



PRESS STATEMENT

MONEY CIRCULATION SCHEME - GLOBAL DREAM NETWORK

The Bank of Zambia (BoZ) wishes to warn members of the public to beware of a group operating as Global Dream Network, which we deem to be providing unauthorised financial services in contravention of Section 6(2) of the Banking and Financial Services Act No. 7 of 2017 (BFSA). Information received by the BoZ suggests that Global Dream Network is offering a financial service by collecting deposits from members of the public using social media platforms mainly WhatsApp. BoZ's review of the business model of Global Dream Network has revealed that the company is in effect engaging in a 'money circulation scheme,' which is prohibited under Section 157 of the BFSA.

Specifically, the WhatsApp administrators are enticing would be participants to invest a minimum of K350 and get a return of K100 cash after recruiting two people at the first level. The scheme promises up to K32, 000 in returns at level four.

According to Section 2 of the Banking and Financial Services Act (BFSA), "a money circulation scheme is "a scheme, plan, arrangement or understanding, between two or more persons which involves the pooling and distribution of funds by recruitment of subscribers, the continuation of whose existence and the realisation of any of its benefits substantially depend on the incremental recruitment of subscribers from the public for an unspecified period".

The Bank of Zambia wishes to also warn members of the public that, according to Section 157 of the BFSA, it is illegal to conduct, participate and issue notice or other documents inviting members of the public to subscribe to a money circulation scheme. Participants and promoters are both liable to criminal sanctions upon conviction.

The public is further advised to desist from getting involved and to be cautious with investments that promise huge returns without underlying economic activity. The public is urged to deal with financial service providers licensed by any of the three financial sector regulators.

Issued by:


Communications Unit
Bank of Zambia
P O Box 30080
LUSAKA
Telephone number +260 211 399300
Email: info@boz.zm

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