

## The emerging and growing promotion of cryptocurrencies



It has come to the attention of the Central Bank of Lesotho that there are activities that promote the use of **cryptocurrencies**, also known as **virtual currencies**, in Lesotho. The dominant and most promoted locally is the **Bitcoin**.

**Section 23** of the Central Bank of Lesotho **Act of 2000** gives the Bank the powers to be the sole issuer and redeemer of currency in Lesotho.

The Central Bank of Lesotho hereby notifies and warns the public that it does not oversee, supervise or regulate the **cryptocurrencies, their systems, promoters or intermediaries**. Any activities related to the acquisition, trading or use of cryptocurrencies is at the user's sole and independent risk. Members of the public are therefore notified that in the event of losses or similar eventualities, there shall not be recourse to the Central Bank of Lesotho.

That said, it is important to highlight that cryptocurrencies expose participants to violation of:

- Anti-money laundering and combating of terrorist financing laws;
- Tax laws; and
- Exchange control laws

Which are prosecutable transgressions.

***The Bank reserves the right to, and shall issue further statements should circumstances warrant.***