



## **PUBLIC NOTICE**

---

### **CAUTION TO THE PUBLIC ON VIRTUAL CURRENCIES SUCH AS BITCOIN**

---

The attention of the Central Bank of Kenya (CBK) has been drawn to media reports on the use, holding and trading of virtual currencies such as Bitcoin in Kenya. Bitcoin is a form of un-regulated digital currency that is not issued or guaranteed by any government or central bank. Domestic and international money transfer services in Kenya are regulated by the Central Bank of Kenya Act and other legislation. In this regard, no entity is currently licensed to offer money remittance services and products in Kenya using virtual currency such as Bitcoin.

This is to inform the public that virtual currencies such as Bitcoin are not legal tender in Kenya and therefore no protection exists in the event that the platform that exchanges or holds the virtual currency fails or goes out of business. Some of the risks associated with buying, holding or trading virtual currencies include the following:

- Transactions in virtual currencies such as bitcoin are largely untraceable and anonymous making them susceptible to abuse by criminals in money laundering and financing of terrorism.
- Virtual currencies are traded in exchange platforms that tend to be unregulated all over the world. Consumers may therefore lose their money without having any legal redress in the event these exchanges collapse or close business.
- There is no underlying or backing of assets and the value of virtual currencies is speculative in nature. This may result in high volatility in value of virtual currencies thus exposing users to potential losses.

CBK reiterates that Bitcoin and similar products are not legal tender nor are they regulated in Kenya. The public should therefore desist from transacting in Bitcoin and similar products.

**CENTRAL BANK OF KENYA  
DECEMBER 2015**