

**Question for written answer E-002079/2023
to the Commission**

Rule 138

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Subject: IM Academy and similar firms operating in bad faith are luring young people into banned pyramid schemes and circumventing the EU Unfair Commercial Practices Directive

There have been media reports about IM Academy in the Netherlands and Belgium. The firm offers subscription-based courses of questionable quality on, inter alia, crypto and a mindset that will supposedly make people rich. IM Academy encourages young people to recruit friends and acquaintances as members. Subscription fees are reduced for every member referred, referrers gain in prestige, and money can even be made. This appears to be a pyramid scheme pure and simple. The individuals involved are often left penniless.

In Belgium, IM Academy has been found guilty of organising a pyramid scheme; in Spain, members have been arrested; in other EU countries, the firm is still very much in business.

IM Academy and similar firms' participants are, in legal terms, not 'customers' but, rather, 'independent business owners'; as such, they fall outside the scope of the EU Unfair Commercial Practices Directive. National authorities often have no means of dealing with such firms, especially since, in many instances, there are no permanent registered offices.

1. Is the Commission aware that firms such as IM Academy are not covered by the European Directive because, in legal terms, members are not 'customers' but, rather, 'business owners'?
2. What is the Commission doing to protect vulnerable groups such as young people and the elderly against such scams?
3. In the Netherlands alone, 100 000 people fall victim to this type of pyramid scheme every year. There are no precise figures for Europe as a whole. Is the Commission prepared to look into the scale of the problem?

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