



BANK OF GHANA

FREQUENTLY ASKED QUESTIONS: THE VIRTUAL ASSET SERVICE PROVIDERS ACT

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This FAQ addresses common questions about virtual assets and their regulation in Ghana. It explains the objectives of the Virtual Asset Service Providers Act and what it means for consumers, businesses, and the financial system.

QUESTION 1

What are virtual assets?

Answer: *Virtual assets are digital representations of value that are not currency or legal tender but can be transferred or traded electronically. Common examples include cryptocurrencies and certain digital tokens used on online platforms.*

QUESTION 2

What are virtual assets used for?

Answer: *In practice, virtual assets have been observed to be used by some market participants for activities such as speculative trading, value transfers and participation in certain digital platforms or applications. In some instances, they have also been used for remittances or online fundraising. These references are descriptive only and do not constitute an endorsement by the Bank of Ghana. The use of virtual assets may involve significant financial, legal, and operational risks.*

QUESTION 3

What are the key risks associated with dealing in virtual assets?

Answer: *Dealing in virtual assets involves several risks that consumers and businesses should carefully consider. These include high price volatility, which may result in significant and sudden losses; exposure to fraud, scams, and misleading claims; and cybersecurity risks such as hacking, theft, or loss of access to digital wallets or platforms.*

While Ghana is implementing a regulatory framework for Virtual Asset Service Providers (VASPs) to strengthen oversight and consumer safeguards, virtual assets are inherently different from traditional financial products and are not risk-free. Consumers are encouraged to exercise caution, conduct due diligence, and engage only with authorised service providers once regulations come into effect.

QUESTION 4

Has Ghana passed a law on virtual assets?

Answer: Yes. Ghana's Parliament, on 19 December 2025, passed the Virtual Asset Service Providers (VASP) Act, which establishes a formal legal and regulatory framework for virtual asset activities.

QUESTION 5

Why did Ghana introduce this law now, and what does it seek to achieve?

Answer: Virtual asset activity has grown rapidly in Ghana, often outside formal regulatory oversight. The law aims to create a safe, transparent, and well-regulated virtual asset ecosystem. Its main objectives are to:

- a. Protect consumers from fraud and abuse;
- b. Minimise financial crime and money laundering risks;
- c. Promote financial stability;
- d. Provide clarity for responsible innovation; and
- e. Align Ghana with emerging international regulatory standards.

QUESTION 6

Which institutions regulate virtual assets in Ghana?

Answer: The Act assigns regulatory responsibilities to the Bank of Ghana and the Securities and Exchange Commission, depending on the nature of the activity. (Details are provided in the Act).

QUESTION 7

Does the regulation mean the government endorses or guarantees virtual assets?

Answer: Not Exactly. Regulation does not mean government endorsement or approval of specific tokens or guaranteed profits. Virtual assets remain risky, and regulation reduces risk but does not eliminate it.

QUESTION 8

Does the government control people's wallets or transactions?

Answer: *No. Neither the regulatory authorities nor the government will control private wallets or individual transactions. The law focuses on regulating service providers, not personal ownership of digital assets.*

QUESTION 9

Does the regulation protect consumers from scams?

Answer: *The law strengthens oversight and enforcement to protect consumers against scam and misleading service providers. However, no regulation can fully eliminate scams. Consumers should remain cautious and informed.*

QUESTION 10

Who must be licensed under the law?

Answer: *Any business or entity that provides virtual asset services to the public – including exchanges, custodial wallet providers, brokers, and similar intermediaries must be licensed or registered.*

QUESTION 11

Do individuals trading for themselves need a licence?

Answer: *No. The law targets service providers, not individuals trading on their own behalf. This includes entities or individuals engaged in facilitating commercial virtual asset activity.*

QUESTION 12

What happens to businesses already operating?

Answer: *The Act provides for regulatory transition arrangements, allowing existing operators time to comply once the law takes effect. Operating without authorisation after this period will attract sanctions.*

QUESTION 13

Why do virtual asset platforms require identity verification?

Answer: *Identity verification helps prevent:*

- a. Money laundering;
- b. Terrorist financing; and
- c. Fraud and impersonation.

This aligns virtual asset services with standards already applied to banks and other financial institutions.

QUESTION 14

Are virtual assets or stablecoins an alternative to the Ghana cedi?

Answer: *No. The Ghana cedi remains the sole legal tender in Ghana, and virtual assets are not a substitute for the national currency. It is also not permissible, under the law, to issue invoice, set prices or pay wages in virtual assets.*

QUESTION 15

Can banks and dedicated electronic money issuers (or mobile money service providers) work with VASPs?

Answer: *The law allows regulated partnerships, subject to risk management, compliance requirements, and supervisory approval.*

QUESTION 16

Does the law discourage innovation?

Answer: *No. The law seeks to enable responsible innovation by providing legal certainty and market discipline.*

QUESTION 17

How does regulation help Ghana's digital economy?

Answer: *Clear rules and regulatory frameworks:*

- a. Attract responsible investment;
- b. Encourage local fintech development; and
- c. Support job creation in compliant digital asset services.

QUESTION 18

What should consumers do if something goes wrong?

Answer: Consumers should:

- a. Keep transaction records;
- b. Report suspected misconduct to the appropriate regulator; and
- c. Be cautious of promises of guaranteed returns

Formal redress mechanisms will continue to evolve alongside the regulatory framework.

QUESTION 19

Is Ghana alone in regulating virtual assets?

Answer: *No. Several African countries, including Kenya, have adopted similar frameworks. Ghana's approach aligns with emerging regional and international practice while reflecting local market realities.*

QUESTION 20

Are virtual assets covered by deposit insurance or statutory compensation in Ghana?

Answer: *No. Virtual assets are not covered by Ghana's deposit protection scheme or any statutory compensation fund. Unlike bank deposits held in licensed financial institutions, investments in virtual assets carry their own risks, and users are responsible for safeguarding their holdings. Consumers should exercise caution and ensure they understand the risks before engaging in virtual asset transactions.*

For further enquiries, please contact:

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