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SOUTH AFRICAN REVENUE SERVICE

R. No.

XX 2025

Key:

Changes to CARF (e.g. Inclusion of part of *CARF Commentary* based on CARF legislative checklist & jurisdictional changes) in **red**

REGULATIONS FOR PURPOSES OF PARAGRAPH (c) OF THE DEFINITION OF “INTERNATIONAL TAX STANDARD” IN SECTION 1 OF THE TAX ADMINISTRATION ACT, 2011 (ACT NO. 28 OF 2011), PROMULGATED UNDER SECTION 257 OF THE ACT, SPECIFYING THE CHANGES TO THE OECD CRYPTO-ASSET REPORTING FRAMEWORK INTERNATIONAL STANDARD FOR THE EXCHANGE OF TAX-RELATED INFORMATION BETWEEN COUNTRIES

For purposes of paragraph (c) of the definition of “international tax standard” in section 1 and under section 257 of the Tax Administration Act, 2011, I, Enoch Godongwana, the Minister of Finance, hereby specify in the Schedule hereto, the changes to the Organisation for Economic Cooperation and Development (“OECD”) Crypto-Asset Reporting Framework International Standard for the Exchange of Tax-Related Information (hereinafter “the CARF”).

These Regulations take effect on **1 March 2026**.

E GODONGWANA

MINISTER OF FINANCE

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SCHEDULE

OECD CRYPTO-ASSET REPORTING FRAMEWORK INTERNATIONAL STANDARD FOR THE EXCHANGE OF TAX-RELATED INFORMATION

PREAMBLE

- A. These Regulations have effect for and in connection with the implementation of obligations which may arise or arise under—
- (1) the following agreements or arrangements, in respect of which these Regulations apply separately except where the context otherwise requires:
 - (a) the Multilateral Competent Authority Agreement on Automatic Exchange of Information pursuant to the Crypto-Asset Reporting Framework and related commentary signed by the Competent Authority of South Africa on the 26th of November 2024, with the Participating Jurisdictions as updated and published by the OECD from time to time; and
 - (b) any other multilateral or bilateral agreement or arrangement between South Africa and another jurisdiction, as updated and published by SARS from time to time, which provides for the implementation of the CARF; or
 - (2) these Regulations in respect of or in connection with obtaining, maintaining and provision to SARS of information regarding a Reportable Jurisdiction Person in any jurisdiction not included under subparagraph A(1) for domestic purposes or subsequent exchange of information when such jurisdiction becomes a jurisdiction included under subparagraph A(1).¹
- B. The OECD developed the *Standard for Automatic Exchange of Financial Account Information in Tax Matters* (2017, as updated in 2023), which encompasses the Common Reporting Standard (the CRS),² and the (2023) *Crypto-Asset Reporting Framework International Standard for the Exchange of Tax-Related Information*

¹ **Explanatory Note:** The CRS “wide approach” – an option available to jurisdictions under the Standard - is applied to the CARF to align CRS and CARF, which approach seeks to alleviate burden on RFIs & CASPs by not having to search for historical data each time South Africa activates EOI with a new jurisdiction under the CARF MCAA or a bilateral agreement.

² OECD (2017), *Standard for Automatic Exchange of Financial Account Information in Tax Matters, Second Edition*, OECD Publishing, Paris, at <http://dx.doi.org/10.1787/9789264267992-en>, with the domestic CRS Regulations published at <https://www.sars.gov.za/lsec-reg-2020-01-notice-r1070-gg43781-international-tax-standard-9-october-2020/>.

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(the CARF),³ to improve international tax compliance and for automatic exchange of information under an agreement or arrangement referred to in paragraph A.

- C. These Regulations reflect the changes to the CARF required to enable South Africa to comply with its obligations under an agreement or arrangement referred to in paragraph A in terms of the CARF.
- D. South Africa's selection of jurisdictional choices under the Commentaries on the CARF does not detract from the fact that these Regulations must be interpreted in accordance with the Commentaries.
- E. (1) The term "Commentaries on the CARF" means the *Commentaries on the Crypto-Asset Reporting Framework*, released by the OECD in the document titled OECD (2023), *International Standards for Automatic Exchange of Information in Tax Matters: Crypto-Asset Reporting Framework and 2023 update to the Common Reporting Standard*, OECD Publishing, Paris, and as supplemented by—
 - (a) the OECD (2025), *CARF Commitment and Delivery - A Step-by-Step Guide*, OECD, Paris;⁴ and
 - (b) the *CARF-Related Frequently Asked Questions*, OECD, Paris;⁵ as updated from time to time.
- (2) In the event of any conflict between the Commentaries on the CARF and the supplementary material in subparagraph E(1)(a) or (b), the Commentaries on the CARF shall prevail.

³ OECD (2023), *International Standards for Automatic Exchange of Information in Tax Matters: Crypto-Asset Reporting Framework and 2023 update to the Common Reporting Standard*, OECD Publishing, Paris, at <https://doi.org/10.1787/896d79d1-en>.

⁴ Link not available.

⁵ Last updated on **July 2025**, at <https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/tax-transparency-and-international-co-operation/faqs-crypto-asset-reporting-framework.pdf>.

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Section I

Obligations of Reporting Crypto-Asset Service Providers

- A. A Reporting Crypto-Asset Service Provider is subject to the reporting and due diligence requirements in Sections II and III in [South Africa](#), if it is—
- (1) an Entity or individual resident for tax purposes in [South Africa](#);
 - (2) an Entity that (a) is incorporated or organised under the laws of [South Africa](#) and (b) either has legal personality in [South Africa](#) or has an obligation to file tax returns or tax information returns to the tax authorities in [South Africa](#) with respect to the income of the Entity;
 - (3) an Entity managed from [South Africa](#); or
 - (4) an Entity or individual that has a regular place of business in [South Africa](#).
- B. A Reporting Crypto-Asset Service Provider is subject to the reporting and due diligence requirements in Sections II and III in [South Africa](#) with respect to Relevant Transactions effectuated through a Branch based in [South Africa](#).
- C. A Reporting Crypto-Asset Service Provider that is an Entity is not required to complete the reporting and due diligence requirements in Sections II and III it is subject to in [South Africa](#) pursuant to subparagraphs A(2), (3) or (4), if such requirements are completed by such Reporting Crypto-Asset Service Provider in a Partner Jurisdiction by virtue of it being resident for tax purposes in such Partner Jurisdiction.
- D. A Reporting Crypto-Asset Service Provider that is an Entity is not required to complete the reporting and due diligence requirements in Sections II and III it is subject to in [South Africa](#) pursuant to subparagraphs A(3) or (4), if such requirements are completed by such Reporting Crypto-Asset Service Provider in a Partner Jurisdiction by virtue of it being an Entity that (a) is incorporated or organised under the laws of such Partner Jurisdiction and (b) either has legal personality in the Partner Jurisdiction or has an obligation to file tax returns or tax information returns to the tax authorities in the Partner Jurisdiction with respect to the income of the Entity.
- E. A Reporting Crypto-Asset Service Provider that is an Entity is not required to complete the reporting and due diligence requirements in Sections II and III it is

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subject to in [South Africa](#) pursuant to subparagraph A(4), if such requirements are completed by such Reporting Crypto-Asset Service Provider in a Partner Jurisdiction by virtue of it being managed from such Partner Jurisdiction.

- F. A Reporting Crypto-Asset Service Provider that is an individual is not required to complete the reporting and due diligence requirements in Sections II and III it is subject to in [South Africa](#) pursuant to subparagraph A(4), if such requirements are completed by such Reporting Crypto-Asset Service Provider in a Partner Jurisdiction by virtue of it being resident for tax purposes in such Partner Jurisdiction.
- G. A Reporting Crypto-Asset Service Provider is not required to complete the reporting and due diligence requirements in Sections II and III in [South Africa](#) with respect to Relevant Transactions it effectuates through a Branch in a Partner Jurisdiction, if such requirements are completed by such Branch in such Partner Jurisdiction.
- H. A Reporting Crypto-Asset Service Provider is not required to complete the reporting and due diligence requirements in Sections II and III it is subject to in [South Africa](#) pursuant to subparagraphs A(1), (2), (3) or (4), if it has lodged a notification with [South Africa](#) in a format specified by [South Africa](#) confirming that such requirements are completed by such Reporting Crypto-Asset Service Provider under the rules of a Partner Jurisdiction pursuant to a substantially similar nexus that it is subject to in [South Africa](#).

Section II

Reporting requirements

- A. For each relevant [Reporting Period](#) or other appropriate [period](#),⁶ and subject to the obligations of Reporting Crypto-Asset Service Providers in Section I and the due diligence procedures in Section III, a Reporting Crypto-Asset Service Provider must report the following information with respect to its Crypto-Asset Users that are Reportable Users or that have Controlling Persons that are Reportable Persons:

⁶ **Explanatory Note:** Inserted as a new defined term in Section IV(F)(7) in alignment with CRS Regulations.

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- (1) the name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth (in the case of an individual) of each Reportable User and, in the case of any Entity that, after application of the due diligence procedures, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, jurisdiction(s) of residence and TIN(s) of the Entity and the name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth of each Reportable Person, as well as the role(s) by virtue of which each Reportable Person is a Controlling Person of the Entity;
- (2) the name, address and identifying number (if any) of the Reporting Crypto-Asset Service Provider;
- (3) for each type of Relevant Crypto-Asset with respect to which it has effectuated Relevant Transactions during the relevant Reporting Period or other appropriate period:
 - (a) the full name of the type of Relevant Crypto-Asset;
 - (b) the aggregate gross amount paid net of transactions fees,⁷ the aggregate number of units and the number of Relevant Transactions in respect of acquisitions against Fiat Currency;
 - (c) the aggregate gross amount received net of transactions fees, the aggregate number of units and the number of Relevant Transactions in respect of disposals against Fiat Currency;
 - (d) the aggregate fair market value net of transactions fees, the aggregate number of units and the number of Relevant Transactions in respect of acquisitions against other Relevant Crypto-Assets;
 - (e) the aggregate fair market value net of transactions fees, the aggregate number of units and the number of Relevant Transactions in respect of disposals against other Relevant Crypto-Assets;
 - (f) the aggregate fair market value net of transactions fees, the aggregate number of units and the number of Reportable Retail Payment Transactions;

⁷ **Explanatory Note:** Incorporation of *CARF Commentary on II* paras 8-9, 12, 14 & 17 - these amounts should be required to be reported net of transaction fees. [CLC.11]

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- (g) the aggregate fair market value net of transactions fees, the aggregate number of units and the number of Relevant Transactions, and subdivided by Transfer type where known by the Reporting Crypto-Asset Service Provider, in respect of Transfers to the Reportable User not covered by subparagraphs A(3)(b) and (d);
 - (h) the aggregate fair market value net of transactions fees, the aggregate number of units and the number of Relevant Transactions, and subdivided by Transfer type where known by the Reporting Crypto-Asset Service Provider, in respect of Transfers by the Reportable User not covered by subparagraphs A(3)(c), (e) and (f); and
 - (i) the aggregate fair market value net of transactions fees, as well as the aggregate number of units in respect of Transfers by the Reportable Crypto-Asset User effectuated by the Reporting Crypto-Asset Service Provider to wallet addresses not known by the Reporting Crypto-Asset Service Provider to be associated with a virtual asset service provider or financial institution.
- B. Notwithstanding subparagraph A(1), the TIN is not required to be reported if (i) a TIN is not issued by the relevant Reportable Jurisdiction or (ii) the domestic law of the relevant Reportable Jurisdiction does not require the collection of the TIN issued by such Reportable Jurisdiction.
- C. Notwithstanding subparagraph A(1), the place of birth is not required to be reported unless the Reporting Crypto-Asset Service Provider is otherwise required to obtain and report it under domestic law.
- D. For the purposes of:
 - (1) subparagraphs A(3)(b) and (c), the amount paid or received must be reported in the Fiat Currency in which it was paid or received, converted to South African Rand. In case the amounts were paid or received in multiple Fiat Currencies, the amounts must be reported in **[a single Fiat Currency]** South African Rand, converted at the time of each Relevant Transaction in

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a manner that is consistently applied by the Reporting Crypto-Asset Service Provider;⁸

- (2) reporting under subparagraphs A(3)(d) and A(3)(e), the Reporting Crypto-Asset Service Provider must aggregate, i.e. sum up, all transactions attributable to each reporting category, as converted pursuant to subparagraph D(1); or⁹
- (3) subparagraphs A(3)(f), A(3)(g), A(3)(h) and A(3)(i)—¹⁰
 - (a) the fair market value must be determined and reported in a single currency, using a reasonable valuation method that looks to contemporaneous evidence of value at the time of each Relevant Transaction in a manner that is consistently applied by the Reporting Crypto-Asset Service Provider;
 - (b) where the Reporting Crypto-Asset Service Provider has relied upon an alternative valuation method, the Reporting Crypto-Asset Service Provider is required to indicate the method used for each Relevant Crypto-Asset; and
 - (c) where the Reporting Crypto-Asset Service Provider effectuating the Transfer does not maintain an applicable reference value of the

⁸ **Explanatory Note:** Incorporation of *CARF Commentary on II* paragraph 36 that provides: “It may arise that a difficult-to-value Relevant Crypto-Asset is exchanged for a Relevant Crypto-Asset that can be readily valued. In such cases, the valuation in Fiat Currency of the Relevant Crypto-Asset against which the difficult-to-value Relevant Crypto-Asset is exchanged should be relied upon to establish a Fiat Currency value for the difficult-to-value Relevant Crypto-Asset”. This is a jurisdictional option per *CARF Commentary on II* paragraph 9: “For the purposes of paragraphs D and E, a jurisdiction may require reporting in a particular Fiat Currency, for example its local currency.” [CLC.16]

⁹ **Explanatory Note:** Incorporation of *CARF Commentary on II* paragraph 37 that provides: “For the purposes of reporting under subparagraphs A(3)(d) and A(3)(e), the Reporting Crypto-Asset Service Provider must aggregate, i.e. sum up, all transactions attributable to each reporting category, as converted pursuant to paragraph D” and paragraph 35 that provides: “For the purposes of subparagraphs A(3)(d) and A(3)(e), the fair market value must be determined and reported in a single currency, valued at the time of each Relevant Transaction in a reasonable manner that is consistently applied by the Reporting Crypto-Asset Service Provider.” [CLC.16]

¹⁰ **Explanatory Note:** Incorporation of *CARF Commentary on II* paragraph 38 that provides: “For the purposes of subparagraphs A(3)(f), A(3)(g), A(3)(h) and A(3)(i), the fair market value must be determined and reported in a single currency, using a reasonable valuation method that looks to contemporaneous evidence of value at the time of each Relevant Transaction in a manner that is consistently applied by the Reporting Crypto-Asset Service Provider. In performing such valuation, the Reporting Crypto-Asset Service Provider may use as a reference the values of Relevant Crypto-Asset and Fiat Currency trading pairs it maintains to determine the fair market value of the Relevant Crypto-Asset at the time it is transferred. The information reported must also identify the Fiat Currency in which each amount is reported.” [CLC.16]

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Relevant Crypto-Asset and Fiat Currency trading pairs, the following valuation methods must be relied upon:¹¹

- (i) In the first place, the internal accounting book values the Reporting Crypto-Asset Service Provider maintains with respect to the Relevant Crypto-Asset must be used;
- (ii) If a book value is not available, a value provided by third-party companies or websites that aggregate current prices of Relevant Crypto-Assets must be used, if the valuation method used by that third party is reasonably expected to provide a reliable indicator of value;
- (iii) If neither of the above is available, the most recent valuation of the Relevant Crypto-Asset by the Reporting Crypto-Asset Service Provider must be used; and
- (iv) If a value can still not be attributed, a reasonable estimate may be applied as a measure of last resort.

- E. For the purposes of subparagraphs A(3)(d) through (i), the fair market value must be determined and reported in **[a single Fiat Currency]** South African Rand,¹² valued at the time of each Relevant Transaction in a reasonable manner that is consistently applied by the Reporting Crypto-Asset Service Provider.
- F. The information reported must identify the Fiat Currency in which each amount is reported.

¹¹ **Explanatory Note:** Incorporation of *CARF Commentary on II* paragraph 39 that provides: “Where the Reporting Crypto-Asset Service Provider effectuating the Transfer does not maintain an applicable reference value of the Relevant Crypto-Asset and Fiat Currency trading pairs, the following valuation methods must be relied upon: firstly, the internal accounting book values the Reporting Crypto-Asset Service Provider maintains with respect to the Relevant Crypto-Asset must be used; if a book value is not available, a value provided by third-party companies or websites that aggregate current prices of Relevant Crypto-Assets must be used, if the valuation method used by that third party is reasonably expected to provide a reliable indicator of value; if neither of the above is available, the most recent valuation of the Relevant Crypto-Asset by the Reporting Crypto-Asset Service Provider must be used; and if a value can still not be attributed, a reasonable estimate may be applied as a measure of last resort.” [CLC.16]

¹² **Explanatory Note:** Refer Section II(D)(1) with footnote.

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- G. [The information pursuant to paragraph A must be reported by xx/xx of the calendar year following the year to which the information relates].¹³ Each Reporting Crypto-Asset Service Provider must file with SARS a return required by public notice issued under section 26 of the Tax Administration Act, 2011 (Act No. 28 of 2011), containing the information described in paragraph A for the Reporting Period to which the information relates.¹⁴

Section III

Due diligence procedures

A Crypto-Asset User is treated as a Reportable User beginning as of the date it is identified as such pursuant to the due diligence procedures described in this Section.

A. Due diligence procedures for Individual Crypto-Asset Users

The following procedures apply for purposes of determining whether the Individual Crypto-Asset User is a Reportable User.

- (1) When establishing the relationship with the Individual Crypto-Asset User, or with respect to Preexisting Individual Crypto-Asset Users by 12 months after the effective date of these rules, the Reporting Crypto-Asset Service Provider must obtain a self-certification that allows the Reporting Crypto-Asset Service Provider to determine the Individual Crypto-Asset User's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Crypto-Asset Service Provider, including any documentation collected pursuant to AML/KYC Procedures. In the case of a self-certification that fails the reasonableness test, the Reporting Crypto-Asset Service Provider must obtain either (i) a valid self-certification, or (ii) a reasonable explanation and appropriate documentation supporting the reasonableness of the self-certification and retain a copy or a notation of such explanation and

¹³ **Explanatory Note:** CARF Commentary on II paragraph 42: Timing of reporting - Paragraph G provides the time by which the information pursuant to paragraph A needs to be reported. While the selection of the date by which information is to be reported by the Reporting Crypto-Asset Service Provider is a decision of the jurisdiction implementing the rules, it is expected that such date will allow the jurisdiction to exchange the information within the timelines specified in the competent authority agreement.

¹⁴ **Explanatory Note:** Aligned with wording in Section I(F) of the CRS Regulations.

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documentation, before providing services effectuating Relevant Transactions to the Entity Crypto-Asset User.¹⁵

- (2) If at any point there is a Change of Circumstances¹⁶ with respect to an Individual Crypto-Asset User that causes the Reporting Crypto-Asset Service Provider to know, or have reason to know, that the original self-certification is incorrect or unreliable—¹⁷

(a) the validity of the self-certification with respect to the information that is incorrect or no longer reliable is terminated, until the information is updated or a reasonable explanation and, where appropriate, documentation supporting the validity of the original self-certification, is obtained. For these purposes, the Reporting Crypto-Asset Service Provider should determine whether new information that is obtained with respect to the Individual Crypto-Asset User's profile in accordance with re-documentation undertaken in accordance with AML/KYC Procedures or other regulatory obligations includes new information that constitutes a Change of Circumstances; ¹⁸

(b) where a self-certification becomes invalid with respect to the information that is no longer reliable,¹⁹ the Reporting Crypto-Asset Service Provider may treat a person as having the same status as it had prior to the Change in Circumstances for a period limited to the earlier of—

- (i) 90 calendar days from the date that the self-certification became invalid;
- (ii) the date the validity of the self-certification is confirmed; or
- (iii) the date that a new self-certification is obtained;²⁰ and

¹⁵ **Explanatory Note:** Incorporating *CARF Commentary on III* paragraph 32. [CLC.33]

¹⁶ **Explanatory Note:** “Change of Circumstances” inserted as defined term in Section IV(F)(8).

¹⁷ **Explanatory Note:** Different formulation here seeks to ensure that paragraphs (a) and (b) are not contradictory, in that par (b) is stricter. Paragraph (b) is based on paragraph 15 of *CARF Commentary*.

¹⁸ **Explanatory Note:** The meaning of “change in circumstances” contained in the *CARF Commentary on III* para 15, must be included on the domestic legal framework. The drafting here is a split between the additional substantive rules of paragraph 15 in new subparas (b) to (d) of the CARF, and the meaning of “change in circumstances” in new para (e). [CLC.23]

¹⁹ **Explanatory Note:** Refer subparagraph A(2) above with footnote.

²⁰ **Explanatory Note:** Incorporating *CARF Commentary on III* paragraph 17. [CLC.24]

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(c) a Reporting Crypto-Asset Service Provider may treat a self-certification as valid, notwithstanding that the self-certification contains an inconsequential error, if the Reporting Crypto-Asset Service Provider has sufficient documentation on file to supplement the information missing from the self-certification due to the error. In such case, the documentation relied upon to cure the inconsequential error must be conclusive. An inconsequential error does not include—²¹

- (i) a failure to provide a jurisdiction of residence;
- (ii) where information on a self-certification contradicts other information contained on the self-certification or in the files of the Reporting Crypto-Asset Service Provider; or
- (iii) a similarly consequential error.²²

[A “change of circumstances” includes any change that results in the addition of information relevant to an Individual Crypto-Asset User’s status or otherwise conflicts with such user’s status or any change or addition of information to any profile associated with such Individual Crypto-Asset User if such change or addition of information affects the status of the Individual Crypto-Asset User.]²³

B. Due diligence procedures for Entity Crypto-Asset Users

The following procedures apply for purposes of determining whether the Entity Crypto-Asset User is a Reportable User or an Entity, other than an Excluded Person or an Active Entity, with one or more Controlling Persons who are Reportable Persons.

(1) Determine whether the Entity Crypto-Asset User is a Reportable User.

- (a)** When establishing the relationship with the Entity Crypto-Asset User, or with respect to Preexisting Entity Crypto-Assets Users by 12 months after the effective date of these rules, the Reporting Crypto-Asset Service Provider must obtain a self-certification that allows the Reporting Crypto-

²¹ **Explanatory Note:** Incorporating *CARF Commentary on III* paragraph 19 (curing of self-certification errors). [CLC.25]

²² **Explanatory Note:** To extend scope to errors of the same kind or class under the *eiusdem generis* rule.

²³ **Explanatory Note:** Meaning of change of circumstances per *CARF Commentary on III* paragraph 15 moved to Section IV(F)(8) as a defined term.

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Asset Service Provider to determine the Entity Crypto-Asset User's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Crypto-Asset Service Provider, including any documentation collected pursuant to AML/KYC Procedures. If the Entity Crypto-Asset User certifies that it has no residence for tax purposes, the Reporting Crypto-Asset Service Provider may rely on the place of effective management or on the address of the principal office to determine the residence of the Entity Crypto-Asset User.

- (b) If the self-certification indicates that the Entity Crypto-Asset User is resident in a Reportable Jurisdiction, the Reporting Crypto-Asset Service Provider must treat the Entity Crypto-Asset User as a Reportable User, unless it reasonably determines based on the self-certification or on information in its possession or that is publicly available, that the Entity Crypto-Asset User is an Excluded Person.

(2) **Determine whether the Entity has one or more Controlling Persons who are Reportable Persons.**

With respect to an Entity Crypto-Asset User, other than an Excluded Person, the Reporting Crypto-Asset Service Provider must determine whether it has one or more Controlling Persons who are Reportable Persons, unless it determines that the Entity Crypto-Asset User is an Active Entity, based on a self-certification from the Entity Crypto-Asset User.

(a) **Determining the Controlling Persons of the Entity Crypto-Asset User.**

For the purposes of determining the Controlling Persons of the Entity Crypto-Asset User, a Reporting Crypto-Asset Service Provider may rely on information collected and maintained pursuant to AML/KYC Procedures, provided that such procedures are consistent with the 2012 FATF Recommendations (as updated in June 2019 pertaining to virtual asset service providers). If the Reporting Crypto-Asset Service Provider is not legally required to apply AML/KYC Procedures that are consistent with the 2012 FATF Recommendations (as updated in June 2019 pertaining to virtual asset service providers), it must apply substantially similar procedures for the purposes of determining the Controlling Persons.

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- (b) **Determining whether a Controlling Person of an Entity Crypto-Asset User is a Reportable Person.** For the purposes of determining whether a Controlling Person is a Reportable Person, a Reporting Crypto-Asset Service Provider must rely on a self-certification from the Entity Crypto-Asset User or such Controlling Person that allows the Reporting Crypto-Asset Service Provider to determine the Controlling Person's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Crypto-Asset Service Provider, including any documentation collected pursuant to AML/KYC Procedures. In the case of a self-certification that fails the reasonableness test, the Reporting Crypto-Asset Service Provider must obtain either (i) a valid self-certification, or (ii) a reasonable explanation and appropriate documentation supporting the reasonableness of the self-certification and retain a copy or a notation of such explanation and documentation, before providing services effectuating Relevant Transactions to the Entity Crypto-Asset User.²⁴
- (3) If at any point there is a change of circumstances with respect to an Entity Crypto-Asset User or its Controlling Persons that causes the Reporting Crypto-Asset Service Provider to know, or have reason to know, that the original self-certification is incorrect or unreliable, the Reporting Crypto-Asset Service Provider **[cannot rely on the original self-certification and must obtain a valid self-certification, or a reasonable explanation and, where appropriate, documentation supporting the validity of the original self-certification]** must apply the procedures referred to in Section III(A)(2).²⁵

C. Requirements for validity of self-certifications

- (1) A self-certification provided by an Individual Crypto-Asset User or Controlling Person is valid only if it is signed or otherwise positively affirmed by the Individual Crypto-Asset User or Controlling Person, it is dated at the latest at the date of receipt and it contains the following information with respect to the Individual Crypto-Asset User or Controlling Person:

²⁴ **Explanatory Note:** Incorporating *CARF Commentary on III* paragraph 32. [CLC.33]

²⁵ **Explanatory Note:** Incorporating *CARF Commentary on III* paragraph 36. [CLC.35]

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- (a) first and last name;
 - (b) residence address;
 - (c) jurisdiction(s) of residence for tax purposes;
 - (d) with respect to each Reportable Person, the TIN with respect to each Reportable Jurisdiction; and
 - (e) date of birth.
- (2) A self-certification provided by an Entity Crypto-Asset User is valid only if it is signed or otherwise positively affirmed by the Crypto-Asset User, it is dated at the latest at the date of receipt and it contains the following information with respect to the Entity Crypto-Asset User:
- (a) legal name;
 - (b) address;
 - (c) jurisdiction(s) of residence for tax purposes;
 - (d) with respect to each Reportable Person, the TIN with respect to each Reportable Jurisdiction;
 - (e) in case of an Entity Crypto-Asset User other than an Active Entity or an Excluded Person, the information described in subparagraph C(1) with respect to each Controlling Person of the Entity Crypto-Asset User, unless such Controlling Person has provided a self-certification pursuant to subparagraph C(1), as well as the role(s) by virtue of which each Reportable Person is a Controlling Person of the Entity, if not already determined on the basis of AML/KYC Procedures; and
 - (f) if applicable, information as to the criteria it meets to be treated as an Active Entity or Excluded Person.
- (3) (a)²⁶ Where a self-certification establishes that an Individual Crypto-Asset User or Entity Crypto-Asset User or a Controlling Person is resident for tax

²⁶ **Explanatory Note:** Incorporating *CARF Commentary on III* paragraphs 40, 41 & 47. Paragraph 47 also provides: “The requirements for the validity of self-certifications with respect to Individual Crypto-Asset Users or Controlling Persons in paragraphs 40 and 41 of this section are also applicable for the validity of self-certifications with respect to Entity Crypto-Asset Users.” This is effected by inserting new paras (a) & (b) – with CARF wording in par (c) - in Section III(C)(3). [CLC.39]

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purposes in a Reportable Jurisdiction, the self-certification must also include the Crypto-Asset User or Controlling Person's TIN with respect to each Reportable Jurisdiction, subject to the exception of subparagraph C(3)(c) below.

(b) The self-certification must be provided in [any manner and in any form]²⁷ a written or electronic form. If the self-certification is provided electronically, the electronic system must ensure that the information received is the information sent and must document all occasions of user access that result in the submission, renewal, or modification of a self-certification. In addition, the design and operation of the electronic system, including access procedures, must ensure that the person accessing the system and furnishing the self-certification is the person named in the self-certification, and must be capable of providing upon request a hard copy of all self-certifications provided electronically.

(c) Notwithstanding subparagraphs C(1) and (2), the TIN is not required to be collected if the jurisdiction of residence of the Reportable Person does not issue a TIN to the Reportable Person, or the domestic law of the relevant Reportable Jurisdiction does not require the collection of the TIN issued by such Reportable Jurisdiction.

D. General due diligence requirements

- (1) A Reporting Crypto-Asset Service Provider that is also a Financial Institution for the purposes of the Common Reporting Standard may rely on the due diligence procedures completed pursuant to Sections IV and VI of the Common Reporting Standard for the purpose of the due diligence procedures pursuant to this Section. A Reporting Crypto-Asset Service Provider may also rely on a self-certification already collected for other tax purposes, provided such self-certification meets the requirements of paragraph C of this Section.

²⁷ **Explanatory Note:** The view is that this statement in the *Commentary* is too wide as it may even include verbal information which may impede the administration of the self-certification requirement and is consequently narrowed in the draft CARF Regulations.

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- (2) A Reporting Crypto-Asset Service Provider may rely on a third party to fulfil the due diligence obligations set out in this Section III, but such obligations remain the responsibility of the Reporting Crypto-Asset Service Provider.
- (3) A Reporting Crypto-Asset Service Provider is required to maintain all documentation and data for a period of not less than five years after the end of the period within which the Reporting Crypto-Asset Service Provider must report the information required to be reported pursuant to Section II.

Section IV

Defined terms

A. Relevant Crypto-Asset

- (1) The term “**Crypto-Asset**” means a digital representation of value that relies on a cryptographically secured distributed ledger or a similar technology to validate and secure transactions where the ownership of, or right to, such value can be traded or transferred to other individuals or Entities in a digital manner and that includes—
 - (a) a cryptographic token that represents claims or rights of membership against an individual or Entity, rights to property or other absolute or relative rights and that can be digitally exchanged for Fiat Currencies or other Crypto-Assets; and
 - (b) both fungible and non-fungible tokens that can be traded or transferred to other individuals or Entities in a digital manner.²⁸
- (2) The term “**Relevant Crypto-Asset**” means any Crypto-Asset that is not a Central Bank Digital Currency, a Specified Electronic Money Product or any Crypto-Asset for which the Reporting Crypto-Asset Service Provider has adequately determined that it cannot be used for payment or investment purposes.
- (3) The term “**Central Bank Digital Currency**” means any digital Fiat Currency issued by a Central Bank.

²⁸ **Explanatory Note:** Incorporating *CARF Commentary on VI*, paragraphs 3 to 4. [CLC.43]

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(4) The term “**Specified Electronic Money Product**” means any Crypto-Asset that is:

- (a) a digital representation of a single Fiat Currency;
- (b) issued on receipt of funds for the purpose of making payment transactions;
- (c) represented by a claim on the issuer denominated in the same Fiat Currency;
- (d) accepted in payment by a natural or legal person other than the issuer; and
- (e) by virtue of regulatory requirements to which the issuer is subject, redeemable at any time and at par value for the same Fiat Currency upon request of the holder of the product.

The term “Specified Electronic Money Product” does not include a product created for the sole purpose of facilitating the transfer of funds from a customer to another person pursuant to instructions of the customer. A product is not created for the sole purpose of facilitating the transfer of funds if, in the ordinary course of business of the transferring Entity, either the funds connected with such product are held longer than 60 days after receipt of instructions to facilitate the transfer, or, if no instructions are received, the funds connected with such product are held longer than 60 days after receipt of the funds.

B. Reporting Crypto-Asset Service Provider

(1) The term “**Reporting Crypto-Asset Service Provider**” means any individual or Entity that, as a business, provides a service effectuating Exchange Transactions for or on behalf of customers, including by acting as a counterparty, or as an intermediary, to such Exchange Transactions, or by making available a trading platform.

C. Relevant Transaction

(1) The term “**Relevant Transaction**” means any:

- (a) Exchange Transaction; and
- (b) Transfer of Relevant Crypto-Assets.

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- (2) The term “**Exchange Transaction**” means any:
 - (a) exchange between Relevant Crypto-Assets and Fiat Currencies; and
 - (b) exchange between one or more forms of Relevant Crypto-Assets.
- (3) The term “**Reportable Retail Payment Transaction**” means a Transfer of Relevant Crypto-Assets in consideration of goods or services for a value exceeding USD 50 000.
- (4) The term “**Transfer**” means a transaction that moves a Relevant Crypto-Asset from or to the Crypto-Asset address or account of one Crypto-Asset User, other than one maintained by the Reporting Crypto-Asset Service Provider on behalf of the same Crypto-Asset User, where, based on the knowledge available to the Reporting Crypto-Asset Service Provider at the time of transaction, the Reporting Crypto-Asset Service Provider cannot determine that the transaction is an Exchange Transaction.
- (5) The term “**Fiat Currency**” means the official currency of a jurisdiction, issued by a jurisdiction or by a jurisdiction’s designated Central Bank or monetary authority, as represented by physical banknotes or coins or by money in different digital forms, including bank reserves and Central Bank Digital Currencies. The term also includes commercial bank money and electronic money products (including Specified Electronic Money Products).

D. Reportable User

- (1) The term “**Reportable User**” means a Crypto-Asset User that is a Reportable Person.
- (2) The term “**Crypto-Asset User**” means an individual or Entity that is a customer of a Reporting Crypto-Asset Service Provider for purposes of carrying out Relevant Transactions. An individual or Entity, other than a Financial Institution or a Reporting Crypto-Asset Service Provider, acting as a Crypto-Asset User for the benefit or account of another individual or Entity as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as a Crypto-Asset User, and such other individual or Entity is treated as the Crypto-Asset User. Where a Reporting Crypto-Asset Service Provider provides a service effectuating Reportable Retail Payment Transactions for or on behalf of a

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merchant, the Reporting Crypto-Asset Service Provider must also treat the customer that is the counterparty to the merchant for such Reportable Retail Payment Transaction as the Crypto-Asset User with respect to such Reportable Retail Payment Transaction, provided that the Reporting Crypto-Asset Service Provider is required to verify the identity of such customer, in addition to the merchant, by virtue of the Reportable Retail Payment Transaction pursuant to domestic anti-money laundering rules and report the payment under Section II both as a Transfer to the merchant and a Reportable Retail Payment Transaction with respect to the customer.²⁹

- (3) The term **“Individual Crypto-Asset User”** means a Crypto-Asset User that is an individual.
- (4) The term **“Preexisting Individual Crypto-Asset User”** means an Individual Crypto-Asset User that has established a relationship with the Reporting Crypto-Asset Service Provider as of 28 February 2026.³⁰
- (5) The term **“Entity Crypto-Asset User”** means a Crypto-Asset User that is an Entity.

²⁹ **Explanatory Note:** Incorporation of *CARF Commentary* paragraph 21. [CLC.12]

³⁰ **Explanatory Note:** The *CARF Commentary* [par 42] states that subsection deals with the various categories of Crypto-Asset Users and “41. A Crypto-Asset User is classified, *firstly*, depending on whether it is an individual or an Entity and, *secondly*, depending on the date it established a relationship as such with a Reporting Crypto-Asset Service Provider. Thus, a Crypto-Asset User can be either a “Preexisting Individual Crypto-Asset User”, a “Preexisting Entity Crypto-Asset User”, an “Individual Crypto-Asset User” and/or an “Entity Crypto-Asset User”. 42. As such, Preexisting Individual Crypto-Asset Users and Preexisting Entity Crypto-Asset Users are Crypto-Asset Users that have established a relationship as a customer of the Reporting Crypto-Asset Service Provider as of [xx/xx/xxxx] and are therefore a subset of Individual Crypto-Asset Users and Entity Crypto-Asset Users, respectively.”

See also CARF Step-by-Step Guidance paragraph 77: “Unlike the CRS, the CARF due diligence rules apply substantive requirements equivalent to the CRS New Account Procedures for both Preexisting Crypto-Asset Users, as well as New Crypto-Asset Users (whether individuals or Entities, as well as the Controlling Persons of certain Entities). Indeed, the only difference between the due diligence requirements for Preexisting and New Crypto-Asset Users is one of timing: with respect to all Preexisting Crypto-Asset Users and the Controlling Persons of certain Entity Crypto-Asset Users (i.e. those with an existing relationship with the RCASP before the domestic effective date of the CARF rules), the RCASPs should carry out due diligence procedures equivalent to New Account Procedures with respect to all individuals or Entities identified as Crypto-Asset Users and the Controlling Persons of certain Entity Crypto-Asset Users, within 12 months of the effective date of such rules. With respect to New Crypto-Asset Users and the Controlling Persons of certain Entity Crypto-Asset Users, the RCASP is required to conduct due diligence and obtain a valid self-certification at the time of account opening, as well as one-off transactions.”

Note also that for the CRS, the date for a Preexisting Account is an account held as of 29 February 2016 (in other words a single date for all such accounts based on the effective date of 1 March 2016) and a New Account means a Financial Account maintained by an RFI opened on or after **1 March 2016** (effective date) or, if the account is treated as a Financial Account solely by virtue of the amendments to the CRS, on or after **1 March 2026**. (CRS Section VIII(C)(9) & (10), as amended by Revised CRS).

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- (6) The term “**Preexisting Entity Crypto-Asset User**” means an Entity Crypto-Asset User that has established a relationship with the Reporting Crypto-Asset Service Provider as of 28 February 2026.³¹
- (7) The term “**Reportable Person**” means a Reportable Jurisdiction Person other than an Excluded Person.
- (8) The term “**Reportable Jurisdiction Person**” means an Entity or individual that is resident in a Reportable Jurisdiction under the tax laws of such jurisdiction, or an estate of a decedent that was a resident of a Reportable Jurisdiction. For this purpose, an Entity such as a partnership, limited liability partnership or similar legal arrangement that has no residence for tax purposes shall be treated as resident in the jurisdiction in which its place of effective management is situated.
- (9) The term “**Reportable Jurisdiction**” means any jurisdiction [(a) with which an agreement or arrangement is in effect pursuant to which [jurisdiction] is obligated to provide the information specified in Section II with respect to Reportable Persons resident in such jurisdiction, and (b) which is identified as such in a list published by [jurisdiction]] other than South Africa.³²
- (10) The term “**Controlling Persons**” means the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the 2012 Financial Action Task Force Recommendations, as updated in June 2019 pertaining to virtual asset service providers.
- (11) The term “**Active Entity**” means any Entity that meets any of the following criteria:

³¹ **Explanatory Note:** Refer subpar. D(4) with footnote.

³² **Explanatory Note:** As with the CRS, South Africa follows the wide approach for CARF as this would ease the compliance burdens of CASPs by avoiding having to search historical data of foreign crypto-asset users that become Reportable Person each time South Africa concludes a CARF MCAA or a bilateral agreement with a new jurisdiction. See also Preamble paragraph A(2) with footnote.

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- (a) less than 50% of the Entity's gross income for the preceding calendar year or other appropriate Reporting Period is passive income and less than 50% of the assets held by the Entity during the preceding calendar year or other appropriate Reporting Period are assets that produce or are held for the production of passive income;
- (b) substantially all of the activities of the Entity consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
- (c) the Entity is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the Entity does not qualify for this exception after the date that is 24 months after the date of the initial organisation of the Entity;
- (d) the Entity was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a Financial Institution;
- (e) the Entity primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution; or
- (f) the Entity meets all of the following requirements:
 - (i) it is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its

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jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;

- (ii) it is exempt from income tax in its jurisdiction of residence;
- (iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
- (iv) the applicable laws of the Entity's jurisdiction of residence or the Entity's formation documents do not permit any income or assets of the Entity to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the Entity's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the Entity has purchased; and
- (v) the applicable laws of the Entity's jurisdiction of residence or the Entity's formation documents require that, upon the Entity's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to the government of the Entity's jurisdiction of residence or any political subdivision thereof.

E. Excluded Person

- (1) The term "**Excluded Person**" means:
 - (a) an Entity the stock of which is regularly traded on one or more established securities markets;
 - (b) any Entity that is a Related Entity of an Entity described in clause (a);
 - (c) a Governmental Entity;
 - (d) an International Organisation;
 - (e) a Central Bank; or
 - (f) a Financial Institution other than an Investment Entity described in Section IV E(5)(b).

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- (2) The term “**Financial Institution**” means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.
- (3) The term “**Custodial Institution**” means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity’s gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity’s gross income during the shorter of—
 - (i) the three-year period that ends on 31 December (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or
 - (ii) the period during which the Entity has been in existence.
- (4) The term “**Depository Institution**” means any Entity that:
 - (a) accepts deposits in the ordinary course of a banking or similar business; or
 - (b) holds Specified Electronic Money Products or Central Bank Digital Currencies for the benefit of customers.
- (5) The term “**Investment Entity**” means any Entity:
 - (a) that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:
 - (i) trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;
 - (ii) individual and collective portfolio management; or
 - (iii) otherwise investing, administering, or managing Financial Assets, money, or Relevant Crypto-Assets on behalf of other persons; or
 - (b) the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets or Relevant Crypto-Assets, if the Entity is managed by another Entity that is a Depository Institution, a Custodial

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Institution, a Specified Insurance Company, or an Investment Entity described in subparagraph E(5)(a).

An Entity is treated as primarily conducting as a business one or more of the activities described in subparagraph E(5)(a), or an Entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets or Relevant Crypto-Assets for purposes of subparagraph E(5)(b), if the Entity's gross income attributable to the relevant activities equals or exceeds 50% of the Entity's gross income during the shorter of: (i) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or (ii) the period during which the Entity has been in existence. For the purposes of subparagraph E(5)(a)(iii), the term "otherwise investing, administering, or managing Financial Assets, money, or Relevant Crypto-Assets on behalf of other persons" does not include the provision of services effectuating Exchange Transactions for or on behalf of customers. The term "Investment Entity" does not include an Entity that is an Active Entity because it meets any of the criteria in subparagraphs D(11)(b) through (e).

This paragraph shall be interpreted in a manner consistent with similar language set forth in the definition of "financial institution" in the Financial Action Task Force Recommendations.

- (6) The term "**Specified Insurance Company**" means any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.
- (7) The term "**Governmental Entity**" means the government of a jurisdiction, any political subdivision of a jurisdiction (which, for the avoidance of doubt, includes a state, province, county, or municipality), or any wholly owned agency or instrumentality of a jurisdiction or of any one or more of the foregoing. This category is comprised of the integral parts, controlled entities, and political subdivisions of a jurisdiction.
 - (a) An "integral part" of a jurisdiction means any person, organisation, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of a jurisdiction. The net earnings of the

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governing authority must be credited to its own account or to other accounts of the jurisdiction, with no portion inuring to the benefit of any private person. An integral part does not include any individual who is a sovereign, official, or administrator acting in a private or personal capacity.

- (b) A “controlled entity” means an Entity that is separate in form from the jurisdiction or that otherwise constitutes a separate juridical entity, provided that:
 - (i) the Entity is wholly owned and controlled by one or more Governmental Entities directly or through one or more controlled entities;
 - (ii) the Entity’s net earnings are credited to its own account or to the accounts of one or more Governmental Entities, with no portion of its income inuring to the benefit of any private person; and
 - (iii) the Entity’s assets vest in one or more Governmental Entities upon dissolution.
 - (c) Income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a governmental programme, and the programme activities are performed for the general public with respect to the common welfare or relate to the administration of some phase of government. Notwithstanding the foregoing, however, income is considered to inure to the benefit of private persons if the income is derived from the use of a governmental entity to conduct a commercial business, such as a commercial banking business, that provides financial services to private persons.
- (8) The term “**International Organisation**” means any international organisation or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organisation (including a supranational organisation) (a) that is comprised primarily of governments; (b) that has in effect a headquarters or substantially similar agreement with the jurisdiction; and (c) the income of which does not inure to the benefit of private persons.
- (9) The term “**Central Bank**” means an institution that is by law or government sanction the principal authority, other than the government of the jurisdiction

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itself, issuing instruments intended to circulate as currency. Such an institution may include an instrumentality that is separate from the government of the jurisdiction, whether or not owned in whole or in part by the jurisdiction.

- (10) The term “**Financial Asset**” includes a security (for example, a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; note, bond, debenture, or other evidence of indebtedness), partnership interest, commodity, swap (for example, interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements), Insurance Contract or Annuity Contract, or any interest (including a futures or forward contract or option) in a security, Relevant Crypto-Asset, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract. The term “Financial Asset” does not include a non-debt, direct interest in real property.
- (11) The term “**Equity Interest**” means, in the case of a partnership that is a Financial Institution, either a capital or profits interest in the partnership. In the case of a trust that is a Financial Institution, an Equity Interest is considered to be held by any person treated as a settlor or beneficiary of all or a portion of the trust, or any other natural person exercising ultimate effective control over the trust. A Reportable Person will be treated as being a beneficiary of a trust if such Reportable Person has the right to receive directly or indirectly (for example, through a nominee) a mandatory distribution or may receive, directly or indirectly, a discretionary distribution from the trust.
- (12) The term “**Insurance Contract**” means a contract (other than an Annuity Contract) under which the issuer agrees to pay an amount upon the occurrence of a specified contingency involving mortality, morbidity, accident, liability, or property risk.
- (13) The term “**Annuity Contract**” means a contract under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals. The term also includes a contract that is considered to be an Annuity Contract in accordance with the law, regulation, or practice of the jurisdiction in which the contract was issued, and under which the issuer agrees to make payments for a term of years.

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- (14) The term “**Cash Value Insurance Contract**” means an Insurance Contract (other than an indemnity reinsurance contract between two insurance companies) that has a Cash Value.
- (15) The term “**Cash Value**” means the greater of (i) the amount that the policyholder is entitled to receive upon surrender or termination of the contract (determined without reduction for any surrender charge or policy loan), and (ii) the amount the policyholder can borrow under or with regard to the contract. Notwithstanding the foregoing, the term “Cash Value” does not include an amount payable under an Insurance Contract:
- (a) solely by reason of the death of an individual insured under a life insurance contract;
 - (b) as a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against;
 - (c) as a refund of a previously paid premium (less cost of insurance charges whether or not actually imposed) under an Insurance Contract (other than an investment-linked life insurance or annuity contract) due to cancellation or termination of the contract, decrease in risk exposure during the effective period of the contract, or arising from the correction of a posting or similar error with regard to the premium for the contract;
 - (d) as a policyholder dividend (other than a termination dividend) provided that the dividend relates to an Insurance Contract under which the only benefits payable are described in subparagraph E(15)(b); or
 - (e) as a return of an advance premium or premium deposit for an Insurance Contract for which the premium is payable at least annually if the amount of the advance premium or premium deposit does not exceed the next annual premium that will be payable under the contract.

F. Miscellaneous

- (1) The term “**Partner Jurisdiction**” means any jurisdiction that has put in place equivalent legal requirements and that is included in a list published by [South Africa](#).

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- (2) The term “**AML/KYC Procedures**” means the customer due diligence procedures of a Reporting Crypto-Asset Service Provider pursuant to the anti-money laundering or similar requirements to which such Reporting Crypto-Asset Service Provider is subject.
- (3) The term “**Entity**” means a legal person or a legal arrangement, such as a corporation, partnership, trust, or foundation.
- (4) An Entity is a “**Related Entity**” of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.
- (5) The term “**TIN**” means Taxpayer Identification Number (or functional equivalent in the absence of a Taxpayer Identification Number).
- (6) The term “**Branch**” means a unit, business or office of a Reporting Crypto-Asset Service Provider that is treated as a branch under the regulatory regime of a jurisdiction or that is otherwise regulated under the laws of a jurisdiction as separate from other offices, units, or branches of the Reporting Crypto-Asset Service Provider. All units, businesses, or offices of a Reporting Crypto-Asset Service Provider in a single jurisdiction shall be treated as a single branch.
- (7) The term “**Reporting Period**” means the period commencing on 1 March 2026 and ending on the last day of February 2027 and thereafter the period commencing on 1 March of each year following 2026 and ending on the last day of February of the following year.
- (8) A “**Change of Circumstances**” includes any change that results in the addition of information relevant to an Individual Crypto-Asset User’s status or otherwise conflicts with such user’s status or any change or addition of information to any profile associated with such Individual Crypto-Asset User if such change or addition of information affects the status of the Individual Crypto-Asset User.³³

³³ **Explanatory Note:** Refer Section III(A)(2) above with footnote.

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Section V

Effective implementation³⁴

A. In addition to the provisions of the Tax Administration Act, 2011 (Act No. 28 of 2011), the following rules and administrative procedures apply to ensure effective implementation of, and compliance with, the reporting and due diligence procedures set out above.

(1) **Anti-avoidance**

- (a) If a person enters into any arrangement or structure with the main purpose, or one of the main purposes, to avoid any obligation under the CARF Standard, these Regulations are to have effect as if the arrangement or structure had not been entered into.
- (b) If a Crypto-Asset User that is a Reportable Person is no longer an Excluded Person as it no longer complies with the requirements for an Excluded Person under paragraph E of Section IV, it becomes a Reportable Person from the moment that it no longer complies with such requirements.
- (c) If an Entity Crypto-Asset User is no longer an Active Entity as it no longer complies with the requirements for an Active Entity under subparagraph D(11) of Section IV, it becomes a Entity Crypto-Asset User from the moment that it no longer complies with such requirements.

³⁴ **Explanatory Note:** Per drafting instructions for Section V: Effective Implementation: A jurisdiction must have rules and administrative procedures in place to ensure effective implementation of, and compliance with, the reporting and due diligence procedures set out above. [CLC.86-91]

Note also: Most of the powers required for Effective Implementation are effected under the Tax Administration Act, except for:

1. Are there measures contained in the domestic legislative framework to ensure that valid self-certifications are always obtained for Crypto-Asset Users? Note: The Commentary requires “strong” measures to be in place to ensure the self-certifications are always collected. **Response:** Measures akin to suspension & closing of “financial accounts” under CRS are inserted.
2. Are there rules in the domestic legislative framework to prevent Reporting Crypto-Asset Service Providers, persons or intermediaries from adopting practices intended to circumvent the reporting and due diligence procedures? **Response:** Provisions to apply CRS “Anti-avoidance” measures included (with the necessary changes). The MDR as included as part of the CRS Regulations will be difficult to ‘change’ to apply to CARF.

(2) Sanctions for non-compliance in providing information to a Crypto-Asset Service Provider

Non-compliance with any obligation under these Regulations includes non-compliance as referred to in section 26(4) of the Tax Administration Act, 2011 (Act No.28 of 2011), by:

- (a) a Crypto-Asset User,
- (b) if the Crypto-Asset User is an Entity, any Controlling Person(s) of that entity; or
- (c) any other person;

from whom a Crypto-Asset Service Provider requires information, a document or thing in order to obtain and report the information required under Section I and to comply with any other requirement of these Regulations.

B. Suspension or termination of a customer relationship or effectuating a Relevant Transaction for failure to provide a self-certification

- (1) If a self-certification that is to be obtained or is otherwise required under any provision of these Regulations is not provided by a Crypto-Asset User or Controlling Person of an Entity Crypto-Asset User, as the case may be, within 90 days³⁵ from the date on which it is to be obtained or the date that it is established that a self-certification is required, a Reporting Crypto-Asset Service Provider on a risk basis must—

- (a) suspend a customer relationship with the Crypto-Asset User or a Relevant Transaction until receipt of the self-certification; and
- (b) if no self-certification is received under subparagraph (a) despite all reasonable efforts by the Reporting Crypto-Asset Service Provider, terminate a customer relationship with the Crypto-Asset User or decline to effectuate a Relevant Transaction.

³⁵ **Explanatory Note:** To align with CRS, where a maximum of 90 days is permitted under the “Day Two Process”, as reflected in Section X(B)(1) of the CRS Regulations.