

CRYPTO ASSETS

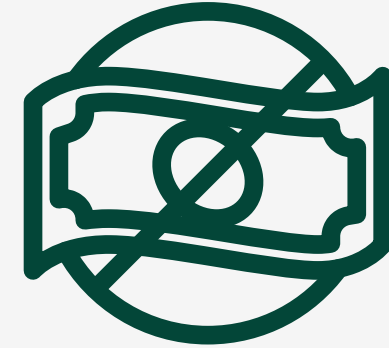
WHAT THEY ARE, AND THEIR RISKS

Digital representations of value that are not issued by a central bank, and so are **not currency, not legal tender and not guaranteed by the South African Reserve Bank.**

Some of the well known crypto assets include Bitcoin (BTC) and Ethereum (ETH) as well as Litecoin, Namecoin, and PPCoin. Crypto assets have been used for payments, investments, and as a method to raise capital for projects.



Members of a virtual community may agree to accept crypto asset units as a representation of value, similar to how cash/money is accepted, but **it is not currency nor legal tender, meaning that acceptance is not guaranteed.**



Crypto asset prices are **highly volatile** and not a suitable investment if needing steady and reliable returns. Crypto assets **can be difficult to sell**, meaning that you may not have access to your savings as quickly as you need.



From 19 October 2022, providers of financial services related to crypto assets are **required by law to act with honesty, integrity, due skill, care, diligence and in the interests of clients.**

Complaints can be lodged with the FAIS ombud at 086 066 3274 and fraud can be reported to the FSCA on 0800 20 3722.



Marketing of crypto assets is often misleading and focuses on how much you can gain, without explaining how much you can lose. Make sure providers **explain the risks fully and completely, and disclose fees, Ts&Cs and any conflicts of interest.** Know all the facts before you invest.



Before investing, approach a licensed advisor to do a risk assessment and suitability analysis. **Crypto assets are not for everyone!**



Crypto crime is large and increasing Global crypto asset theft increased by 500% in 2021, scammers worldwide stole an estimated \$14 billion (R252 billion). Even the largest and most trusted exchanges have been hacked.

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