

**FSCA Press Release**

**02 July 2024**

## **FSCA update on approved Crypto Asset Service Providers**

On 22 April 2024, the Financial Sector Conduct Authority (FSCA) confirmed that it had, at that point, approved a total of 75 institutions to be licensed as Crypto Asset Service Providers (CASPs) under the Financial Advisory and Intermediary Services (FAIS) Act, No. 37 of 2002.

In the aforementioned communication, the FSCA further confirmed that it was continuing to receive and consider applications from new and existing CASPs and undertook to provide regular updates as these applications were processed and approved. The licensing process for CASPs commenced on 1 June 2023. Existing institutions that were rendering financial services relating to crypto assets were required to submit their licence applications by 30 November 2023. The FSCA has continued to receive new applications since then.

As at 30 June 2024, the FSCA has approved a further 63 licence applications, bringing the number of licensed CASPs in South Africa to 138. The total number of applications received to date is 383, of which five have been declined. A further 80 applications have been voluntarily withdrawn by applicants following engagements with the FSCA on the appropriateness of their respective business and operating models. The remaining applications continue to be under consideration.

The full list of the 138 licensed CASPs may be accessed on the FSCA's website at this link: [Approved list of crypto asset service providers](#).

Key reasons for CASP licence applications being declined to date relate to applicants having failed to meet the applicable fit and proper requirements under the FAIS Act, particularly in respect of the following:

- Operational ability requirements, i.e., failure to provide clear and comprehensive business plans and business model descriptions outlining crypto asset activities and

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**Executive Committee:**

**Commissioner:** U. Kamlana | **Deputy Commissioners:** A. Ludin | K. Gibson | F. Badat

key business and operational frameworks to support such activities.

- Competency requirements, i.e., failure or inability to demonstrate the requisite knowledge and practical experience pertaining to crypto assets.

Institutions that have voluntarily withdrawn their applications or that have had their applications declined by the FSCA are welcome to re-apply in the future, provided they can demonstrate full and proper compliance with the applicable licensing requirements. In the meantime, they may not undertake any CASP-related activities as defined under the FAIS Act. Any institution or person found to be undertaking such activities without authorisation will be subject to regulatory action by the FSCA. This does not apply to those institutions or persons that submitted their licence application by 30 November 2023, and that are still awaiting the finalisation of their applications by the FSCA.

Crypto assets are defined as a digital representation of value that:

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

The public is reminded that the FSCA's licensing powers are limited to the authorisation and supervision of CASPs only insofar as they render financial services related to crypto assets as defined under the FAIS Act, i.e., advice, intermediary and investment management services. This authorisation does not include the recognition of crypto assets as a legal form of tender or "cryptocurrency". The South African Reserve Bank does not currently recognise crypto assets as currency. Any media reports implying otherwise are therefore incorrect.

The FSCA will continue providing regular updates on the status of CASP licensing applications in the future.

**ENDS**

Enquiries: Financial Sector Conduct Authority

Email address: [Communications@fsca.co.za](mailto:Communications@fsca.co.za)

Telephone: 012 422 2842