

Rwanda's Chamber of Deputies has unanimously adopted a new law regulating cryptocurrency and other digital assets, establishing a formal licensing system, strict penalties for illegal operations, and a clear supervisory framework aimed at curbing fraud and protecting investors.

The legislation, passed during a plenary session on Tuesday, May 5, 2026, designates the Capital Market Authority (CMA) as the primary regulator of digital asset trading, while the National Bank of Rwanda (BNR) will oversee broader financial stability implications through coordination and information sharing.

Lawmakers said the measure responds to a surge in fraud cases linked to cryptocurrency investments, including pyramid schemes and unlicensed online platforms that have led to significant financial losses for citizens.

Regulatory roles clarified

During debate, MP Mukabalisa Germaine questioned whether the new framework could create overlapping responsibilities between CMA and BNR, noting that the central bank traditionally oversees monetary policy and currency-related matters.

She raised concerns that shared oversight could complicate enforcement and create ambiguity in supervisory roles.

In response, the Chairperson of the Parliamentary Committee on Economy and Trade, MP Munyangayo Théogene, said the institutions would operate in a complementary manner rather than in competition.

He said CMA would directly regulate the sector, while BNR would rely on data from CMA to assess risks to financial stability.

"This is a system of coordination, not duplication," he said, adding that both institutions remain accountable to the Ministry of Finance and Economic Planning.

Tough penalties for illegal trading

The law introduces strict sanctions for operating without a license. Individuals found guilty of unlicensed digital asset trading face fines of Rwf 30 million to Rwf 50 million, while companies risk penalties ranging from Rwf 50 million to Rwf 100 million.

CMA is granted authority to enforce compliance, including issuing warnings, ordering corrective action, suspending or revoking licenses, and shutting down operations where necessary. It will also conduct inspections and require licensed operators to submit quarterly reports.

The law further prohibits advertising or promoting digital asset services without authorization, a measure aimed at curbing misleading investment schemes.

Rapid growth and rising risks

Lawmakers noted that the digital asset market has expanded rapidly worldwide, operating on more than 900 exchanges and involving over one billion users. However, they warned that the sector remains highly vulnerable to fraud, particularly through unregulated platforms.

Munyangero said many investors are misled by websites that appear legitimate but are designed to defraud users.

“It is easy for people to believe they are engaging in safe investments, only to lose their money,” he said.

In East Africa, adoption continues to grow, with Kenya reporting more than four million users, Uganda over two million, Tanzania about 1.5 million, and Rwanda an estimated 350,000.

Industry response

Industry players welcomed the legislation, saying it will provide long-awaited regulatory clarity.

Robert Ford Nkusi, a representative of crypto firm Yellow Card, said the law would help formalize the valuation of digital assets through tokenization.

“This framework will allow regulators to assign clear value to tokens and improve transparency across transactions,” he said, adding that it could also support the digitization of real-world assets such as land and minerals.

Financial hub ambitions

Government officials said the law aligns with Rwanda’s ambition to position itself as

a regional financial hub by strengthening investor protection and aligning with international standards.

Finance Minister Yusuf Murangwa said clear regulation is essential to attract foreign investment and support innovation in financial technology, citing countries such as Singapore, Dubai, Mauritius, and South Africa as benchmarks.

Crackdown follows fraud cases

The reform comes after authorities recorded multiple fraud cases involving digital assets. The National Public Prosecution Authority and the Rwanda Investigation Bureau have handled dozens of cases linked to online investment scams, including pyramid schemes promising unrealistic returns.

Officials said these schemes have resulted in significant financial losses, underscoring the need for stronger safeguards in the sector.

The new law will take effect after publication in the official gazette, with detailed implementation guidelines expected to define technical and operational requirements for market participants.