

CENTRAL BANK OF SAMOA ISSUES WARNING ON ONECOIN CRYPTOCURRENCY

In whom do we trust? Do you trust the money (legal tender or paper money and coins) issued by the Central Bank of Samoa (“CBS”)? Or do you trust cryptocurrency investments such as OneCoin or Bitcoin (not legal tender) using middlemen and agents promoting it, which is not regulated by law? CBS has therefore issued a warning over the rising number of cryptocurrency promotions taking place here in Samoa.

It has come to our attention that there are promotions such as Onecoin cryptocurrency that are currently being promoted in Samoa. How it works is that people are encouraged to sign up an account and purchase a package of tokens, these tokens can then be used to invest in a cryptocurrency, as the value of the cryptocurrency goes up, so too will your proposed reward. In essence, you invest in the cryptocurrency and are guaranteed a substantial return on the rewards in a certain period of time.

CBS advises that such a scheme is very very risky and people who invest in it stand to lose their investment. The great risk here is that once these funds are lost then there is a huge possibility that these funds will never be recovered. CBS does not endorse this cryptocurrency venture due to the high risks that it poses to unsuspecting people.

CBS has also confirmed from multiple credible media sources that the founder and main Onecoin headquarters in Bulgaria has been raided by Bulgarian Police as part of a ‘centralised cryptocurrency pyramid scheme’. Onecoin is also banned from countries such as Germany. (links attached below)

Several crypto currency promoters have contacted CBS seeking endorsement for their business and product; however they were not able to satisfy the government’s requirement of providing the relevant information for due diligence purposes (where the Central bank thoroughly scrutinizes a company and its products, if we do not have all the information to make an informed decision. As a result, CBS, on behalf of Government, has refused to endorse such ventures.

CBS, as the Regulator for financial institutions in Samoa, does not wish to prohibit new ventures that will benefit Samoa’s public and economy; however, as with every new venture such as cryptocurrency, there are always risks involved.

Cryptocurrency is a form of digital money that is designed to be secure and, in many cases, anonymous. It is a currency associated with the internet that uses cryptography, the process of converting legible information into an almost uncrackable code, to track purchases and transfers.

Cryptocurrency at this current stage is unregulated, which makes it difficult to put in place procedures that will protect the public, as lack of regulation will attract criminal participation such as fraudsters and scammers (pyramid schemes). It can also be used for money laundering purposes and tax evasion.

There is currently a lack of information and public awareness as to how these cryptocurrency works, as such, this will often lead to people making ill informed decisions, such as investing in **get rich quick schemes!**

There is also a high risk to Samoa's economy, as certain cryptocurrencies may pose a security risk, such as vulnerability to cybercrime, and as a result, cause significant damage to our financial system and infrastructure.

CBS encourages the public to be alert and aware of these schemes. They may look like an attractive investment to quickly make more money, but you risk losing all your hard earned money without any possibility of recovering it. In whom do we trust? Who are we going to put our trust in?

Should you require any further details on this, please contact the Financial Intelligence Unit of the Central Bank of Samoa.

<https://www.mirror.co.uk/news/uk-news/alleged-pyramid-scheme-onecoin-faces-11911858>

<https://youtu.be/yhYdFDiySGU>