

# South Africa's Economic Crossroads: Crypto Regulations, AI Boom, and Green

South Africa Finance · Answer Key · 14 Questions

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**1. In South Africa's proposed Capital Flow Management Regulations, what is a key measure being introduced to bring cryptocurrency transactions under formal capital controls?**

- A) Mandatory conversion of all crypto holdings to ZAR.
- B) Requirement for individuals to declare crypto asset holdings above a certain threshold and potentially seek approval for cross-border transactions.**
- C) A complete ban on all cryptocurrency exchanges operating within the country.
- D) Introduction of a central bank digital currency (CBDC) to replace all private cryptocurrencies.

**2. According to recent industry data from South Africa's financial sector, what is a significant concern regarding the adoption of Artificial Intelligence (AI)?**

- A) AI is not being adopted quickly enough by financial institutions.
- B) A majority of financial firms have fully deployed AI in all operations.
- C) A widening gap exists in AI governance, skills, and regulation, struggling to keep pace with adoption.**
- D) AI models are consistently making profitable investment decisions with no risk.

**3. A study on South Africa's green transition indicates that while renewable energy investments are creating jobs, what is a notable challenge in achieving equitable distribution of these benefits?**

- A) Renewable energy jobs are exclusively high-skilled and inaccessible to most.
- B) The transition is creating a surplus of jobs, leading to wage inflation.
- C) Some sectors and worker groups are gaining ground, while others risk being left behind, necessitating deliberate policy action.**
- D) The cost of renewable energy has become prohibitive for widespread adoption.

**4. What is the South African National Treasury's perspective on the impact of surging oil prices and market volatility due to the Middle East conflict on the country's debt path?**

- A) The Treasury expects government debt to significantly increase, making stabilization impossible.
- B) The oil price surge will have a severely negative impact, overwhelming any potential benefits.
- C) The Treasury believes stronger export commodity prices can offset the impact of higher oil prices, allowing debt to stabilize as planned.**
- D) The government plans to halt all foreign investment to mitigate the oil price shock.

**5. Regarding AI in South Africa's financial sector, what is a primary constraint to AI adoption highlighted by a joint report from the FSCA and Prudential Authority?**

A) Lack of customer interest in AI-driven services.

**B) Insufficient talent and skills, followed by issues of transparency and explainability.**

C) High cost of hardware required for AI implementation.

D) Resistance from traditional banking institutions to embrace new technologies.

**6. What is a key concern raised by crypto traders in South Africa regarding the draft Capital Flow Management Regulations?**

A) The regulations excessively liberalize cryptocurrency trading.

**B) The regulations are seen as a move to criminalize cross-border crypto trades and infringe on privacy.**

C) The regulations mandate the use of only specific, government-approved cryptocurrency wallets.

D) The regulations do not adequately address the potential for illicit cryptocurrency activities.

**7. The South African fintech market is projected for rapid expansion. What is identified as the strongest driver for this growth?**

A) The dominance of large, established banks adopting fintech solutions.

B) The emergence of a new, government-backed cryptocurrency.

**C) Growing demand for financial inclusion across underserved and unbanked populations, addressed by mobile-first solutions.**

D) A significant decrease in mobile phone penetration across the country.

**8. In relation to South Africa's investment landscape, what does data from the Presidency and the Department of Trade, Industry and Competition reveal about past investment conference pledges?**

A) Nearly 80% of pledged investments have been successfully converted into economic activity.

B) South Africa's conversion rates for announced foreign direct investments are typically higher than international standards.

**C) Less than half of past pledges have materialized into economic activity, with conversion rates being low by international standards.**

D) The government has actively discouraged foreign direct investment due to nationalistic policies.

**9. South Africa's interest rate decisions are being influenced by global events. Which conflict is cited as a major factor driving up energy and food costs, potentially leading to interest rate hikes?**

- A) The conflict in Ukraine.
- B) The conflict in the Middle East (Iran War).**
- C) The ongoing trade war between the US and China.
- D) A regional conflict in East Africa.

**10. When considering the adoption of AI in South Africa's financial sector, what specific risk is highlighted as the most significant concern by institutions, particularly in relation to POPIA?**

- A) Cybersecurity vulnerabilities.
- B) Data privacy and protection.**
- C) Model hallucinations and errors.
- D) Third-party dependencies.

**11. What is the projected GDP growth forecast for South Africa in 2026 by the National Treasury?**

- A) 1.2%
- B) 1.4%
- C) 1.6%**
- D) 2.0%

**12. South Africa's cultural, creative, and sports industries (CCI&S) are recognized as a growing economic force. What was their estimated contribution to South Africa's GDP in 2023?**

- A) Approximately 2% of the national economy.
- B) Approximately 4% of the national economy, valued at R271 billion.**
- C) Approximately 1% of the national economy.
- D) Approximately 7% of the national economy.

**13. What is a critical challenge related to the 'decent work' aspect of South Africa's renewable energy transition?**

- A) An oversupply of highly skilled labor for renewable energy projects.
- B) Many jobs are short-term, concentrated in construction, with varying quality, stability, and wage levels.**
- C) Renewable energy projects are too expensive to create sustainable livelihoods.
- D) There is a lack of interest from the workforce in renewable energy jobs.

**14. What is a key strategy being pursued by the South African government to stimulate growth and attract foreign investment?**

A) Increasing bureaucratic hurdles and business regulations.

**B) Introducing initiatives to ease business regulations, reduce bureaucratic hurdles, and create a more favorable environment for entrepreneurs.**

C) Implementing protectionist trade policies that restrict foreign involvement.

D) Focusing solely on the development of state-owned enterprises without private sector participation.