

Canza Finance: About crypto ecosystem in Africa and its future development

[Fenbushi Capital | 分布式资本](#)

[Follow](#)

--

Listen

Share

1. Could you briefly introduce crypto market in Africa? How about people's adoption of cryptocurrency and relevant applications? Are crypto-related policies and regulations are strict in Africa?

The crypto market in Africa is very vibrant. It is experiencing exponential growth due to both investment and utility use cases. In October of last year, Chananalysis stated that Africa's cryptocurrency market expanded by over 1200 percent

in terms of value received in 2020, and Kenya, Nigeria, South Africa, and Tanzania are among the countries with the highest grassroots adoption rates

in the world. From an investment standpoint, more adults are gaining trust around crypto-assets; this trust emerged from the overall global adoption of cryptocurrencies, especially Bitcoin, in the last four years. With the average African adult still lacking access to investment services and mainly limited to the savings model, cryptocurrency investments are breaking new grounds for millions of adults across the region as the entry barrier to the crypto world keeps getting simplified by innovators both in and out of the continent. From a utility standpoint, cryptocurrency represents an alternative to hedging against currency devaluation and securely sending transactions faster without any limits. As a result, cryptocurrencies are making their first appearance in the FX, Remittance, settlement, and payment space even without fully-fledged products facilitating the transaction.

The early phase of mass cryptocurrency adoption in Africa came about during the 2017 bull run of the crypto market; at the time, major centralized exchanges platforms had the upper hand in customer acquisition and volume. Since then, regulations around cryptocurrencies have gotten a lot stricter in the regions in response to the risk associated with money laundering and the facilitation of illegal transactions via crypto. As a result, around 2019 through 2021, restrictions were placed on bank accounts and centralized exchanges that were suspected of enabling bad actors. This gave rise to decentralized exchanges where today, millions of people buy and sell cryptocurrencies across the region.

Regulators across the region are focusing on the common interest of their respective citizens. However, with about a third of the adult population still unbanked, local fiat still plays a significant role in economic activities. Additionally, the devaluation of local fiat currencies across the region has increased pressure on individuals and businesses by promoting high-cost and limited supply for foreign money used for imports. To make matters worst, Africa currently has the fastest-growing population of youths after India. It is challenging for regulators to have a liberal stand on cryptocurrencies in such a climate, especially if mass adoption will only result in accelerated currency devaluation. Also, there is minimal infrastructure and expertise to ensure KYC, AML, and CFT on the crypto transaction in the region, which poses a barrier for regulators, thereby incorporating a more defensive approach to crypto. However, there is interest in only four African nations that have banned cryptocurrencies Egypt, Morocco, Algeria, and Tunisia; these are all Northern African nations across Sub-Saharan Africa. Regulators are receptive to cryptocurrencies and understand the advantages of crypto over fiat assets. Moreover, four central bank digital currencies are being developed: the Enaira in Nigeria, Project Khokha 2 in South Africa, Mauritius CBDC, and Ghana CBDC.

1. Also Could you introduce some mature crypto applications in Africa? What's businesses of these companies in Africa? Do you know the reason why they have grown mature?

Luno, Payplux, BitPesa, Yellow Card, and Binance NG are mature crypto companies in Africa. These platforms are mostly either centralized, decentralized, or hybrid crypto exchanges. Luno is a nine-year-old centralized crypto exchange operating across Africa. They facilitate buying and selling crypto utilizing banking transfers for about 5 million customers. Their success is mainly attributed to their target demographics of banked adults in the region looking for investment opportunities. Payplux is a 12-year-old Ghanaian-based centralized exchange. It is the oldest crypto exchange in Ghana, serves 85,000 customers, and has processed over 1.2 million transactions summing up to \$8.5M. Payplux enables the business of crypto with mobile money. Mobile money is still a significant reality across Africa as its usage grew by 12% to \$562B in 2020 alone. Like Luno, BitPesa is a 9-year-old crypto platform enabling crypto-based payments and crypto exchange utilizing bank transfers or mobile money wallets with over 30 million customers across Kenya, Tanzania, and eight other countries in Africa, South Asia, and Eastern Europe. BitPesa's success comes from implementing bank transfer and mobile money as a medium of exchange for cryptocurrency in-app. Yellow Card is another African-based mature crypto platform. Yellowcard is a 5-year-old crypto exchange enabling fast access to cryptocurrency powered by multiple supported forms of payments, including bank transfer, mobile money, or cash deposit. Its diversity in payments options has attracted millions of users and processed hundreds of million worth of transactions yearly. Finally, Binance NG is the most successful platform in the region.

Binance NG is essentially a Nigerian version of the Binance Platform with specific services for the Nigerian target market, such as agent-based onramps/offramps and DEX trading. Binance NG is the largest crypto exchange in Nigeria, and its success comes from equally implementing multiple payment forms for buying and selling cryptocurrencies. Binance NG's success comes from effective marketing, inclusivity, and capacity across its centralized and decentralized exchange.

1. Can you briefly introduce Canza Finance?

Across Africa, millions of individuals and businesses face challenges scaling their finances in an environment where minimal access to essential financial services such as savings, FX exchange, settlements, and investments remain a norm. Additionally, trade conditions are at the mercy of devaluing local fiat currencies with limited utility beyond their respective national boundaries. It is known that Africa is at the forefront of emerging markets globally; however, transitioning to an economic boom requires massive efforts in restructuring its financial landscape at the micro and macro level. Can Finance is a technology firm aiming to play a significant role in bringing forth innovation in the financial services space across Africa, leveraging Web 3.0. Our solutions are in three interconnected structures. Firstly, Canza DApps; provide access to cryptocurrencies for individuals and businesses utilizing a robust network of local FX agents and multiple DApp interfaces, including USSD, mobile, web, and crypto ATMs. Secondly, Jara Networks; enables enterprises' financial services through facilitating settlements using stable-crypto, FX, treasuring, and custody. Lastly, JollofSwaps; connecting individuals and enterprises across Africa with a Defi ecosystem keenly built for their prosperity.

1. You can also introduce team members of Canza? Why you guys gather together to fulfill the ambition?

The co-founders of Canza Finance consist of Pascal Ntsama acting as CEO, our Lead Engineer Emanuel Joda, and myself acting as CTO. We are all of African descent but grew up in the United States and Australia, respectively. We completed our education at Alabama A&M University and the Georgia Institute of Technology. We are experts in telecommunication, software engineering, and cloud computing. Our careers each spans over ten years of experience working for conglomerates such as AT&T, T-Mobile, IBM, and Paypal at a global scale. In the crypto space, we have interfaced with several projects with specific contributor roles at the Zcash Foundation, Althea, and Lamden.

Our Team has recently expanded from 3 in 2020 individuals to 20 members. Our remaining team members are experts with several years of industry know-how from multiple disciplines, mainly software engineers, investment banking, financial engineering, business intelligence, law, and global scale marketing. We are a fully remote organization with team members spread across the United States, Nigeria, London, Kenya, Cameroon, and Ivory Coast. What brings us together is our will to empower millions across the African continent without changing natural behaviors.

1. Which services do you provide and what is your major and secondary target consumer?

We provide three related services across three separate ecosystems for our userbase. We enable a seamless pipeline for crypto onramps and offramps by working with local FX agents who are experts in currency conversions. This section of our service offerings consists of Canza DApps built on USSD messages, mobile, and web interface where users can buy crypto from or sell crypto to our local FX agents, send, receive, swap, and stake their cryptocurrency. Each interface is essential toward targeting different demographics of users and promoting inclusivity. Here, our users can leverage the natural behavior toward accessing foreign currencies from local FX agents for peer-to-peer OTC trades. Each agent processes millions of dollars worth of foreign exchange yearly with large local currency reserves. Secondly, we offer a catalog of crypto-based financial services for enterprises, including crypto custody, treasuring, payments, lending, and borrowing as part of Jara Network. Lastly, we are building JollofSwaps, an African-focused DeFi portal that will serve as the underlining architecture for enabling all Canza Finance DeFi infrastructure and fostering liquidity of the Canza Token (\$CNZA).

1. What's business you have done in 2021. What's your roadmap in 2022?

2021 was a very exciting year for us. We attain 7,000 accounts created via Canza USSD Dapp, which allow offline transactions to send, receive, swap, buy and sell crypto from smartphones or basic dumb cell phones. Also, we grow our Local FX agents network to 250. In addition, we processed over \$200,000.00 in cross-border settlements pilots.

We aim to maintain this growth pattern throughout 2022 as we focus on product releases, expanding our agent network, and our customer base across the region. In the first half of 2022, we aim to scale our agent network to support millions of customers via the Canza USSD Dapp beyond Nigeria. In addition, we are equally targeting the release of the Canza Tokens along with preliminary versions of Jara Network and JollofSwaps. In the second half of 2022, we will focus on exponential traction with aggressive marketing tactics and continuous improvement of products and services.

1. At the end, can you share your view about crypto development in Africa in the future?

We've seen Africa has received so much money from venture capitals surpassing all its previous years. I think we're just doing the right thing at the right time at the right place. In general, all elements in the continent are ready in terms of demographic structure, adoptions of cell phones, and consumer mindset. East Africa (Kenya, Ethiopia, Rwanda) has a vibrant ecosystem already, and West Africa (Ivory Coast, Nigeria, Ghana) are blockchain-friendly nations, so there are so many investment opportunities here.

If you want to build a mindset anywhere in any other part of the world, I think Africa is a perfect place to come. I've met so many people from different countries, Australians, Indians, Chinese, etc. I've seen so many different flavors trying to build around this continent and tackle many existing problems. So I think there will be something organically happening here.