

Are Instagram Influencers Peddling Dubious Investments?

Description

(These investment schemes were alerted to me by some of my readers, who requested for this blog post to be written for greater awareness and that hopefully, this reaches and helps to inform more people.)

Is it legal, or ethical, for influencers to peddle and push out investment schemes in Singapore?

While the laws surrounding this at still murky (or non-existent) at best, I've been seeing Instagram influencers aggressively push out investment opportunities, promoting it to their followers and asking them to direct message them for more details. The question is, can they do this? Who will be held accountable if the investment falls through?

Case #1: Forex Investment with capital guaranteed **+ 24% fixed returns!**

Let's look at this forex investment case which a reader came to ask me about because she was keen on investing (yep, she got "influenced"). I gave her my honest opinion, which was that forex is highly volatile and extremely difficult to guarantee profits all the time, while also sharing about how most people get burnt in the forex markets (including my own dad).

A local influencer with over 100,000 followers peddled this on her Instagram stories (where it disappears after 24 hours) a few months ago, asking her followers to park their money with her on a "personal agreement" based on mutual respect and trust.

Here are 2 of the exchanges with her readers:

From: Kay Kay Yan <talktokaykay@gmail.com>
Date: July 2017
To: [REDACTED]
Subject: Re: Forex trading

Hi,

Your capital is guaranteed as the company uses an autobot trading system. There's an algorithm that has been tried, tested and proven to produce profits. There will be losses definitely but overall, it will be positive. It's a safer slower steadier method to earn profits, as opposed to higher risk investments that can go up or down in millions in a single trade.

No matter what, your initial investment is guaranteed. But from my personal experience as well as everyone I know who invested, everyone is up haha. There are trades in a day that lose of course but overall, it's still positive.

Basically, the company trades for you, you don't have to stress and watch the markets etc. The returns per month are not fixed (nobody can guarantee a fixed amount because it's forex), but I'd say 8-12% on average, could be better but I don't want to overpromise. The initial investment you cannot touch for the first 3 months, but you can withdraw any profit (even within the 3 month lockdown) and the company takes 40% of the profits. So for example, you put in 2000 USD, from day 1 to day 10 the trades get you a profit of 200 USD (just a number for referencing's sake), and you wish to withdraw it, you will take 120 USD and the company takes 80 USD.

Do note that this is a Thai forex company so the amounts will be calculated in baht. Deposits and withdrawals can be done via PayPal (in USD with the company's fixed rate for PayPal transactions and fees), or you can choose to make your deposits via international bank transfer from your local bank (but withdrawals have to be via PayPal), or any Thai bank account (with no fees but it's not easy for foreigners to get a local account unless you've a work permit or property here).

There are also tiers for the cut of the profits-- the higher the amount and longer you keep your investment in the pot, your 60% cut of the profit will increase up till a maximum of 80% (but that's after years haha, I can share the specs if you wanna know).

Lemme know if you've more questions!

Much love,
Kay Kay

On Jul 2017 at 3:17 PM, [REDACTED] wrote:

Hi,

So the capital is guaranteed?

and here is another exchange that took place with another reader who DM-ed her to find out more:

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I'm doing forex auto-trading in Thailand.

If you have a min of 10k sgd to invest for a min of 6 months, I can offer you a ride-along on my investment, and a fixed rate of 4% per month, which is 24% over 6 months. I'll transfer you in SGD and you won't have to bear transfer fees, PayPal charges, or be subjected to exchange rates and the variable profit margin.

If you want to try with your own account though, the min sum is 70,000 THB (around 2000 USD) and lockdown period is 3 months. Projected profit a month is 8-12% before the company's cut, and you'll bear all the transfer charges and the bank's and PayPal's currency exchange rates.

Nono, if you go through me, assuming you put \$10,000, I will transfer \$400 to your SG bank at the end of each month. At the end of 6 months, you can take back your \$10,000 and you would have taken \$2400 over the course of 6 months. I would be absorbing all transfer fees from SG to Thailand and back to SG, as well as the prevailing currency exchange rates and the variable profit cut. The rate I'm giving you is fixed at 24% over 6 months. Whatever surplus of profits (after your \$12400) would be my cut. After 6 months, the option to end this arrangement is up to you. If I can offer a better rate then, I will let you know.

Do note that this arrangement is a personal agreement between us, and I hope it would be based on mutual respect and trust. Let me know if you have more questions.

Personally, I do not advocate putting your money with someone you know only from the Internet vs. financial instruments that are offered by reputable banks or financial institutions which are governed by MAS.

Youâ??d wanna look for people you know and whom you can hold accountable if anything goes wrong. Unfortunately, parking your investment monies with an influencer whom you donâ??t even know personally (or for long) doesnâ??t sound like a good idea to me.

Do you know the influencerâ??s address? Their full legal name and residence? If anything goes wrong and they go Missing-In-Action, how are you going to track them down? Are you simply going to file a police report based on their Instagram handle?

Just because theyâ??re famous on Instagram, does that mean they are authorized to collect your money and invest on behalf of you? Should you be giving them your money just like that?!

Also, note how the investment arrangement promises guaranteed capital and 24% in fixed returns.

24% FIXED RETURNS!!!

The said influencer above eventually stopped the investment scheme because there was supposedly an overwhelming demand. It remains unknown if the people who invested with her made profits or losses.

2019 Update: The results are in. Those who followed lost money as the forex broker closed down, suspended withdrawals and ended up being a Ponzi scheme. Close to 10,000 victims lost money and the company ended up being investigated by the Thai government.



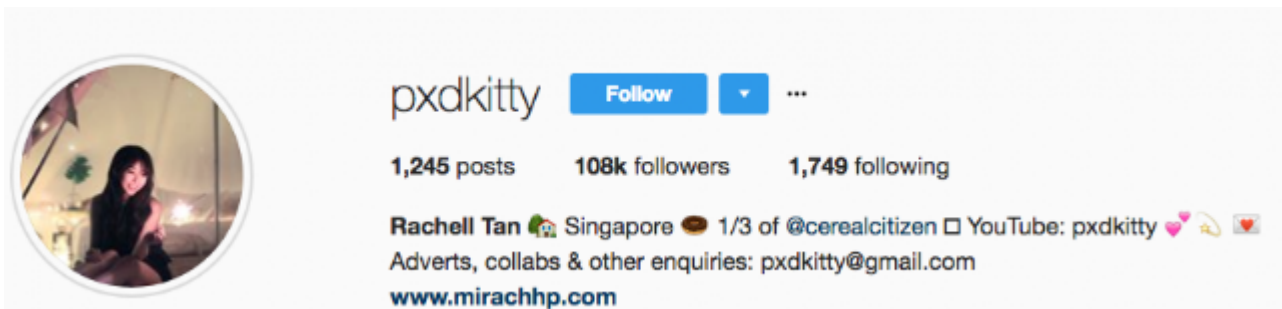
In January 2023, a Singaporean man (Daryl Cai Younghui, 32) who reportedly fled to Singapore after the DSI pressed charges against him, was arrested for his involvement in the Forex-3D online Ponzi scheme. 3 years after the scheme collapsed, investigations are still ongoing. The victims have yet to get their money back.

Case #2: Durian Investment

Another one that's currently trending on Instagram is another local blogger who's currently peddling a durian investment scheme to her 100,000+ followers.



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this one also, see this new GUARANTEED returns in
DURIAN TREES!



She trusts her dad! Obviously, but that isn't not a strong reason for investing with someone. Trusting someone (be it an influencer or friend) doesn't mean by extension, you trust the people they trust, whether or not they're family.

But why should you? Even if you trust Rachell Tan whom you barely even know in real life, do you know her address, phone number, NRIC and what not, so that you can make a police report or track her down just in case anything goes wrong? Or that of her dad?

If you trust your favourite beauty blogger who's dating Joal, would you trust him?

If you trust DJ Jade Rasif, do you trust her dad?

www.tnp.sg/news/others/singaporeans-run-18-interpols-wanted-list



David Rasif, 50

Wanted by **Singapore** for **misappropriating money**

The lawyer ran off with \$11.3 million of his clients' money in 2006, and was long gone before anyone discovered the extent of his crimes.

In 2010, the Commercial Affairs Department (CAD) here was able to recover \$6.4 million in cash and gold both here and abroad.

Cops had reportedly been able to track down the transfers of large sums of money from accounts operated by Rasif. A lawyer said the bank accounts were in Hong Kong.

CAD had also been able to seize 40 of the 47 gold bars that Rasif had bought for \$1.65 million in June 2006.

The biggest claimant against Rasif is an American couple, Mr George Raymond Zage III and his wife Kaori Kathleen. The couple entrusted \$11 million to Rasif's firm for the purchase of a property and lost all of it.

[Source](#)

Back to durians.



â??Youâ??re set to receive \$\$\$ sent to you via cheque every yearâ??until 2068!â?•

(thatâ??s 50 years)

Wow. Iâ??m invested in DBS stocks, which pays me dividends twice yearly and has been around since 1968, but even then DBS doesnâ??t make promises like GUARANTEED RETURNS EVERY YEAR SENT TO YOU for the next 50 years!!!!

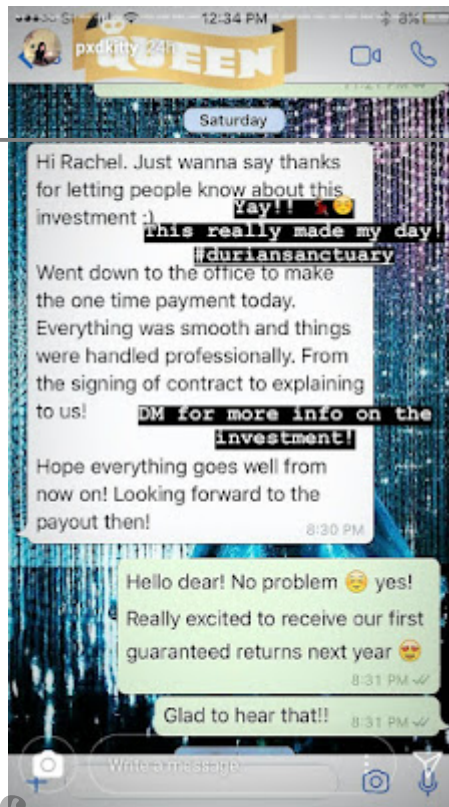
Even the Singapore Savings Bonds, backed by our own government, makes no such guarantee for FIFTY years. Who knows what will happen in 50 years?!?! No one has a crystal ball.



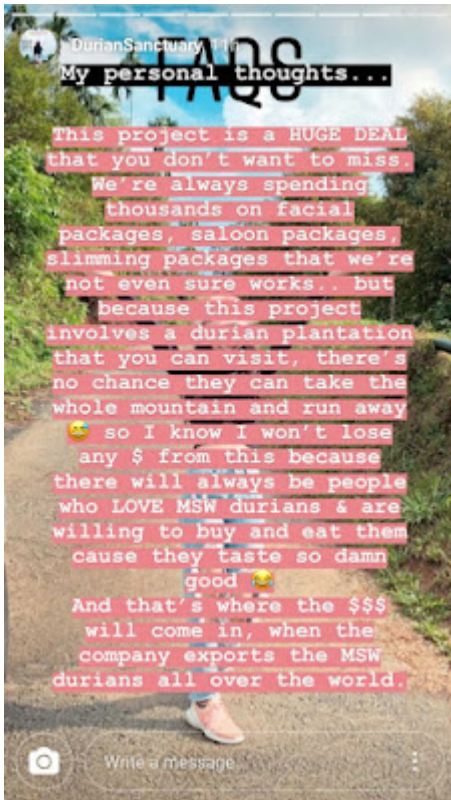
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She even tries to entice investors further by saying they can earn an estimated SGD\$44,000 PER SEEDLING?!!!!!!!!!!!!!!

No wonder this sounds so incredibly attractive. Pay \$1,796 for a seedling and get back \$44,000?!?!? Tell me where do I sign up for this guaranteed investment!!!!!!!!!!

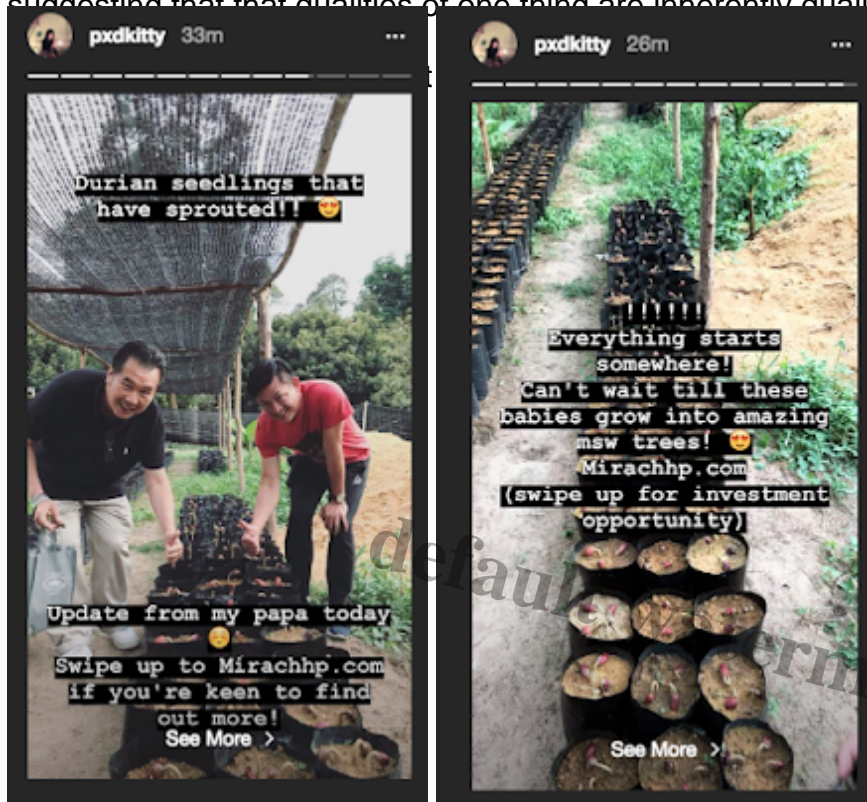


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investmentâ?¦! Folks, I hope you know

Someone tell me what does Instagram got to do with this durian investment. Creating FOMO by association fallacy (the illogical argument of irrelevant association which often appeals to emotion, suggesting that that qualities of one thing are inherently qualities of another).



itimate, photos of the plantation and the



Rachell emphasizes small starting capital, low risk, long term returns + passive income for the next 50 years!

THE CONTRACT

Some concerned readers who were initially considering parking their investments with her (that is, until they saw my thoughts on the scheme yesterday on 19 April on my private Dayre) emailed me and requested for me to study the contract and investment documents that they were sent. I highlight the worrying portions here:

RED FLAGS:

- 1. The contract makes the promise that the investor shall be paid a GUARANTEED RETURN.**
- 2. Youâ??re signing a contract with a Malaysian company and the contract will be governed under Malaysia law.** This means that if something happens to your investment, you canâ??t fight your case out in the Singapore court.
- 3. Note that this guaranteed return, however, expires after FY 2023.** That doesnâ??t seem to gel with what Rachell said on her Instagram about receiving a cheque every year for the next 50 years?
- 4. Take note of the costs liable to you after the year 2023 if anything happens to your durian seedling.** Also, you sign the contract agreeing that you cannot hold the company liable for any losses or damages due to uncontrollable factors in the next 50 years.

Update: A lawyer weighs in and adds on a few more pointers that folks should be aware of before signing the contract and parking their money in:

- 5. A Corporate Guarantee (clause 8.1) is provided, which is generally valid as long as the company is solvent.** If the owners decide to dissolve Mirach HP Limited (the Malaysian entity youâ??re signing the contract with), the corporate guarantee will no longer hold. In this case, a bank guarantee would be better, but note that isnâ??t given.
- 6. The land isnâ??t even owned by Mirach HP Limited.** It is leased to RCL Kelstar Sdn. Bhd. instead. Yes, Iâ??m aware that the parent company, Mirach Energy, is trying to negotiate for a 70% acquisition in RCL, but till date I donâ??t know if theyâ??ve been successful or not.

3. OWNER'S ENTITLEMENT

- 3.1 In consideration of the terms of this Agreement, pending fruit bearing period, the Owner shall be entitled to the following guaranteed returns:
- 3.1.1 RM250.00 per Seedling for year 2019;
 - 3.1.2 RM300.00 per Seedling for year 2020;
 - 3.1.3 RM350.00 per Seedling for year 2021; and
 - 3.1.4 RM400.00 per Seedling for year 2022;
- (hereinafter collectively referred to as "Guaranteed Return").
- 3.2 For year 2023, the Owner shall be paid a Guaranteed Return of RM400.00 or based on the Owner's Entitlement, whichever is higher.
- 3.3 The Guaranteed Return shall automatically cease or expire at the end of Financial Year for year 2023.

7. PRESERVATION OF DURIAN TREES ON THE ESTATE

- 7.1 The Vendor shall notify the Coordinate of the Purchaser's Durian Tree as and when the information is ready.
- 7.2 Between the years 2018 until 2022, in the unfortunate event of the death of the Purchaser's Seedling on the Estate, the Vendor shall guarantee and bear the full costs of replanting equal number of the Purchaser's Seedling that has/have died.
- 7.3 From year 2023 onwards, in the unfortunate event of the death of any of the Purchaser's Durian Tree on the Estate, the costs of replanting the equal number of the Purchaser's Durian Tree that has/have died shall be deducted from the Total Harvest before deduction of Management Fee and Tax.
- 7.4 Save and except for clauses 7.2 – 7.3 above, the Vendor shall not be responsible and the Purchaser shall not hold the Vendor liable for any losses or costs or damages to his Seedling / Durian Tree due to Uncontrollable Factors throughout the Lease Period.

8. CORPORATE GUARANTEE

- 8.1 In consideration of the Purchase Price paid by the Purchaser to the Vendor, and at the request of the Purchaser, the Vendor shall furnish a Corporate Guarantee in favour of the Purchaser for the payment of the Guaranteed Return in the event of failure by the Vendor to honour its obligation to pay the same according to the terms in this Agreement, as per Annexure A of this Agreement.

9. CONTROL AND POSSESSION OF DURIAN TREES

- 9.1 In the interest of protecting and preserving the safety, health and overall success of the Purchaser's Seedling or Durian Tree and, in consideration of the fulfilment of the Guaranteed Return and Owner's Entitlement afore-mentioned, the Purchaser accepts that he shall not demand any right to personal or third-party handling and maintenance of his Seedling or Durian Tree and he shall not have the right to harvest and sell the produce from his Durian Tree during the Lease Period.

16. GOVERNING LAW AND JURISDICTION

- 16.1 This Agreement is governed by and is to be construed in accordance with the laws of Malaysia.

Annexure A
CORPORATE GUARANTEE

To:
Name / Company:
Nationality:
Passport / NRIC / Company No.:
Address:

In consideration of you entering into this Agreement with Mirach HP Limited (previously known as Wealthhunter Limited (Company No. LL13591) a company registered under the Labuan Companies Act 1990 (Act 441) and having its registered office and address for service at Kensington Gardens, No. U1317, Lot 7616, Jalan Jumidar Buyong, 87000 Labuan, F.T. Malaysia (hereinafter referred to as "the Company"), We the undersigned, HEREBY IRREVOCABLY AND ABSOLUTELY GUARANTEE the payment of the Guaranteed Return pursuant to clause 3.1 and 3.2 of this Agreement (hereinafter referred to as "Outstanding Sum") as per the following terms:

1. The Outstanding Sum shall be paid by us forthwith on Demand in writing by you upon failure by the Company to pay according to clause 3.5 of this Agreement.
2. The Outstanding Sum shall be paid by us forthwith to your goodselves irrespective of whether or not there is any dispute between the Company and your goodselves in respect of or relating to the amount of the Outstanding Sum.
3. This Guarantee is irrevocable upon its issuance by us and shall be a continuing guarantee to you.

IN WITNESS WHEREOF We have hereunto set our hands on the date stated below.

.....
Dato' Lua Choon Hann
Director
Mirach HP Limited
(previously known as Wealthhunter
Limited) (Company No. LL13591)

.....
Mr. Liew Ching Hoong
Director
Mirach HP Limited
(previously known as Wealthhunter
Limited) (Company No. LL13591)

My readers have asked if this is legal and allowable by MAS here in Singapore. The truth is, I don't know, but I'd certainly love to hear from the **Monetary Authority of Singapore (MAS)** if it is legal to **market** such an investment scheme here in Singapore, particularly when the Singapore entity isn't even registered as an investment entity.

Because the last I checked, Mirach HP Management Pte Ltd is not even regulated to provide financial services ([according to the MAS Financial Institutions Directory here](#)).

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5 result(s)

View 10

* Please note that a financial institution may hold multiple licences. Therefore, the results count on the licences may be higher than the number of financial institutions returned.

No result for: mirach

5. The Singapore entity was only recently registered in March 2018, barely even a month ago.

Registration No.	: 201810717C
Company Name.	: MIRACH HP MANAGEMENT PTE. LTD.
Former Name if any	:
Incorporation Date.	: 28/03/2018
Company Type	: PRIVATE COMPANY LIMITED BY SHARES
Status	: Live Company
Status Date	: 28/03/2018
Principal Activities	
Activities (I)	: BUSINESS AND MANAGEMENT CONSULTANCY SERVICES (GENERAL) (70201)
Description	:
Activities (II)	:
Description	:

Well, guess what? Since my original post broke on 19 April, the said influencer has taken to her Instagram to defend herself by stating that the money doesn't go to her account, and that there is a legit contract in place.



Look, even if there is a legitimate contract in place, that doesn't mean your money is safe. **If the company folds, your contract is now invalid.** Who will you go to for legal recourse? Your lawyer in Singapore? Wait, don't forget that your original contract alone was governed by Malaysia law, so you need to fight your case there.

But anyway, Rachell Tan makes it sound like she's genuinely recommending a solid investment opportunity to her readers because there's money to be made here, and she cares enough to share although she has nothing to gain from your investment.

This shouldn't be allowed to happen.

The question also remains as: if an influencer really has nothing to gain from promoting a durian investment, **why would a person put in so much effort into replying each of her followers DMs, and WHY is she sending out emails using Mirach's address?**

----- Forwarded message -----
From: Mirach Hp <info@mirachhp.com>

Hello,

This is Rachell.

First of all, thank you for your interest in this investment!

Attached is a rough draft of the project for your kind reference, as well as the FAQs.

The project has already commenced and the 4,000RM seedlings have already been sold out, with the 5,000RM seedlings going fast.

The write-up is just for your understanding and reference. Please refer to our official contract (which will be sent upon request) for fuller and more

Please take note that this is a one-off investment, and the returns given to you will be till year 2068 when the land lease expires.

We'll be updating the website with more photos, videos, and articles about our plantation's progress soon!

There's quite a bit of information in the attached documents, so do take your time to read them!
Please feel free to drop me a WhatsApp text at 9237 0248, or simply reply to this email if you have any further queries.

Regards,

Mirach HP Limited
Tel: +65 65368033

96 Robinson Road, #17-01 SIF Building Singapore 068899

There's definitely more than meets the eye, and not all details regarding relationships and remuneration may be transparently disclosed.

Should influencers be allowed to solicit for investment funds on their public platforms?

I'll leave you to judge.

Does MAS need to start regulating investment schemes / products promoted by influencers? Only time will tell.

With love,
Budget Babe

2025 Update:

I was recently shown certain documents from the company announcing that that

Category

1. Investing

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