



Ministry of Agriculture, Livestock, Fisheries and Cooperatives

State Department for Co-operatives



Central Bank of Kenya



Insurance  
Regulatory  
Authority  
Bima Bora Aswa Taifa



Retirement Benefits Authority



## PUBLIC NOTICE

### FRAUDULENT AND UNLICENSED FINANCIAL SCHEMES

**As the coronavirus (COVID-19) pandemic continues to unfold, we warn the public of the re-emergence of fraudulent and unlicensed financial schemes seeking to take advantage of Kenyans during these challenging times. These rogue entities include online pyramid schemes, unlicensed credit and savings schemes, and unlicensed online forex brokers and traders.**

Some of the fraudulent entities have styled themselves as **online global networking companies** that seek to recruit members of the public to join and make cash deposits purportedly to buy shares in the company. The encouragement to recruit new members in order to receive more benefits is a characteristic of a **fraudulent pyramid scheme**. We had previously, issued a [Public Notice](#) in July 2018 warning the public against such unlicensed financial services and products.

Other fraudulent unregulated entities styling themselves as **online foreign exchange (forex) brokers and traders** have also emerged. These entities promise customers huge returns and are not licensed as required, either as online forex brokers or traders by the Capital Markets Authority (CMA) or as forex dealers by the Central Bank of Kenya (CBK). CMA licenses and regulates online forex brokerage and trading, and other capital market products while CBK licenses and regulates all forex dealers and the Kenya Shilling component of any online forex trading and brokerage. These rogue entities seek to exploit Kenyans and pose Money Laundering and Financing of Terrorism risks to the financial sector. CBK had previously issued a [Public Notice](#) in August 2019 warning the public against unlicensed forex dealers.

The purpose of this notice is to **warn members of the public against dealing with unlicensed financial schemes and unlicensed online forex dealers**. The public should only deal with licensed financial institutions and entities in order to protect themselves from being defrauded and losing their money.

Members of the public are reminded that in addition to a business permit, regulated financial institutions are required to have a valid license issued by a financial sector regulator. The list of financial institutions licensed by the financial sector regulators may be accessed from the Central Bank of Kenya's website [www.centralbank.go.ke](http://www.centralbank.go.ke), Sacco Societies Regulatory Authority's website [www.sasra.go.ke](http://www.sasra.go.ke); Capital Markets Authority's website [www.cma.or.ke](http://www.cma.or.ke); Insurance Regulatory Authority's website [www.ira.go.ke](http://www.ira.go.ke) and the Retirements Benefits Authority's website [www.rba.go.ke](http://www.rba.go.ke).

Inquiries on the activities of all other cooperative societies or non-deposit-taking SACCOs should be directed to the office of the Commissioner for Cooperative Development or the nearest County/Sub-County Cooperative offices. The Commissioner for Cooperative Development can be reached through contacts on the website [www.ushirika.go.ke](http://www.ushirika.go.ke).

Appropriate action will be taken against unlicensed entities involved in the provision of fraudulent or unlawful financial services, and unlicensed forex dealers. Members of the public should therefore report individuals and entities offering unlicensed or fraudulent financial services and unlicensed forex dealers to any of the financial sector regulators through the contacts available on their websites.

We welcome innovative legitimate businesses who meet the stipulated licensing criteria to the financial sector to provide Kenyans with a variety of suitable financial services and products.

**CAPITAL MARKETS AUTHORITY**

**CENTRAL BANK OF KENYA**

**INSURANCE REGULATORY AUTHORITY**

**MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVES**

**RETIREMENT BENEFITS AUTHORITY**

**SACCO SOCIETIES REGULATORY AUTHORITY**

**AUGUST 25, 2020**