
RELEASE: RISKS ARISING FROM BITCOIN RELATED TRANSACTIONS

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The notice from the Bank of Mozambique ("BM") regarding a warning for the risks of using BITCOIN, the virtual and convertible currency that is being used in Mozambique, it was recently published.

Following the Notice, the BM clarified that:

- It does not regulate, inspect or supervise any activities or transactions carried out through BITCOINS; and
- It is not responsible for any effects resulting from transactions related to BITCOINS because, as the BM refers to, this currency: (i) has no legal framework and it wasn't issued by the Bank of Mozambique; (ii) the companies that negotiate BITCOIN are not regulated, authorised or supervised by the BM; (iii) they do not provide security and are vulnerable to fraud and other types of crimes committed using computer resources; (iv) they are highly volatile, in other words, their price varies very frequently; and (v) they allow anonymous transactions, promoting criminal activities.

Notwithstanding the foregoing, the BM states its commitment in supporting financial innovations, including those based on new technologies that make the financial system more secure and efficient.