



**BANK OF BOTSWANA**

## **PRESS RELEASE**

### **ILLEGAL DEPOSIT TAKING ACTIVITIES**

The general public is hereby informed that it has come to the Bank of Botswana's (Bank) attention that there are some businesses conducting illegal deposit taking activities from members of the public, and such businesses have been determined to be pyramid schemes. Two such businesses identified by the Bank are Global Dream Network and Dynamic Cycle Network.

Pyramid schemes and other illegal deposit taking activities are unlawful in Botswana; the nature of these operations constitute illegal deposit taking from the public, hence 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 also 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 has accordingly directed the promoters of Global Dream Network and Dynamic Cycle Network, which operated from Plot 36222, Block 8, Gaborone, to cease and desist from transacting the illegal business schemes.

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 from doing so. 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 for each day on which the offence occurs and to imprisonment for five 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.

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For further information, please contact:

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