters will try to convince you to take advantage of their so-called expertise and will propose that they conduct transactions in your name.

They'll ask you to transfer your RRSP or LIRA to a discount broker.<sup>1</sup> They will also ask for authorization to access your account and for your password.

Using your money, they will then buy shares that rise in value and which they already own themselves.

When the shares reach a certain price, they sell their holdings and take a profit. The share price declines, and you're left holding shares with no real value. Some fraudsters prey on victims through ads similar to the one above.

<sup>1</sup> Discount brokers carry out trade orders (sell or buy) but do not provide advice.

## **CAREFUL!**

**NEVER ENTRUST YOUR ACCOUNT TO ANYONE YOU ARE UNFAMILIAR WITH AND NEVER GIVE HIM YOUR PASSWORD.**

## **NOTE:**

- ❑ **Withdrawals from your RRSP, LIRA or pension fund are taxable.**
- ❑ Make sure the representative and firm you are dealing with are registered with the AMF. Simply contact the AMF for confirmation.
- ❑ Make sure the company that issued the shares has filed a prospectus<sup>2</sup> with the AMF.
- ❑ Never take for granted that the person you are dealing with is telling the truth.
- ❑ When it's too good to be true, it probably is!

## **THE AMF CAN BE OF ASSISTANCE, ESPECIALLY:**

- ❑ Through its Information Centre.
- ❑ In some cases, with support in resolving a dispute with the firm that offered you a financial product or service.
- ❑ Through its protection and compensation programs.
- ❑ Through its educational programs and tools (brochures, conferences, websites, etc.).

More information about fraud is available in the AMF publication *Red-flagging financial fraud*.

### **Information Centre**

Québec City: 418 525-0337

Montréal: 514 395-0337

Toll-free: 1 877 525-0337

[www.lautorite.qc.ca](http://www.lautorite.qc.ca) under Consumer - Fraud Prevention

[www.tesaffaires.com](http://www.tesaffaires.com) AMF's youth website

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<sup>2</sup> A prospectus is a detailed information document that normally must be prepared whenever an issuer plans to sell securities to the public.