5 WAYS AFFILIATES CAN MANAGE THEIR RISK

1. Do not promote large profits
2. Educate customers on the risk
3. Do not offer exotic trading without sufficient explanation of the term
4. List your contact information and follow best business practices
5. Seek relief refutation from merchant if possible

Beware
The FTC does not and cannot take action against promotions on the internet. However, the FTC can take action against a company that appears to be promoting an illegal activity. The FTC can shut down promotions, stop illegal activities, and make sure the public is protected. The FTC is not able to take action against promotions that appear to be legal for the public to participate in.

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Most affiliate advertisers are familiar with the FTC
FTC has focused on:

- False and deceptive nature of the product (ecigs)
- or -
- Unsolicited communication methods (unsolicited text)
The CFTC
(The Commodities Futures Trading Commission) regulates the sale of commodity and financial futures options
Futures contracts were originally for agricultural products and have been traded in the U.S. for 150 years.
Since the 1970s, commodities have expanded to include financial instruments, foreign currency and stock indexes.

Because the sale of so many financial and investment instruments are conducted online, affiliates have come under the scrutiny of the CFTC.
Which affiliates are regulated by the CFTC?
Foreign Currency Trading Contracts (FOREX)
Currency-trading employment opportunities

Binary options
What is the CFTC looking for?
- Deceptive nature of advertising, but
- Financial returns are most important
Basically, if consumers lose money and complain the CFTC can and will pursue you, even if you have try to qualify prospects and explain risk.
Compared to the CFTC, the FTC is a nice guy
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- The FTC takes into consideration your ability to pay when assessing damages
The CFTC does NOT, and takes everything you have PLUS what you don’t have.
CASE STUDY: Domain Name Seizure Reversed, Favorable Settlement Gained

(CFTC v. InstaForex, Case No. 1:11-cv-00188 (U.S. District Court, District of Columbia))
5 WAYS AFFILIATES CAN MANAGE THEIR RISK
Do not promise large profits
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Educate consumers on the risk
Do not offer margin trading without sufficient explanation of the term
List your contact information and follow best business practices
Seek indemnification from merchant if possible