

PRESS STATEMENT

PRONOUNCEMENT TO ALL INVESTORS/ MEMBERS/ CREDITORS OF CESH A LETHU EMPOWERMENT CLUB

Pursuant to Section 8 of the Financial Institutions Act 2005 the Central Bank of Eswatini conducted an investigation on the activities of CESH A LETHU EMPOWERMENT CLUB.

Subsequent to the investigation and upon the completion of same, the Central Bank of Eswatini found as follows;

CESH A LETHU EMPOWERMENT CLUB is a club that was formed in 2018 whose mission in terms of its constitution was to establish a savings, credit and investment entity to create wealth for its members.

CESH A LETHU EMPOWERMENT CLUB operated in breach of its own constitution in that returns were paid out with no evidence of investments being made. Balloon payments were paid out into member bank accounts within a few days of opening the bank account instead of money being invested in terms of the Fund's Constitution.

The operation of CESH A LETHU EMPOWERMENT CLUB is characteristic of a **pyramid scheme**. There were members of the Fund that received returns/payments with no initial investments. These members recruited people into the fund to qualify for the returns.

CESH A LETHU EMPOWERMENT CLUB was involved in an **illegal deposit taking activity**. The fund was not limited to a group of people for just saving and investing but members of the group were actively recruiting new members to join.

The balance in the CESH A LETHU EMPOWERMENT CLUB account has been depleted to negative. As such no funds are available for distribution.

The matter pertaining to CESH A LETHU EMPOWERMENT CLUB is hereby pronounced as a closed matter.

Signed on 13 February 2020.



Majozi Sithole
Governor - Central Bank of Eswatini



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