AFSA GLOSSARY

In this Appendix, a blue font and underlining indicates new text and strikethrough indicates deleted text, unless otherwise indicated.

Defined Terms	Definitions
Virtual Currency	A digital representation of value that can be digitally traded and functions as (1) a medium of exchange; and/or (2) a unit of account; and/or (3) a store of value, and can be exchanged back-and-forth for Real (Fiat) Currency, but does not have legal tender status in any jurisdiction. It is neither issued nor guaranteed by any jurisdiction, and fulfils the above functions only by agreement within the community of users of the Virtual Currency, and distinguished from Real (Fiat) Currency and E-money.
Centralised Virtual Currencies	Virtual Currency issued by a single or several administrating authorities that establish the rules for its use, maintain a central payment ledger, and have authority to redeem the Currency (withdraw it from circulation).
Decentralised Virtual Currencies	Virtual Currency that have no central administrating authority, and no central monitoring or oversight, and give rise to no claims on their issuer.
Real (Fiat) Currency	Government issued currency that is designated as legal tender in its country of issuance through government decree, regulation or law.
E-currency (or E-money)	A digital representation of Real (Fiat) Currency used to electronically transfer value denominated in Real (Fiat) Currency.
Digital wallet (or E-wallet)	A means (software application, electronic device or other mechanism/medium) for holding, storing and transferring Virtual Currency, E-money and/or other assets, investments.
Cold Digital wallet	A Digital wallet that is stored in a platform (device) that is not connected to the Internet.
Hot Digital wallet	A Digital wallet that is stored in a platform (software application) that is connected to the Internet.
Smart-Contract	A contract whose terms are encoded into a computer program that self-executes and self-

	enforces the terms automatically without the need for intermediaries.
Operating a Virtual Currency Business	Operating of a Virtual Currency Trading Facility or Providing Custody for safeguarding and administering Virtual Currencies belonging to another Person, or both.
Operating a Virtual Currency Trading Facility	Operating a facility which functions regularly and brings together multiple third party (whether as principal or agent) – (a) buying, selling or exchanging Virtual Currencies for a Real (Fiat) Currency, and/or (b) exchanging one Virtual Currency to another Virtual Currency, in its facility and in accordance with its non-discretionary rules – in a way that results in a contract.
Providing Custody	Means one or more of the following activities – (a) safeguarding and administering Investments belonging to another Person; (b) in the case of a Fund, safeguarding and administering Fund Property; or (c) safeguarding and administering Virtual Currencies belonging to another Person.
Providing Transaction Services for Decentralised Virtual Currencies	Operating a facility that functions regularly to validate and add transaction records to the ledger of all transactions.
Transaction Services for Decentralised Virtual Currencies (also known as Mining)	Validation and adding transactions made with a Decentralised Virtual Currencies to the ledger of all transactions.
Investment	A Security, Unit, Derivative or a Virtual Currency and a right or interest in the relevant Security, Unit, Derivative or Virtual Currency.