



FINTECH SYMPOSIUM 2020

THEME

National Payment Systems Bill

Evolving landscape in the
Financial Technology
Services Sector"



THE FITSPA FINTECH SYMPOSIUM 2020

On Wednesday 16th September, stakeholders in the financial services sector converged at the Kampala Serena Conference Center Addis Room, to discuss the implementation of the National Payment Systems Act that was passed on July 29, 2020.

The Fintech Symposium was broadcast live on NTV from 11am to 1pm.



The Fintech Symposium which was hosted by FITSPA in partnership with Uganda Bankers Association (UBA) discussed the importance of the regulation in positioning the sector for development through innovation.

The stakeholders listened to speakers delivering their discussions under two key topics.

Fintech Symposium

The discussions centered around the umbrella theme ***"Evolving Landscape in the Financial Services Sector"*** while panelists indulged in more in-depth discussions in their respective panels. In opening remarks, FITSPA Chairman Peter Kawumi stressed that fintech is a part of daily lives and it made a lot of sense to be about intentional collaborating with all stakeholders. FSD Uganda Executive Director, Rashmi Pillai, in her presentation highlighted the cultural shift and emergence of digital natives who are steering trends.



Peter Kawumi
FITSPA Chairman



Rashmi Pillai
FSDU
Executive Director



John Ndabarasa
ITC
Main Session Moderator

Panel discussions were steered by key players, central to the drafting and implementation of the Act to deliver balanced discussions.



Topic **"Uganda's National Payments Systems Act - Accelerating the Evolution of the financial services sector through Enabling Regulation"**

Panelists Mackay Aoumu - Director - National Payment Systems, Bank of Uganda
Isabirye Bosco - Economist, Ministry of Finance, Planning & Economic Development
Enid Edroma - Head of Legal & Regulatory Affairs - MTN Uganda
Brian Kalule - Bowmans Law firm

Moderator Rashmi Pillai - FSDU Executive Director

Panel discussions were steered by key players, central to the drafting and implementation of the Act to deliver balanced discussions.



Topic **"Traditional meets "Modern"; Will Partnerships between Banks/MNOs and Fintechs deliver the financial inclusion Promise?"**

Panelists	Herbert Olowo - Chief Information Officer, Stanbic Bank Stephen Mutana - General Manager, Mobile Financial Services, MTN Uganda Ronald Azairwe - Chief Executive Officer, Pegasus
Moderator	Richard Ndahiro - Inclusive Digital Economy Expert, United National Capital Development Fund

Fintech Symposium

While officially closing the Fintech Symposium, Uganda Bankers Association Executive Director,

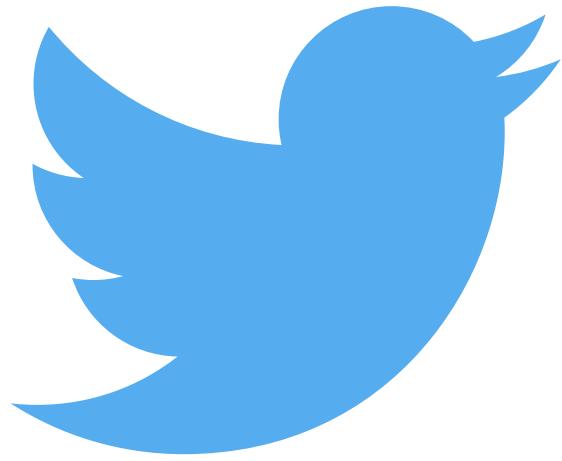
Wilbrod Owor encouraged stakeholders to continue the discussion and take advantage of a co-operative regulator.

"Do not fear change, use it to address issues like cost, security, access and awareness."

**Wilbrod Owor
Uganda Bankers
Association**

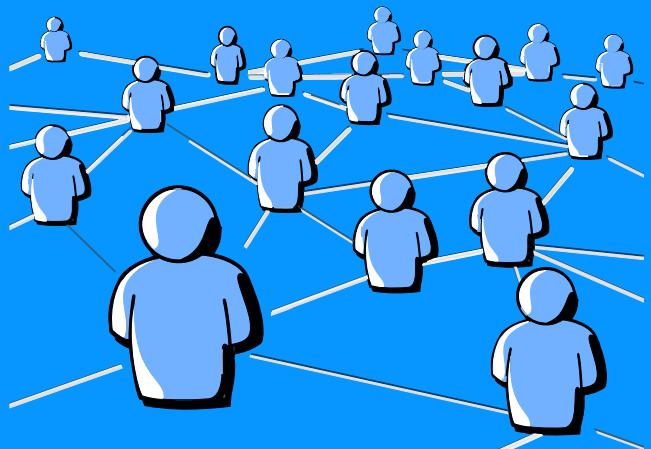


Communication



With the help of partners, communication was relayed using social media platforms using hashtag #NPSAct2020 #FintechSymposiumUG to generate a healthy conversation around the Symposium.

FITSPA, NTV and MTN collectively generated the most impressions around the Symposium.



NTV made the highest impact of 13,634,114 impressions followed by MTN Uganda with 5,409,961



Why enabling regulation is key in fintech industry

You have to urgently make a payment on a Sunday afternoon but you are out of town yet have money on your bank account.

Many of us know that today, this can be settled quickly by using a mobile banking application to move money to your wallet, for example mobile money, which will allow you to make multiple payments instantly. A decade ago, an urgent payment would have to be postponed to a "working day" and the process of accessing money and completing the payment would be expensive and time consuming.

Thanks to the innovative use of technology, paying your bills and sending money is now much faster, cheaper and more convenient. These digital services are also not bound by time or day of the week. However, have you ever wondered if this convenience could come at a cost?

Like many others, digital financial services do malfunction from time to time. So, in the event that one's wallet has money deducted but there is no notification to prove that the transaction is successful, what is the guarantee that you will have this issue resolved appropriately? To retain you as a customer, service providers involved might go to great lengths to ensure that a refund, if appropriate, is made in the shortest time possible. But are they under any legal obligation to do so?

While the Financial Consumer Protection Guidelines were issued by Bank of Uganda in 2011, these guidelines are only largely adhered to by Supervised Financial Institutions (SFIs) like banks.

You may, therefore, be shocked to know that until very recently there was no direct regulation to ensure your protection as a consumer of the new and fast-growing Fintechs – "non-traditional" financial services like electronic money issuers (like mobile money), digital lending services and other payments services providers.

Fintech services, as these new players are generally known, are now part of our daily lives. They are the companies that enable you to, among others, transfer your money from the bank to your mobile money wallet, use your bank's debit card to pay restaurant or hospital bills, access money from your bank account at another bank's ATM, pay for your ride using your phone, settle your national water bill or insurance premium payment at an agent location, receive money sent from your cousin in Dubai directly into your bank account, apply for that micro-credit facility for airtime or yaka and accept digital (non-cash) payments as a small business.

By leveraging technology, these players are simplifying the delivery of payments, collections, lending, savings, risk management and insurance



PETER
CHARLES
KAINUMI

services across the transport, health, tourism, education, agriculture and other key sectors of the economy. Thus, they already play a key part in the delivery of both basic and complex financial services to millions of people in Uganda and beyond.

This potential to reach consumers at scale, and thus accelerate the inclusion of more people under the financial services umbrella, has resulted in the rapid growth of the Fintech industry.

Today, over 60% of adults in Uganda are served by over 100 Fintechs, with more than 3.5 million transactions

every day. This growth and transaction volume is attracting both investors and regulators, with the involvement and supervision by the latter needed to ensure consumer and investor confidence to maintain the traction.

At the end of July 2020, President Yoweri Museveni assented to the National Payments Systems (NPS) Act, 2020. The Act is a new regulatory framework for the supervision of payments system providers, guiding how they operate and importantly, providing guidelines for consumer protection.

Admittedly, many Fintechs are ill-equipped for the increased compliance and responsibilities coming their way as they get regulated. To help improve their readiness, Uganda's Fintech industry has, under their umbrella association – Financial Technology Service Providers' Association (FITSPA) – progressed three key initiatives.

Firstly, working closely with Financial Sector Deepening Uganda (FSDU), FITSPA has developed a members' code of conduct (COC) aimed at providing a pathway towards self-regulation.

The COC has been well received, with members seeking compliance accreditation through the association's self-reporting mechanisms.

Secondly, FITSPA is collaborating with the Uganda Institute for Banking and Financial Services (UIBFS) to roll out a syndicated training programme for

Fintechs and banks allowing the cross-pollination of ideas and expertise.

Additionally, in partnership with the Bank of Uganda, Uganda Bankers Association, Uganda Communications Commission, FSDU, Stanbic Bank, MTN Uganda, International Trade Co-operation and United Nations Capital Development Fund, FITSPA will host its annual fintech symposium to discuss the immediate, medium-term and long-term implications of the NPS Act, 2020.

Scheduled for September 16, the virtual symposium will be a platform for key stakeholders to brainstorm on the strategy and road map to modernise the National Payment System in view of the Act. Taking learnings from our experiences working in Uganda, other countries and international development partners, the discussion will pave the way for both the industry players and regulators to reach a consensus on what regulation will entail so as to promote enabling supervision of the industry.

Transparency in pricing, improved feedback mechanisms and closer relationships with regulators will drive consumer trust, improve patronage and increase investment in the industry. There is no doubt that a well-regulated industry will be a win-win for both its players and consumers.

The writer is the chairman of the Financial Technology Service Providers Association of Uganda

News articles

<https://www.watchdoguganda.com/news/20200917/101037/the-national-payment-systems-act-is-in-your-favour-bank-of-uganda-assures-fintechs.html>

<https://www.pmldaily.com/business/2020/09/fintech-experts-laud-govt-for-passing-national-payment-systems-act-say-it-will-solve-financial-risks.html>

Snippets



"Today whether you want to pay for a boda or move money from your account to your wallet, a fintech is enabling services to be accessible faster"

Peter Kawumi
FITSPA Chairman

"There's always tension between fintech and regulators. Fintechs have a culture of innovation and innovation comes with risk taking while on the other hand, central banks are largely risk averse."

Rashmi Pillai
Executive Director -FSDU



Snippets



"MTN is required by the law to separate its fintech business from its general business. We have commenced this process."

"Over-regulation is never good, so we ask Bank of Uganda to minimize the heavy hand of regulation particularly for the sake of start-ups"

**Enid Edroma
Head of Legal & Regulatory Affairs, MTN**

"Banks in most cases are not self-sustaining. For them to be able to provide the services they do, there is someone who provides the tech and aggregation. If these persons are going to be regulated, then it is a great thing to know"

**Brian Kalule
Bowmans**



Snippets



"One of the going concerns is how we leverage information gathered by fintech to advance access to lending for undeserved populations."

Richard Ndahiro

Inclusive Digital Economy Expert, UNCDF

Snippets



"There is going to be IP and revenue share and there needs to be transparency in these discussions so as to build a lasting relationship. Fintechs should not be shy to terminate a partnership that's not working and start another one."

Herbert Olowo
Chief Information Officer,
Stanbic Bank

"Digital financial inclusion requires enabling business friendly regulations like the NPS Act. We believe in public and private sector dialogue for scale and inclusion."

Martin Labbe
ITC



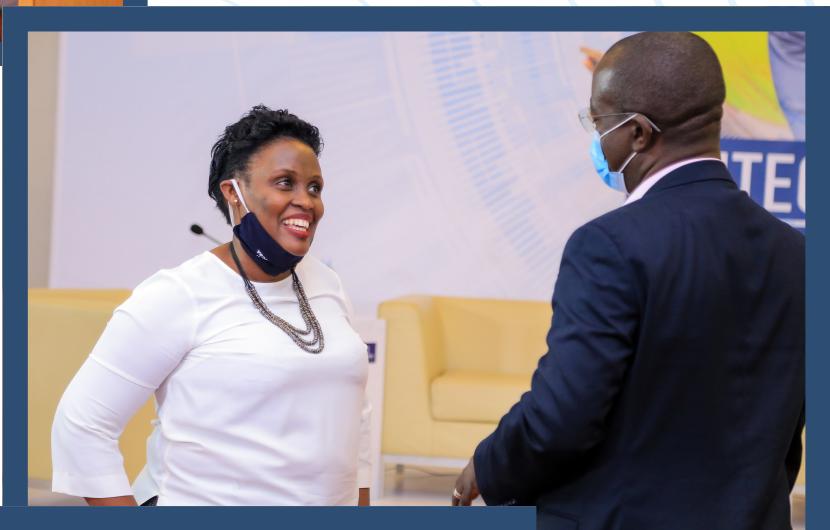
Fintech Symposium in Pictures



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Thank you!

FITSPA and Uganda Bankers Association extend their appreciation to all speakers, partners, sponsors and the entire Financial Services community for their contribution to the success of the Fintech Symposium 2020.

