

FSCA Press Release

15 April 2026

Update on licensing and supervision of crypto asset service providers

Licence applications considered as at 31 March 2026

The Financial Sector Conduct Authority (FSCA) commenced the licensing process for crypto asset service providers (CASPs) under the Financial Advisory and Intermediary Services (FAIS) Act, No. 37 of 2002 on 1 June 2023.

As at 31 March 2026, which marked the end of the FSCA's 2025/206 financial year, the FSCA had received a total of **533** CASP licence applications, of which **310** have been approved and **17** declined.

A further **124** applications have been voluntarily withdrawn by applicants following engagements with the FSCA on the appropriateness of their respective business and operating models.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 are still in the process of being considered.

Reasons for decline of licence applications

Reasons for the decline of CASP licence applications to date have included the failure of applicants 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 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Institutions that have voluntarily withdrawn their applications or that have had their applications declined by the FSCA are free to re-apply in future, on condition that they demonstrate full and proper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.

Enforcement action against unlicensed CASPs

Any institution or person found to be conducting CASP-related activities without a licence will be subject to enforcement action by the FSCA.

Executive Committee:

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

To date, the FSCA has initiated **81** investigations into potential unlicensed CASP businesses. Of these, **30** cases have been closed as no enforcement action was required, mainly because the investigated parties ceased trading or were dormant. A total of **51** cases are still under investigation.

Supervision of licensed CASPs

In addition to supervising CASPS as financial services providers under the FAIS Act, the FSCA is also responsible for supervising CASPs in respect of their anti-money laundering (AML), countering financing of terrorism (CFT) and countering of proliferation financing (CFP) under the Financial Intelligence Centre Act, No. 38 of 2001 (FIC Act).

From **April 2025 to March 2026**, the FSCA conducted **30 supervisory inspections** of CASPS. Most of these inspections assessed the full spectrum of compliance requirements under the FIC Act, and provided an initial evaluation of the capacity of newly licensed CASPs to meet their regulatory obligations in line with their inherent AML/CFT/CFP risk profiles. The FSCA will continue its supervisory efforts in this regard and aims to conduct **35 inspections** on CASPs, in respect of AML/CFT/CFP compliance, during the 2026/2027 financial year.

In August 2025, the FSCA established the Crypto Asset Supervisory Engagement Forum (CASEF) for regular engagements with the CASP industry to:

- Help develop a deeper understanding of the risks, trends and challenges facing CASPs
- Allow for regular information sharing, education and outreach with the sector to improve understanding of risks and supervisory expectations, as well as enhance compliance of CASPs with various regulatory obligations
- Facilitate coordination and alignment between different regulatory agencies on industry expectations, risk management, regulatory developments and supervisory approaches impacting CASPs

The CASEF held its third meeting on 25 February 2026, which focused on industry insights into terrorist financing (TF) and proliferation financing (PF) risks within the CASP sector. The aim was to provide guidance on TF and PF indicators and emerging trends, highlighting the importance for CASPs to mitigate these risks in line with the National Terrorism Financing Risk Assessment and the Financial Intelligence Centre's sectoral CASP risk assessment.

Expiry of Regulatory Exam Exemption

In terms of the Exemption Notice published by the FSCA on 11 May 2023, licensed CASPs and their key individuals were, for a period of 18 months, exempted from Part 4 of Chapter 3 of the Determination of Fit and Proper Requirements (Board Notice 194) relating to regulatory examinations. The exemption was subsequently extended until 30 June 2025.

Supervised entities are reminded that no further extensions have been granted. This means that all licensed CASPs and their key individuals need to fulfil the applicable regulatory exam requirements as prescribed in Board Notice 194.

Failure to comply with these requirements may lead to regulatory action, including suspension or withdrawal of licences as contemplated in section 9 of the FAIS Act.

Legal status of crypto assets

The public is reminded that the FSCA's licensing powers are limited to the licensing 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 excludes 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.

List of licensed CASPs

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

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Enquiries: Financial Sector Conduct Authority
Email address: communications@fsc.co.za
Telephone: 0800 203 722