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FOR IMMEDIATE RELEASE

**BANK OF NAMIBIA CAUTIONS THE PUBLIC AGAINST ILLEGAL INVESTMENT SCHEMES**

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1. The Bank of Namibia cautions and urges members of the public to refrain from conducting and/or participating in illegal deposit taking activities that are currently operating in Namibia. It should be emphasised that taking deposits from the public without authorisation from the Bank of Namibia is prohibited in terms of section 5 of the Banking Institutions Act, No. 2 of 1998.
2. In line with the mandate of the Bank to investigate financial schemes which are operated in contravention of the Act, the Bank has become aware of investment schemes which are increasingly becoming popular in Namibia on social media and other online platforms.
3. As a result, the Bank and the Namibian Police are currently investigating a number of suspected illegal financial schemes, and once the investigations are completed the public will be informed of the outcome.
4. These investment schemes commonly exhibit the following key features:
  - a) The business is not authorised by the Bank of Namibia to accept deposits from public or conduct banking business;
  - b) The business involves an investment scheme whereby members are promised high returns within a very short period of time;
  - c) The promoter of the scheme accepts deposits/investments from members of the public as a regular feature of its business, and further, extends these funds to other members;
  - d) Rapid growth of membership is achieved through promotional messages via social media platforms, most commonly WhatsApp Groups;
  - e) The business does not sell any products. But the principal feature of the business is a financial scheme, which involves enticing members of the public to invest and enjoy high returns.

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5. The public is hereby cautioned to refrain from operating and/or participating in such schemes, as they are not only illegal, but are also a risky financial undertaking. Thus, any person involved in business activities that resemble the above mentioned features are directed to stop such practices immediately as it contravenes the provisions of the Act.
6. The Bank is empowered to take action against members of the public who participate in illegal financial schemes. The Bank reminds that members of the public who operate and/or promote such businesses commit an offence in terms of the Act and if found guilty will accordingly be punished in terms of section 72 of the Act.

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