



**Zambia**

**Priority Areas**

A background image showing several Bitcoin coins. One coin in the foreground is in sharp focus, showing the 'B' symbol and the word 'DIGITAL'. Other coins are blurred in the background.

# 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

## Digital Payments and Remittances

**Zoona:** Zoona is Zambia's largest mobile money platform for sending and receiving money, paying bills, and buying airtime. Agents facilitate cash-to-digital wallet transactions.

**MTN Mobile Money:** One of Zambia's leading mobile network operators, MTN, offers a mobile money service that allows customers send and receive money, pay bills, and make merchant payments. MTN Mobile Money agents promote cash withdrawals.

**Airtel Money:** Airtel, another major Zambian mobile network operator, offers Airtel Money, a mobile wallet that lets users send and receive money, pay bills, top up airtime, and make merchant payments. Agents are nationwide.

**Xapit:** Zambian digital banking platform Xapit includes mobile payments, fund transfers, bill payments, and account administration. These services can be accessed via mobile app or feature phone USSD codes.

**Ecobank Mobile App:** Ecobank, a pan-African bank, offers a mobile app for transferring funds, paying bills, and monitoring accounts. Through relationships with remittance providers, the app supports international remittances.

**Mukuru:** Another popular international remittance provider for Zambians is Mukuru. It partners offer cash pickup or bank or mobile wallet deposits. The company also offers affordable currency rates and rapid transactions.

## Financial Inclusion and Access to Credit

**Abalobi:** A blockchain-powered mobile app for Zambian small-scale fishers. The program enables fishermen to track sales, catch data, and finances. Abalobi uses blockchain technology to make transactions transparent and traceable, helping fishers get credit.

**Aella Credit:** Nigerian fintech business Aella Credit offers a Zambian blockchain-enabled lending app. The software uses mobile phone and social media data to determine creditworthiness and provide microloans. This lets digital footprint-only users get credit.

## Regulatory Environment and Policy Framework

The Securities and Exchange Commission (SEC)'s cryptocurrency regulations and DLTledgers, the SEC, and the Bank of Zambia's current testing affect Zambia's fintech industry. Positively, the government's testing and possible

adoption of blockchain-based cryptocurrency legislation shows its acknowledgment of digital currencies' potential benefits. Fintech companies, especially cryptocurrency-related ones like digital payment providers and crypto exchanges, will benefit. Clear regulations will encourage fintech innovation and investment. However, the SEC's caution and the Bank of Zambia's cautions about cryptocurrency dangers is likely to cause fintech companies to be uncertain. Thus, Zambia's cryptocurrency landscape suffer from a lack of regulations and the possibility of tougher scrutiny. Fintech companies in Zambia also face hurdles of balancing digital payments innovation and bitcoin volatility. To comply with rules and deliver secure and dependable services, there is a need for large expenditures in technological infrastructure and digital identity solutions.

### Mobile Banking and Digital Wallets

**CryptoPay Africa:** It is blockchain-based digital wallet and payment platform that operates in Zambia. Users can store digital assets, transmit and receive payments, and manage their funds through a mobile app using blockchain technology. CryptoPay Africa bridges traditional banking and cryptocurrencies.

### Blockchain and Cryptocurrencies

**Binance:** It is noted for its high trading volume and large cryptocurrency choices. Zambians can trade cryptocurrencies on Binance. The exchange's mobile app allows users to trade cryptocurrencies on their smartphones. Binance, a renowned cryptocurrency exchange, is trusted.

**Kraken:** It is another well-known bitcoin exchange. It's a simple cryptocurrency exchange. Kraken is a trusted exchange; however, account verification may take two days. It is a major cryptocurrency exchange with Coinbase and Binance.

**Coinmama:** It is a cryptocurrency exchange that accepts credit cards and bank transfers for bitcoin and other cryptocurrencies. Its UI makes transactions simple. Coinmama is trusted despite its exorbitant fees.

**Bitcoin wallets:** ZenGo, a secure iOS and Android mobile wallet, enables users store and manage bitcoins. Ledger Nano S Plus stores digital assets offline for added security. Electrum Wallet, a popular desktop wallet for Windows, Mac, and Linux, secures and manages bitcoins.

# DeFi

<b>Regulatory Development and Legal Compliance</b>	<p>Zambia, like many nations, struggles to control and adapt to the fast-changing world of cryptocurrencies and blockchain technologies. The Bank of Zambia will likely closely monitor DeFi activities to safeguard consumers, prevent money laundering, and maintain financial stability. DeFi platforms and protocols are not yet regulated. Zambian regulators must create a balanced regulatory framework for DeFi due to its hazards. Investor protection, anti-money laundering, data privacy, and smart contract audits should be included.</p>
<b>Financial Inclusion and Digital Banking Services</b>	<p><b>Bongohive:</b> Zambia's first technology and innovation centre. Their initiatives promote blockchain technology. They promote blockchain innovation and financial inclusion through workshops, mentorship, and training.</p> <p><b>United Africa Blockchain Association:</b> The association promotes blockchain technology in Zambia. It hosts events, workshops, and educational initiatives to promote blockchain's potential to improve financial inclusion and industry collaboration.</p> <p><b>African Fintech Network (AFN):</b> The pan-African AFN promotes fintech innovation and financial inclusion. They support blockchain-based platforms for banking, remittances, and credit.</p> <p><b>Zambia's DLTledgers:</b> The company employs blockchain technology to improve financial services and inclusiveness. It enables secure and efficient financial transactions with blockchain-based remittances and digital identity solutions.</p>
<b>Decentralized Lending and Credit Access</b>	<p>Zambia's banking system's restricted expansion and reach after deregulation is due to various interconnected problems. The improper sequencing of liberalization legislation led to the fast expansion of financial institutions without a strong regulatory framework. Again, Zambia's weak economic performance, including dropping per capita GDP and high poverty rates, and lack of formal employment have hampered banking industry growth<sup>1</sup>. Payment system architecture and legal and regulatory flaws have exacerbated these issues. Addressing these concerns is crucial to Zambia's financial sector's decentralization, lending, and credit access.</p>

<sup>1</sup> José de Luna-Martinez, "Access to Financial Services in Zambia," Social Science Research Network (Rochester, NY, November 1, 2006), <https://ssrn.com/abstract=943918>.

<p><b>Cross-Border Remittance and Payment Platforms</b></p>	<p><b>Thunes:</b> Thunes accepts cross-border payments in 31 countries, including Zambia. It connects 4 billion bank accounts, 1.5 billion mobile money accounts, and 1.1 billion cards. Global eTrade Services (GeTs), a G2B and B2B trade facilitation company, partners with Thunes.<sup>2</sup> GeTs has 28 customs nodes and 176,000 connected parties. They process about 18 million transactions annually, improving worldwide trade. Thunes and GeTs collaborate to simplify cross-border transactions and streamline commercial trade.</p> <p><b>Transfy:</b> It provides B2B payment services in Zambia. The app offers a wallet that is funded by bank or mobile money transfers. The monies can then be transferred to Transfy wallets, mobile money wallets, or bank accounts. NGN, KES, ZAR, RWF, UGX, ZMW, and BWP can be instantly converted in the Transfy wallet. In these markets, Transfy streamlines B2B cross-border payments.</p> <p><b>Transfast:</b> Transfast provides cross-border payments networks in over 125 countries in Asia, Europe, Africa, the Americas, and Australia. Their platform supports P2P, B2P, and B2B payments. APIs, SFTP (secure file transfer protocol), web and mobile applications, and product apps allow Transfast partners to accept payments seamlessly. It serves banks, financial institutions, e-commerce enterprises, service marketplaces, small businesses, and consumers. The company offers rapid cross-border payments in Kenya, Uganda, Rwanda, Malawi, and Zambia.</p>
<p><b>Decentralized Insurance and Risk Management Solutions</b></p>	<p><b>BantuPay:</b> It is a DeFi platform that delivers financial services, including decentralized insurance. It offers economical insurance to Africans. BantuPay uses blockchain to automate insurance and smart contracts.</p>

<sup>2</sup> AfricaNenda, "USE of CROSS-BORDER DIGITAL PAYMENTS in the COMESA REGION UNDERSTANDING the TRAINING NEEDS of MSMEs," 2022.

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