

A FEW SOUTH AFRICAN CENTS' WORTH ON BITCOIN

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SUMMARY

This article is aimed at augmenting current awareness of virtual currencies ("VCs") in the South African legal community. To this end, it introduces the reader to VCs in general and decentralised convertible VCs ("DCVCs") in particular. Due to their design and interaction with the real economy and currency, DCVCs are on the radar of many financial regulators worldwide. As Bitcoin is considered the leading type of DCVC in terms of value and volume, its early beginnings in South Africa are probed. Although regulation should follow innovation, awareness of the VC ecosystem will not only warrant appropriate regulatory intervention when the time comes, but will also enable the growth and development opportunities associated with VCs. South Africa has not promulgated any legislation pertaining to VCs. The potential applicability of all current legislation and regulations relevant to VCs calls for in-depth research. This article aspires to serve as an appetiser to do so.

KEYWORDS: Bitcoin; currency; virtual currency; cryptocurrency.

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