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PLEASE ADDRESS CORRESPONDENCE
TO THE GOVERNOR

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Press release Pyramid Schemes.

The Central Bank of Samoa (CBS) has received reports and allegations of a number of pyramid Schemes going around that involve gifting, re gifting of money and includes recruitment. CBS wishes to inform the public to be very aware of this in case they fall victim to it. CBS advises the public not to engage or invest in such a scheme as you will lose your hard earned money.

The Financial Intelligence Unit of the CBS is currently looking into these schemes, once this is completed then this will be referred to the Samoa Police Service and other appropriate Ministries for investigation and charges to be filed against those who run these Schemes.

We wish to remind the public that Pyramid Schemes are prohibited under section 65 of the Competition and Consumer Act 2016 administered by the Ministry of Commerce Industry and Labour.

Section 65 of the 2016 Act makes it an offence:

1. For a person to promote and operate a scheme for the supply of Goods or services for reward if that scheme constitutes primarily an opportunity to buy or sell an investment opportunity as against an opportunity to buy or supply goods, and
2. Where that scheme is unfair to the participants because:
 - i. The financial rewards are dependent on the recruitment of additional participants, and



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- ii. Where the number of additional participants in the scheme must be recruited to produce financial rewards to participants is not attainable to other participants.

In addition a person that carries out such activities may also be charged with section 172 of the Crimes Act 2013 for obtaining by Deception or causing a loss by Deception of any property (including money). Those convicted may face an imprisonment of not more than 7 years. These schemes are very dangerous and very risky to invest in with your money.

The CBS has also sent out a notice to all our Financial Institutions (Money Transfer Operators and Banks) to prohibit any suspicious transactions related to these so called gifting schemes. We would also like to thank these financial institutions for bringing these schemes to our attention.

CBS encourages the Public to please be vigilant and alert of these get rich quick schemes. They may look like an attractive investment to quickly make more money especially in these difficult COVID19 times but you risk losing all your hard earned money.

Press release ends.