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PUBLIC STATEMENT ON CRYPTO-CURRENCIES

1. The government of Uganda has noted the emergence of the practice of using, holding and trading crypto-currencies in Uganda.
2. Crypto-currencies are digital assets that are designed to effect electronic payments without the participation of a central authority or intermediary such as a Central Bank or licensed financial institution. Crypto-currencies may therefore be used to effect anonymous electronic payments or bought and held for speculative purposes in the expectation that their value will rise at a future time, whereupon they could be sold for a profit.
3. Hundreds of crypto-currencies have been designed and launched around the world, and the most well-known examples include Bitcoin and Ethereum. Such crypto-currencies are not issued or regulated by any government or central bank.

This is to inform the general public that:

- a. The government of Uganda does not recognize any crypto-currency as legal tender in Uganda.
- b. The government of Uganda has not licensed any organization in Uganda to sell crypto-currencies or to facilitate the trade in crypto-currencies and so these organizations are not regulated by the Government or any of its agencies.

Mission

"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"

4. As such, unlike other owners of financial assets who are protected by Government regulation, holders of crypto-currencies in Uganda do not enjoy any consumer protection should they lose the value assigned to their holdings of crypto-currencies, or should organization facilitating the use, holding or trading of crypto-currencies fail for whatever reason to deliver the services or value they have promised.

The general public is further advised of the following risks associated with crypto-currencies;

- a. Most crypto-currencies such as Bitcoin and Ethereum are not backed by assets or government guarantees, therefore holders of these crypto-currencies are fully exposed to the risk of loss or diminishing value as the issuers are not obliged to exchange them for legal currency or other value.
- b. Crypto-currencies tend to change value rapidly over time. While holders of crypto-currencies may make profits when their value rises, they will be exposed to losses when their value falls.
- c. The nature of crypto-currencies make them attractive for use in criminal transactions such as money laundering, sale of prohibited goods and services, and fraudulent venture such as Ponzi and pyramid schemes.

In conclusion, the public is advised to appraise themselves of the risks associated with cyber-currencies, and exercise caution before they make transactions involving such products.


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MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

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