

The Central Bank of Rwanda (BNR) has warned the public against getting involved in cryptocurrencies in a public notice signed by Soraya Hakuziyaremy, the Deputy Governor and Acting Governor.

“It has come to the attention of BNR that there is increasing promotion of Crypto-assets by both individuals and entities promising high returns. The public is hereby advised to be vigilant with respect to crypto-assets as these assets carry substantial risks.”

According to the apex bank, crypto-assets come in many forms and remain unregulated. Therefore, consumers and investors involved in this business will not benefit from the guarantees and safeguards associated with regulated financial services.

“Some crypto-assets scams taking novel forms promising unrealistic high returns have been reported in past here in Rwanda, and in some instances, owners of exchange platforms or service providers disappeared after defrauding the public,” the monetary authority warned.

The bank also reiterated on the price volatility of crypto-assets including stablecoins, which it warned expose investors and financial institutions to a very high risk of losing their assets. The bank gave the example of the market value of crypto-assets declining from \$3 trillion in 2021 to only one trillion in mid-2022.

The BNR also stated that crypto-assets are vulnerable to money laundering activities due to their anonymous nature and ability to transfer funds across borders. This could potentially harm the integrity and reputation of the financial system and the country as a whole.

The bank has therefore advised the public to be aware of the risks associated with crypto-assets, and to avoid being enticed into any investments related to them, including promotion, purchase, sale, or acceptance as payment, until a regulatory framework has been established.

It is not clear when Rwanda will launch a regulatory framework; however, previously, the central bank had indicated it would complete.