



BANK OF SOUTH SUDAN (BOSS) **Office of the Governor**

PUBLIC ADVISORY ON VIRTUAL CURRENCIES TRADED BY UNREGULATED ENTITIES IN SOUTH SUDAN

The Bank of South Sudan (BoSS) wishes to advise members of the public who are investing in, or otherwise conducting transactions in virtual currencies, of the potential risks associated with buying, holding, or trading in virtual currencies. While it is recognized that investing in virtual currencies can promised high returns and other benefits such as lower transaction costs and processing times, the Bank of South Sudan wishes to advise members of the following risks associated with:

1. Virtual currencies such as Bitcoin is a digital representation of the value that can be digitally traded and functions as medium of exchange within a specified online community but does not have legal tender status in South Sudan.
2. Providers of virtual currencies in South Sudan are neither regulated nor supervised by the Bank of South Sudan and there is currently no legislative provision under the Banks' purview that provides protection to customers for losses arising from the use of virtual currencies. In addition, unregulated virtual currencies companies may lack appropriate internal controls and may be more susceptible to fraud and theft than the regulated financial institutions.
3. Transactions involving virtual currencies are subjected to a high degree of anonymity. As such, there is the potential for misuse of virtual currency to conduct criminal activity, including money laundering or terrorism financing; and
4. Virtual currencies tend to be volatile, and their value can fluctuate significantly. The high volatility of virtual currencies make them unsuitable for most investors, especially those investing for long -term goals

Furthermore, The Bank of South Sudan noted with concern the social media reports on the emergency of schemes purported to be virtual currencies that promise high returns when members purchase and recruit others to join/invest. We strongly advise members of the public to be cautious of such schemes and conduct appropriate due diligence as these may be Ponzi schemes in disguise.

The Bank of South Sudan shall continue to monitor activities involving the use of virtual currencies and advise the public accordingly.

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