



South Africa

Priority Areas

Country Profile

2023

Blockchain and Digital
Transformation in Africa.

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Fintech

Mobile Banking and Digital Wallets

FNB (First National Bank): The "FNB App" mobile banking app allows users check account balances, transfer funds, make payments, and buy airtime or data.

Capitec Bank's mobile app: The "Capitec Bank App," enables consumers to update their accounts, initiate payments, send cash, and buy prepaid items.

Nedbank - The "Nedbank Money App" allows users to access their bank accounts, send cash, settle bills, buy airtime, or power, and handle other financial services.

Standard Bank - With the "Standard Bank Mobile Banking App," consumers manage accounts, transfer funds, pay bills, buy airtime, and more.

The "Absa Banking App:" includes account management, currency exchange, billing, airtime purchases, and other financial services.

Vodacom M-Pesa: Vodacom, a major mobile network operator, offers "M-Pesa," a mobile wallet service that lets users send and receive money, make payments, acquire airtime, and perform other financial operations.

MTN Mobile Money: Another major mobile network operator, MTN, offers "MTN Mobile Money," a digital wallet that lets users transfer and receive money, process payments, purchase airtime, and utilize other financial services

Peer-to-Peer Lending and Crowdfunding

RainFin: A South African blockchain-based P2P lending platform. It links borrowers directly to lenders, eliminating banks. It leverages blockchain smart contracts for loan agreements, safe transactions, and automated repayment. RainFin has been reshaping financial market infrastructures for over a decade. Since 2012, RainFin has broken down and tokenized debt instruments, giving holders access to income-generating instruments.

ProsperiProp: It is a blockchain-based real estate crowdfunding platform. Investors can buy fractional property ownership and benefit from rental income and property appreciation.

Sun Exchange: It is a blockchain-based crowdfunding platform for solar projects. Users can buy solar cells and lease them to businesses or organizations to gain cash from electricity.

Wealth Migrate: It is a blockchain-enabled real estate

investing platform. It enables investors to pool capital to invest in worldwide real estate projects, offering varied property investment opportunities.

Uprise Africa: It is a South African blockchain-based crowdfunding platform. The company offers equity crowdfunding for early-stage companies and businesses. Blockchain makes investment records transparent and immutable, making crowdfunding secure and efficient.

Insurtech and Digital Insurance Solutions

SureBuddy: It is a blockchain-based South African digital insurance platform. Microinsurance protects smartphones from theft, damage, and loss. Blockchain technology ensures transparent and effective claims processing.

Sanlam Indie: It is a blockchain-based South African insurtech firm. They sell and manage insurance coverage online for gig workers and freelancers. Indie's blockchain technology provides smart contracts for policy issuance, claims processing, and insurer-policyholder transparency. Cloud technology has transformed life insurance for South African financial services giant Sanlam Indie. PaaS and SaaS solutions allow users to buy policies fast and easily. Sanlam Indie's adaptive underwriting engine simplifies policy issuance to a few questions. The organization has scalability, flexibility, and cooperation using Amazon Web Services (AWS) hosting and Google Workspace productivity. Thus, Sanlam Indie's cloud-based insurance products demonstrate agility, innovation, and customer-centricity.

Pineapple: South African insurtech Pineapple offers peer-to-peer insurance. Users simply create insurance plans, customize coverage, and handle claims using their mobile app. Pineapple is South Africa's first peer-to-peer insurance firm, focusing on simplicity, value, consumer transparency, fairness, and affinity.

Yalu: South African digital insurance business Yalu specializes on financing insurance. They offer inexpensive, customised credit card and personal loan insurance. Yalu simplifies and adds value to insurance.

Simply: A digital insurance platform, Simply offers motor, house, and portable items insurance. Customers quickly get quotes, buy plans, and manage coverage online.

Click2Sure: This platform enables businesses to sell embedded insurance products. They offer an API-driven solution to seamlessly integrate insurance services into client journeys. Click2Sure serves e-commerce, travel, and gadgets.

Regulatory Technology (Regtech) and Compliance Solutions

Intergreatme: South African RegTech business Intergreatme provides digital identity authentication and compliance solutions. Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations are complied within the platform, which permits businesses to verify the identities of their customers swiftly and securely.

DocFox: South African RegTech company DocFox automates financial institution compliance. They automate document verification, risk evaluation, and reporting to assist firms satisfy regulatory obligations.

Fincheck: RegTech-enabled financial marketplace Fincheck helps consumers make educated financial decisions. The software ensures lending compliance with creditworthiness, affordability, and loan application tools.

Strider: It is a compliance monitoring and risk management tool used by South African organizations. Their system enables organizations track incidents, undertake risk assessments, monitor compliance, and generate compliance reports.

Financial Inclusion and Access to Financial Services for the Unbanked Population

The South African National Blockchain Alliance (SANBA): This government-industry-academia partnership promotes blockchain technology in numerous industries, including banking. It promotes innovation, application cases, and blockchain adoption for financial inclusion and other benefits.

Nomanini: South African fintech business Nomanini uses the blockchain to enable informal shopkeepers, or "spaza shops," to become digital financial service providers. Their technology enables shops sell airtime, power, bill payments, and cash transfers to underprivileged populations.

Project Khokha: The South African Reserve Bank (SARB)'s Project Khokha is examining blockchain's potential for interbank settlement. The project's blockchain proof-of-concept pilot for high-value transactions showed financial system efficiency and security improvements.

The Fintech Association of South Africa (FintechSA): It promotes fintech innovation and collaboration. FintechSA supports blockchain activities despite its broad scope. It promotes growth and development by bringing together fintech startups, major banks, and government organizations. FintechSA facilitates blockchain-based financial inclusion and access in South Africa through sharing expertise and advocating.

NFTs

Art and Collectibles

Nandi: It is an African and diaspora artist focused NFT marketplace. Nandi uses NFTs to help Africans and Blacks succeed and celebrate their culture. The platform tackles ownership, conservation, and representation in cultural output. Its NFTs provide a rare opportunity for Black innovators to create an economic system based on their culture and values. It has offered a premise for Africa to establish internal NFT networks to bridge economic gaps despite banking system restrictions. African artists should seize this opportunity to shape their future with technology.

NFTfi: It is a prominent liquidity protocol for NFTs and allows NFT holders to borrow cryptocurrency using their NFTs as collateral. Listing NFTs and setting loan terms lets users get loan offers from other users. The borrower receives cryptocurrency immediately to their wallet after accepting a loan offer. Besides, the NFT enters into a secure escrow smart contract. The NFT is returned if the loan is paid on time. NFTfi is a transparent Ethereum platform with double-audited smart contracts and no auto-liquidation risk. The protocol has fixed lending terms and no fees. Lastly, NFTfi gives NFT owners financial freedom while preserving security and fairness.

Sun Exchange: It is a South African blockchain platform, allows people invest in solar energy projects. NFTs tokenize solar panel ownership, allowing investors to profit from solar power generation.

Music and Audio

Loop launched in Africa with South African pair Jay Em Band as its first local talent. The company helps artists become Web3 superstars by creating digital identities and assets. Twitter, Spaces, and Discord help artists develop Web3 communities. Its Africa launch shows its capacity to smoothly shift artists between physical and virtual worlds. Jay Em will create 1,000 audio NFTs, including an EP with five songs and unique digital artwork¹. In this case, NFT owners will split music copyright and licensing royalties. They can also win signature sneakers from Jay Em and the collaborators. The project will change music consumption by mixing modern music with digital art, creating a new asset class. It is an intriguing combination of Web3's decentralized power and NFTs, giving music fans a fresh and interesting way to connect with their favorite artists and recordings.

¹ Gabriel Myers Hansen, "NFT Platform Loop Launches in Africa," Music In Africa, December 8, 2022.

Gaming and Sports

South African firm **Fanfire** uses NFTs to help sports teams engage with fans. The platform permits speedy online exchange of tangible and digital memorabilia, lifetime rights to meet players in person, and tradeable in-game stuff. The Sharks helped test the idea during the British & Irish Lions Tour². Fanfire aims to establish a fan economy where NFTs can provide fans items, benefits, and digital memorabilia, with a portion of the resale value going to the franchise.

British blockchain technology company **Opis Group** has expanded its play-to-earn (P2E) NFT game "OpiPets" to South Africa. OpiPets is a free-to-play virtual game where users build, battle, acquire, and trade NFT characters and cryptocurrencies. Opis Group removes hurdles to adoption of blockchain games, especially in Africa. The expansion into Africa will allow players to earn passive and active income without connecting a wallet. To reach South Africa's booming cryptocurrency and NFT communities, Opis Group employed a marketing professional. Play-to-earn gaming, especially with Web3 efforts like NFTs, is the company's goal³.

Financial Literacy and Education

Ubuntuland, Africarare's first metaverse marketplace, promotes virtual land investments. Non-fungible tokens (NFTs) with coordinates indicate virtual land ownership and combine to construct estates. Ubuntuland has 204,642 plots of land of various sizes and prices, inspired by traditional African architecture⁴. Landholders can build shops, produce assets, rent virtual services, or create games and apps. The community has spaces for work, leisure, and wellness, and plans include staking, DAOs, and blockchain-based play-to-earn gaming. A two-experience zone virtual property was auctioned recently. Africarare will host the self-paced A360 Metaverse Space Adventure, where Ubuntuland visionaries will teach participants about new technologies and problems.⁵

² Tom Jackson, "New SA Startup Uses NFTs to Help Sports Franchises Engage with Fans," *Disrupt Africa*, August 26, 2021, .

³ Brand Press, "Opis Group Expands Free-To-Play, Play-To-Earn NFT Game 'OpiPets' to Africa, Announces \$500 Giveaway Contest.," 2022, April 4, 2022.

⁴ Jacqueline Adams, "Ubuntuland, Africa's First Metaverse Marketplace, Offers Investment in Virtual Land | Everything Property," *Everything Property*, April 24, 2023.

DeFi

Regulatory Framework and Legal Compliance	<p>DeFi's permissionless financial services will transform South Africa's financial sector. It encourages financial inclusion by giving non-banked people access to many financial goods. DeFi gives customers sovereignty over their assets, saves transaction costs by eliminating intermediaries, and provides transparency and security through blockchain technology. Implementation efforts must address regulatory issues, adoption hurdles, and security hazards. South Africa has several DeFi initiatives, and with the correct legislative framework, collaboration, and innovation, DeFi can change the financial landscape. Microfinance, peer-to-peer lending, and cross-border remittances will boost DeFi usage for individuals and enterprises. As a result, the technology will boost South African economic growth, innovation, and financial empowerment.</p>
Decentralized Lending and Credit Platforms	<p>Nigerian fintech company Xend Finance uses DeFi to combat currency devaluation and offer stable currency savings choices in South Africa. Founded in 2019, Xend Finance offers small businesses Fintech, e-commerce, and payment technologies for online and offline payments, inventory control, and business reporting⁶. The platform lets people buy and store cryptocurrency. The Xend Finance mobile app offers fixed and customizable savings plans, local currency deposits, high rates and awards, unlimited referral benefits, saving in stable currencies to counteract devaluation, and quick fund management. The program enables users register, load their wallets, and save, stake, and earn interest using DeFi networks. Lunchpad, Xend Finance's startup platform, empowers people and businesses.</p>
Tokenization of Assets and Securities	<p>Uprise.Africa: South Africa's equity crowdfunding platform uses tokenization. Companies can tokenize their shares and sell digital tokens to investors. This promotes entrepreneurship and democratizes financing by offering startup and early-stage investment options.</p> <p>EasyEquities: EasyEquities is a South African financial platform that offers fractional share ownership. It tokenizes traditional securities by allowing users buy fractions of company shares. This makes investing and diversification</p>

⁶ Tage Kene-Okafor, "Binance-Backed Xend Finance Launches DeFi Platform for Credit Unions in Africa," TechCrunch, March 22, 2021.

cheaper.

Decentralized Insurance and Risk Management Products

Yalu: Yalu offers credit life insurance online. The company offers reasonable debt insurance for death, incapacity, and retrenchment. It also manages policies, claims, and customers online.

Naked: Naked offers variable coverage based on driving behavior. It tracks driving behaviors and offers customised premiums using telematics. Naked's platform allows users manage policies, file claims, and get support.

JaSure: JaSure provides on-demand insurance for smartphones, laptops, and cameras. Users can activate or cancel coverage whenever required and pay only for coverage. JaSure's app streamlines insurance management and claim processing.

Cryptocurrency

Regulatory Framework and Oversight	<p>The South African Reserve Bank (SARB) has classed crypto assets as financial assets under the Financial Advisory and Intermediary Services (FAIS) Act, signaling its desire to regulate the crypto industry and protect investors and consumers. Thus, crypto asset service providers (CASPs) will need an FSP license to operate. The FAIS Act defines crypto assets as digital representations of value that can be traded, transferred, or stored for usage. CASPs offering crypto asset financial services are exempt from the FAIS Act until November 30, 2023, pending their FSP license application. CASPs should also comply with the Financial Intelligence Centre Act (FICA) to meet registration requirements and avoid administrative penalties⁷.</p>
Addressing Crypto-Related Fraud and Scams	<p>South African crypto notable frauds include Mirror Trading International and Africrypt. The country has suffered ransomware attacks, crypto frauds, hacking, and theft. Cybercriminals use cryptocurrencies for money laundering due to their decentralized, unregulated, worldwide reach, and anonymity. Crypto laundering is cheaper and faster than money laundering. Thus, the government strives to ensure crypto service providers comply with anti-money laundering rules and work with law enforcement to combat suspicious behavior⁸. The growing threat of crypto laundering in South Africa requires police training and capacity building in recording and investigating crypto crimes.</p>
Encouraging Innovation and Research	<p>Blockchain Academy: This South African institution educates about blockchain technologies and cryptocurrency. It offers blockchain seminars and workshops to people and corporations.</p> <p>Blockchain Entrepreneurs Club South Africa (BECSA): This community-driven group promotes blockchain entrepreneurship and innovation in South Africa. It provides events, workshops, and networking sessions for blockchain enthusiasts, entrepreneurs, and investors.</p> <p>South African Financial Blockchain Consortium (SAFBC): SAFBC is a partnership involving financial institutions, technological businesses, and other stakeholders in South</p>

⁷ Financial Sector Conduct Authority. "FSCA COMMUNICATION 16 of 2023 (FAIS)," 2023.

[https://www.fsc.co.za/Regulatory%20Frameworks/Temp/FSCA%20Communication%2016%20of%202023%20\(FAIS\).pdf](https://www.fsc.co.za/Regulatory%20Frameworks/Temp/FSCA%20Communication%2016%20of%202023%20(FAIS).pdf).

⁸ Chelin, Richard . "Africa: New Playground for Crypto Scams and Money Laundering." ISS Africa, August 9, 2021. <https://issafrica.org/iss-today/africa-new-playground-for-crypto-scams-and-money-laundering>.

	<p>Africa. It promotes innovation through research, development, and collaboration on financial blockchain application cases.</p> <p>University Blockchain Research Initiative (UBRI) - UCT: The UCT Blockchain Initiative research blockchain technology and its applications. It researches, provides workshops, and works with industry partners to apply blockchain to diverse areas.</p> <p>The South African Institute of Chartered Accountants (SAICA) Blockchain Project: SAICA is exploring blockchain applications in accounting and auditing. The project aims to improve financial reporting openness, efficiency, and assurance.</p>
<p>Enhancing Public Education and Awareness</p>	<p>Crypto University: The organisation offers cryptocurrency and blockchain workshops. It seeks to demystify digital currencies and raise public awareness.</p>
<p>Supporting the Development of Local Crypto-Related Startups</p>	<p>The Innovation Hub: The Innovation Hub in Pretoria, South Africa, helps IT and innovation startups. Incubation and acceleration programs help entrepreneurs develop ideas and find funding.</p> <p>AlphaCode: AlphaCode is a fintech investment platform and incubator for high-potential financial services firms, including blockchain and cryptocurrency startups. They fund, mentor, and connect to industry specialists.</p> <p>Founders Factory Africa: This venture development and financing firm helps financial businesses. They give support through accelerator programs, strategic collaborations, and mentors and investors.</p> <p>Newtown Partners: Cape Town-based Newtown Partners invests in early-stage enterprises, including crypto firms. They invest, mentor, and advise entrepreneurs to grow.</p> <p>RMI Investment Managers: It promotes financial technology businesses, especially crypto-related ones. They fund and coach entrepreneurs.</p>

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.

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