

Committee:ECOFIN  
Country:South Africa  
Agenda Item:Regulating the Crypto Ecosystems



South Africa is a middle power in international affairs; it maintains significant regional influence and is a member of both the Commonwealth of Nations and the G20. It is a developing country, ranking 109th on the Human Development Index, the 7th highest on the continent. It has been classified by the World Bank as a newly industrialized country and has the third-largest economy and the most industrialized, technologically advanced economy in Africa overall as well as the 39th-largest economy in the World. South Africa has the most UNESCO World Heritage Sites in Africa. Since the end of apartheid, government accountability and quality of life have substantially improved. However, crime, poverty and inequality remain widespread, with about 40% of the total population being unemployed as of 2021 while some 60% of the population lived under the poverty line and a quarter under \$2.15 a day.

South Africa's financial regulator, The Financial Sector Conduct Authority (FSCA), classified crypto assets as a financial product and effectively subjected it to regulatory oversight upon the publication of the notice in the government gazette on Oct. 20.

When Unathi Kamlana, the commissioner of the FSCA, signed the declaration into effect, it marked a watershed moment as traditional financial institutions could start providing crypto services.

The classification was added to the country's existing Financial Advisory and Intermediary Service Act, 2022, wherein crypto assets are defined as a 'digital representation of value' that is not issued by a central bank but can be traded, transferred, and stored for the purposes of payment, investment and other use cases.

We must also conduct audits and maintain full and proper accounting records annually on the cash flow information, income statements, financial statements, money, and assets held on behalf of clients,

According to the notice, crypto assets are also deployed via cryptographic means and distributed ledger technology as opposed to a central bank.

In this conference we are planning to share and talk about our statement and ideas about this topic and to get other delegates' opinions.

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