Insights

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The National Bank of Ethiopia Widens The Net on What Counts as a Prohibited Virtual Asset Activity

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Virtual Assets | Cryptocurrency | Payment Systems

Introduction

On **23 July 2026**, the National Bank of Ethiopia ("NBE") issued a Public Notice on Virtual Assets, restating that dealing in virtual assets in Ethiopia is prohibited unless the NBE has expressly authorised it. The Notice goes further to set out, activity by activity, what "dealing in virtual assets" is deemed to cover, closing off the argument that the ban is limited to buying and selling cryptocurrency.

The July Notice builds directly on an earlier Public Notice the NBE issued on **27 February 2026**, which targeted Birr-paired peer-to-peer (P2P) crypto trading on exchanges and trading platforms. Read together, the two notices indicate a shift from a narrow, product-specific warning toward a comprehensive, activity-based prohibition covering the full lifecycle of a virtual asset transaction.

What the Notice Covers

The rule. Under the Notice, the use, purchase, sale, exchange, transfer, trading, settlement, and facilitation of transactions involving virtual assets are prohibited unless the NBE has expressly authorised the activity.

The scope. The NBE was explicit that the prohibition is not limited to cryptocurrencies. It extends to any digital representation of value that can be electronically traded, transferred, exchanged, or used for payment, investment, or similar purposes

The five prohibited activities: The Notice lists the activities that fall within the ban:

- exchange between virtual assets and fiat currency;
- exchange between one or more forms of virtual assets;
- transfer of virtual assets;
- safekeeping and/or administration of virtual assets, or of instruments enabling control over them (i.e., custody); and
- participation in, or provision of financial services relating to, an issuer's offer and/or sale of a virtual asset (i.e., issuance and related services).

The Risk Warning

As in the February notice, the NBE paired the July Notice with a public-protection warning. It advised the public to refrain from virtual asset transactions and activities of the kind described, citing exposure to legal risk, fraud and scams, cyber-related threats, operational failures, market manipulation, and substantial financial losses, this reinforces that the NBE regards these as structural risks of the sector rather than one-off concerns tied to a particular platform or product.

Your Next Move

Map your exposure. If your business, or a platform you use, touches any of the five listed activities, trading, exchange, transfer, custody, or issuance support for virtual assets, assume it falls within the prohibition unless you hold express NBE authorisation for that specific activity.

Review custody and administration arrangements. Firms holding or administering virtual assets, or instruments that control them, on behalf of others in or from Ethiopia should treat this as a newly and explicitly flagged risk area.

Revisit Birr-paired P2P exposure. The February Notice remains in force and is reinforced, not superseded, by the July Notice; Birr-denominated P2P crypto arrangements remain separately and specifically prohibited.

Watch for the framework. Both notices refer to the NBE's ongoing work toward a comprehensive regulatory framework for digital assets, developed in consultation with international peer regulators. Until that framework is formally introduced, the prohibition described in both notices remains the operative position.

Engage early. Where your business model depends on virtual asset activity in Ethiopia, the appropriate step is to seek express authorisation from the NBE before proceeding.

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