



**Namibia**

**Priority Areas**

A close-up photograph of several Bitcoin coins. The coins are metallic and feature the Bitcoin logo (a stylized 'B' with two vertical bars) and the word 'DIGITAL' on their surface. The background is dark and out of focus, highlighting the texture and details of the coins.

# Country Profile

**2023**

**Blockchain and Digital  
Transformation in Africa.**

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**Note:** The information presented here highlights crucial focus areas for the country, especially in the context of the emerging industries of Fintech, DeFi (Decentralized Finance), NFTs (Non-Fungible Tokens), and cryptocurrencies. The information presented sheds light on several developments and pioneering enterprises that are fueling the country's digital progress in the blockchain domain. However, it is important to note that this is not an exhaustive list; rather, it provides a glimpse into the country's direction and ability to achieve key milestones in the blockchain sector.

# Fintech

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## Digital Payments and Digital Wallets

**PayPulse:** It is a mobile payment solution offered in Namibia by Standard Bank. Smartphone users can make cardless purchases with it. With PayPulse, users can link up to three debit or credit cards from any bank, send money to any Namibian mobile number (even if the recipient doesn't have a PayPulse account), send BlueVouchers that can be withdrawn at Standard Bank ATMs, buy airtime for MTC and TN Mobile numbers, top-up electricity using the meter number, make bill payments (DStv, GOtv, BoxOffice, and invoices), deposit or withdraw money at Standard Bank branches or selected PayPulse merchants,

**PayToday:** It is a mobile wallet service for Namibians that provides a convenient and safe way to transfer funds to individuals and make payments to partner companies using a mobile app. Users' card and bank credentials are securely stored in the app for easy payment. More businesses are being added to the network, including utilities, booking agencies, cellphone carriers, and tickets shops.

**Mobipay:** It simplifies and facilitates digital payments to make them as easy as cash transactions. Mobipay delivers modern, reliable, and customizable payment technology to meet the demand for simple payment solutions. Following a Software as a Service (SaaS) approach, their systems and services are cloud hosted. To improve integration and interoperability, Mobipay offers easy-to-use APIs. Its position in the digital payment market was strengthened in 2010 when the Bank of Namibia granted it an E-Money Issuer license. The Payment Association of Namibia (PAN) licensed the company as a Payment Service Provider, Payment System Provider, and Payment Intermediary ten years later in 2020<sup>1</sup>.

**Selcom**, formed in 2001, first distributed prepaid airtime and internet services. The company diversified and pioneered bank-to-wallet and wallet-to-bank transactions in Namibia. Their bill payment services, and agent network has extended nationwide. Selcom Online, the first online platform to accept foreign debit and credit cards for local bill payments, was developed to meet increasing demand. Selcom Pay, a secure merchant payment solution, and Selcom Card followed their success. It has partnered with Mastercard to gain market strength. This relationship helped them establish SelcomPay and Masterpass QR, which let them expand other countries like Tanzania<sup>2</sup>. They also examined service issuance and acquisition prospects.

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<sup>1</sup> Mobipay, "MobiPay Mobile Payment Provider | Namibia | MobiPay," [www.mobipay.com.na](http://www.mobipay.com.na), 2022.

<sup>2</sup> Selcom, "About Us," Selcom, 2022.

## Financial Inclusion and Access to Banking Services

**The Bank of Namibia's Financial Literacy Initiative:** It promotes financial inclusion and access. These programs teach people about money management, banking, and formal financial organizations.

**Namibia Financial Institutions Supervisory Authority (NAMFISA):** NAMFISA regulates and supervises non-bank financial institutions, promoting economic inclusion and participation. It ensures consumer protection and inclusive services from these organisations.

**Namibia Interbank Settlement System (NISS):** This central payment system allows real-time interbank transactions. It improves payment services by enabling secure, efficient electronic fund transfers between Namibian financial institutions.

**NamPost:** NamPost aggressively promotes financial inclusion. Its nationwide post office network includes savings accounts, remittances, and insurance.

## Regulatory Environment and Policies for Fintech

The FinTech inventions Regulatory Framework from the Bank of Namibia (BoN) regulates FinTech innovations that are not currently regulated. The bank held an information session for 30 existing and aspiring FinTech businesses to explore regulatory hurdles and the framework, eligibility, and application process. The framework encourages innovation in banking, payments, and cross-border transfers. The BoN is exploring flexible ways to engage with FinTechs while addressing risks and possibilities due to their rapid expansion. The BoN Innovation Hub, Start-Up Namibia, and High-Tech Transfer Plaza Select (HTTFS) coordinated the seminar to promote innovation through technology transfer and responsive legislation. Central banks must adapt to new realities due to distributed ledger technology, sophisticated data analytics, cloud computing, increasing mobile access, and improved internet connectivity. The BoN bases its innovation policy on domestic conditions, global norms, consumer protection, and financial stability. Thus, the BoN's 2022-2024 strategic plan addresses Namibia's financial system modernization and changing financial landscape<sup>3</sup>.

## e-Commerce and Online Payments

DPO Group, a renowned payment service provider, offers Namibian businesses payment solutions. It helps businesses securely take online payments in Namibian Dollar (NAD), USD, GBP, and other currencies. They accept bank transfers, credit and debit cards, and online EFT. DPO Group works with Namibian banks like Stanbic Bank to enable online payments. These arrangements help businesses accept credit and debit card payments. DPO

<sup>3</sup> Bank of Namibia, "1 Financial Technology (Fintech) Innovations Regulatory Framework," 2022.

integrates easily with shopping carts and APIs. WHCMS, WIX, WooCommerce, Magento, Shopify, and others are available to businesses. Besides, DPO's revolutionary company growth offerings include DPO DumaPay, DPO Virtual Card, and DPO Card<sup>4</sup>. It also provides reliable services to DHL, MIC, Multichoice Namibia, NamibRand Nature Reserve, and Gondwana Collection. Aside from that, it enables startups collect online payments quickly and securely. Therefore, its payment connections allow businesses to send bills to clients by email, SMS, or WhatsApp.

## **Innovation in Lending and Credit Scoring**

Namibia Data Sharing Alliance: Credit providers in Namibia formed the partnership to improve credit information quality and flow for consumers and providers. Before August 2014, Namibia had no credit bureau regulations. The regulations will help verify legal credit information sharing. Credit issuers must now submit credit performance information to registered credit bureaus for comprehensive affordability evaluations and debt prevention. The Namibia Data Sharing Alliance and Credit Bureau Regulations support the NFSS's financial inclusion mission<sup>5</sup>. Financial inclusion is aided by credit information exchange, which helps individuals and SMEs get loans. As a result, effective credit information exchange helps credit providers to assess credit risk based on available credit history, while borrowers can negotiate better credit conditions based on positive credit history.

<sup>4</sup> DPO, "Online Payments Namibia | DPO Group Payment Gateway," DPO Group, 2020, .

<sup>5</sup> Ipumbu Shiimi, "Ipumbu Shiimi: Credit Information Sharing in Namibia," *Www.bis.org* 3, no. 1 (March 23, 2015), <https://www.bis.org/review/r150323d.htm>.

# DeFi

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| <b>Regulatory Clarity and Legal Compliance</b>        | Blockchain-based DeFi services face regulatory gaps because cryptocurrencies are not accepted as payment instruments or electronic money. DeFi projects in Namibia are likely to be hampered by legal uncertainty. DeFi platforms will struggle to obtain countrywide regulatory clearances without clear criteria. As a result, uncertainty will impede DeFi investment and innovation. Besides, DeFi protocols are affected by bitcoin exchange regulations and cautions against trading. As a result, cryptocurrency trading platforms will limit DeFi operations including lending, borrowing, and yield farming for individuals and corporations. Thus, regulations that deal with decentralized finance's specific characteristics and dangers are required for the development of Namibia's DeFi industry. Clear criteria, consumer protection, and regulatory monitoring will help Namibia develop compliant and innovative DeFi operations. |
| <b>Digital Banking and Financial Inclusion</b>        | <b>MTC's "MyMTC Namibia"</b> application allows consumers securely access MTC services and goods via their mobile devices. This software lets users administer their phone accounts, track usage patterns, manage data usage, and subscribe to products and services on the move. The app lets users check balances, view transaction history, and update personal information. Real-time monitoring helps track SMS, data, and call minutes. Data bundles, data balances, and limit notifications are available. It's easy to sign up for voice, data, roaming, and value-added services. Users can also pay MTC bills through the app. Thus, the "MyMTC Namibia" app enhances Namibian mobile telecommunications by providing a user-friendly interface and simple access to a variety of services <sup>6</sup> .  |
| <b>Decentralized Lending and Borrowing Platforms.</b> | Stablecoins will help decentralized lending and borrowing services in Namibia overcome cryptocurrency volatility. Decentralized lending and borrowing players are likely to benefit from these stable-valued digital assets. Stablecoins eliminate volatility, allowing Namibian borrowers and lenders to deal without price changes. Stability builds user confidence and trust, drawing more users to these sites. By offering a trusted unit of account, stablecoins improve accessibility. They are easy to  |

<sup>6</sup> MTC, "Mobile Telecommunications Company | MTC," MTC Namibia, 2021.

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|  | <p>understand and use for financial transactions in Namibia, and will encourage inclusion and decentralized lending and borrowing. Besides, stablecoins eliminate currency changes and expensive remittances for cross-border transactions. Thus, Namibians can lend and borrow from worldwide peers, increasing capital access and financial integration. Again, blockchain-based stablecoins will simplify operations, automate interest payments, and trace transactions in real time. Transparency will make Namibia's loan and borrowing ecosystem more efficient and secure.</p>  |
| <p><b>Cross-border Payments and Remittance Services</b></p>        | <p>Mukuru is a well-known remittance service provider that specializes in facilitating cross-border payments and remittances in several African nations, including Namibia. It provides recipients with attractive rates and a variety of payout alternatives.</p>  |
| <p><b>Tokenization of Assets and Risk Management Solutions</b></p> | <p>Madison Metals, a mining and exploration company, has partnered with the Lux Network blockchain to tokenize up to 20 million pounds of uranium from its operations in Namibia. Madison will deliver the uranium to Lux Network over the next five years under a forward sales agreement. Individuals interested in minting uranium NFTs on the Lux Market can do so beginning October 15, 2022. While mining is limited to the Lux Network, asset backed NFTs will be available on major blockchains via the Lux Standard. Lux intends to provide buyers open and clear pricing by selling directly to retail, reducing inefficiencies in financing. Madison benefits from the cooperation by providing non-dilutive money for exploration and creating additional revenue through token trading fees. Lux will initially tokenize 7.65 million pounds of uranium, earning Madison cash returns and royalties. Users can also stake the assets and earn additional fees by participating in the uranium market. Asset digitization is intended to improve price discovery, asset value, and liquidity across the mineral extraction lifecycle<sup>7</sup>.</p> |

<sup>7</sup> Madison Metals Inc, "Madison Metals Signs Uranium Forward Sales Agreement and Creates the First Uranium-Backed NFT with Lux Partners," GlobeNewswire News Room, September 30, 2022.



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