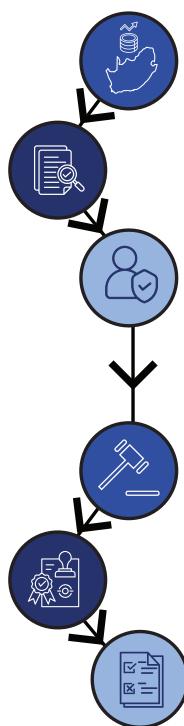




Crypto assets timeline in South Africa



Before 2019:

- Crypto trading grew exponentially in South Africa.
- So did fraud, misrepresentation and mis-selling.

2019:

- The Financial Action Task Force released the results of a crypto review in South Africa.

19 October 2022:

- FSCA officially declared crypto as a financial product, formally defined as:

"A digital representation of value that is not issued by a central bank, but is capable of being traded, transferred or stored electronically by natural and legal persons for the purpose of payment, investment and other forms of utility; applies cryptographic techniques; and uses distributed ledger technology."

- The new laws about crypto assets came into effect.

From 1 June 2023:

- Crypto asset service providers (CASPs) need a special licence from FSCA to trade in crypto.

Now:

- Buyers and sellers of crypto need to follow certain rules.
- CASPs have to adhere to the Financial Advisory and Intermediary Services Act (FAIS).
- By law, CASPs must act with honesty, integrity, due skill, care and diligence in the interests of clients.
- Investors have to pay taxes to SARS on crypto transactions.

Pros and Cons of Trading in Crypto



Pros	Cons
<ul style="list-style-type: none"> • The value of crypto assets has increased exponentially since it was first launched, and you could make a lot of money. 	<ul style="list-style-type: none"> • Crypto assets are highly volatile so you could also lose a lot of money.
<ul style="list-style-type: none"> • Crypto doesn't rely on traditional banks or operate within the banking system. 	<ul style="list-style-type: none"> • Crypto is based online so is vulnerable to security risks like cyber-attacks, hacking, and theft, especially if you do not securely store the private keys that give you access to your crypto. • You could lose access to your crypto due to technical issues, such as software bugs or network failures.
<ul style="list-style-type: none"> • Crypto is now much better regulated than it was (although still not perfectly so). 	<ul style="list-style-type: none"> • Many crypto assets still operate in a regulatory grey area, so fraud and scams are real risks. • If something goes wrong, you often have limited legal recourse or protection.
<ul style="list-style-type: none"> • Crypto is an alternative investment if you want to diversify your portfolio. 	<ul style="list-style-type: none"> • It's easy to make a bad investment decision because there is so much misleading information available via social media and influencers. • Crypto markets are very vulnerable to manipulation, which could affect the value of your crypto investment.