CRYPTO ASSET MANUAL FOR CROSS-BORDER ACTIVITIES

SOUTH AFRICAN RESERVE BANK

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Financial Surveillance Department

Version control sheet for the Crypto Asset Manual for cross-border activities

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Table of contents

Legal context

Although the Republic of South Africa (South Africa) has had exchange controls since 1939, the foundation is the Currency and Exchanges Act, 1933 (Act No. 9 of 1933) (the Act) and the Exchange Control Regulations promulgated thereunder in terms of section 9(1) of the Act, on 1961-12-01. The Exchange Control Regulations, 1961 were amended and the draft Capital Flow Management Regulations (draft Regulations) were published for public comment under Government Notice No. 54520 in Government Gazette No. 7375 dated 2026-04-17.

The National Treasury is responsible for authorising, regulating and where necessary, prohibiting the import and/or export of crypto assets to/from South Africa, including granting permissions, imposing conditions and enforcing compliance with the capital flow management measures applicable to cross-border crypto asset transactions. The permissions, conditions or exemptions insofar as they relate to crypto assets are outlined in the Crypto Asset Manual for cross-border activities (Crypto Asset Manual) and while they have no statutory force, they have the effect of law.

The Minister of Finance has, in terms of the Exchange Control Regulations, delegated to the Governor, a Deputy Governor, the Head of the Financial Surveillance Department as well as other officials in the Financial Surveillance Department, the powers, functions and duties assigned to and imposed on the National Treasury under the Exchange Control Regulations. The Financial Surveillance Department of the South African Reserve Bank (Financial Surveillance Department) is therefore responsible for the day-to-day administration of capital flow management in South Africa.

Section 9(5)(a) of the Act provides for the issuing of Orders and Rules, the current set of which was also promulgated on 1961-12-01. The Orders and Rules contain various orders, rules, exemptions, forms and procedural arrangements.

The relevant documentation is available on the South African Reserve Bank website, by following the path: Home>What we do>Financial Surveillance>Financial Surveillance documents.

Introduction

The Crypto Asset Manual must be read in conjunction with the draft Regulations.

In terms of Regulation 3(3)(b) of the draft Regulations, an Authorised Crypto Asset Service Provider (Authorised CASP) may not buy, borrow, receive, sell, lend or deliver any crypto assets except for such purposes or on such conditions that the National Treasury may determine, subject to the delegation referred to above.

The Crypto Asset Manual sets out the application and adjudication process for authorisation to conduct the business of an Authorised CASP. It also sets out the permissions and conditions applicable to transactions in crypto assets deemed as cross-border, details of related administrative responsibilities and reporting requirements.

In instances where an Authorised CASP is not in a position to transact in terms of the permissions and conditions set out in the Crypto Asset Manual, a formal application with full details applicable to the request must be submitted to the Financial Surveillance Department.

The Financial Surveillance Department reserves the right to amend, grant or impose additional permissions or conditions and will communicate any changes on its website.

The Financial Surveillance Department views contraventions of the draft Regulations as well as any actions to circumvent the permissions and conditions contained in the Crypto Asset Manual and/or any directive issued by the Financial Surveillance Department, in a very serious light.

The arrangements set out in the Crypto Asset Manual should in no manner be construed as absolving Authorised CASPs, their clients and associated entities from their duties and obligations under any other law, including, but not limited to, the Prevention of Organised Crime Act, 1998 (Act No. 121 of 1998), the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001), the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004 (Act No. 33 of 2004), the Financial Advisory and Intermediary Services, 2002 (Act No. 37 of 2002) and the South African Revenue Service Act, 1997 (Act No. 34 of 1997).

Crypto assets are not legal tender in South Africa, therefore any merchant or beneficiary may refuse them as a means of payment. These assets are not guaranteed or backed by the South African Reserve Bank as they operate independently from the central bank and users are alerted to the potential risk of fluctuation in the value of crypto assets. Legal protection or recourse available to users, traders or intermediaries of crypto assets is based on general common law principles. Dealing in crypto assets is performed at the end-user's sole and independent risk.

A.1 Definitions

The definitions listed below are adopted solely for use within this regulatory framework. They are defined for clarity and consistency and do not relate to any other industry usage or interpretation. The definitions below must always be interpreted in accordance with the definition provided herein, unless the context indicates otherwise:

ADLA means an Authorised Dealer in foreign exchange with limited authority, including Bureaux de Change, independent money transfer operators and value transfer service providers that are authorised by the Financial Surveillance Department to deal in foreign exchange transactions as determined by the Financial Surveillance Department.

AIT means Approval for International Transfer in line with SARS rules.

Authorised CASP for the purposes of the Crypto Asset Manual means a South African Crypto Asset Service Provider as defined in item 22 of Schedule 1 of the FIC Act and who is authorised by the National Treasury to facilitate transactions deemed as import and/or export of capital, directly or indirectly, utilising crypto assets as a medium of exchange.

Authorised Dealer means, in relation to any transaction in respect of gold, a person authorised by the Financial Surveillance Department to deal in gold or in respect of any transaction involving foreign exchange, a person authorised by the National Treasury to deal in foreign exchange.

Business and Technical Specifications document means the document containing all the rules and technical specifications pertaining to the electronic reporting of cross-border transactions.

Capital includes, without derogating from the generality of that term, any intellectual property right, whether registered or unregistered, and anything with a monetary value, or which can be converted to money or disposed of for monetary consideration, including crypto assets, excluding immovable property.

CASP means a South African Crypto Asset Service Provider, registered with the Financial Intelligence Centre in terms of Schedule 1 of the FIC Act and licensed by the Financial Sector Conduct Authority under the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002).

CIPC means the Companies and Intellectual Property Commission.

Circulars mean Capital Flow Management Circulars issued by the Financial Surveillance Department, setting out the permissions, conditions and limits applicable to foreign exchange and cross-border crypto asset transactions that may be undertaken by Authorised Dealers, ADLAs, Authorised CASPs and/or on behalf of their clients as well as amendments to related administrative responsibilities.

CDD means customer due diligence in terms of Part 1 of Chapter 3 of the FIC Act.

CMA means the Common Monetary Area, which consists of Lesotho, Namibia, South Africa and eSwatini.

Cross-border crypto asset transaction means a crypto asset transaction deemed as cross-border by the Financial Surveillance Department.

Crypto asset means a digital representation of value that (a) 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; (b) applies cryptographic techniques; and (c) uses distributed ledger or similar technology.

Crypto Asset Manual means the Crypto Asset Manual for cross-border activities, issued by the Financial Surveillance Department under the powers delegated by the Minister of Finance. The Crypto Asset Manual sets out the application and adjudication process to conduct the business of an Authorised CASP, permissions and conditions applicable to transactions in crypto assets deemed as cross-border, details of related administrative responsibilities and the reporting requirements.

Custodial wallet means a crypto asset wallet where the private keys are managed by a CASP on behalf of a client. The client interacts with the CASP, rather than the blockchain, to manage its crypto assets.

Customer information means data captured in the centralised customer database of reporting entities which, inter alia, includes data captured during on-boarding of a customer in line with the identification and verification documentation obtained and updated in terms of the FIC Act.

Directive means any directive issued, including any specific authority granted as well as any other requirements or conditions as may be stipulated from time to time by the Financial Surveillance Department.

Documentary evidence means the documents specified in the Crypto Asset Manual which are required when doing cross-border crypto asset transactions.

Draft Regulations mean the draft Capital Flow Management Regulations, 2026 as published in Government Notice No. 54520 in Government Gazette No. 7375 dated 17 April 2026.

Export of goods or capital includes, without derogating from the generality of that term, the cession of, the creation of a hypothec or other form of security over, or the assignment or transfer of any capital or any right to capital to or in favour of a person who is not resident in South Africa.

FIC Act means the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001).

Financial Surveillance Department means the Financial Surveillance Department of the South African Reserve Bank, responsible for the administration of capital flow management on behalf of the National Treasury.

FinSurv Reporting System means the electronic FinSurv Reporting System used to transmit data to the Financial Surveillance Department in an agreed format.

Fit and proper for the purposes of the Crypto Asset Manual means a person who is considered to have the necessary integrity, competence and financial soundness to hold office, whether directly or indirectly, in an Authorised CASP.

Foreign capital allowance means a foreign investment by an individual (natural persons) resident in South Africa of up to a total amount of R10 million per calendar year per individual who is a taxpayer in good standing and is 18 years and older.

Foreign custodial wallet means a crypto asset wallet allocated to a specific individual or legal entity, held with an offshore CASP.

Foreign currency means any currency which is not a legal tender in South Africa, but excludes crypto assets and the currencies of Lesotho, Namibia and eSwatini. Foreign currency is deemed to include any bill of exchange, letter of credit, money order, postal order, promissory note, travellers' cheque or any other negotiable instrument for the payment of currency in a currency unit which is not legal tender in South Africa.

Foreign nationals mean natural persons from countries outside the CMA who are temporarily resident in South Africa, excluding those on holiday or business visits.

Import of goods or capital includes, without derogating from the generality of that term, the cession of, the creation of a hypothec or other form of security over, or the assignment or transfer of any capital or any right to capital, from a person who is not resident in South Africa to or in favour of a person resident in South Africa.

Integrated form means the electronic or paper format of a contract between an Authorised Dealer, ADLA or Authorised CASP and its client resulting in a balance-of-payments reporting obligation. It includes a declaration to the effect that the information provided is true and correct.

Manuals means the Currency and Exchanges Manual for Authorised Dealers, Currency and Exchanges Manual for Authorised Dealers in foreign exchange with limited authority and the Crypto Asset Manual.

National Treasury means an officer in the National Treasury who has been authorised by the Minister of Finance to deal with such a matter.

Non-custodial wallet means a private crypto asset wallet where an individual or entity has complete control of their private keys and the associated value.

Non-resident means a person (i.e. a natural person or legal entity) whose normal place of residence, domicile or registration is outside the CMA.

Non-resident area means all countries other than those included in the CMA.

Non-resident Rand means Rand to or from a non-resident Rand account that may be deemed, in certain circumstances permissible in the Currency and Exchanges

Manual for Authorised Dealers, as an acceptable payment mechanism in lieu of foreign currency. It should be noted that non-resident Rand cannot in any manner be defined as foreign currency. It is purely Rand held in a non-resident Rand account or Rand received from a non-resident source.

Non-resident Rand account means the Rand account of a non-resident conducted in the books of an Authorised Dealer.

Offshore CASP means a legal entity authorised by the central bank or relevant regulatory authority in the country of domicile to provide crypto asset services in a foreign jurisdiction.

Rand means the monetary unit of South Africa as defined in section 15 of the South African Reserve Bank Act, 1989 (Act No. 90 of 1989).

Reporting category means a balance of payments category which is a standardised classification code prescribed by the Financial Surveillance Department that identifies the economic purpose and nature of a cross-border transaction. These reporting categories, along with their associated sub-categories, are used by reporting entities to ensure that all cross-border inflows and outflows are reported accurately and in a consistent manner.

Resident means any person (i.e. a natural person/individual or legal entity) who has taken up permanent residence, is domiciled or is registered in South Africa.

Resident temporarily abroad means any resident individual who has departed from South Africa to any country outside the CMA with no intention of taking up permanent residence or who has not been granted permanent residence in another country, excluding those resident individuals who are abroad on holiday or business travel.

Restricted Authorised Dealer means a person authorised by the Financial Surveillance Department to deal in foreign exchange utilising a locally issued credit card for permissible cross-border transactions.

SADC means the Southern African Development Community consisting of Angola, Botswana, Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, eSwatini, Union of the Comoros, United Republic of Tanzania, Zambia and Zimbabwe.

SARS means the South African Revenue Service.

Single discretionary allowance means the R2 million allowance available to resident individuals (natural persons) resident in South Africa, 18 years and older per calendar year.

South Africa means the Republic of South Africa.

South African custodial wallet means a crypto asset wallet allocated to a specific individual or legal entity, hosted by an Authorised CASP.

Transfer means the act of transferring legal ownership or beneficial ownership, or assigning, delivering, transmitting, or moving property, or control over the property, from one person, entity, or jurisdiction to another person, entity, or jurisdiction, and involves any mechanism that enables such a transfer in possession or control, regardless of the technology, process, or method used and includes transfer by way of loan or security, and for the purposes of the draft Regulations a person shall be deemed to transfer securities from South Africa elsewhere if the person transfers securities from a register in South Africa to a register outside South Africa.

TCS means Tax Compliance Status (TCS) in line with SARS rules.

The Act means the Currency and Exchanges Act, 1933 (Act No. 9 of 1933).

A.2 Authorised entities

(A) Authorised Crypto Asset Service Providers

The offices in South Africa of the under-mentioned entities are authorised to act, for the purposes of the draft Regulations, as Authorised CASPs:

Name of entity: Authorised Crypto Asset Service Provider	Category of appointment	Date of appointment

(B) Authorised Dealers in foreign exchange with limited authority

The offices in South Africa of the under-mentioned entities are authorised to act, for the purposes of the Exchange Control Regulations, as ADLAs:

Name of entity – ADLA	Category of appointment
Border Forex (Pty) Limited	Two
Global Foreign Exchange (Pty) Limited	Two
Home Remitt (Pty) Limited	Two
Imali Express (Pty) Limited	Two
Inter Africa Bureau de Change (Pty) Limited	Two
Interchange RSA (Pty) Limited	Two
Mukuru Africa (Pty) Limited	Two
NEC Money (Pty) Limited	Two
Sikhona Forex RF (Pty) Limited trading as Ria Money Transfer	Two
Tourvest Financial Services (Pty) Limited trading as Travelex	Two
Travel Forex (Pty) Limited trading as Travelex	Two
Access Forex (Pty) Limited	Three (MTO)
Clicksendnow (Pty) Limited	Three (MTO)
eZi Remit (Pty) Limited	Three (MTO)
Kastelo Africa (Pty) Limited	Three (MTO)
Kawena Exchange (Pty) Limited	Three (VTSP)
Sasai Fintech (Pty) Limited	Three (MTO)
SendHome (Pty) Limited	Three (MTO)
Shoprite Money Transfers (Pty) Limited trading as ShopriteSend	Three (MTO)
Shop2Shop Money Transfer (Pty) Limited	Three (MTO)
Teeenaar (Pty) Limited	Three (MTO)
Terra Payment Services South Africa (RF) (Pty) Limited	Three (MTO)
Tayo Pay (Pty) Limited	Three (MTO)
WorldRemit South Africa (Pty) Limited	Three (MTO)

Name of entity – ADLA	Category of appointment
Hello Paisa (Pty) Limited	Four
Mama Money (Pty) Limited	Four
Southeast Exchange Company (South Africa) (Pty) Limited	Four

Category One: Travel related transactions only.

Category Two: Travel related transactions, certain prescribed transactions under the single discretionary allowance of R2 million per applicant per calendar year and money remittance services in partnership with external money transfer operators.

Category Three: Independent money transfer operator or value transfer service provider, facilitating transactions not exceeding R5 000 per transaction per day within a limit of R25 000 per applicant per calendar month.

Category Four: A combination of the services provided by Category Two and Category Three.

(C) Authorised Dealers in foreign exchange

The offices in South Africa of the under-mentioned banks are authorised to act, for the purposes of the Exchange Control Regulations, as Authorised Dealers:

Name of entity - Authorised Dealer
ABSA Bank Limited
Access Bank (South Africa) Limited
Albaraka Bank Limited
Bank of China Johannesburg Branch
Bank of Communications Co. Limited Johannesburg Branch
Bank of Taiwan South Africa Branch
Bidvest Bank Limited
Capitec Bank Limited
China Construction Bank, Johannesburg Branch
Citibank, N.A., South Africa
Deutsche Bank AG, Johannesburg Branch
Discovery Bank Limited
FirstRand Bank Limited
Goldman Sachs International Bank, Johannesburg Branch
Habib Overseas Bank Limited
HBZ Bank Limited
Investec Bank Limited
JPMorgan Chase Bank (Johannesburg Branch)
Nedbank Limited
Sasfin Bank Limited
Standard Chartered Bank – Johannesburg Branch
State Bank of India
The Standard Bank of South Africa Limited

(D) Restricted Authorised Dealers

The offices in South Africa of the under-mentioned banks are authorised to act, for the purposes of the Exchange Control Regulations, as Restricted Authorised Dealers in respect of permissible credit card transactions per the quoted sections of the Currency and Exchanges Manual for Authorised Dealers:

Name of entity – Restricted Authorised Dealers
African Bank Limited – sections B.4(B) and B.16
Bank Zero Mutual Bank – sections B.4(B) and B.16
GoTyme Bank Limited – sections B.4(B) and B.16
OM Bank Limited – sections B.4(B) and B.16

A.3 Application and adjudication process to conduct the business of an Authorised Crypto Asset Service Provider

(A) General

(i) It should be noted that this section only contains the terms and conditions for the submission of an application for authorisation to conduct the business of an Authorised CASP and that compliance therewith should not be construed as an indication that the application will necessarily be approved.

(ii) An applicant is prohibited from facilitating transactions deemed as cross-border until such time that a formal letter of appointment as an Authorised CASP has been issued by the Financial Surveillance Department.

(B) Categories of Authorised Crypto Asset Service Providers

(i) Authorised CASPs are classified into the following three categories:

(a) Category One

(aa) Facilitating specific remittance transactions between individuals using crypto assets as a settlement medium. Refer to section B.1(B) of the Crypto Asset Manual.

(b) Category Two

(aa) Facilitating specific cross-border crypto asset transactions. Refer to section B.1(C) of the Crypto Asset Manual.

(c) Category Three

(aa) Providing a combination of Category One and Category Two Authorised CASP business activities. Refer to section B.1(D) of the Crypto Asset Manual.

(ii) Refer to section B.1 of the Crypto Asset Manual for details of the business activities that may be provided by Authorised CASPs.

(C) Application procedure

(i) An application to conduct the business of an Authorised CASP must be submitted to the Financial Surveillance Department by email to SARB-CASP@resbank.co.za.

(ii) No fee is payable to the Financial Surveillance Department on submission of the application.

(iii) The completed prescribed ‘Application for authorisation to conduct the business of an Authorised CASP’, a copy of which is attached hereto as Annexure A, must be accompanied by the following information:

(a) a copy of the Notice of Incorporation (Form CoR14.1) issued by the CIPC, as proof of the registration of the limited liability company in South Africa under the Companies Act, 2008 (Act No. 71 of 2008);

(b) a copy of the Registration Certificate (Form CoR14.3) issued by the CIPC, as proof that the company has been registered in terms of section 14 of the Companies Act, 2008 (Act No. 71 of 2008);

(c) a copy of the Memorandum of Incorporation (Form CoR15.1A) issued by the CIPC;

(d) a duly completed and signed ‘Statement by beneficial owners, directors and shareholders holding/proposing to hold office in the company’, a copy of which is attached hereto as Annexure B, together with the required documentation;

(e) a duly completed and signed ‘Consent and declaration form’ by beneficial owners, directors and/or shareholders holding/proposing to hold office in the company’, a copy of which is attached hereto as Annexure C, as well as copies of the official identity documents of the individuals concerned;

(f) declaration by the shareholders and beneficial owner(s) confirming that:

(aa) they hold the shares in their personal capacity and not as agents or nominees for disclosed or undisclosed principals;

(bb) there are no silent partners controlling the shareholders of the company; and

(cc) approval from the Financial Surveillance Department will be obtained in respect of any subsequent changes in the beneficial ownership of the Authorised CASP;

(g) an undertaking by the management and the board of directors of the applicant to implement the recommended procedures and systems as required by the Financial Surveillance Department;

(h) a registration certificate issued by the Financial Sector Conduct Authority;

(i) proof of registration as an accountable institution in terms of Schedule 1 of the FIC Act;

(j) a copy of the Risk Management and Compliance Programme of the Authorised CASP as required in terms of section 42 of the FIC Act;

(k) a detailed business plan which must, inter alia, include full details of the following key aspects:

(aa) the names, domicile and percentage equity interest of all the shareholders, including the identity of the beneficial owner(s), in the unlisted company (this only applies to private companies and excludes public and listed companies);

(bb) proposed organisational structure;

(cc) a detailed description of the proposed business model;

(dd) funding details (unimpaired capital) for the applicant in fiat currency, including own funds, loans (specify lender and location), and other sources. See section B.2(B) of the Crypto Asset Manual;

(ee) the manner in which the crypto asset reserves will be acquired and managed;

(ff) a reasonably measurable forecast budget calculation for the first three financial years which demonstrates that the applicant is able to employ appropriate procedures, systems and resources to operate soundly;

(gg) confirmation of whether operations will be online (e.g. online platform-based) and/or in-person (e.g. outlet based);

(hh) details of the proposed place of business, including, where applicable, a description of the intended use of branches, which must fully comply with the requirements as provided for in section B.2(C) of the Crypto Asset Manual;

(ii) a description of the applicant's governance arrangements and internal control mechanisms relating to, inter alia, administrative, risk management and accounting procedures, which demonstrates that these governance arrangements, control mechanisms and procedures are appropriate, sound and adequate;

(jj) full and accurate information on the obligations and responsibilities of the applicant with respect to the segregation of client assets from its proprietary assets;

(kk) a detailed description of the wallet infrastructure, e.g., the proposed deposit and withdrawal wallet addresses of the applicant and clients, manner in which the clients' assets will be held and managed, how the private keys of the clients will be stored, including the terms for their restitution, and the control measures in place to mitigate the risks involved;

(ll) a summary of the policy, procedures, and systems for client asset reconciliations;

(mm) the manner in which the applicant intends to monitor transactions passing through clients' South African custodial wallets to detect any contravention of the draft Regulations;

(nn) full details when products or services are to be provided in partnership with a third-party service provider (such as a pay-in partner, pay-out partner, remittance platform or any other partnership), i.e.:

(1) the name and address of the third-party service provider;

(2) details of the approval/authority required and the business activities to be performed by the third-party service provider;

(3) a copy of the draft agreement to be entered into between the applicant and the third-party service provider;

(4) an overview/process flow of how transactions will be concluded in respect of the agreement; and

(5) where a third-party service provider is involved in remittance activities in a foreign jurisdiction, approval by a central bank or relevant regulatory authority in the country of domicile that the foreign party is authorised as a remittance service provider and/or CASP; and

(oo) full details of the proposed implementation of the FinSurv Reporting System. In this regard, refer to section C.1 below. The Systems Business Support Division may be contacted via an email to FNS-Development@resbank.co.za for further details in this regard.

(D) Adjudication process

(i) The application with supporting documentation as outlined in subsection (C) above, will be considered on receipt thereof by the Financial Surveillance Department, taking into account, inter alia, factors pertaining to the overall national and economic interest of South Africa.

(ii) Once the application has been successfully reviewed by the Financial Surveillance Department, a conditional written approval will be granted to the applicant to conduct the business of an Authorised CASP.

(iii) The conditional approval will outline the requirements that should be met in order for the Financial Surveillance Department to make a final decision regarding the appointment of the applicant as an Authorised CASP. The requirements will, inter alia, include the following:

(a) finalisation of the appointment of a competent capital flow management officer, following the assessment of the proposed individual as ‘fit and proper’ by the Financial Surveillance Department. In this regard the following must be forwarded to the Financial Surveillance Department, who reserves the right to veto the appointment of an individual deemed not suitable for the position:

(aa) detailed curriculum vitae for the proposed candidate, including educational qualifications and/or work experience relevant to the role;

(bb) a copy of the official identity document; and

(cc) a duly completed and signed ‘Consent and declaration form’, a copy of which is attached hereto as Annexure C;

(b) written confirmation from a registered bank is provided that the minimum unimpaired capital requirement is in place;

(c) written confirmation from the company’s director(s) is provided that the unimpaired capital will remain unimpaired in the business of the Authorised CASP during the lifetime of its operations (refer to section B.2(B) of the Crypto Asset Manual for the requirements applicable to unimpaired capital);

(d) finalisation and approval of the proposed place of business;

(e) successful testing and certification of the FinSurv Reporting System; and

(f) a commitment is provided by management to co-operate with the Financial Surveillance Department in monitoring the efficiency of the newly implemented procedures and systems, subject to a periodic external audit.

(iv) The requirements in paragraph (iii) above must be met within a period of six months from the date of the conditional approval issued by the Financial Surveillance Department, failing which such approval may be withdrawn.

(v) An extension to the conditional approval would be considered on a fully motivated application.

(vi) Should the Financial Surveillance Department be satisfied that all the requirements outlined in the conditional approval have been met, it will arrange for the publication of the name of the entity and the authorisation granted in the Government Gazette.

(vii) Once the details mentioned have been published in the Government Gazette, the Financial Surveillance Department will issue to the Authorised CASP concerned a formal letter of appointment.

(viii) The letter of appointment to conduct the business of an Authorised CASP is neither tradable nor transferable.

(ix) A Circular will then be issued by the Financial Surveillance Department to notify all other role players of the appointment of the new Authorised CASP.

(x) Section A.2(A) of the Crypto Asset Manual will be updated by including the name of the new Authorised CASP.

(xi) It should be noted that the draft Regulations provide, inter alia, that any person who negligently or intentionally makes any false or incorrect statement in a declaration made or a return rendered for the purposes of these draft Regulations, shall be guilty of an offence and liable upon conviction to a fine or to imprisonment or to both such fine and imprisonment. This may also result in the authorisation granted being withdrawn.

(xii) Should the Financial Surveillance Department decline an application for authorisation to conduct the business of an Authorised CASP, a written notice of the decision will be provided to the applicant concerned. The applicant is then prohibited from facilitating any cross-border crypto asset transactions.

A.4 Duties and responsibilities of Authorised Crypto Asset Service Providers

(A) Regulatory compliance requirements

(i) An Authorised CASP should notify the Financial Surveillance Department should any investigation, enforcement, administrative or remedial action be imposed against it by any other regulatory authority.

(ii) Clients should be onboarded by Authorised CASPs in terms of the requirements of the FIC Act. As a minimum, Authorised CASPs should obtain and retain documents or certified copies of documents to verify the clients' identity, residential address and source of funds, unless specifically exempted elsewhere in the Crypto Asset Manual.

(iii) Authorised CASPs must ensure that cross-border crypto asset transactions processed are both permissible in terms of the requirements outlined in the Crypto Asset Manual and undertaken for legitimate purposes.

(iv) An Authorised CASP may not undertake, facilitate or process any cross-border crypto asset transactions other than those expressly permitted in this Crypto Asset Manual or a specific authority granted by the Financial Surveillance Department.

(v) Authorised CASPs should note that when approving requests in terms of the Crypto Asset Manual they are, in terms of the draft Regulations, not allowed to grant permission to clients and must refrain from using wording indicating that approval or permission has been granted in correspondence with their clients. Instead, reference should be made to the specific section of the Crypto Asset Manual in terms of which the clients are permitted to transact.

(vi) Clients of Authorised CASPs are not permitted to offset foreign commitments against foreign accruals, whether of a capital or a current nature, unless specifically authorised by the Financial Surveillance Department or as provided for in the Authorised Dealer Manual.

(vii) Authorised CASPs may not enter into any crypto asset transactions with residents of the CMA (Lesotho, Namibia and eSwatini).

(viii) In carrying out the important duties entrusted to them, Authorised CASPs should appreciate that uniformity of policy is essential, and to ensure this, it is necessary that the provisions of the draft Regulations, the requirements outlined in the Crypto Asset Manual as well as any directive issued by the Financial Surveillance Department and any other applicable regulation, be applied strictly and impartially. Authorised CASPs and their clients must comply with both the letter and spirit of these directives.

(ix) Any deviation from or non-compliance with the directives contained in the above-mentioned documents must, within seven days, be reported to the Financial Surveillance Department and is regarded in a serious light.

(x) If the Authorised CASP cannot fully adhere to the conditions specified in its appointment letter, the requirements of the Crypto Asset Manual, or any specific authorities granted by the Financial Surveillance Department, it must immediately report the non-compliance and suspend its operations associated with its Authorised CASP appointment until all discrepancies have been rectified. Such operations may only resume upon receipt of specific written approval from the Financial Surveillance Department.

(xi) In the interest of all parties concerned, action may be taken in the event of transgressions of the provisions of the draft Regulations and/or non-compliance with the requirements outlined in the Crypto Asset Manual and/or any directive issued by the Financial Surveillance Department.

(xii) Transactions passing through clients' South African custodial wallets must be closely monitored as a possible means of affording information useful to the Financial Surveillance Department or of detecting any contravention of the draft Regulations which, if revealed, must be promptly reported to the Financial Surveillance Department. In this regard, the attention of Authorised CASPs is directed to the powers conferred on them under the draft Regulations, which entitle them to call for any information and to search any premises to inspect any books or documents as may be necessary to ensure compliance with the draft Regulations. These powers should be fully availed of by Authorised CASPs in carrying out the powers, functions and/or duties assigned to them under the draft Regulations.

(xiii) The arrangements set out in the Crypto Asset Manual should in no manner be construed as absolving Authorised CASPs, their clients and associated entities from their duties and obligations under any other law, including, but not limited to, the FIC Act, the Prevention of Organised Crime Act, 1998 (Act No. 121 of 1998), the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004 (Act No. 33 of 2004), the Financial Markets Act, 2012 (Act No.19 of 2012) and the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002).

B.1 Business activities of Authorised Crypto Asset Service Providers

(A) Introduction

(i) Authorised CASPs are prohibited from dealing in foreign currency.

(ii) Crypto asset transactions would be deemed as import or export of capital in terms of the draft Regulations at the point where crypto assets are transferred between a domestic Authorised CASP and an offshore CASP or from a domestic Authorised CASP to a non-custodial wallet, resulting in a cross-border inflow or outflow.

(iii) Transactions between Authorised CASPs are deemed domestic.

(iv) Authorised CASPs are classified into three categories:

(a) Category One

(aa) Facilitating specific remittance transactions between individuals using crypto assets as a settlement medium.

(b) Category Two

(aa) Facilitating specific cross-border crypto asset transactions.

(c) Category Three

(bb) Providing a combination of Category One and Category Two Authorised CASP business activities.

(B) Category One

(i) Description of business activity

(a) An Authorised CASP may:

(aa) facilitate specific remittance transactions between individuals using crypto assets as a settlement medium.

(ii) Business requirements

(a) The following requirements should be met:

(aa) product offerings are limited to specific remittance transactions between individuals, subject to a limit of R5 000 per transaction per day and an overall limit of R25 000 per applicant per calendar month.

(bb) the client never owns or takes possession of the crypto assets;

(cc) settlement between the South African client and the Authorised CASP takes place in fiat currency (Rand);

(dd) net settlement between the Authorised CASP and the foreign pay-out partner is effected using crypto assets; and

(ee) transactions can be performed as an independent Authorised CASP or in partnership with a third-party service provider.

(iii) Permissible remittance transactions that may be entered into by a Category One Authorised CASP

(a) Resident individuals

(aa) Resident individuals and qualifying foreign nationals (with a valid green bar-coded South African identity document or smart identity document card) may transfer monetary gifts to non-resident individuals and resident individuals temporarily abroad, subject to a limit of R5 000 per transaction per day and an overall limit of R25 000 per applicant per calendar month, forming part of the individual's single discretionary allowance.

(bb) Resident individuals and qualifying foreign nationals must provide a valid green bar-coded South African identity document or smart identity document card for identification purposes as well as residential address information.

(cc) The identity number as well as residential address information will be mandatory when reporting the transaction in terms of the FinSurv Reporting System requirements.

(b) Migrant labourers

(aa) Remittance transactions by migrant labourers are subject to a limit of R5 000 per transaction per day and an overall limit of R25 000 per applicant per calendar month.

(bb) The migrant workers must provide a valid passport, asylum seeker permit, refugee identity document or any other acceptable form of identification as well as residential address information.

(cc) The passport/permit/refugee identity number as well as residential address information will be mandatory when reporting the transaction in terms of the FinSurv Reporting System requirements.

(c) Foreign nationals temporarily in South Africa (contract workers)

(aa) Foreign nationals employed in South Africa on a contract basis may transfer funds earned in South Africa abroad, subject to a limit of R5 000 per transaction per day and an overall limit of R25 000 per applicant per calendar month, provided that:

(1) the foreign national contract workers can substantiate the source from which they have acquired such funds;

(2) the value of such funds is reasonable in relation to their earnings in South Africa; and

(bb) The foreign national contract workers must provide a valid passport, temporary residence visa or legacy temporary residence permit, for identification purposes.

(cc) The passport/temporary residence visa/legacy temporary residence permit number as well as residential address information will be mandatory when reporting the transaction in terms of the FinSurv Reporting System requirements.

(iv) Products or services provided in partnership with a third-party service provider

(a) On application to the Financial Surveillance Department, consideration will be given where products or services are to be provided in partnership with a third-party service provider (such as a pay-in partner, pay-out partner, remittance platform or any other partnership). In this regard refer to section A.3(C)(iii)(k)(nn) of the Crypto Asset Manual for the information to be provided in the request.

(b) The following principles must be complied with when an Authorised CASP offers products or services in partnership with a third-party service provider:

(aa) the Authorised CASP must take full responsibility and accountability for its compliance with the requirements set out in the Crypto Asset Manual in relation to the products or services which it will be offering, i.e., the Authorised CASP must at all times be the principal to the transaction;

(bb) the Authorised CASP must ensure that the systems of the third-party service provider are suitably integrated with the Authorised CASP's systems to comply with the obligations set out in the Crypto Asset Manual; and (cc) both the Authorised CASP as offering institution and any third-party service provider with which the Authorised CASP may enter into an agreement must guarantee that all information captured in relation to the use of the service provider's products or services will be held and maintained in South Africa.

(v) Cross-border crypto asset transaction reporting categories

(a) The cross-border crypto asset transaction reporting categories applicable to a Category One Authorised CASP will be included, once the policy framework has been formally adopted.

(C) Category Two

(i) Description of business activities

(a) An Authorised CASP may:

(aa) offer South African custodial wallets with the functionality to allow specific cross-border crypto asset transactions; and/or

(bb) provide other crypto asset products or services as specifically authorised by the Financial Surveillance Department.

(ii) Business requirements

(a) The following requirements should be met:

(aa) South African custodial wallets may be opened for residents (individuals and entities), foreign nationals temporarily in South Africa (contract workers) as well as non-residents, in compliance with applicable South African legislation;

(bb) settlement between the South African client and the Authorised CASP takes place in fiat currency (Rand);

(cc) cross-border crypto asset transactions facilitated by an Authorised CASP transferred to/received from a wallet, other than a South African custodial wallet hosted by an Authorised CASP, are subject to specific conditions as outlined in (iii) below and reporting to the Financial Surveillance Department; and

(dd) any additional crypto asset products or services require the specific prior approval of the Financial Surveillance Department.

(iii) Permissible activities and transactions that may be entered into by a Category Two Authorised CASP

(a) Resident individuals

(aa) Resident individuals may open South African custodial wallets, hosted by Authorised CASPs, to purchase and/or sell crypto assets.

(bb) Crypto assets held in South African custodial wallets are deemed domestic.

(cc) Transactions between Authorised CASPs are deemed domestic.

(dd) Crypto asset transactions would be deemed as export of capital in terms of the draft Regulations at the point where it is transferred by an Authorised CASP on behalf of a resident individual to a wallet other than a South African custodial wallet hosted by an Authorised CASP, within the single discretionary allowance or foreign capital allowance limits. Such transactions are reportable as outward on the FinSurv Reporting System.

(ee) Crypto assets introduced from resident individuals' foreign custodial wallets to South African custodial wallets are reportable as inward transactions on the FinSurv Reporting System.

(ff) The sale (for fiat currency) of crypto assets held in South African custodial wallets, acquired by resident individuals through approved methods, is classified as a domestic transaction.

(gg) A resident individual may not use another individual's single discretionary allowance or foreign capital allowance through the granting of a 'loan' or any other similar agreement. This is regarded as a simulated transaction to circumvent the provisions of the draft Regulations and therefore an illegal activity.

(hh) Single discretionary allowance

(1) Resident individuals who are 18 years and older may transfer crypto assets to a foreign custodial wallet or a non-custodial wallet, as part of the single discretionary allowance limit of R2 million per individual per calendar year without the requirement to obtain a TCS PIN letter.

(2) The resident individual must produce a valid green bar-coded South African identity document or smart identity document card for identification purposes and the identity number is mandatory when reporting a transaction in terms of the FinSurv Reporting System.

(3) Prior to authorising the transaction, the Authorised CASP must ensure that its client is acquainted with the declaration contained in the integrated form, i.e., that the cross-border crypto asset transaction, including any funds transferred through an Authorised Dealer or ADLA, will not exceed the single discretionary allowance limit.

(4) To ensure accurate and comprehensive reporting of all data on cross-border crypto asset transactions, Authorised CASPs must emphasise to their clients the need to provide accurate information to enable the Authorised CASP to correctly report the purpose of the transaction via the FinSurv Reporting System. In addition, all transactions executed under this dispensation must be indicated in the subject field as ‘SDA’ with the description ‘SDA Crypto’ when reporting the transaction on the FinSurv Reporting System.

(5) Crypto assets transferred abroad in terms of the single discretionary allowance may be repatriated to the resident individual’s South African custodial wallet, hosted by an Authorised CASP, at any point in time. Such crypto assets may be transferred from South Africa thereafter, provided that the Authorised CASP views documentary evidence confirming that the crypto assets had previously been introduced and were suitably reported on the FinSurv Reporting System.

(6) Crypto assets purchased abroad in terms of the single discretionary allowance externalised via an Authorised Dealer, may be repatriated to the resident individual’s South African custodial wallet, hosted by an Authorised CASP, at any point in time. Such crypto assets may be transferred from South Africa thereafter, provided that the Authorised CASP views documentary evidence confirming that the crypto assets had previously been introduced and were suitably reported on the FinSurv Reporting System.

(ii) Foreign capital allowance

(1) Authorised CASPs may facilitate withdrawals from a South African custodial wallet via an AIT, to a foreign custodial wallet or a non-custodial wallet, as part of the

resident individual's foreign capital allowance of up to a total amount of R10 million per calendar year per resident individual who is a taxpayer in good standing and is 18 years and older.

(2) Authorised CASPs are advised that a valid green bar-coded South African identity document or a smart identity document card is the only acceptable document proving residency in South Africa.

(3) Prior to authorising the transaction, the Authorised CASP must ensure that its client is acquainted with the declaration contained in the integrated form, i.e., that the cross-border crypto asset transaction, including any funds transferred through an Authorised Dealer or ADLA, will not exceed the foreign capital allowance limit.

(4) Authorised CASPs must use the TCS PIN to verify the taxpayer's tax compliance status via SARS eFiling prior to externalising any crypto assets. Authorised CASPs must ensure that the amount to be transferred does not exceed the amount approved by SARS. Authorised CASPs should note that the TCS PIN can expire and should Authorised CASPs find that the TCS PIN has expired, then they must insist on a new TCS PIN to verify the taxpayer's tax compliance status. Authorised CASPs should not transfer any amount if the resident individual's tax compliance status indicates non-compliance. Resident individuals should approach SARS to resolve the non-compliance issues.

(5) Authorised CASPs must retain a printed tax compliance status verification result for a minimum period of five years for inspection purposes.

(6) Resident individuals who do not have a tax reference number will have to register at their local SARS branch.

(7) Authorised CASPs must bring to the attention of their clients that, with the exception of permissible transactions in terms of the draft Regulations, they may not enter into any transactions whereby capital or the right to capital will be directly or indirectly exported from South Africa (e.g. may not enter into a foreign commitment with recourse to South Africa).

(8) Crypto assets transferred abroad in terms of the foreign capital allowance may be repatriated to the resident individual's South African custodial wallet, hosted by an Authorised CASP, at any point in time. Such crypto

assets may be transferred from South Africa thereafter, provided that the Authorised CASP views documentary evidence confirming that the crypto assets had previously been introduced and were suitably reported on the FinSurv Reporting System.

(9) Crypto assets purchased abroad in terms of the foreign capital allowance externalised via an Authorised Dealer, may be repatriated to the resident individual's South African custodial wallet, hosted by an Authorised CASP, at any point in time. Such crypto assets may be transferred from South Africa thereafter, provided that the Authorised CASP views documentary evidence confirming that the crypto assets had previously been introduced and were suitably reported on the FinSurv Reporting System.

(b) Resident entities

(aa) South African custodial wallets may be opened by resident entities to purchase and/or sell crypto assets through Authorised CASPs.

(bb) Crypto assets held in South African custodial wallets are deemed domestic.

(cc) Transactions between Authorised CASPs are deemed domestic.

(dd) Resident entities may not enter into crypto asset transactions deemed as import or export of capital in terms of the draft Regulations.

(c) Foreign nationals temporarily in South Africa (contract workers)

(aa) Foreign nationals may open South African custodial wallets, hosted by Authorised CASPs, to purchase and/or sell crypto assets, provided the Authorised CASP views documentary evidence to ensure that the funds tendered in payment represent either savings from local earnings or the proceeds of foreign currency introduced through an Authorised Dealer and exchanged in South Africa.

(bb) Transactions between Authorised CASPs are deemed domestic.

(cc) Crypto assets introduced from foreign custodial wallets are reportable as inward transactions on the FinSurv Reporting System.

(dd) Foreign nationals may sell crypto assets through an Authorised CASP and the proceeds of such crypto assets may be transferred via an Authorised Dealer, provided that the crypto assets were purchased in the manner as outlined in paragraph (aa) above.

(ee) Foreign nationals may externalise crypto assets held in South African custodial wallets to foreign custodial wallets or non-custodial wallets, provided the Authorised CASP is satisfied that the crypto assets were purchased in the manner as outlined in paragraph (aa) above. Such transactions are reportable as outward on the FinSurv Reporting System.

(ff) Foreign nationals who wish to transfer crypto assets introduced from foreign custodial wallets, may only re-transfer such crypto assets to foreign custodial wallets or non-custodial wallets. Authorised CASPs must ensure that the crypto assets externalised, including any verifiable trading profits, are commensurate with the crypto assets initially introduced. Such transactions are reportable as outward on the FinSurv Reporting System.

(gg) Should foreign nationals receive crypto assets from residents (individuals and entities) such crypto assets may not be externalised in terms of the draft Regulations.

(d) Non-residents

(aa) Non-residents may open South African custodial wallets, hosted by Authorised CASPs, to purchase and/or sell crypto assets, provided the Authorised CASP views documentary evidence to ensure that the funds tendered in payment represent the proceeds of foreign currency introduced through an Authorised Dealer and exchanged in South Africa or Rand from a non-resident Rand account in the name of the non-resident.

(bb) Transactions between Authorised CASPs are deemed domestic.

(cc) Crypto assets introduced from foreign custodial wallets are reportable as inward transactions on the FinSurv Reporting System.

(dd) Non-residents may sell crypto assets through an Authorised CASP and the proceeds of such crypto assets may be transferred via an Authorised Dealer, provided that the crypto assets were purchased in the manner as outlined in paragraph (aa) above.

(ee) Non-residents may externalise crypto assets held in South African custodial wallets to foreign custodial wallets or non-custodial wallets, provided that the Authorised CASP is satisfied that the crypto assets were purchased in the manner as outlined in paragraph (aa) above. Such transactions are reportable as outward on the FinSurv Reporting System.

(ff) Non-residents who wish to transfer crypto assets introduced from foreign custodial wallets may only re-transfer such crypto assets to foreign custodial wallets or non-custodial wallets. The Authorised CASP must ensure that the crypto assets externalised, including any verifiable trading profits, are commensurate with the crypto assets initially introduced. Such transactions are reportable as outward on the FinSurv Reporting System.

(gg) Should non-residents receive crypto assets from residents (individuals and entities), such crypto assets may not be externalised in terms of the draft Regulations. The sale proceeds of such crypto assets may not be credited to a non-resident Rand account.

(iv) Cross-border crypto asset transaction reporting categories

(a) Transactional data must be reported to the Financial Surveillance Department at the point where crypto assets are transferred between a domestic Authorised CASP and an offshore CASP or from a domestic Authorised CASP to a non-custodial wallet, resulting in a cross-border inflow or outflow.

(b) The cross-border crypto asset transaction reporting categories applicable to a Category Two Authorised CASP will be included, once the policy framework has been formally adopted.

(D) Category Three

(i) Description of business activities

(a) A combination of products or services as provided by Category One and Category Two Authorised CASPs as outlined in subsections (B) and (C) above.

(b) An Authorised CASP may:

(aa) facilitate specific remittance transactions between individuals using crypto assets as a settlement medium; and/or

(bb) offer South African custodial wallets with the functionality to enable specific cross-border crypto asset transactions; and/or (cc) provide other crypto asset products or services as specifically authorised by the Financial Surveillance Department.

(ii) Business requirements

(a) In respect of specific remittance transactions between individuals utilising crypto assets as a settlement medium, the following requirements should be met:

(aa) product offerings are limited to specific transactions between individuals;

(bb) the client never owns or takes possession of the crypto assets;

(cc) settlement between the South African client and the Authorised CASP takes place in fiat currency (Rand);

(dd) net settlement between the Authorised CASP and the foreign pay-out partner is effected using crypto assets; and

(ee) transactions can be performed as an independent Authorised CASP or in partnership with a third-party service provider.

(b) In respect of specific cross-border crypto asset transactions, the following requirements should be met:

(aa) South African custodial wallets may be opened for residents (individuals and entities), foreign nationals temporarily in South Africa (contract workers) as well as non-residents, in compliance with applicable South African legislation;

(bb) settlement between the South African client and the Authorised CASP takes place in fiat currency (Rand); and

(cc) cross-border crypto asset transactions facilitated by an Authorised CASP transferred to/received from a wallet, other than a South African custodial wallet hosted by an Authorised CASP, are subject to specific conditions and reporting to the Financial Surveillance Department.

(c) Any additional crypto asset products or services require the specific prior approval of the Financial Surveillance Department.

(iii) Permissible activities and transactions

(a) The transactions outlined in subsections (B)(iii), (B)(iv) as well as (C)(iii) above may be entered into by a Category Three Authorised CASP.

(iv) Cross-border crypto asset transaction reporting categories

(a) Transactional data must be reported to the Financial Surveillance Department at the point where crypto assets are transferred between a domestic Authorised CASP and an offshore CASP or from a domestic Authorised CASP to a non-custodial wallet, resulting in a cross-border inflow or outflow.

(b) The cross-border crypto asset transaction reporting categories applicable to a Category Three Authorised CASP will be included, once the policy framework has been formally adopted.

B.2 Requirements applicable to conducting the business of an Authorised Crypto Asset Service Provider

(A) Obligations governing the structure and financial operations

(i) The business operations of an Authorised CASP must be ring-fenced.

(ii) The Authorised CASP may not establish branch operations outside South Africa.

(iii) The Authorised CASP must trade under the registered name as published in the Government Gazette.

(iv) An Authorised CASP may not change without prior written approval of the Financial Surveillance Department:

(a) the beneficial ownership, equity structure or directors of the Authorised CASP;

(b) the registered name of the Authorised CASP as published in the Government Gazette;

(c) the registered business address of the Authorised CASP;

(d) the location of the head office and/or the opening/relocation of any of the branches and/or the launching/closing of an electronic platform. Refer to subsection (C) below; and

(e) the business model or its products or services offering, as authorised by the Financial Surveillance Department.

(v) An Authorised CASP may not, without prior approval from the Financial Surveillance Department, source crypto assets for operational purposes from:

(a) CASPs authorised by the Financial Surveillance Department as outlined in section B.1 of the Crypto Asset Manual; and

(b) offshore CASPs.

(vi) Purchases and sales of crypto assets must be done at the quoted and agreed upon rate/price with the clients, inclusive of fees, commissions and charges.

(vii) An Authorised CASP should conduct at least two Rand-denominated bank accounts with an Authorised Dealer in order to ensure that client funds are segregated from the Authorised CASP's business/operational funds.

(viii) An Authorised CASP may not accept cash notes or amounts deposited directly into its client bank account in settlement of any transaction in excess of R100 000.

(ix) The following would be applicable with regard to electronic payments:

(a) the Authorised CASP must ensure that suitable measures are in place to confirm that the funds are transferred from the applicant's own local bank account (not the account of a third party) to the Authorised CASP's client bank account;

(b) the Authorised CASP may not accept client account statements from other financial institutions (not registered as a bank) as proof of payments made by its clients;

(c) credit and/or debit cards issued in the name of the client may be accepted by Authorised CASPs for payments; and

(d) for card-present transactions with non-personalised cards, i.e., where the name of the client does not appear on the card, the Authorised CASP must view suitable documentary evidence verifying that the client is the owner of the card.

(x) An Authorised CASP must at all times be able to demonstrate that it can match client account deposits to specific executed transactions.

(xi) It is the responsibility of the Authorised CASP selling the crypto assets, and not that of any third-party service provider (if applicable), to ensure that the provisions of the draft Regulations, the requirements outlined in the Crypto Asset Manual as well as any directive issued by the Financial Surveillance Department, are complied with.

(B) Capital requirements

(i) An Authorised CASP must maintain during the lifetime of its operations a minimum unimpaired capital amount in a Rand denominated savings and/or investment type banking account segregated from the Authorised CASP's business account or clients' funds.

(ii) Intercompany loan funding and/or related shareholder loan funding that are included within the unimpaired capital amount, will be considered under strict scrutiny.

(iii) The minimum unimpaired capital amount is the higher of:

(a) the average amount of the Authorised CASP's positive annual gross income derived during the preceding three-year period, multiplied by 15%, or

(b) R5 million.

(iv) The following will be applicable with regard to the unimpaired capital amount in paragraph (iii)(a) above:

(a) Formula for calculation:

$$\text{Unimpaired capital amount} = \frac{[\text{sum of } \mathbf{GI} \text{ for } \mathbf{n} \text{ years}] \times 15\%}{\mathbf{n}}$$

GI is the sum of the positive annual gross income during the preceding **n** years; and

n is the relevant number of years in respect of which gross income was positive during the preceding three years.

(b) When the annual gross income for a particular year was negative or equal to zero, the Authorised CASP must exclude the relevant amounts for that particular year(s) from both the numerator and the denominator when the Authorised CASP calculates the relevant average amount of gross income.

(c) The amounts included in the calculation of average gross income must be the relevant audited amounts in respect of the relevant year. When audited amounts are not available, the Authorised CASP may, with the prior written approval of and subject to such conditions as may be specified in writing by the Financial Surveillance Department, use the latest unaudited amounts as reported to its board or senior management in respect of the relevant period.

(d) A newly established Authorised CASP that does not have the required gross income data to calculate the required gross income amounts may, with the prior written approval of, and subject to such conditions as may be specified in writing by the Financial Surveillance Department, use gross income projections for all or part of the said three-year period.

(v) The funds in the savings/investment bank account may not be withdrawn or be transferred to another bank account without the prior written approval of the Financial Surveillance Department.

(vi) The capital balance must remain unencumbered and may not be ceded, pledged or used as collateral by the Authorised CASP or any of its stakeholders.

(vii) The Authorised CASP must on a six-monthly basis (during January and July) furnish the Financial Surveillance Department with a copy of the savings/investment bank account statements for the preceding six month period together with written confirmation from the Managing Director/Chief Executive Officer of the Authorised CASP confirming that the unimpaired capital balance of the Authorised CASP has remained unencumbered and was not ceded, pledged or used as collateral by the entity or any of its stakeholders. Also refer to subsection (H)(i)(b)(bb) below.

(C) Outlet and/or electronic platform-based Authorised Crypto Asset Service Providers

(i) An Authorised CASP must be registered with the CIPC and have a physical presence in South Africa (the head office of the Authorised CASP).

(ii) An Authorised CASP must ensure that its head office and approved branches, where applicable, are accessible to the Financial Surveillance Department for inspection purposes during business hours.

(iii) An Authorised CASP must always display, in a conspicuous place at the premises at which it conducts its business, where applicable, and/or on any other electronic platform used by the Authorised CASP, the following:

(a) a certified copy of the Government Gazette confirming its appointment as an Authorised CASP;

(b) applicable signage indicating the registered name of the Authorised CASP as published in the Government Gazette;

(c) its crypto asset buying and selling rate/price, if applicable;

(d) all fees, commissions and charges associated with these transactions;

(e) a notice informing its clients that they are entitled to be issued with a receipt for any cross-border crypto asset transactions facilitated by the Authorised CASP; and

(f) a notice informing its clients under which circumstances adherence to the requirements of the Financial Surveillance Department would be applicable.

(iv) An Authorised CASP must timeously obtain the prior written approval of the Financial Surveillance Department before relocating its head office, opening/relocation of its branches, and/or the launching/closing of an electronic platform. The request should include, as a minimum, the following details:

(a) branch code number not exceeding eight digits;

(b) postal and physical addresses;

(c) telephone numbers;

(d) email addresses;

(e) suitable curriculum vitae of the head of the proposed branch; and/or

(f) domain name of the electronic platform.

(v) Any subsequent changes in paragraph (iv) above, must receive the prior written approval of the Financial Surveillance Department.

(vi) The Financial Surveillance Department must immediately be notified of the closure of an Authorised CASP branch, if applicable.

(D) Staffing

(i) An Authorised CASP must have suitably qualified staff at all times who are fully conversant with the provisions of the draft Regulations, the requirements outlined in the Crypto Asset Manual as well as any directive issued by the Financial Surveillance Department.

(ii) An Authorised CASP must at least once per calendar year provide training to all staff members responsible for compliance with the requirements outlined in the Crypto Asset Manual.

(iii) Written confirmation of paragraphs (i) and (ii) above, signed by the capital flow management officer, must be submitted to the Financial Surveillance Department in January of each year. Also refer to subsection (H)(i)(a)(aa) below.

(E) Submission of applications to the Financial Surveillance Department

(i) Authorised CASPs' clients should on no account be advised to apply directly to the Financial Surveillance Department.

(ii) Applications should be submitted by an Authorised CASP, through its head office, to the Financial Surveillance Department in the following instances:

(a) if any transaction cannot be approved in terms of the requirements outlined in the Crypto Asset Manual;

(b) if there is uncertainty or doubt as to whether or not an Authorised CASP may approve a request. Authorised CASPs must, as a general rule, refrain from their own interpretation of the Crypto Asset Manual; and

(c) as indicated in the respective sections of the Crypto Asset Manual.

(iii) Applications submitted to the Financial Surveillance Department must be numbered in a sequential numerical order to ensure that applications submitted and replies thereto are duly accounted for.

(iv) Authorised CASPs must reset their application numbering systems to zero at the beginning of each calendar year.

(v) Refer to subsection (H)(i)(c) below for submission of returns of missing application sequence numbers,

(vi) When submitting applications for consideration, an Authorised CASP should ensure that the following requirements are met:

(a) the branch code number or name of the branch must be reflected on the top of the application, where applicable;

(b) the surnames, full first names and identification numbers of the individuals as per the CDD documentation, must be provided;

(c) the same names must be used in subsequent applications, unless specific attention is drawn to a name change; and

(d) any previous application(s) that has any bearing (directly or indirectly) on the current application must be referred to as previous related correspondence.

(vii) The Financial Surveillance Department is required to be in possession of full information regarding the transaction, its nature and purpose (clearly specifying the motive and intent), before consulting with the National Treasury or exercising the powers, functions and/or duties delegated to it by the Minister of Finance.

(viii) An Authorised CASP must state whether or not it recommends the application and its reasons for making or withholding its recommendation.

(ix) Applications submitted to the Financial Surveillance Department that do not contain sufficient information will be returned to the Authorised CASP. Accordingly, to avoid unnecessary delays, an Authorised CASP must ensure that full and precise particulars of the underlying transaction are given in the first instance.

(x) Urgent applications may be submitted through the secure website of the South African Reserve Bank. Details of the submission process will be communicated in due course.

(xi) Replies to applications will be addressed to the head offices of the Authorised CASP, where applicable, who should ensure that the requirements of the Financial Surveillance Department are fully explained to branches to avoid any misunderstanding on the part of the latter and the applicants concerned.

(xii) All transactions must be concluded on the particular basis as formally sanctioned by the Financial Surveillance Department. Accordingly, any deviation from the arrangements originally approved should be referred to the Financial Surveillance Department.

(xiii) Where approval from the Financial Surveillance Department is to be executed (in whole or in part) by an Authorised CASP other than the one who obtained the approval, the executing Authorised CASP must first obtain a copy of such approval to ensure that all the terms and conditions laid down have been met. In the case of more than one Authorised CASP executing a transaction, the onus is jointly on such Authorised CASPs to ensure compliance.

(xiv) Any authority granted by the Financial Surveillance Department to an Authorised CASP should be regarded as cancelled if the applicant concerned does not avail thereof within a period of six months from the date of such authority. The six month validity period would not apply to those authorities that were granted for periods longer than six months.

(xv) The Financial Surveillance Department reserves the right to cancel any authority with immediate effect.

(F) Requirements for documentary evidence

(i) As far as documentary evidence as called for in the various sections of the Crypto Asset Manual is concerned, Authorised CASPs must:

(a) ensure that the documentary evidence obtained follow established accounting, commercial, or legal practices and represent the best available proof for the purposes of:

(aa) identifying and verifying the nature, category or class of the relevant cross-border crypto asset transaction;

(bb) proving and verifying the obligation(s) and/or right(s) of each party relevant to the cross-border crypto asset transaction; and

(cc) proving and verifying the amount(s) and timing of the relevant cross-border crypto asset transaction;

(b) endorse such documentation ‘original sighted’ or alternatively where such documentation is stored digitally and an audit trail exists, no endorsement is required; and

(c) retained such documentation for a minimum period of five years for inspection purposes.

(ii) Where the original set of documents are not obtainable, Authorised CASPs may accept those produced by photocopying or copies of electronic documents.

(iii) Authorised CASPs must point out to their clients that the original documents must be retained for a minimum period of five years for inspection purposes. In this regard, refer to subsection (G)(v)(a) below.

(G) Record keeping

(i) Proper records of all transactions must be kept to enable the Authorised CASP to reconstruct all transactions, which includes the following:

(a) The transaction record and supporting documentation which must, inter alia, reflect the following information:

(aa) the unique transaction identifier;

(bb) the full name(s) and surname of the client;

(cc) the residential address of the client;

(dd) the identity number of the client;

(ee) the beneficiary details to the transaction;

(ff) the date of the transaction;

(gg) in respect of remittance transactions, the Rand amount paid to or received from the client;

(hh) in respect of import/export of crypto assets, the crypto asset amount;

(ii) the crypto asset exchange rate on the date of the transaction;

(jj) the Rand equivalent based on the crypto asset exchange rate on the date of the transaction;

(kk) cross-border crypto asset transaction hash;

(ll) originator account or wallet identifier;

(mm) beneficiary account or wallet identifier; and

(nn) the transaction reporting categories based on the purpose of the transaction.

(b) Any document or certified copy of a document obtained by the Authorised CASP in order to verify the client's:

(aa) identity;

(bb) residential address; and

(cc) source of funds, where applicable.

(ii) Records received may only be used for the purpose of the intended transaction.

(iii) Records may be kept in electronic format together with the date and time of capture.

(iv) An Authorised CASP must issue receipts to its clients in respect of all cross-border crypto asset transactions facilitated in terms of the requirements of the Crypto Asset Manual.

(v) An Authorised CASP must incorporate on its purchase receipts a footnote to read:

(a) "Authorised CASP client: please ensure that you retain this receipt for a minimum period of five years as proof of your cross-border crypto asset transaction."

(b) "Crypto assets obtained through this transaction may only be placed at the disposal of third parties normally resident in South Africa subject to local tax disclosure and compliance."

(vi) An Authorised CASP must keep records as mentioned above that relate to:

(a) the establishment of a business relationship, for a minimum period of five years from the date on which the business relationship is terminated; and

(b) a transaction that is concluded, for a minimum period of five years from the date on which that transaction is concluded.

(vii) If the appointment of an Authorised CASP is cancelled for any reasons whatsoever, it must retain all records, data and information from the previous five years for five years after the effective cancellation date. These documents must be accessible to the Financial Surveillance Department and provided within an agreed timeframe.

(H) Submission of information to the Financial Surveillance Department

(i) An Authorised CASP must submit to the Financial Surveillance Department the following:

(a) Annually (in January, unless otherwise stipulated)

(aa) Confirmation by the most senior official confirming that:

(1) the staff are suitably qualified, 'fit and proper' persons and fully conversant with the provisions of the draft Regulations, the requirements outlined in the Crypto Asset Manual as well as any directive issued by the Financial Surveillance Department; and

(2) relevant training has been provided during the financial year to all staff members responsible to ensure compliance with (1) above.

(bb) A detailed list of the active branches of the Authorised CASP, which list should include the name of the branch, street address, its branch number, telephone number and the crypto asset turnover (sales and purchases) of each branch for the previous year, if applicable.

(cc) An updated copy of the Risk Management and Compliance Programme of the Authorised CASP, for record purposes.

(dd) Within three months after the close of its financial year, a copy of its signed audited financial statements together with an independent audit report for the corresponding period which also includes confirmation that the calculation of the unimpaired capital amount is in line with the requirements as outlined in subsection (B) above.

(b) Biannually (in January and July)

(aa) A list which should include the names, designations, telephone numbers, email addresses, specimen signatures of the officials authorised to sign correspondence addressed to the Financial Surveillance Department, indicating at least two senior officials to whom urgent correspondence, if necessary, could be referred to as well as highlighting any changes from the previous submission.

(bb) A copy of the savings/investment bank account statements for the preceding six-month period together with written confirmation from the Managing Director/Chief Executive Officer of the Authorised CASP confirming that the unimpaired capital balance of the Authorised CASP has remained unencumbered and was not ceded, pledged or used as collateral by the entity or any of its stakeholders.

(c) Quarterly

(aa) A return of missing application sequence numbers covering the preceding quarter containing.

(bb) A list of application numbers generated but not submitted to the Financial Surveillance Department.

(cc) A nil return in the event of all applications having been submitted in sequential order.

(dd) The range of application numbers generated.

(I) Reporting requirements for all Authorised Crypto Asset Service Providers

(i) Authorised CASPs must comply with the ‘same source’ principle when reporting cross-border crypto asset transactions to the Financial Surveillance Department. The reporting must meet the criteria specified in section C.1 of the Crypto Asset Manual and adhere to the format detailed in both the Business and Technical Specifications document and the Operations Manual, to be provided to the applicant by the Financial Surveillance Department.

(ii) Authorised CASPs are reminded that the reporting of cross-border crypto asset transactions, as indicated above, does not exempt them in any way from complying with the provisions of the draft Regulations, the requirements outlined in the Crypto Asset Manual as well as any directive issued by the Financial Surveillance Department.

(J) Right of inspection

(i) An authorised official from the Financial Surveillance Department may at any time request information or conduct an inspection to establish an Authorised CASP’s compliance with the provisions of the draft Regulations, the requirements outlined in the Crypto Asset Manual as well as any directive issued by the Financial Surveillance Department.

(ii) Inspections will be in the form and manner determined by the Financial Surveillance Department.

(iii) It is the duty of every director, official or staff member of an Authorised CASP to make available to an official of the Financial Surveillance Department conducting the inspection outlined in paragraph (i) above all information, accounts and other documents, as requested.

(iv) In case of suspected non-compliance, malpractice or fraud, an official of the Financial Surveillance Department has the right of seizure of documents and records.

(K) Compliance and remedial action

(i) An Authorised CASP must comply with the provisions of the draft Regulations, the requirements outlined in the Crypto Asset Manual as well as any directive issued by the Financial Surveillance Department.

(ii) Any deviation or non-compliance with any of the requirements contained in the draft Regulations, Crypto Asset Manual and/or directives issued by the Financial Surveillance Department may result in measures being taken by the Financial Surveillance Department as administrator of the capital flow management system. These measures may, inter alia, consist of one or more of the following:

(a) an official warning from the Financial Surveillance Department setting out the nature of the contravention, and seeking the assurance from the Authorised CASP that the required remedial steps have been undertaken to ensure compliance as outlined in paragraph (i) above;

(b) the temporary suspension of specific business activities of an Authorised CASP;

(c) the temporary suspension of an Authorised CASP's authority to conduct the business of an Authorised CASP or suspension of that authority at one or more branches;

(d) calling for a complete audit of the Authorised CASP's administration by external auditors, at the Authorised CASP's expense. Such audit would encapsulate:

(aa) a full audit of the Authorised CASP's administration, procedures and/or systems to ensure compliance as outlined in paragraph (i) above; and

(bb) a joint recommendation by the external auditors and Authorised CASP's management for the improvement of the systems and control procedures;

(e) the invoking of the provisions under the draft Regulations; and

(f) the permanent withdrawal of an Authorised CASP's approval to conduct the business of an Authorised CASP or the withdrawal of that authority at one or more branches.

C.1 FinSurv Reporting System

(A) Introduction

(i) The objective of the FinSurv Reporting System is to ensure accurate and comprehensive reporting of all data by reporting entities on transactions, irrespective of the amount, for compilation of:

(a) balance-of-payments statistics by the South African Reserve Bank;

(b) foreign debt statistics and repayment profiles to support monetary policy decisions; and

(c) statistical information relating to the nature, volume and values of the various cross-border flows and to provide the appropriate information for economic and financial management decisions as well as planning and policy formulation.

(B) Business and Technical Specifications document

(i) The Business and Technical Specifications document will be made available, once the policy framework has been formally adopted.

(C) Operations Manual

(i) The complete Operations Manual will be made available, once the cross-border crypto asset policy framework has been formally adopted.

(D) Offshoring and cloud computing

(i) For the purpose of this subsection, the following key concepts are outlined below:

Concept	Description
Business processes	Business processes refer to FinSurv related business processes which include, but are not limited to, on-boarding of customers, compliance with the compliance with the capital flow management requirements, sanction screenings, releasing of cross-border payments and activities relating to reporting to FinSurv.
Data	Data refers to cross-border transactional data, customer information and digital

Concept	Description
	images of documentation, e.g. documentary evidence obtained in terms of the Manuals.
Customer information	Customer information is data captured in the centralised customer database of reporting entities which, inter alia, includes data captured during on-boarding of a customer, client identification and verification documentation as obtained in terms of the FIC Act.
Transactional data	Transactional data is cross-border transactional data reported by reporting entities to FinSurv in terms of the provisions outlined in the Manuals.
Digital images of documentation	Digital images of documentation include documentary evidence obtained and/or stored in an electronic format by reporting entities as outlined in the Manuals or specified in terms of certain approvals granted by FinSurv.
Offshoring	Offshoring is the transferring of the business processes (including, but not limited to, compliance with the capital flow management requirements), services, systems, data or infrastructure of the reporting entities to a branch or Head Office situated outside the borders of South Africa.
Cloud computing	Cloud computing is defined as a model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (e.g. networks, servers, storage facilities, applications and

Concept	Description
	services) that can be rapidly provisioned and released with minimal management effort or service provider interaction. Forms of cloud computing may include a public cloud, private cloud, community cloud or hybrid cloud. Computers providing capacity can be in different geographical locations which may be subject to different laws, business practices and government oversight.
Local outsourcing	Local outsourcing is the subcontracting of business processes (including, but not limited to, compliance with the capital flow management requirements), functions, services, systems, data or infrastructure of reporting entities, as contemplated in the Manuals, to a third party within South African jurisdiction but not based at the premises of the relevant reporting entities.
International outsourcing	International outsourcing is the subcontracting of business processes (including, but not limited to, compliance with the capital flow management requirements), functions, services, systems, data or infrastructure of reporting entities, as contemplated in the Manuals to a third party situated outside the borders of South Africa.
Regulatory access to data	Regulatory access to data refers to FinSurv's access to data and systems. This includes access to transactional

Concept	Description
	systems' front-end and back-end systems as well as folders, servers and databases.
System replication	System replication refers to duplication of transactional systems' front-end and back-end systems as well as folders, servers and databases. This also includes the replication tools used to keep transactional systems' front-end and back-end systems as well as folders, servers and databases synchronised.
Data replication	Data replication refers to the process of copying data from one location to another, including the replication tools used.

(ii) The Financial Surveillance Department is prepared to consider requests for the following offshoring and cloud computing models relevant to data, infrastructure and systems, as contemplated in the Crypto Asset Manual:

(a) offshoring within an Authorised CASP's international head office and/or group;

(b) cloud computing relating to data, infrastructure and systems;

(c) local outsourcing of data, infrastructure and systems; and

(d) real-time system and data replication to South Africa from an international head office and/or group.

(iii) The Financial Surveillance Department is not agreeable to the following offshoring and cloud computing models:

(a) offshoring, local and international outsourcing or cloud computing of functions, services and business processes as contemplated in the Crypto Asset Manual; and

(b) any form of offshoring and cloud computing models where data is stored in a sanctioned country or in jurisdictions that may inhibit effective access to data.

(iv) Requests for utilising offshoring and cloud computing will only be considered, on a case-by-case basis, upon the submission of a formal application to the Financial Surveillance Department.

(v) The following requirements must be adhered to:

(a) Agreements

(aa) A documented legally binding agreements or contracts must be concluded with the Authorised CASP's head office or any other third party that forms part of the proposed operating model. These agreements or contracts must state, but not be limited to, the following:

(1) data relevant to the Authorised CASP will be ring-fenced from other activities of the data centre to be used and should stipulate how it will be achieved;

(2) data will be retained for a minimum period of five years, as required in terms of the Crypto Asset Manual; and

(3) data will be accessible immediately, but not later than 48 hours, from the source systems and extractable in the format prescribed in paragraph (h)(gg) below.

(bb) Any amendments to the above agreements/contracts with regard to a change in the approved operating model requires prior approval of the Financial Surveillance Department.

(b) Risk assessment

(aa) Prior to undertaking a particular offshoring and cloud computing initiative, an Authorised CASP must perform a risk assessment, which must be documented.

(bb) The risk assessment must identify all risks involved and determine whether adequate controls can be implemented to mitigate any potential risks.

(cc) An Authorised CASP must have documented processes and procedures in place to, on a continuous basis identify, assess, manage and mitigate risks associated with offshoring and cloud computing.

(dd) Risks must be adequately understood and managed prior to entering into an offshoring and cloud computing arrangement. Factors that must be addressed include, inter alia, continuity, data protection, regulatory access to data and regulatory compliance.

(c) Business continuity plan

(aa) An Authorised CASP must satisfy itself that the data centre hosting the data must have extensive disaster recovery and business continuity processes and procedures in place.

(bb) Regular disaster recovery tests must be performed to ensure data can be recovered.

(d) Storage of data

(aa) All data must be ring-fenced without the ability to be updated by unauthorised persons.

(bb) Cross-border transactional data must be stored directly into the source system, i.e. the core accounting system.

(cc) Customer data must be stored directly from the source system, i.e. the centralised customer database.

(dd) In an event of the Authorised CASP terminating its operations in South Africa for any reason whatsoever, data for five years preceding the date of termination, must be replicated to South Africa by the Authorised CASP in a format accessible by the Financial Surveillance Department and within an agreed period.

(e) Regulatory access to data

(aa) Any data required by the Financial Surveillance Department must be made available for access immediately, but not later than 48 hours, by the Authorised CASP and should forthwith be furnished to the Financial Surveillance Department in the format prescribed in paragraph (h)(gg) below.

(bb) Information must be made available, upon request, at no cost to the Financial Surveillance Department.

(cc) The use of offshoring and cloud computing may not in any way infringe on the Financial Surveillance Department's mandated access to data.

(f) Jurisdiction

(aa) An Authorised CASP must ensure that data is not stored in a sanctioned country or in jurisdictions that may inhibit effective access to data.

(bb) In considering foreign jurisdictions, an Authorised CASP must take into account the wider political and security stability of the particular jurisdiction as well as the legislative requirements in terms of the foreign jurisdiction concerned. This should include consideration of the legal enforcement provisions within a jurisdiction.

(g) Procedure to update data back to source

(aa) From time to time an Authorised CASP may be required to amend certain data, e.g. balance of payments categories or cancel the reporting of a transaction. This might have an impact on the same source reporting principle, as all changes must be updated back to the source, i.e. transactional or accounting system.

(h) System requirements

(aa) Data in any offshore data centre must at the least be encrypted through modern encryption technology.

(bb) All cryptographic keys used in a storage encryption solution must be secured and managed properly to support the security of the solution.

(cc) To prevent the non-recovery of encrypted data, extensive planning of key management processes, procedures, and technologies should be performed before implementing storage encryption technologies. This planning should include all aspects of key management, including key generation, use, storage, recovery and destruction.

(dd) Only authorised personnel and systems must be able to retrieve, decrypt and process data through any network or cloud.

(ee) The foreign service provider should have very strong, documented and tested cyber controls to protect data against cybercrime.

(ff) An Authorised CASP must verify adherence to the agreed information security requirements, i.e. through third party assurance audits and/or any other security testing requirements such as vulnerability scanning and penetration testing.

(gg) Data requested by the Financial Surveillance Department should be provided in a standard report format, as prescribed in the Crypto Asset Manual, such as a semi-colon delimited file (e.g.CSV).

(i) Other regulatory bodies and legislative requirements

(aa) An Authorised CASP must consider the offshoring and cloud computing models in the context of its overarching regulatory obligations, which may include obligations to the Financial Intelligence Centre and the Prudential Authority who have different statutory objectives and may, therefore, have different requirements.

(bb) An Authorised CASP must acquaint itself with the relevant provisions of the applicable legislation, e.g. the Protection of Personal Information Act, 2013 (Act No. 4 of 2013) and the FIC Act.

(vi) Applications to the Financial Surveillance Department should, inter alia, include the following:

(a) confirmation that the Authorised CASP complies with the requirements and assurance set out in paragraphs (v) above and (vii) below; and

(b) a copy of the business case which should outline, inter alia, the following:

(aa) proposed offshoring and cloud computing operating model;

(bb) details of all relevant offshoring and cloud computing third parties or service providers;

(cc) benefits and risks involved;

(dd) confirmation that the management and mitigation of risks is done in order to maximise the benefits through effective end-to-end governance practices;

(ee) jurisdictions where data will be stored;

(ff) service, deployment and security models of offshoring and cloud computing applicable to the different classifications of data;

(gg) how data loss and breaches will be dealt with;

(hh) procedure to ensure that the reporting requirements stated in the Crypto Asset Manual are adhered to;

(ii) procedures to be implemented to accommodate requests to update data from the source systems; and

(jj) strategy to be implemented in the event that offshoring and cloud computing operations are required to be moved from one provider to another.

(vii) Assurances

(a) The compliance with all the requirements listed in paragraph (v) above, must be contained in the Managerial Letter of Comfort to be provided to the Financial Surveillance Department on an annual basis.

(viii) Remedies

(a) Any failure by an Authorised CASP to comply with the above-mentioned requirements may result in the suspension of authorities provided by the Financial Surveillance Department or may cause the Financial Surveillance Department to invoke remedies available to it in terms of the draft Regulations.

(E) Inward transactions

(i) General

(a) Authorised CASPs must ensure the correct reporting of all cross-border crypto asset transactions, irrespective of the value involved.

(b) Authorised CASPs must ensure that transactions are reported using the correct customer information.

(c) Data pertaining to transactions must be submitted to the Financial Surveillance Department in the various formats outlined in the Business and Technical Specifications document.

(d) Rejections by the Financial Surveillance Department must be corrected and re-submitted in the agreed format within one business day from the date of the rejection.

(e) Warning messages by the Financial Surveillance Department must be thoroughly investigated and actioned within one business day from the date of the warning message and, where required, the appropriate remedial actions must be taken.

(ii) Integrated form

(a) The integrated form is applicable to all cross-border crypto asset transactions reported to the Financial Surveillance Department.

(b) Cross-border crypto asset transactions reported by Authorised CASPs under the 'NON REPORTABLE' module does not require an integrated form.

(c) Authorised CASPs must make use of an integrated form in respect of all inward crypto asset transactions, either in hard copy or electronic format, to obtain data required for the processing and reporting of all BOPCUS cross-border crypto asset transactions to the Financial Surveillance Department.

(d) When the client is physically present at the Authorised CASP, the integrated form must be completed and signed by the client in respect of all inward crypto asset transactions.

(e) When the client is not physically present to complete and sign the integrated form, the Authorised CASP may complete and sign the integrated form either physically or electronically, provided that the Authorised CASP has been mandated to do so by means of a letter, an email message or by a recorded telephonic message to act on the client's behalf.

(f) The client's communication must be retained by the Authorised CASP for a minimum period of five years for inspection purposes.

(iii) Declaration

The following declaration must be included in the integrated form:

"I, the undersigned____, hereby declare that:

1. I have read this document and know and understand the contents thereof;

2. the information furnished above is in all respects both true and correct;

3. the cross-border crypto asset transfer applied for will only be used for the specific purpose stated herein;

4. the documentation presented in support of this application is in all respects authentic;

5. I have been informed of the limit applicable to the above cross-border crypto asset transaction and confirm that this limit will not be exceeded as a result of the conclusion of this transaction; and

6. I consent to this information being provided to the South African Reserve Bank, South African Revenue Service, the Financial Intelligence Centre and/or any other relevant regulatory authority."

(F) Reporting categories– inward payments

(i) A reporting category consists of a category, while in some cases a category and a sub-category are also applicable.

(ii) The applicable cross-border crypto asset transaction reporting categories will be included, once the policy framework has been formally adopted.

(G) Outward transactions

(i) General

(a) Authorised CASPs must ensure correct reporting of all cross-border crypto asset transactions irrespective of the value involved.

(b) Data pertaining to transactions must be submitted to the Financial Surveillance Department in the various formats outlined in the Business and Technical Specifications document.

(c) Rejections by the Financial Surveillance Department must be corrected and re-submitted in the agreed format within one business day from the date of the rejection.

(ii) Integrated form

(a) The integrated form is applicable to all cross-border crypto asset transactions to the Financial Surveillance Department.

(b) Cross-border crypto asset transactions reported by Authorised CASPs under the 'NON REPORTABLE' module does not require an integrated form.

(c) Authorised CASPs must make use of an integrated form in respect of all outward crypto asset transactions, either in hard copy or electronic format, to obtain data required for the processing and reporting of all BOPCUS cross-border crypto asset transactions to the Financial Surveillance Department.

(d) When the client is physically present at the Authorised CASP, the integrated form must be completed and signed by the client in respect of all outward crypto asset transactions.

(e) When the client is not physically present to complete and sign the integrated form, the Authorised CASP may complete and sign the integrated form, either physically or electronically, provided that the Authorised CASP has been mandated to do so by means of a letter, an email message or by a recorded telephonic message to act on the client's behalf. The client's communication must be retained by the Authorised CASP for a minimum period of five years for inspection purposes.

(f) In cases where the client transacts with the Authorised CASP via an electronic interface, the Authorised CASP must ensure that the underlying agreements legally bind the client in terms of the correctness of the information provided via the electronic medium.

(iii) Declaration
The following declaration must be included in the integrated form:

"I, the undersigned____,
hereby declare that:

1. I have read this document and know and understand the contents thereof;

2. the information furnished above is in all respects both true and correct;

3. the cross-border crypto asset transfer applied for will only be used for the specific purpose stated herein;

4. the documentation presented in support of this application is in all respects authentic;

5. I have been informed of the limit applicable to the above cross-border crypto asset transaction and confirm that this limit will not be exceeded as a result of the conclusion of this transaction; and

6. I consent to this information being provided to the South African Reserve Bank, South African Revenue Service, the Financial Intelligence Centre and/or any other relevant regulatory authority."

(H) Reporting categories– outward payments

(i) A reporting category consists of a category, while in some cases a category and a sub-category is also applicable.

(ii) The applicable cross-border crypto asset transaction reporting categories will be included, once the policy framework has been formally adopted.

(I) Reconciliation module

(i) Authorised CASPs must make use of a straight-through processing system, in electronic format, which must daily account for all reportable and non-reportable cross-border crypto asset transactions, reconciling all such transactions at the Authorised CASP and also reconciling the transactions submitted to and confirmed by the South African Reserve Bank.

(ii) In amplification of the above, the purpose is to ensure that there is reconciliation between the data on the general ledger/accounting system, the system used to submit data to the South African Reserve Bank as well as confirmation from the South African Reserve Bank that the data submitted was successfully received and stored.

(iii) The reconciliation module must be able to perform the following functions:

(a) compile the following daily reports from the general ledger/accounting system of the Authorised CASP:

(aa) reportable cross-border crypto asset transactions; and

(bb) non-reportable cross-border crypto asset transactions;

(b) compile a daily report of all reportable cross-border crypto asset transactions reported to the South African Reserve Bank from the system used to transmit data to the South African Reserve Bank;

(c) electronically match the reportable transactions from the daily report referred to in paragraph (a) above with the actual transactions reported to the South African Reserve Bank referred to in paragraph (b) above;

(d) compile a daily report of transactions not matched between the general ledger/accounting system of the reporting Authorised CASP and the system used to transmit data to the South African Reserve Bank; and

(e) the reconciliation module must be able to create the daily report referred to in paragraphs (a), (b) and (d) above in Excel or text format (semicolon delimited), and must be forwarded to the South African Reserve Bank upon request.

(iv) The data required in paragraph (e) above, must contain the following information:

(a) flow (IN or OUT);

(b) cross-border crypto asset transaction reference number;

(c) cross-border crypto asset transaction hash;

(d) branch code;

(e) value date;

(f) crypto asset identifier

(g) equivalent Rand amount; and

(h) crypto asset amount.

(f) In cases where the Authorised CASP changes the status of cross-border crypto asset transactions between 'reportable' and 'non-reportable', the reconciliation module must be updated to ensure that this manual intervention does not distort the reconciliation process.

Annexure A: Application for authorisation to conduct the business of an Authorised Crypto Asset Service Provider

The terms and conditions for regulating the appointment and conduct of an Authorised Crypto Asset Service Provider are contained in the document titled "Crypto Asset Manual for cross-border activities", which can be downloaded from the South African Reserve Bank's official website: www.resbank.co.za.

The application to conduct a business of an Authorised Crypto Asset Service Provider together with the completed Annexures A and B and supporting documentation must be submitted on the applicant's official letterhead by email to SARB-CASP@resbank.co.za.

Application for authorisation to conduct the business of an Authorised Crypto Asset Service Provider

Declaration to be completed by the applicant:

1. I, the undersigned, director/shareholder* of

   ____

   duly empowered thereto, hereby apply for authorisation of the above-mentioned private company to conduct the business of an Authorised Crypto Asset Service Provider.

2. The applicable information detailed in paragraph 3. below must accompany the application. Indicate, against each item, in the appropriate column in the table below, whether or not the requested information is attached, and, if not, reason(s) therefore.

3. The table below summarises the information to be submitted as per section A.3(C) of the Crypto Asset Manual for cross-border activities:

Information required	Documents attached Yes/No	If not, reasons
(a) Copy of the Notice of Incorporation, Form CoR14.1		
(b) Copy of the Registration certificate, Form CoR14.3		
(c) Copy of the Memorandum of Incorporation, Form CoR15.1A		
(d) Statement by the beneficial owners of-, directors of- and shareholders holding/proposing to hold office in the company		
(e) Consent and declaration form' by the beneficial owners of-, directors of- and shareholders holding/proposing to hold office in the company		
(f) Declaration by the shareholders and beneficial owner(s)		
(g) Undertaking by the management and the board of directors		
(h) Registration certificate issued by the Financial Sector Conduct Authority		

Information required	**Documents attached Yes/No**	**If not, reasons**
(i) Proof of registration as an accountable institution in terms of Schedule 1 of the FIC Act		
(j) A copy of the Risk Management and Compliance Programme		
(k) Business plan		

4. I, ____

the undersigned, hereby declare all information contained in and with this application to be correct.

______________________ __________________
Director/shareholder* Date

Annexure B: Statement by all individuals who are beneficial owners, directors and shareholders holding/proposing to hold office in an Authorised Crypto Asset Service Provider

If insufficient space is provided, please attach a separate sheet.

(Confidential and not available for inspection by the public)

1. Name of limited liability company in connection with which this questionnaire is being completed (the company):

   ……………………………………………………………………………………………

2. Your surname:

   ……………………………………………………………………………………………

3. Your full forename(s):

   ……………………………………………………………………………………………

4. Former surname(s) and/or forename(s) by which you may have been known:

   ……………………………………………………………………………………………

5. Please state in which capacity you are completing this questionnaire, that is, as a current or prospective director, a shareholder, a beneficial owner or combination of these.

   ……………………………………………………………………………………………

6. Please state your full title, and describe the particular duties and responsibilities attached to the position(s) that you hold or will hold. If you are completing this form in the capacity as director, indicate whether, in your position as director, you have or will have executive responsibility for the management of the company's business. In addition, please provide a copy of your curriculum vitae, unless it has already been provided:

   ……………………………………………………………………………………………

7. Current residential address(es) in all countries:

   ……………………………………………………………………………………………

   ……………………………………………………………………………………………

8. Any previous residential address(es) during the past 10 years, including other countries:

   ……………………………………………………………………………………………

9. Date and place of your birth (including town or city):

…………………………………………………………………………………………………

10. Your nationality and how it was acquired (birth, naturalisation or marriage):

…………………………………………………………………………………………………

11. Name(s) and address(es) of your bankers during the past 10 years:

…………………………………………………………………………………………………

12. Your occupation and employment now and during the past 10 years, including the name of your employer in each case, the nature of the business, the position held and relevant dates:

…………………………………………………………………………………………………

13. Of which bodies corporate (other than the company) are you a director or a shareholder and/or a beneficial owner and since when?

…………………………………………………………………………………………………

14. Do you hold directly or indirectly issued capital of any corporate body (other than the company) that is now registered, or that has applied for authorisation, to conduct the business of an Authorised Crypto Asset Service Provider? If so, give particulars:

…………………………………………………………………………………………………

15. Of which bodies corporate (other than the company) and those listed in reply to question 13 above have you been a director or shareholder or beneficial owner at any time during the past 10 years? Give relevant dates:

…………………………………………………………………………………………………

16. Do any of the bodies corporate listed in reply to questions 13, 14 and 15 above maintain a business relationship with the company? If so, give particulars:

…………………………………………………………………………………………………

17. Do you hold or have you ever held or applied for a licence or equivalent authorisation to conduct any business activity in the Republic of South Africa (South Africa) or elsewhere? If so, give particulars. If any such application was refused or withdrawn after it was made or if any authorisation was revoked, give particulars:

…………………………………………………………………………………………………

18. Does any institution with which you are, or have been, associated as a director and/or shareholder and/or beneficial owner hold, or has it ever held or applied for, a licence or equivalent authorisation to conduct any business activity? If so, give particulars. If any such application was refused or was withdrawn after it was made or if an authorisation was revoked, give particulars:

    ……………………………………………………………………………………………

19. Have you, in South Africa or elsewhere, been censured, disciplined, warned as to future conduct, or made the subject of a court order at the instigation of any regulatory authority or any professional body to which you belong or belonged, or have you ever held a practising certificate subject to conditions? If so, give particulars:

    ……………………………………………………………………………………………

20. Have you, or has any body corporate, partnership or unincorporated institution with which you are, or have been, associated as a director and/or shareholder and/or beneficial owner, been the subject of an investigation, in South Africa or elsewhere, by or at the instigation of a government department or agency, professional association or other regulatory body? If so, give particulars:

    ……………………………………………………………………………………………

21. Have you, or has any body corporate, partnership or unincorporated institution in which you are, or have been, associated as a director and/or shareholder and/or beneficial owner, been involved in money laundering or terrorist activities or subject to a sanction in terms of a Resolution of the United Nations Security Council? If so, give particulars:

    ……………………………………………………………………………………………

22. Have you, in South Africa or elsewhere, been dismissed from any office or employment, or been subject to disciplinary proceedings or investigation by your employer or been barred from entry to any profession or occupation? If so, give particulars:

    ……………………………………………………………………………………………

23. Have you failed to satisfy any debt adjudged due and payable by you, as a judgement-debtor under an order of a court in South Africa or elsewhere, or made any compromise arrangement with your creditors within the past 10 years? If so, give particulars:

    ……………………………………………………………………………………………

24. Have you ever been declared insolvent (either provisionally or finally) by a court in South Africa or elsewhere, or has a bankruptcy petition ever been served on you? If so, give particulars:

    ……………………………………………………………………………………………

25. Have you, in connection with the formation or management of any body corporate, partnership or unincorporated institution, been adjudged by a court in South Africa or elsewhere civilly liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? If so, give particulars:

    ………………………………………………………………………………………………

26. Has any body corporate, partnership or unincorporated institution with which you were associated as a director and/or shareholder and/or beneficial owner, in South Africa or elsewhere, been wound up, made subject to an administration order, otherwise made any compromise or arrangement with its creditors or ceased trading, either while you were associated therewith or within one year after you ceased to be associated therewith, or has anything analogous to any of these events occurred under the laws of any other jurisdiction? If so, give particulars:

    ………………………………………………………………………………………………

27. Have you been concerned with the management or conduct of the affairs of any institution that, by reason of any matter relating to a time when you were so concerned, has been censured, warned as to future conduct, disciplined or made the subject of a court order at the instigation of any regulatory authority in South Africa or elsewhere? If so, give particulars:

    ………………………………………………………………………………………………

28. In carrying out your duties, will you be acting on the directions or instructions of any other individual or institution? If so, give particulars:

    ………………………………………………………………………………………………

29. Do you, or does any related party of whom you are aware, undertake business with this company? If so, give particulars:

    ………………………………………………………………………………………………

30. How many shares in the company are registered directly or indirectly in your name? Provide the name(s) of the holders of the shares, the number of shares held and the class of shares:

    ………………………………………………………………………………………………

31. In how many shares in the company (not being registered in your name or that of a related party) are related parties beneficially interested?

    ………………………………………………………………………………………………

32. Are any of the shares in the company mentioned in reply to questions 30 and 31 above equitably or legally charged or pledged to any party? If so, give particulars:

……………………………………………………………………………………………

33. Are you currently, or do you, other than in a professional capacity, expect to be engaged in any litigation in South Africa or elsewhere? If so, give particulars:

……………………………………………………………………………………………

34. Do you at all times while acting in your capacity as a director and/or shareholder and/or beneficial owner of the company undertake to:

(i) act in good faith towards the company and the Financial Surveillance Department;

……………………………………………………………………………………………

(ii) avoid conflict between your other interests and the interests of the company and the Financial Surveillance Department; and

……………………………………………………………………………………………

(iii) place the interest of the company and the Financial Surveillance Department above all other interests?

……………………………………………………………………………………………

35. Please also attach certified copies of:

(i) A written confirmation from the South African Police Service or any other foreign law enforcement agency where you have citizenship(s) and where you reside (even if it is from time to time) that you have not been convicted of any criminal offences, excluding:

(a) any offence committed when you were under 18 years, unless the same was committed within the last 10 years;

(b) any road traffic offence; or

(c) any political offence. If applicable, give particulars of the court by which you were convicted, the offence, the penalty imposed and the date of conviction.

(ii) A certificate of good standing from the South African Revenue Service or any other foreign tax authorities or any withdrawal of such certificates.

(iii) A valid green bar-coded South African identity document or Smart identity card or foreign passport or identity document.

Declaration by all individuals who are beneficial owners, directors and/or shareholders holding/proposing to hold office in an Authorised Crypto Asset Service Provider

I, ____, hereby declare the following: This statement consists of _______ pages, each signed by me. The content of this declaration is to the best of my knowledge and belief, true and correct. I am aware that should it be submitted as evidence and I know that something appears therein that I know to be false or believe not to be true, I may be liable to prosecution. I am acting in my own personal capacity as a beneficial owner, director and/or shareholder of the company and not as a nominee, trustee or beneficiary for an undisclosed person or legal entity.

I undertake that, as long as I continue to be a beneficial owner, director and/or shareholder of the company, I will notify the Financial Surveillance Department of any material changes to, or affecting the completeness or accuracy of, the information supplied by me in items 1 to 35 above as soon as possible, but in no event later than 21 days from the day that the changes come to my attention.

I know and understand the content of this declaration. I have*/do not have* objections to taking the prescribed oath and I consider the prescribed oath to be binding*/not binding* on my conscience.

____
Signature of deponent

I certify that the above statement was taken by me and that the deponent has acknowledged that he*/she* knows and understands the content of this statement, which was sworn to*/affirmed* and signed by the deponent, in my presence.

Signed at _____________________ on the ______day of______________(mm-yyyy).

____
Commissioner of Oaths

Full names: ____

Ex officio: ____

Area: ____.

Address: ____

**Delete whichever is not applicable*

Note: *Each page of the 'Statement by beneficial owners, directors and/or shareholders holding/proposing to hold office in an Authorised Crypto Asset Service Provider and each additional page attached thereto, shall be initialled by the relevant signatories, that is, the relevant applicant and the Commissioner of Oaths.*

Annexure C: Consent and declaration form

I, ____
(full name and surname) hereby:

1. consent to and authorise the Financial Surveillance Department and its duly authorised agent to access my personal information and conduct background screening and verification checks including, but not limited to, credit status, qualifications, employment references, criminal records, identity verification;

2. authorise any person/agent referred to in paragraph 1 above to furnish information regarding this application to the Financial Surveillance Department;

3. unconditionally agree to indemnify the Financial Surveillance Department and its duly authorised agent acting in good faith in taking reasonable steps to process my personal information lawfully, against any liability that may result from the processing of my personal information. This includes unintentional disclosures of such personal information to, or access by unauthorised persons, and/or any reliance which may inadvertently be placed on inaccurate, misleading, or outdated personal information, provided by myself or by a third party; and

4. warrant that all information, including personal information, supplied is accurate and current and agree to correct and update such information when necessary.

ID / passport no.	
Position	
Signature	
Date of signature	

In terms of the draft Capital Flow Management Regulations, it is a criminal offence to, knowingly or recklessly, provide information that is false, misleading or deceptive.

Table 1 :Proposed trigger point for cross-border classification

Activity	Parties involved	Transaction classification	Reportable to the Financial Surveillance Department	Non-permissible transactions
Purchasing of crypto assets with Rand from a domestic Authorised CASP	Resident individual or entity buys crypto assets from a domestic Authorised CASP	Domestic	Non-reportable	
Transferring of crypto assets between domestic Authorised CASPs	Resident individual or entity requests that crypto assets be transferred from one domestic Authorised CASP to another domestic Authorised CASP	Domestic	Non-reportable	
Transferring of crypto assets by a resident individual from a domestic Authorised CASP to an offshore CASP or non-custodial wallet	Resident individual requests that crypto assets be transferred from a domestic Authorised CASP to an offshore CASP or the individual's non-custodial wallet	Export of capital	Reportable (outward flow)	Non-permissible transactions for South African entities
Transferring of crypto assets by a resident individual from an offshore CASP to a domestic Authorised CASP	Resident individual requests that crypto assets be transferred from an offshore CASP to a domestic Authorised CASP	Import of capital	Reportable (inward flow)	Non-permissible transactions for South African entities as well as transfers originating from non-custodial wallets

Activity	Parties involved	Transaction classification	Reportable to the Financial Surveillance Department	Non-permissible transactions
Selling of crypto assets (purchased in an approved manner) for Rand	Resident individual or entity sells crypto assets held with a domestic Authorised CASP for Rand	Domestic	Non-reportable	
Purchasing of crypto assets with Rand from a domestic Authorised CASP	Non-resident buys crypto assets from a domestic Authorised CASP with Rand (foreign currency introduced and converted to Rand via an Authorised Dealer or with funds held in a Non-resident Rand account)	Domestic	Non-reportable	
Transferring of crypto assets between domestic Authorised CASPs	Non-resident requests that crypto assets be transferred from one domestic Authorised CASP to another domestic Authorised CASP	Domestic	Non-reportable	
Transferring of crypto assets from an offshore CASP to a domestic Authorised CASP in the name of the non-resident	Non-resident requests the transfer of crypto assets from an offshore CASP to a domestic Authorised CASP	Import of capital	Reportable (inward flow)	Inward transfers originating from non-custodial wallets are considered non-permissible transactions

Activity	Parties involved	Transaction classification	Reportable to the Financial Surveillance Department	Non-permissible transactions
Transferring of crypto assets (purchased in an approved manner) from a domestic Authorised CASP to an offshore CASP or non-custodial wallet	Non-resident requests the transfer of crypto assets from a domestic Authorised CASP to an offshore CASP or the non-resident's non-custodial wallet	Export of capital	Reportable (outward flow)	
Selling of crypto assets (purchased in an approved manner) for Rand	Non-resident sells crypto assets held with a domestic Authorised CASP for Rand	Domestic	Non-reportable	

Table 2: Proposed reporting of cross-border crypto asset transactions by Authorised Crypto Asset Service Providers to the Financial Surveillance Department

1. Category 1 Authorised Crypto Asset Service Provider

Category 1 Authorised CASP: Remittances				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
1. Resident individual	Transfer monetary gifts abroad to non-resident individuals and resident individuals temporarily abroad, subject to a limit of R5 000 per transaction per day and an overall limit of R25 000 per applicant per calendar month, forming part of the individual's single discretionary allowance.	(aa) Settlement between the South African client and the domestic Authorised CASP takes place in fiat currency (Rand) (bb) Net settlement between the domestic Authorised CASP and the foreign pay-out partner is effected using crypto assets	Export of capital	Reportable
	Receive gifts from a non-resident individual	(aa) Settlement between the domestic Authorised CASP and the South African client takes place in fiat currency (Rand) (bb) Net settlement between the offshore CASP and the domestic Authorised CASP is effected using crypto assets	Import of capital	Reportable

Category 1 Authorised CASP: Remittances				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
2. Foreign national with a valid green bar-coded South African identity document or smart identity document card	Transfer monetary gifts abroad to non-resident individuals and resident individuals temporarily abroad, subject to a limit of R5 000 per transaction per day and an overall limit of R25 000 per applicant per calendar month, forming part of the individual's single discretionary allowance.	(aa) Settlement between the South African client and the domestic Authorised CASP takes place in fiat currency (Rand) (bb) Net settlement between the domestic Authorised CASP and the foreign pay-out partner is effected using crypto assets	Export of capital	Reportable
	Receive gifts from a non-resident individual	(aa) Settlement between the domestic Authorised CASP and the South African client takes place in fiat currency (Rand) (bb) Net settlement between the offshore CASP and the domestic Authorised CASP is effected using crypto assets	Import of capital	Reportable
3. Migrant labourers	Remittance transactions by migrant labourers are subject to a limit of R5 000 per	(aa) Settlement between the migrant labourer and the domestic Authorised CASP	Export of capital	Reportable

Category 1 Authorised CASP: Remittances				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
	transaction per day and an overall limit of R25 000 per applicant per calendar month.	takes place in fiat currency (Rand) (bb) Net settlement between the domestic Authorised CASP and the foreign pay-out partner is effected using crypto assets		
	Receive remittances from a non-resident individual	(aa) Settlement between the domestic Authorised CASP and the migrant labourer takes place in fiat currency (Rand) (bb) Net settlement between the offshore CASP and the domestic Authorised CASP is effected using crypto assets	Import of capital	Reportable
4. Foreign national temporarily in South Africa (contract worker)	Transfer funds earned in South Africa abroad, subject to a limit of R5 000 per transaction per day and an overall limit of R25 000 per applicant per calendar month	(aa) Settlement between the foreign national and the domestic Authorised CASP takes place in fiat currency (Rand) (bb) Net settlement between the domestic Authorised CASP and the foreign pay-out partner is	Export of capital	Reportable

Category 1 Authorised CASP: Remittances				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
		effected using crypto assets		
	Receive remittances from a non-resident individual	(aa) Settlement between the foreign national and the domestic Authorised CASP takes place in fiat currency (Rand) (bb) Net settlement between the offshore CASP and domestic Authorised CASP is effected using crypto assets	Import of capital	Reportable
5. CMA residents	Remittance transactions by CMA resident	(aa) CMA resident requests that crypto assets be transferred to/from a domestic Authorised CASP from/to an offshore CASP or the individual's non-custodial wallet	Non-permissible	

2. Category 2 Authorised Crypto Asset Service Provider

Category 2 Authorised CASP: Offer South African custodial wallets with the functionality to allow specific cross-border crypto asset transactions				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
1. Resident individual	Purchase crypto assets with Rand from a domestic Authorised CASP	Resident individual buys crypto assets from a domestic Authorised CASP and the crypto assets are held in a custodial wallet hosted by that Authorised CASP	Domestic	Non-reportable
	Transfer crypto assets between domestic Authorised CASPs	Resident individual requests that crypto assets held in a custodial wallet hosted by a domestic Authorised CASP be transferred to a custodial wallet hosted by another Authorised CASP	Domestic	Non-reportable
	Transfer crypto assets from a domestic Authorised CASP to an offshore CASP or non-custodial wallet	Resident individual requests that crypto assets be transferred from a domestic Authorised CASP to an offshore CASP or the individual's non-custodial wallet in terms of the single discretionary allowance or foreign capital allowance	Export of capital	Reportable (outward flow)

Category 2 Authorised CASP: Offer South African custodial wallets with the functionality to allow specific cross-border crypto asset transactions				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
	Repatriate crypto assets from an offshore CASP to a domestic Authorised CASP	Resident individual requests that crypto assets be repatriated from an offshore CASP to a domestic Authorised CASP, where the crypto assets were initially purchased in terms of the single discretionary allowance or foreign capital allowance and externalised via a domestic Authorised CASP (crypto assets were transferred offshore by the domestic Authorised CASP)	Import of capital	Reportable (inward flow)
	Repatriate crypto assets from an offshore CASP to a domestic Authorised CASP	Resident individual requests that crypto assets be repatriated from an offshore CASP to a domestic Authorised CASP, where the crypto assets were initially purchased in terms of the single discretionary allowance or foreign capital allowance and the foreign currency was externalised via an Authorised Dealer (foreign currency was transferred by the Authorised Dealer and	Import of capital	Reportable (inward flow)

Category 2 Authorised CASP: Offer South African custodial wallets with the functionality to allow specific cross-border crypto asset transactions				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
		the resident individual subsequently purchased crypto assets from an offshore CASP)		
	Retransfer crypto assets from a domestic Authorised CASP to an offshore CASP (crypto assets in/crypto assets out)	Resident individual requests that crypto assets previously repatriated in an approved manner from an offshore CASP to a domestic Authorised CASP be retransferred to an offshore CASP	Export of capital	Reportable (outward flow)
	Transfer of crypto assets from non-custodial wallet to custodial wallet hosted by a domestic Authorised CASP	Resident individual requests the transfer of crypto assets from a non-custodial wallet to a custodial wallet hosted by a domestic Authorised CASP	Non-permissible transaction	
	Sell crypto assets (purchased in an approved manner) for Rand	Resident individual sells crypto assets held with a domestic Authorised CASP for Rand	Domestic	Non-reportable
2. Non-resident individual	Purchase of crypto assets with Rand from a domestic Authorised CASP	Non-resident buys crypto assets from a domestic Authorised CASP with Rand (foreign currency introduced and converted to Rand via an Authorised Dealer or	Domestic	Non-reportable

Category 2 Authorised CASP: Offer South African custodial wallets with the functionality to allow specific cross-border crypto asset transactions				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
		with funds held in a Non-resident Rand account). The crypto assets are held in a custodial wallet hosted by that Authorised CASP		
	Transfer crypto assets between domestic Authorised CASPs	Non-resident requests that crypto assets held in a custodial wallet hosted by a domestic Authorised CASP be transferred to a custodial wallet hosted by another domestic Authorised CASP	Domestic	Non-reportable
	Transfer of crypto assets from an offshore CASP to a domestic Authorised CASP	Non-resident requests the transfer of crypto assets from an offshore CASP into a custodial wallet hosted by a domestic Authorised CASP, where such a custodial wallet is held in the name of the non-resident	Import of capital	Reportable (inward flow)
	Transfer of crypto assets from a non-custodial wallet to a custodial wallet hosted by a domestic Authorised CASP	Non-resident requests the transfer of crypto assets from a non-custodial wallet to a custodial wallet hosted by a domestic Authorised CASP	Non-permissible transaction	

Category 2 Authorised CASP: Offer South African custodial wallets with the functionality to allow specific cross-border crypto asset transactions				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
	Transfer crypto assets (purchased in an approved manner) from a domestic Authorised CASP to an offshore CASP or non-custodial wallet	Non-resident requests the transfer of crypto assets, initially purchased with foreign currency introduced and converted to Rand via an Authorised Dealer or with funds held in a Non-resident Rand account, from a domestic Authorised CASP to an offshore CASP or the non-resident's non-custodial wallet	Export of capital	Reportable (outward flow)
	Retransfer crypto assets from a domestic Authorised CASP to an offshore CASP (crypto assets in/crypto assets out)	Non-resident requests the retransfer of crypto assets to an offshore CASP, initially introduced from an offshore CASP into a custodial wallet hosted by a domestic Authorised CASP, in the name of the non-resident	Export of capital	Reportable (outward flow)
	Sell crypto assets (purchased in an approved manner) for Rand	Non-resident requests that crypto assets held with a domestic Authorised CASP be sold for Rand NOTE: Such Rand may not be credited to a	Domestic	Non-reportable

Category 2 Authorised CASP: Offer South African custodial wallets with the functionality to allow specific cross-border crypto asset transactions				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
		Non-Resident Rand account		
3. Foreign nationals temporarily in South Africa (contract workers)	Purchase crypto assets with Rand from a domestic Authorised CASP	Foreign national buys crypto assets from a domestic Authorised CASP with Rand (foreign currency introduced and converted to Rand via an Authorised Dealer or with funds held in a Non-resident Rand account). The crypto assets are held in a custodial wallet hosted by that Authorised CASP	Domestic	Non-reportable
	Transfer crypto assets between domestic Authorised CASPs	Foreign national requests that crypto assets held in a custodial wallet hosted by a domestic Authorised CASP be transferred to a custodial wallet hosted by another domestic Authorised CASP	Domestic	Non-reportable
	Transfer crypto assets from an offshore CASP to a domestic Authorised CASP	Foreign national requests the transfer of crypto assets from an offshore CASP into a custodial wallet hosted by a domestic Authorised CASP, where such custodial wallet is	Import of capital	Reportable (inward flow)

Category 2 Authorised CASP: Offer South African custodial wallets with the functionality to allow specific cross-border crypto asset transactions				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
		held in the name of the foreign national		
	Transfer of crypto assets from a non-custodial wallet to a custodial wallet hosted by a domestic Authorised CASP	Foreign national requests the transfer of crypto assets from a non-custodial wallet to a custodial wallet hosted by a domestic Authorised CASP	Non-permissible transaction	
	Transfer crypto assets (purchased in an approved manner) from a domestic Authorised CASP to an offshore CASP or non-custodial wallet	Foreign national requests the transfer of crypto assets, initially purchased with foreign currency introduced and converted to Rand via an Authorised Dealer or with funds held in a Non-resident Rand account, from a domestic Authorised CASP to an offshore CASP or the foreign national's non-custodial wallet	Export of capital	Reportable (outward flow)
	Retransfer crypto assets from a domestic Authorised CASP to an offshore CASP (crypto assets in/crypto assets out)	Foreign national requests the retransfer of crypto assets to an offshore CASP, initially introduced from an offshore CASP into a custodial wallet hosted by a domestic	Export of capital	Reportable (outward flow)

Category 2 Authorised CASP: Offer South African custodial wallets with the functionality to allow specific cross-border crypto asset transactions				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
		Authorised CASP, in the name of the foreign national		
	Sell crypto assets (purchased in an approved manner) for Rand	Foreign national requests that crypto assets held with a domestic Authorised CASP be sold for Rand NOTE: Such Rand may not be credited to a Non-Resident Rand account	Domestic	Non-reportable
4. South African entities	Purchase crypto assets with Rand from a domestic Authorised CASP	Resident entity buys crypto assets from a domestic Authorised CASP and the crypto assets are held in a custodial wallet hosted by that Authorised CASP	Domestic	Non-reportable
	Transfer crypto assets between domestic Authorised CASPs	Resident entity requests that crypto assets held in a custodial wallet hosted by a domestic Authorised CASP be transferred to a custodial wallet hosted by another Authorised CASP	Domestic	Non-reportable

Category 2 Authorised CASP: Offer South African custodial wallets with the functionality to allow specific cross-border crypto asset transactions				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
	Transfer crypto assets from a domestic Authorised CASP to an offshore CASP or non-custodial wallet	Resident entity requests that crypto assets be transferred from a domestic Authorised CASP to an offshore CASP or a non-custodial wallet	Non-permissible transaction	
	Transfer crypto assets from an offshore CASP to a domestic Authorised CASP	Resident entity requests that crypto assets be transferred from an offshore CASP to a domestic Authorised CASP	Non-permissible transaction	
	Sell crypto assets (purchased in an approved manner) for Rand	Resident entity sells crypto assets held in a custodial wallet hosted by a domestic Authorised CASP for Rand	Domestic	Non-reportable
5. CMA residents	Purchase crypto assets with Rand from a domestic Authorised CASP	CMA resident buys crypto assets from a domestic Authorised CASP	Non-permissible transaction	
	Sell crypto assets for Rand to a domestic Authorised CASP	CMA resident sells crypto assets to a domestic Authorised CASP	Non-permissible transaction	

3. Category 3 Authorised CASP

Category 3 Authorised CASP: Remittance and the offering of South African custodial wallets with the functionality to allow specific cross-border crypto asset transactions				
Parties involved	**Activity**	**Crypto asset transaction**	**Transaction classification**	**Reportable to the Financial Surveillance Department**
Category 3 Authorised CASP comprises all the activities permitted under both Category 1 and Category 2 Authorised CASPs				