



Cryptocurrency and Blockchain Regulation

The Central Bank of the
West African States
(BCEAO)



2023 Edition

Blockchain and Digital
Transformation in Africa.



TABLE OF CONTENTS

04

Overview

05

Cont.

06

BCEAO Activities

07

Copyright and Disclaimer

08

References

Note: The information provided here implicitly highlights various regulations and laws in the country that can potentially impact digital asset service providers operating in the country's crypto and blockchain landscape. While these laws do not explicitly address cryptocurrencies, they provide a foundation upon which regulations can be modified or adapted to accommodate the evolving crypto and blockchain landscape in the nation.

Overview

The governor of the BCEAO, the West African CFA Franc zone's central bank, said Bitcoin and cryptocurrencies are not welcome in WAEMU. A currency needs a counterpart and a value guarantee, according to Tiemoko Meyliet Koné.

Cryptocurrencies can't be controlled, so people shouldn't utilize them.

Cryptocurrencies like Bitcoin's excessive price volatility also threaten economies[1].

The BCEAO says it hasn't handled cryptocurrencies since they're "not permitted" in the zone. The BCEAO governor stressed that since there is no authority accountable for these currencies, the BCEAO cannot allow their circulation in the region. The governor also indicated that several conversations with other central banks had yielded no changes in their position.

Previous reports showed that the BCEAO may have introduced the eCFA, a regional digital currency. In April 2017, the BCEAO rejected these rumors, saying they had no plans to launch a digital currency in any member state.

As part of the West African Economic and Monetary Union (UEMOA), the BCEAO governs Benin, Côte d'Ivoire, Benin, Burkina Faso, Mali, Niger, Senegal, and Guinea-Bissau, and Togo.

Benin

The Benin government has not publicly stated its opinion on cryptocurrency legality.

Côte d'Ivoire

The Government of Côte d'Ivoire has not made an official statement or publicly expressed a stance on the legality or status of cryptocurrencies at the national level.

Burkina Faso

At the national level, the government of Burkina Faso is yet to release a statement or officially convey a position on cryptocurrencies and their legal status.

[1] Adama Wade, "Tiemoko Meyliet Koné, Gouverneur de La BCEAO : 'Le Bitcoin ? Non Merci' - Financial Afrik," perma.cc, 2018, <https://perma.cc/4JBF-XPTL>.

Cont.

Mali

Regarding the legality of cryptocurrencies at the national level, the Government of Mali has not yet issued a statement or presented a public stance.

Niger

The Government of Niger has not yet publicly stated its position on cryptocurrencies and their legality at the national level.

Senegal

Senegal introduced the first digital currency in Sub-Saharan Africa, the eCFA, in 2016. Despite earlier claims, the eCFA is not blockchain-based. Senegalese bank Banque Regionale de Marches (BRM) and eCurrency Mint created it.

In April 2017, the BCEAO, the Central Bank of West African States, distanced itself from the eCFA and advised BRM against using the term "eCFA" to avoid confusion with the legal currency.

Senegal's banking sector remains flexible. BRM bank CEO Alioune Camara said the eCFA's ultimate purpose is to improve financial platform and system interoperability. Notably, the Senegalese government has not publicly supported cryptocurrencies other than the eCFA.

Guinea-Bissau

The government of Guinea-Bissau has not yet released a statement or officially declared its position on cryptocurrency and their legal status at the national level.

Togo

The Togolian government has not yet publicly stated its position on bitcoins and their legal status at the national level.



BCEAO Activities

On October 31, 2019, the BCEAO hosted an international fintech conference on blockchain, digital credit, electronic money, and regulation. A panel of Central Bank governors on fintech in developing countries concluded the conference by discussing the results and prospects of the technology[1]. In February 2020, the BCEAO created a FinTech Committee to balance fintech development in WAEMU. This comprises regulatory sandboxes, innovation hubs, and regulatory framework adaptations. The Regulatory Laboratory authorizes fintech ventures and the Innovation Hub supports them[2]. To comprehend the market and assess organizational and legal framework changes, the BCEAO created a fintech directory and exchange platform.

[2] BCEAO, "BCEAO | Banque Centrale Des Etats de l'Afrique de L'Ouest," www.bceao.int, 2019, <https://www.bceao.int/sites/default/files/2020-10/BCEAO%202019%20Annual%20Report.pdf>.

[3] BCEAO, "ANNUAL REPORT 2020: SUMMARISED VERSION," 2020, https://www.bceao.int/sites/default/files/2021-11/BCEAO_ANNUAL_REPORT_2020.pdf.

References

BCEAO. "ANNUAL REPORT 2020: SUMMARISED VERSION," 2020.
https://www.bceao.int/sites/default/files/2021-11/BCEAO_ANNUAL_REPORT_2020.pdf.

———. "BCEAO | Banque Centrale Des Etats de l'Afrique de L'Ouest." www.bceao.int, 2019.
<https://www.bceao.int/sites/default/files/2020-10/BCEAO%202019%20Annual%20Report.pdf>.

Wade, Adama . "Tiemoko Meyliet Koné, Gouverneur de La BCEAO : 'Le Bitcoin ? Non Merci' - Financial Afrik." perma.cc, 2018. <https://perma.cc/4JBF-XPTL>.

COPYRIGHT & DISCLAIMER

Chaintum Research has copyrighted this work in 2023 and released it under the Creative Commons Attribution-NonCommercial-NonDerivatives 4.0 International Public License.

Cryptocurrency and Blockchain Regulation BCEAO © 2023 by Chaintum Research is licensed under CC BY-NC-ND 4.0. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/4.0/>

The content is for informative purposes only and does not constitute investment/regulatory advice or management consultancy. This content does not indicate a commercial connection with Chaintum Research, and Chaintum Research is not liable for its usage.

This content may be copied, distributed, and cited under the Creative Commons license. Users should include separate citations for pictures, figures, and tables used with third-party authorization or under a different Creative Commons license.

To seek permission to remix, modify, build upon, or distribute any derivative of this content, email info@chaintumresearch.org with "Permission request" in the subject line. Thank you for your interest!

References

Bank of Tanzania. "The National Payment Systems Act, 2015." www.bot.go.tz, 2015.
<https://www.bot.go.tz/PaymentSystem/regulations>.

———. "The Foreign Exchange Act (CAP. 271)." www.bot.go.tz, 2019.
<https://www.bot.go.tz/Publications/Acts>.

Freeman Law. "Tanzania and Cryptocurrency." Freeman Law, 2018.
<https://freemanlaw.com/cryptocurrency/tanzania/>.