

Central African Republic adopts Bitcoin as an official currency

Central African Republic has adopted bitcoin as an official currency, the presidency said on Wednesday, becoming the first country in Africa and only the second in the world to do so.



Source: REUTERS.

Despite rich reserves of gold and diamonds, Central African Republic is one of the world's poorest and least-developed countries and has been gripped by rebel violence for years.

A bill governing the use of cryptocurrency was adopted unanimously by parliament last week, said a statement signed by Obed Namsio, chief of staff of President Faustin-Archange Touadera.

"The president supports this bill because it will improve the conditions of Central African citizens," Namsio said without elaborating.

In the statement, he called it "a decisive step toward opening up new opportunities for our country".

Central African Republic is one of six nations that use the Central African CFA franc, a regional currency governed by the Bank of Central African States (BEAC).

Two of the country's former prime ministers last week signed a letter expressing concern about the adoption of bitcoin without guidance from the BEAC, calling it a "serious offence".



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Katja Hamilton 11 Apr 2022



"The BEAC learned at the same time as the public of the enactment of a new law on cryptocurrency in Central African Republic," a BEAC spokesman said, adding that the bank did not have an official response yet.

El Salvador became the first country in the world to adopt bitcoin as legal tender last year, but the rollout was hampered by scepticism and it postponed a proposed bitcoin bond in March amid global market turmoil.

African governments have taken a varied approach to regulating cryptocurrencies and blockchain technology.

Nigeria's central bank barred local banks from working with cryptocurrencies last year before launching its own digital currency, the eNaira.

South African regulators have been exploring the potential regulation of cryptocurrencies and other blockchain technology, and Tanzania's central bank said last year it was working on a presidential directive to prepare for cryptocurrencies.

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