



BANK OF BOTSWANA

August 27, 2019

ILLEGAL DEPOSIT-TAKING ACTIVITIES

PRESS RELEASE

The public is hereby informed that the Bank of Botswana (Bank) has determined that Botswana Fund Motshelo is illegally taking deposits from members of the public, and operating a pyramid scheme business. The Bank has accordingly directed the promoters of Botswana Fund Motshelo to cease and desist from transacting the illegal business scheme.

Pyramid schemes and other illegal deposit-taking activities are unlawful in Botswana; and contravene Section 3(1) of the Banking Act (CAP. 46:04) (Act). This provision of the Act restricts transacting banking business and/or advertising for or soliciting deposits of money solely to licensed banks. It is a criminal offence, punishable by law, for any person to promote the aforementioned illegal activities in Botswana, as that constitutes unfair trading practice. Section 5(1) of the Act empowers the Bank to investigate a person or entity suspected to be conducting unlicensed banking business and/or illegal deposit-taking activities. If the investigations confirm the contravention, subject to other intervening measures, the activities shall be suspended forthwith.

The Bank advises the public not to participate in the peddling of pyramid schemes, and for anyone involved in such schemes to cease and desist their operations. The public is further advised to report to the Bank any suspected illegal deposit-taking schemes or pyramid schemes for investigation. In accordance with Section 3(4) of the Act, any person involved in illegal deposit-taking or operating a pyramid scheme contravenes the banking laws and, if found guilty, is liable to a fine of P2 500.00 for each day on which the offence occurs and to imprisonment for three years. Furthermore, in accordance with Section 5(6) of the Act, failure to comply with the Bank's order to cease and desist from

such operations render the owners/promoters liable to a fine of P2 000 on each day on which the contravention occurs and to imprisonment for three years.

For further information, please contact Dr Seamogano Mosanako. Head of Communications and Information Services, Bank of Botswana. Tel: 3606083/ 3606382/ 3606315