



31 January 2018

The Director-General

Department of Telecommunications and Postal Services

First Floor, Block A3, iParioli Office Park

116 Park Street

Hatfield, Pretoria

**Attention: Ms M Masemola, Acting DDG, ICT Policy and Strategy
Development**

Via e-mail: ecabill@dtps.gov.za

**SUBMISSION OF WRITTEN COMMENTS BY TELCOIN PTE LTD ON
THE ELECTRONIC COMMUNICATIONS AMENDMENT BILL**

Telcoin Pte Ltd ("Telcoin") is pleased to submit its written comments on the Electronic Communications Amendment Bill ("ECA Bill") published in Government Gazette 41261 on 17 November 2017.

Telcoin is the first telecommunications based cryptocurrency in the world. It is based in Tokyo, Japan, and is currently expanding its business across the world. A key market for Telcoin is Africa and we have commenced the expansion of our operations in the Continent, with South Africa identified as the head quarters for our African operations.

Telcoin's mission is to increase financial inclusion - with high poverty rates in Africa, a combination of cutting edge technology and financial products, if cleverly harnessed, can lead to socio-economic development and the eradication of poverty. We have found a way to make

cryptocurrency more usable by everyday people. There are approximately 5 billion adults in the world with mobile phones, compared to approximately 1.2 billion adults with fully active and functional bank accounts. Telcoin can help both Banks and Mobile Network Operators ("MNOs") leverage the reach of mobile phones in Africa to help more citizens participate in the ever-increasing digital economy.

Telcoin has come up with several use cases to drive uptake in the digital economy and has a unique coin allocation method to be distributed to the MNOs enabling customers to have seamless access to online transactions through remittances, transfers, payments and e-commerce.

We are not competitors to Banks but we seek to cooperatively participate in the overall online money ecosystem. We see ourselves as a complementary solution, a tool that will increasingly bring users to digital money, cryptocurrency backed assured solutions and mobile wallets. Our goal is to become one of the cornerstone financial inclusion efforts of the 21st century and we want to cooperate with actors we believe can play a critical role in this process, namely the Department of Telecommunications and Posts ("DTPS") in SA, the South African Reserve Bank, commercial banks as well as the MNOs.

We applaud the DTPS for all its efforts in relation to the formulation and publication of the National Integrated ICT Policy White Paper ("the White Paper") and the ECA Bill, which sets out a paradigm shift in the regulation and operation of the telecommunications industry. We note with much interest the introduction of open access principles, the intentions of Government to increase innovation and fair competition and the overall intent of using ICTs to ensure inclusive socio economic transformation in

SA. We however feel that in order for Government to reach its goal to transform SA into "an inclusive and innovative digital and knowledge society" emphasis needs to be placed on establishing an effective mobile money framework in SA that will change the lives of everyday people by using simplified, cutting edge financial technologies for use on mobile phones.

The introduction and uptake of digital currency has lead to wealth creation for millions of individuals in the past several years. With no widespread education on cryptocurrency, the changing landscape of currency in general and the value of trading - benefits remain largely in the hands of the elite or technically advanced. We believe that this could change with an encouraging regulatory framework and Government support to look into the potential benefits in the use of cryptocurrency to bring wealth to a vast number of less fortunate South Africans. We therefore appeal to the DTSPS in relation to the ECA Bill and in general for:

- the inclusion of mobile money into the ECA to leverage the use of mobile phones for financial inclusion in SA;
- support to set up Proof of Concepts to look into how cryptocurrency and mobile money can be used to eradicate poverty in SA;
- determination of the current regulatory frameworks and the requirements for enabling the use of cryptocurrency/mobile money transactions;
- establishing a supportive regulatory framework that will increase financial inclusion, create jobs, establish labs and hubs for education and use of these newer technologies.

Should Telcoin receive the policy support from the DTPS, we are prepared to invest in the set up of a cryptocurrency hub in SA that will support all of Africa with expert training and skills transfer from our team in Japan.

We would love the opportunity to further introduce Telcoin to the DTPS and have more in depth discussions on our service offering and how it could be of benefit to the people of SA.

Yours Sincerely

Lee-Ann Cassie

CEO - Telcoin, Africa

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