

South Africa takes lead in crypto regulation, approving 59 licenses

 By [Lindsey Schutters](#)

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South Africa's financial watchdog, the Financial Sector Conduct Authority (FSCA), has emerged as a leader in African crypto regulation by granting licenses to 59 cryptocurrency businesses. This move comes as Africa continues to experience the highest global crypto adoption rate.



Crypto takes one step closer to regulation in South Africa. Source: Coinahko/Uhsplash

The decision follows the FSCA's classification of crypto assets as financial products in 2022, requiring regulatory oversight. This aims to protect consumers from the inherent risks associated with the crypto market, such as fraud and money laundering.

"The licensing process was stringent," clarified an FSCA representative. "Only businesses demonstrating adherence to rigorous compliance standards received approval."



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While the specific names of the approved businesses remain undisclosed, the FSCA anticipates the list to encompass a diverse range of crypto-related activities, including:

- Cryptocurrency exchanges
- Custody services for crypto assets
- Payment processors facilitating crypto transactions
- Brokerage firms dealing in crypto assets

High volume of applications

The licensing process commenced in June 2023 with an initial deadline of November 30th. The high volume of applications,

exceeding 300 according to reports, reflects the significant interest in the South African crypto market.

This regulatory step is expected to usher in an era of greater transparency and security within the South African crypto landscape. It also paves the way for further innovation and growth within the industry.

However, some industry experts emphasise the need for clearer details regarding specific regulations and ongoing compliance requirements for a comprehensive understanding of the new landscape.

ABOUT LINDSEY SCHUTTERS

Lindsey is the editor for ICT, Construction&Engineering and Energy&Mining at Bizcommunity
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