

Audit-Ready Marketing:



How **Securities Dealers** Must Nail Website Risk Disclosure and Mandatory Policies in 2025

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Introduction: The New Standard of Transparency

The days of placing a small, easily missed risk disclaimer in the website footer are over. The Financial Services Authority (FSA) has significantly raised the bar for client protection, particularly through the **Securities (Advertisements) Regulations, 2024**.

BE TRANSPARENT.

For Securities Dealers (SDs) offering complex products, the requirements are now highly prescriptive. Your website is your public declaration of compliance, and failure to meet these exact standards will be flagged immediately in any regulatory inspection.

This guide outlines the four mandatory pillars of a fully compliant website, ensuring your marketing is not just engaging, but also audit-proof.



Pillar 1: The Non-Negotiable Risk Warning & Anti-Misleading Statements

Your website content and marketing claims are now subject to the high ethical standards of the Financial Consumer Protection Act (FCPA), 2022.

01 Mandatory Risk Warning: Conspicuous, Bold, and Bordered

The warning's presentation is as critical as its content. It must be:

- **Mandatory Content:** The warning must specifically state the possibility of incurring **unlimited losses that are greater than the amount deposited**.
- **Format and Placement:** Must be **conspicuous**, written in **bold** text, enclosed within **defined borders**, and must be **statistically fixed (sticky)** at the top of the screen on all relevant pages, regardless of scrolling.





“Ensure risk warnings are always visible to clients, emphasizing transparency and honesty in marketing.”

02 Strict Prohibition on Misleading Statements (FCPA)

The **FCPA** mandates that Financial Services Providers (FSPs) must treat clients **equitably, honestly, and fairly**. This translates to a complete prohibition on misleading marketing:

- **Prohibition:** You must not publish or advertise information that may **mislead, deceive, conceal, or give out false information**.
- **Action:** Avoid phrases like "guaranteed profits" or "zero-risk trading," as these are deemed unfair, deceptive, or abusive practices under the FCPA. All claims must be objectively verifiable.

Pillar 2: Mandatory Operational Policies and Disclosures

The FSA requires clients to access the documents that govern their financial relationship with your firm. These policies must be easily findable and accessible to download before the client signs up.





“Make policies easily accessible to clients, ensuring no broken links to critical disclosures.”

Mandatory Policy/Document	Governing Regulation(s)	Key Compliance Focus
AML/CFT Policy (Summary)	AML/CFT Act, 2020	Must outline the firm's CDD procedures, including verification methods and policy regarding Politically Exposed Persons (PEPs) and high-risk jurisdictions.
Complaints Handling Policy	FCPA, 2022 & FCPA (Complaint Handling) Regulations, 2024	Must detail the process for lodging a complaint, the required 2-business-day acknowledgement , and the statutory 21-business-day final response timeframe. Must name the resident Complaints Handling Officer.
Order Execution Policy	Securities (Conduct of Business) Regulations	Must clearly describe the methods used to achieve Best Execution for clients' orders (e.g., speed, price, likelihood of execution).
Conflict of Interest Policy	Securities (Conduct of Business) Regulations	Must transparently disclose any potential or actual conflicts and the steps taken to mitigate them to ensure the client's interest is prioritized.
Client Agreement/T&Cs	Securities Act, 2007	Must include a clear statement that all client records, account statements, and correspondence are retained for not less than seven years .
Fees and Charges Schedule	FCPA, 2022	Must be transparent, easily accessible, and detailed, avoiding any hidden costs.

Compliance Action: Conduct a **broken link audit** monthly. An inaccessible policy is considered a failure to disclose.

Pillar 3: Conduct of Business and Suitability

The website is the primary interface for fulfilling **Conduct of Business** obligations by properly classifying clients and assessing their risk tolerance, as mandated by the **Securities (Conduct of Business) Regulations**.

01

Client Classification

You must categorize clients to ensure they receive the appropriate level of protection.

- **Requirement:** The client onboarding process must include a prompt and clear mechanism for classifying clients as **Retail or Professional**.
- **Compliance Action:** Test your account opening workflow to verify that the classification questions are clear and that different disclosures are served to each category, as required by the regulations.

02

Suitability and Appropriateness Tests

For complex, high-risk instruments (Restricted Speculative Investments), you have a heightened duty of care.

- **Requirement:** Your website's onboarding module must collect comprehensive information on a client's knowledge, experience, and financial situation to determine if the product is suitable for them.
- **Compliance Action:** Ensure the system explicitly warns clients if the products are deemed unsuitable based on their answers, and requires a clear acknowledgment (or refusal) to proceed.



CUSTOMER JOURNEY

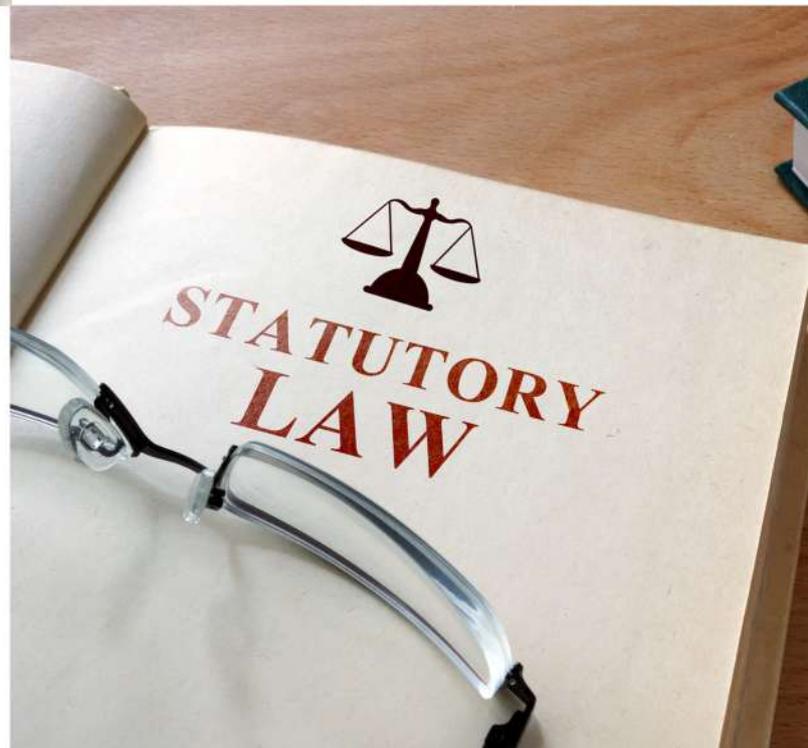
“Facilitate client classification and suitability assessments to provide products that match client profiles.”



Pillar 4: Statutory Disclosures and Legal Clarity

Your website must confirm your legal status and operational integrity.

- **Licensing Identity:** The law requires all approved trade names and domain names to be listed on your license and the FSA public register.



- **Action:** Clearly display the full **Legal Entity Name, FSA License Number** (e.g., SD0XX), and Registered Address in the website footer and the **Legal/About Us** section. Ensure every trade name used on the site is officially approved by the FSA.



Conclusion: Making Compliance Your Advantage

The regulatory trajectory in Seychelles is clear: to prioritize substance and investor protection. By meticulously adhering to the prescriptive requirements for mandatory policies, avoiding misleading claims under the FCPA, and ensuring risk warnings are unmissable, your firm transforms its website from a potential compliance liability into a powerful demonstration of governance, attracting sophisticated clients who value regulatory certainty.

Don't wait for the audit—make your website audit-ready today.



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