



# Cryptocurrency and Blockchain Regulation

## Ethiopia



2023 Edition

**Blockchain and Digital  
Transformation in Africa.**



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**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

Cryptocurrency adoption has received mixed reactions in Ethiopia. The Ethiopian government is interested in blockchain technology but has no official position on cryptocurrency. Blockchain technology's potential in Africa was examined in 2017 by specialists. The Ethiopian government has inked a substantial memorandum of understanding (MOU) with Cardano, a cryptocurrency firm, to develop a national educational records database utilizing blockchain technology[1]. This partnership marks a turning point for blockchain and the crypto-asset market in Africa, coinciding with the UN Sustainable Development Goals and the African Union Agenda 2063. Crypto mining's legality is unclear in most countries, including Ethiopia, due to a lack of cryptocurrency laws. Crypto mining is only banned in a few countries.

## **National Bank of Ethiopia**

In June 2022, the National Bank of Ethiopia (NBE) declared in June that utilizing digital currency for transactions is unlawful. The NBE does not recognize digital currencies as a legitimate payment option[2].

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[1] Helen Partz, "Ethiopian Gov't Signs Agreement with Cardano to Introduce Blockchain in Agritech," Cointelegraph, May 4, 2018, <https://cointelegraph.com/news/ethiopian-govt-signs-agreement-with-cardano-to-introduce-blockchain-in-agritech>.

[2] Central Banking Newsdesk, "Ethiopia Tells Crypto Firms to Register with Cyber Security Agency - Central Banking," [www.centralbanking.com](https://www.centralbanking.com/fintech/crypto-assets/7952871/ethiopia-tells-crypto-firms-to-register-with-cyber-security-agency#:~:text=In%20June%2C%20the%20National%20Bank), August 31, 2022, <https://www.centralbanking.com/fintech/crypto-assets/7952871/ethiopia-tells-crypto-firms-to-register-with-cyber-security-agency#:~:text=In%20June%2C%20the%20National%20Bank>.



## Information Network Security Administration (INSA)

Ethiopian authorities now demand crypto firms to register with the Information Network Security Administration (INSA) within 10 days. This registration scheme was made possible by changing a legislation that gives INSA authority over cryptographic products and transactions. Ethiopia's efforts to legalize cryptocurrency mining and investments, which the National Bank of Ethiopia (NBE) had forbidden, are reflected in this project. Crypto firms that don't register with INSA risk prosecution. Ethiopia hopes to become the first African nation to guarantee cybersecurity safety to investors and combat cryptocurrency crime through the registration process[3].

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[3] Kflip, "Cryptography Regulation in Ethiopia: In Light of INSA's Call for Registration," K-flip Knowledge Hub, August 29, 2022, <https://kflip.info/2022/08/29/cryptography-regulation-in-ethiopia/#:-:text=In%20a%20recent%20announcement%2C%20the>.

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