

OUR CORE PROGRAMMES

Tech Policy

Data Protection Act - Kenya

Policy Discussions

Directorate of Public Prosecution
 Afri-Labs
 Judiciary

Digital ID Draft Law

Ecosystem Building

Start-ups Law Regionally

High level engagements

Regional bodies
 Governmental bodies
 Civic societies
 Private sector

Africa Law tech Festival

Start-ups Academy

Gig Economy

Tech Policy

Policy Hackathons

Support Coalition

Tech-Policy Cluster

Africa Law-Tech Meet-ups

Monthly meetups

Tech Policy Conversations

Monthly conversations

Digital Media

Community building

Law Tech Content

Virtual Policy convenings

Mainstream digital engagement
 in Tech Policy

Membership

Institutional Membership

Professional Membership

Legal professionals
 Tech professionals

Tools and services

Law Tech Academy

Policy and Emerging tech

Law tech Ecosystem

Africa Regional Focus

Africa Law Tech

Data Protection Act - Kenya

Policy Discussions

Africa Legal Tech Week

Legal Tech Access to Justice

Thematic Areas

 Digital Trade

 Digital Identity

 Data Governance & AI

 Internet Governance




 Digital Governance & Cyber Security

 Digital Infrastructure

FINTECH AND PRIVACY IN AFRICA

SCOPE OF FINTECH

Players

-  Mobile Network operators
-  Traditional Financial institutions: eg banks, SACCOs
-  Non-traditional app based lenders






THE PRODUCTS

Policy Hackathon

-  Payments: digital wallets, payment and transfer services, crypto
-  Lending and insuring: microloans,
-  Financial Management: Savings, Insurtech, Pensions, Groups savings, Wealthtech, Open banking and Fintech APIs, Crypto and Blockchain Assets trading.

DIGITAL ECONOMY

Value of fintech

-  Payments - 51M
-  Transfers and Remittances- 59M
-  Financial API & open Banking - 57M
-  InsUrance -33M
-  Digital Banking -30M



Briter Bridges investment report 2020 Disclosed deals in Africa \$1.07 Billion. Fintech 31% (About \$310 Million)

DATA USES IN FINTECH

HOW AND WHERE, EKYC, APIS, USE OF NATIONAL DBS

API

API

- Allowing digital financial service platforms to connect with each other and other online services such as e-commerce e.t.c.

NIGERIA

- Is leading the way with Okra, Mono and OnePipe.
- Also has the non-profit Open Banking Nigeria which exists to work towards open API standards for Nigeria financial service providers.



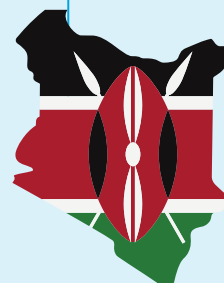
E-KYC

E-KYC

- Used for digital lending and credit services
- Use of alternative data eg social media, messages, phone numbers eg for Tala(digital lending app)

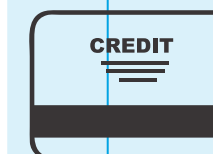
KENYA

- Examples in Kenya with the widespread use of Tala
- Use case: Initial loan limit setting for micro loans



CREDIT ASSESSMENT & REFERENCING

- Credit scoring using alternative data is emerging but integration with national credit reference bureaus is not complete. In 2020 for example, the CBK blocked digital lenders from accessing the CRB.
- Credit assessment based on e-commerce and social media trails of consumers.



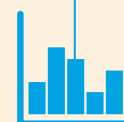
DATA MOVEMENT FROM AFRICA TO THE WORLD

TWO FOLD SCENARIOS

DATA



- **Data held by MNOs and banks is held locally by the companies.**
 - Governed by sector standards, banking and telecommunications respectively. Data management practices are set and regulated within the industry.



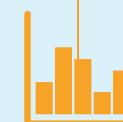
- **Data held by non-traditional lenders**
 - There are international companies operating in Africa headquartered in foreign companies eg Branch and Tala are both headquartered in the US.
 - Data is collected in the country of operation and stored in headquarter countries or other international countries.

MOVEMENT REGULATION

DATA



- **Data held by banks and MNOs**
 - Regulated by a sectoral regulator who regulates, KYC, credit reference and scoring and data management broadly speaking.



- **Data with non-traditional digital lenders**
 - Depends on recognition and regulatory sphere. Generally, open data flows to developed head quarter countries due to cloud storage facilities.
 - Transfer is considered a contractual provision governed by market practices and national data protection requirements.

PRIVACY CONCERNS

ON DATA FLOWS, FTAS AND DATA FLOWS, COUNTRY EXAMPLES

CONCERNS

Concerns

- Privacy and data rights differ in countries and are enforced differently.
- Remedy and enforcement challenges with countries with lower safeguards.
- Local enforcement against local data breaches is scant. Eg in 2020: Experian South Africa breach, Access bank, Unity Bank and Team Ap (Nigeria)

Reporting

- Data held by non-traditional lenders
- Pre-existing trade agreements not up to date with data protection laws in Schrems II case ruling in 2020 that EU-US Privacy shield was no longer sufficient data protection given the requirements of the GDPR.
- In-coming agreements not emphasising cross border data protection standard setting eg The AfCFTA does not have a cross-border data flow protocol, but has an e-commerce one.

ROLE OF DP COMMS IN FINTECH

Role of DP Comms in fintech

- To foster collaboration and engagement with the diverse group of players in fintech to encourage openness, learning and collaboration for effective emerging regulation
- To develop collaborative policy with cross-sector regulators eg telecoms, banking, capital markets.

Cross-border

- Collaborate on the development of regional data protection policy and standards and enforcement mechanisms for cross-border data protection issues.
- Push for data flows protocol in FTAs
- Data flows and privacy provisions in Bilateral and multilateral data flow agreements eg US-KE FTA, AfCFTA
- Push to sign the Convention on CyberSecurity and Data Protection Convention.

CALL TO ACTION

WHAT SHOULD HAPPEN AT POLICY LEVEL

Recognition

- Formal recognition of data marketplaces

1

APIs

- API standards, rules and guidelines

2

Approaches

- Innovative approaches to regulation and policy development eg Sandboxing.

(credited with the great fintech successes of the UK and Singapore)

3

