



Bank of Zambia

PRESS RELEASE

MINERAL PAY - MONEY CIRCULATION SCHEME

The Bank of Zambia (BoZ) wishes to warn members of the public to be wary of a company trading as **Mineral Pay**, which is providing financial services without a licence issued by the BoZ. This is in direct contravention of Section 6(2) of the Banking and Financial Services Act No.7 of 2017 (BFSA). Further, the Bank has conducted a review of Mineral Pay's business model and it is discovered that this company is engaging itself in a '*money circulation scheme*', which is also prohibited under Section 157 of the BFSA.

Mineral Pay has been offering a financial service by collecting deposits from members of the public. In this regard, the BoZ in collaboration with the Drug Enforcement Commission (DEC) and Financial Intelligence Centre (FIC) are currently investigating the company for activities contrary to the BFSA, as well as under the Prohibition and Prevention of Money Laundering Act respectively.

A *money circulation scheme* is an unsustainable investment operation that pays returns to its investors from their own money or the money paid by subsequent investors, rather than from profit earned by the individual or organization running the operation. The *money circulation scheme* usually entices new investors by offering much higher returns than other legitimate investments, in the form of short-term returns, which are either abnormally high or unusually inconsistent with the norm. A continuation of the high returns requires an ever-increasing flow of money from new investors in order to keep the scheme running.

The schemes are of various forms but all promise high returns to individuals who are recruited by depositing money into an account after which they are issued with a purported investment document.

The public is hereby warned to desist from getting involved in activities of a similar nature and is urged to be very cautious with any investment that promises huge returns in a very short period without any underlying economic activity. Further, the public is urged to only deal with financial service providers licensed by the BoZ, the Securities and Exchange Commission or the Pensions and Insurance Authority.

For further information and clarifications contact:


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