

Afripay – Cross-Border Payment Strategy

1. Executive Summary

Afripay's mission is to make **cross-border payments for education seamless, affordable, and accessible** across Africa and beyond. The strategy leverages **traditional payment rails, digital wallets, and cryptocurrencies** to ensure **speed, low cost, transparency, and compliance**.

2. Current Challenges in Cross-Border Payments

1. **High Fees** – Traditional remittance services charge 6–12% per transaction.
2. **Slow Settlement** – Payments often take 2–7 business days.
3. **Limited Access** – Unbanked populations struggle with traditional KYC/AML systems.
4. **Currency Volatility** – Exchange rate losses impact users sending/receiving funds.
5. **Regulatory Fragmentation** – Different African and global jurisdictions require unique compliance standards.

3. Strategic Objectives

- Enable **fast, low-cost, transparent** cross-border payments.
- Provide **multi-rail options** (bank transfer, mobile money, stablecoins, and crypto).
- Ensure compliance with **CBN, FATF, AU, EU, and global AML regulations**.
- Build a **scalable education-focused payment platform** (tuition, learning subscriptions, scholarships).
- Position Afripay as a **trusted hub for African cross-border educational finance**.

4. Proposed Payment Strategy

4.1 Multi-Rail Infrastructure

- **Banking Rail (Fiat-to-Fiat)**
 - Direct integration with partner banks across Africa.
 - Leverage SWIFT, SEPA, and instant payment networks where possible.
 - Currency exchange via licensed FX partners.
- **Mobile Money Integration**
 - Connect with **M-Pesa, MTN Mobile Money, Airtel Money** etc.
 - Onboard unbanked users through agent networks.
- **Crypto & Stablecoin Rail**
 - **Stablecoins (USDT, USDC, cUSD):** hedge against volatility, near-instant settlement.
 - **Layer 2 Blockchain Networks (Polygon, Stellar, Celo):** low fees, fast transactions.
 - **Crypto-to-fiat gateways** for users who prefer to cash out in local currency.
 - Smart contracts for escrow services (e.g., tuition payment release when confirmed).
- **Afripay Wallet**
 - Custodial digital wallet (fiat + crypto balances).
 - Peer-to-peer transfers within the Afripay ecosystem.
 - Merchant payouts (schools, edtech providers, scholarship bodies).

4.2 Risk & Compliance Framework

- **Automated AML/KYC Screening**
 - Sanction list checks, PEP screening.
 - AI-driven fraud detection (suspicious behavior, velocity monitoring).

- **Crypto Regulatory Compliance**
 - Only whitelist stablecoins and regulated exchanges.
 - Comply with Nigeria's CBN guidelines, Kenya's CBK, and pan-African frameworks.
- **Transaction Monitoring**
 - Real-time alerts for unusual activities.
 - Cross-border transaction caps based on KYC tier.

4.3 Education-Specific Use Cases

- **Tuition Payments** – Parents abroad paying directly to schools/universities.
- **Scholarships/Grants** – Donor organizations disbursing funds securely.
- **Micro-Subscriptions** – Students paying for online courses via mobile money or crypto micro-payments.
- **Edu-Vouchers** – Tokenized vouchers redeemable at approved learning institutions.

4.4 Partnerships & Ecosystem

- **Banks & Payment Service Providers** – Settlement infrastructure.
- **Blockchain Platforms** – Celo, Stellar, Polygon, Ripple for cost-efficient rails.
- **Edtech Providers** – Coursera, Udemy, African universities, bootcamps.
- **Regulators & Associations** – Align with central banks and fintech associations across Africa.

5. Implementation Roadmap

Phase 1 (0–3 Months)

- Integrate fiat + mobile money rails.

- Launch Afripay Wallet with fiat balances.
- Establish compliance monitoring system.

Phase 2 (4–6 Months)

- Enable stablecoin payments (USDT, USDC).
- Onboard pilot schools and edtech partners.
- Deploy escrow smart contracts for tuition.

Phase 3 (7–12 Months)

- Expand into new corridors (West Africa ↔ East Africa ↔ Diaspora).
- Launch scholarships & voucher system.
- Scale transaction analytics & AI fraud prevention.

6. Key Metrics (KPIs)

- Average cost per transaction (goal: <3%).
- Average settlement time (goal: <5 minutes with crypto, <24h with fiat).
- Number of active cross-border corridors.
- Transaction volume (monthly).
- Compliance incident rate.
- User satisfaction (CSAT, NPS).

7. Expected Outcomes

- **50–70% lower fees** compared to traditional remittance channels.
- **Near-instant settlement** with crypto/stablecoins.

- **Inclusion of unbanked populations** via mobile money + crypto wallets.
- **Education-focused positioning**, making Afripay the go-to platform for tuition and scholarship payments.
- **Regulatory resilience** through proactive compliance measures.

8. Conclusion

Afripay's cross-border payment strategy combines **traditional banking, mobile money, and blockchain rails** to deliver fast, secure, and cost-effective payments for education. By balancing **crypto innovation with regulatory compliance**, Afripay will establish itself as a trusted and scalable edufintech leader across Africa.