



NOTICE OF PUBLICATION - DRAFT DECLARATION OF CRYPTO ASSETS AS A FINANCIAL PRODUCT

FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002

The Financial Sector Conduct Authority (Authority) hereby invites submissions on the draft Declaration of crypto assets as a financial product (draft Declaration), to be made in terms of paragraph (h) of the definition of financial product as defined in section 1 of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), as set out in the Schedule.

The draft Declaration, together with a statement supporting the draft Declaration is available on the website of the Authority at <https://www.fsca.co.za>.

Submissions on the draft Declaration must be made using the submission template available on the Authority's website and be submitted in writing on or before **28 January 2021** to the Authority at FSCA.RFDStandards@fsca.co.za.

**OLANO MAKHUBELA
COMMISSIONER
FINANCIAL SECTOR CONDUCT AUTHORITY**

Date of publication: 20 NOVEMBER 2020

SCHEDULE

1. Definitions

In this Schedule “**the Act**” means Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), and any word or expression to which a meaning has been assigned in the Act shall have the meaning so assigned to it, and –

“**crypto assets**” means any digital representation of value that can be digitally traded, or transferred, and can be used for payment or investment purposes, but excluding digital representations of fiat currencies or securities that already fall within the definition of financial product.

2. Declaration of crypto assets as a financial product

The Authority hereby, in terms of paragraph (h) of the definition of financial product, declare crypto assets as a financial product.

3. Short title, commencement and transitional arrangements

- (1) This Declaration is called the Declaration of crypto assets as a financial product, 2021.
- (2) This Declaration comes into effect on the date of publication thereof on the website of the Authority.
- (3) Despite subparagraph (2), any person who, immediately before the effective date of this Declaration, as a regular feature of the business of such person, renders financial services in relation to crypto assets –
 - (a) must submit an application for authorisation as a financial services provider under section 8 of the Act within 4 months of the effective date of this Declaration; and
 - (b) may continue rendering financial services in relation to crypto assets until –
 - (i) the period to submit an application referred to item (a) has expired without the person submitting an application; or
 - (ii) an application referred to in item (a) has been granted or declined.