



COMMUNIQUÉ

CABINET APPROVES DRAFT LAW TO REGULATE VIRTUAL ASSETS IN RWANDA

The Cabinet has approved a draft law regulating virtual assets in Rwanda. This new law aims to create a clear and safe framework for this emerging sector. Here's what you need to know:

What are Virtual Assets?

Virtual assets are defined as digital representations of value that may be digitally traded or transferred and may be used for payment or investment purposes. They do not include digital representation of fiat currencies (such as Rwandan Franc, US Dollar, Euro..etc) .

Why is this law being created?

Virtual assets are being adopted rapidly around the world. While this presents opportunities for innovation and economic growth, it also carries significant risks, such as being used for money laundering or financing illegal activities.

The draft law is designed to protect Rwanda's financial system by managing these risks, while allowing for responsible innovation in the sector. It aligns with international standards set by the Financial Action Task Force (FATF).

What does this mean for the public?

The law is designed to protect consumers and investors by promoting market integrity and fair practices. It's important to know that:

- ▶ **Not Legal Tender:** Virtual assets are not recognized as legal tender (official currency) in Rwanda
- ▶ **Use of Payments:** They cannot be used as a direct means of payment unless explicitly authorized by the National Bank of Rwanda.

Who will regulate this sector?

Once the law is enacted and published in the Official Gazette, Capital Market Authority in collaboration with the National Bank of Rwanda will issue detailed regulations.

These guidelines will govern how virtual assets are issued, who can provide related services, and how those service providers will be licensed and supervised.

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