



Bank of Botswana



May 17, 2023

PRESS RELEASE

SUSPECTED ILLEGAL DEPOSIT-TAKING ACTIVITIES AND UNLICENSED INVESTMENT VEHICLES

The public is informed that the Bank of Botswana (the Bank), the Competition and Consumer Authority (CCA), and law enforcement agencies are investigating reports of suspected pyramid and ponzi schemes, or similar investment vehicles, operating in Botswana, allegedly involved in unfair and fraudulent trading practices. The public is further advised that a company named Ecoplexus Solar Equipment (Pty) Ltd (Ecoplexus) is not licensed or authorised by either the Bank of Botswana or Non-Bank Financial Institutions Regulatory Authority (NBFIRA) to undertake the business of either banking or provision of financial services in Botswana. It is, therefore, illegal for any person to solicit and/or accept deposits from members of the public disguising or masquerading as an investment scheme.

Pyramid schemes and other illegal deposit-taking activities (such as ponzi schemes or fraudulent investment vehicles) are unlawful in Botswana as the nature of these operations contravenes Section 3(1) of the Banking Act (Cap. 46:04) and Section 9 (1) of the Consumer Protection Act No. 5 of 2018. The Banking Act, in particular, 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 undertake or promote the aforementioned activities in Botswana, as that

constitutes unfair trading practice. Section 5(1) of the Banking Act empowers the Bank to investigate a person or entity suspected to be conducting unlicensed banking business and/or illegal deposit-taking activities.

The public is advised to desist from participating in the peddling of pyramid or ponzi schemes, and, in particular, any such activities that offer “get-rich-quick” and unrealistically high returns on investments in non-transparent, unlicensed investment vehicles. The Consumer Protection Act provides that a person who participates in a pyramid scheme, multiplication scheme, chain letter scheme or any other arrangement, agreement or practice declared a pyramid scheme, commits an offence and shall be liable, upon conviction, to a fine not exceeding P100 000 or to imprisonment for a term not exceeding five years, or to both.

Any entity or person involved in illegal deposit-taking contravenes the Banking Act and is deemed to be transacting the business of banking without a valid licence issued by the Central Bank. If found guilty of the offence of illegal deposit-taking and/or providing banking services without a licence to do so, the person is liable to a fine of P2500 for each day the offence occurs or continues to occur, and imprisonment for five years. Furthermore, failure to comply with the Bank of Botswana’s order to cease and desist from such illegal operations render the owners/promoters liable to a fine of P2 000.00 on each day on which the contravention occurs or continues to occur, as well as to imprisonment for three years.

The public is encouraged to exercise due diligence before investing in any business opportunity. This entails establishing the legality of the operations of such a business with the relevant authorities.