



# **THOUGHT LEADERS BREAKFAST MEETING ON FINTECH POLICY AND REGULATION**

REPORT

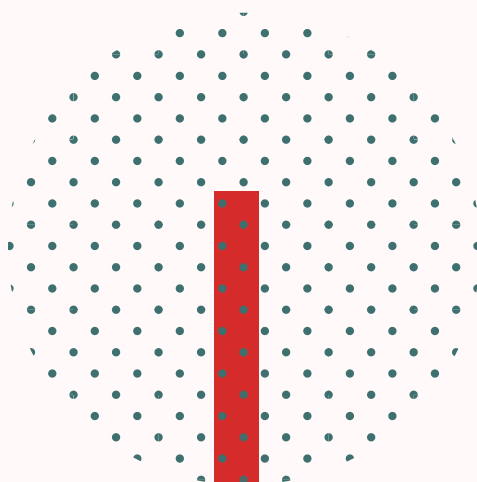
BY

KENYA ICT ACTION NETWORK (KICTANET)

IN PARTNERSHIP WITH

HUAWEI

OCTOBER, 2019



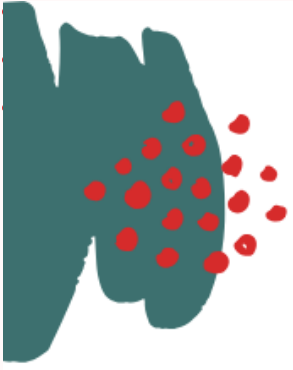
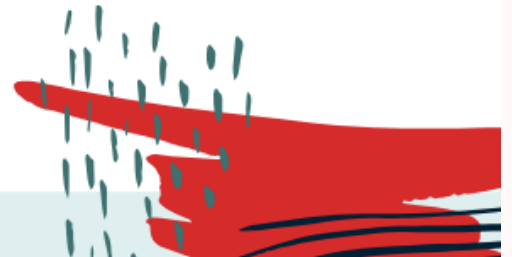


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# SUMMARY

This document provides a brief overview of the background, proceedings and outcomes of the “Breakfast Thought Leaders Meeting on Fintech Policy and Regulation” that was hosted by the Kenya ICT Action Network (KICTANet) with the support of Huawei. The breakfast meeting was held on Wednesday, 18th of September 2019 at Sarova Stanley Hotel in Nairobi, Kenya. With a total of 25 participants drawn from different organizations that cut across the fintech echo-system in Kenya, the number and diversity of participants and quality of their submissions provided an excellent platform for teasing out the pertinent issues related to fintech policy and regulation in Kenya. Their submissions and contributions were compiled and subsequently summarized into themes that will inform the policy brief on the fintech echo-system in Kenya. In this regard, the meeting served as an excellent information gathering forum for development of the fintech policy brief. It is hoped that the resulting policy brief will serve as a good knowledge dissemination tool and set the agenda for fintech policy and regulation in Kenya and the region at large

# 1.0 Introduction

The first “Breakfast Meeting on Fintech Policy and Regulation” was organized by the Kenya ICT Action Network (KICTANet) to discuss policy-related and regulatory issues relating to the rapidly-evolving fintech space in Kenya. The two-hour meeting was held on Wednesday, 18th of September, 2019 at the Sarova Stanley Hotel in Nairobi, Kenya.

This gathering came at an important juncture, as the recent technological advances in financial services have brought-out the need for policies. And policies that allow for a balanced approach to development of necessary fintech regulation in a manner that that seeks to reduce risk and vulnerability. In addition, fostering digital financial products and services capable of supporting greater financial inclusion and inclusive economic growth.

Specific objectives of the meeting were to:

- Kick-start discussion regarding the emerging fintech sector in Kenya;
- Solicit contributions on three fintech aspects: innovation, policy and regulation;
- Collate the feedback for subsequent integration into a policy brief on Kenya’s fintech ecosystem.

The meeting discussed a wide range of issues arising from the proliferation/adoption of digital financial technologies at national, regional and international levels including the current state of affairs in the digital financial landscape in Kenya, the future of financial technologies and the policy and regulatory concerns and challenges they raise as well as the various policy interventions to address these concerns.

This meeting served as an excellent forum to kick off much-needed discussions among various fintech stakeholders including industry leaders, technology experts, media, academia, entrepreneurs, and development agencies on experiences, about the needs and challenges for FinTech policy and regulation.

It is a conversation that will culminate in the development of a policy brief that is aimed at informing and enhancing engagement between the different stakeholders – government, industry, academia and consumers towards a balanced approach to fintech regulation in Kenya. The Policy Brief on “Fintech Ecosystem in Kenya” is to be completed within the next 60 days following the meeting.

## 2.0 Participants

KICTANet invited a select group of individuals to participate at the breakfast meeting based on their expertise and involvement in the FINTECH space. In total, the meeting had 25 participants (9 women and 16 men) drawn from different organizations that cut across the FinTech space in Kenya (Table 1 below). Those present during the breakfast meeting included the following:

## 3.0 Program

The meeting was structured into several brief sessions with the highlights being a KICTANet presentation by Ali Hussein, that was aimed at framing the debate on fintech policy and regulation in Kenya. The issues that were touched on are:

- a) How can the industry be involved in formulating policy which will lead to better regulation of a critical facet of financial services today?
- b) Is engagement with Policy makers and regulators on an ongoing basis important going forward?
- c) Is it time self-Regulation was considered an important discussion point?
- d) Is an industry association paramount?

## 4.0 Proceedings

Participants were invited to make their submissions during the Q&A session that lasted for around 30 minutes. A number of positive comments were made while there was also considerable constructive criticism of the sector and the conduct of its players.

Subsequently, the comments and suggestions were compiled and summarized into 5 broad themes/discussion points that will feed into the policy brief. These are as follows:

- There is growing adoption of digital financial innovations at global, regional and national levels, and this is expected to continue due to its role in driving financial inclusion and economic growth.
- Fintech is an emerging area in Kenya that is not well understood by all stakeholders and therefore more research and analysis as well as knowledge dissemination is needed in order to shed more light on the evolving sector.
- The fintech Sector in Kenya is plagued by a number of problems, issues and challenges that have cumulatively led to a negative perception of fintech players.
- The issues relating to fintech space in Kenya that can be organized along four main categories: (i) regulatory concerns (ii) user/customer concerns (iii) technological concerns and (iii) strategic issues/concerns.
- Several action points that can serve to inform policy recommendations. They include

## 5.0 Conclusive Remarks

The “Breakfast Meeting on Fintech Policy and Regulation” as a whole was a successful event. The number and diversity of participants and quality of their submissions enabled the KICTANet team to tease out the pertinent issues related to fintech policy and regulation in Kenya.

In light of the above, it is safe to conclude that it served as an excellent information gathering forum for the development of the fintech policy brief. It is hoped that the resulting policy brief will serve as a good knowledge dissemination tool and set the agenda for fintech policy and regulation in Kenya and the region at large.

# ANNEXES

## Annex I

### Table 1: List of Participants

	Name	Organization
1	Grace Githaiga	KICTANet
2	Barrack Otieno	KICTANet
3	Gitau Mburu	FSD Kenya
4	Walubengo John	Multi-Media University/KICTANet
5	Mercy Wambui	CIPIT
6	Elizabeth Mouko	Flutterwave
7	Mauro Reis	INFOBIP
8	Noah Amoke	INFOBIP
10	Peter Mwencha	Kenyatta University
11	Ndichu Eddie	WAPI Capital
12	Rosemary Koech-Kimwatu	OXYGENE
13	Adrian Amen	US Embassy
14	Robert Masinde	Digital Lending Association (DLAK)
15	Harry Hare	CIO East Africa
16	Kevin Mutiso	Alternative circle-SHIKA APP
17	Thomas Kaberi	Optimal Consulting
18	Sadia Raiput	DataSource
19	Mary Mwangi	Data Integrated
20	Paul Ndichu	WAPI Capital
21	Phyllis Kamau	DLAK
22	Janet Maina	Finserve
23	Abubakar Omolaya G	Flutterwave
24	Nzambi Kakusu	KICTANet
25.	Ali Hussein	FINTEXX



## Table 2: Programme outline

	<b>Activity</b>	<b>Time</b>
1.	Welcome	7:30 - 8:00
2.	Introductions	8:00 - 8:15
3.	Opening Remarks	8:15 – 8:30
4	Presentation	8:30 – 9:00
5.	Q&A Session	9:00 – 9:30
5.	Closing Remarks	9:30 – 9.45
6.	Vote of Thanks	9:45 – 10:00
7.	Departure	10:00 Onwards



## Contact us through



Email: [info@kictanet.or.ke](mailto:info@kictanet.or.ke)



[facebook.com/KICTANet](https://facebook.com/KICTANet)



[twitter.com/KICTANet](https://twitter.com/KICTANet)



Website: [www.kictanet.or.ke](http://www.kictanet.or.ke)

Design and Layout

by

Christine Mitchell

Email:

[christinemitchelle039@gmail.com](mailto:christinemitchelle039@gmail.com)