

## **BANK OF BOTSWANA**

### **PRESS RELEASE**

#### **ILLEGAL DEPOSIT-TAKING ACTIVITIES AND/OR PYRAMID SCHEMES**

The general public is hereby informed that it has come to the attention of Bank of Botswana (Bank) that certain entities are conducting illegal deposit-taking activities from unsuspecting members of the public. Furthermore, some of these entities resemble pyramid schemes, which are illegal in Botswana.

It is a contravention of Section 3(1) of the Banking Act (CAP. 46:04) (Act) to conduct any form of deposit-taking activity without a valid licence issued by the Bank. It is also a criminal offence, punishable by law, for any person to operate a pyramid scheme and/or other similar unauthorised deposit-taking activities in Botswana. Section 5(1) of the Act empowers the Bank to investigate a person or entity suspected to be conducting illegal deposit-taking business. If the investigation confirms the contravention, and subject to other interventions as the Bank may deem appropriate, the activities shall be suspended forthwith.

Against this background, an entity by the name of HUSFIN CRIF has been found to be operating illegally in Botswana by taking deposits from members of the public in violation of the Act. The company's operations are characteristic of a pyramid scheme where the promised benefit for each group of members depends solely on the recruitment of an additional

batch/layer of members. The Bank has, as empowered by the Act, caused the cessation of the operations of this company. Consequently, the company's account, which is held at a commercial bank in Botswana, has been frozen. Any monies in the account which may, on further investigation, be found to have been collected through this illegal activity shall be disposed in accordance with the procedures set out in the Act.

The Bank advises the public to desist from continuing to conduct business, as specified in the contract of agreement, with HUSFIN CRIF, or any other person or entities of a similar nature, form and/or intent. If in doubt, the members of the public should contact Deputy Director, Banking Supervision Department, Mr Godfrey Ngidi, for clarification.

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