



Bank of Botswana

September 20, 2021

PRESS RELEASE

ILLEGAL DEPOSIT-TAKING ACTIVITIES

It is hereby notified for public information that, following enquiries and complaints from members of the public, the Bank of Botswana conducted an investigation into the operations of a company called Energy Glass Africa (Pty) Limited. The company purports to raise money from the public for the purpose of undertaking a glass manufacturing operation and promises to pay exceptionally high monthly returns soon after subscription in the form of a bond of P1 000.00.

The investigations established that the nature of the company's operations, especially on account of a promise of a return of P2 700.00 per month on a P1 000.00 bond investment, constitutes illegal deposit-taking from the public, in contravention of Section 3(1) of the Banking Act (Cap. 46:04) (Banking Act). This provision of the Banking Act restricts transacting banking business and/or advertising for or soliciting deposits of money to licensed banks. It is also a criminal offence, punishable by law, for any person to promote the aforementioned illegal activities in Botswana, as that constitutes advertising for or soliciting deposits of money without a valid licence. 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. If the investigations confirm the contravention, subject to other intervening measures, the activities shall be suspended forthwith.

The Bank has accordingly directed the promoters and beneficial owner(s) of Energy Glass Africa (Pty) Limited, which operated from Plot 37250, Block 8, Gaborone, to cease and desist from transacting the illegal business.

Members of the public are advised to be vigilant when making investment decisions, among others, to validate, beyond company registration, the nature of business and reasonableness of promised returns to be generated by the prospective business, as well as regulatory authority to conduct the business. In general, business returns are aligned to growth rates of the economy, prevailing interest rates and rates of price increase. Specifically, it is inconceivable that a sound and legal business would generate monthly returns that are double the capital funds invested even before the business commences trading or generating any form of revenue from the activities of the stated business venture (other than funds collected from the investors).

Participating in illegal schemes inevitably results in loss of money or complicity of participants in a criminal activity; consequently, the public is urged to desist from peddling and/or participating in such patently unfair trading schemes. The public is further advised to report to the Bank of Botswana any suspected illegal deposit-taking schemes for investigation.

Any entity or person involved in illegal deposit-taking contravenes the banking laws and, if found guilty, is liable to a fine of P2 500.00 for each day on which the offence occurs and to imprisonment for five years. Furthermore, failure to comply with the Bank's order to cease and desist from operations, renders the owners/providers liable to a fine of P2 000.00 on each day on which the contravention occurs and to imprisonment for three years.

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