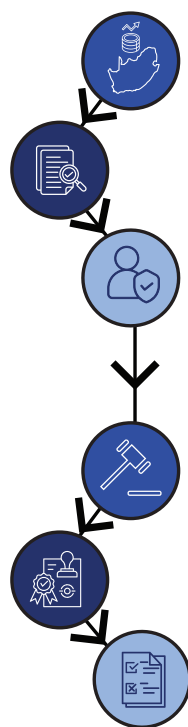




Crypto assets timeline in South Africa



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.