



Colombia real-time payment platform replicates Latin America success in Africa

Bogota, Colombia, 25 July 2022: Established Colombian fintech firm Minka has announced that it plans to repeat the success of its Latin America-based real-time payments system across Africa, accelerating and easing the movement of money across the continent and improving financial inclusion.

Minka is a seamless payment network that enables organisations to move money in real-time. It simplifies the movement of money by connecting separate, legacy money flow systems that proliferate across Africa, through blockchain concepts and modern Application Programming Interfaces (APIs).

“The flexibility of this solution is one of the great benefits we can bring to the African market,” explains Minka co-founder and Head of BizOps Paola Sánchez.

“Our (API) based technology is completely agnostic to the use cases that are needed in a region, which allows us to build a platform for any type of payment exchange, in both the public and private sectors, in a matter of weeks or months as opposed to years.”

Globally, thousands of separate payment networks exist, but only around 3% of these are interoperable. This non-compatibility issue also exists across African markets, with each country broadly relying on its own central bank to act as a clearing house and settlement agent for the banked population, or mobile money wallets for the huge swathes of the population that are unbanked. This renders traditional payment systems expensive, slow to implement and fragmented.

“The hundreds of layers of different payment wallets and cross-border remittance options are complicated by thousands of separate ERPs and other ledgers. This reliance on legacy platforms to move money better is only papering over the cracks of the main issue, which is the fact that the old legacy system needs to be completely revised,” Sánchez says.

Minka’s solution enables last-mile infrastructure, helping to move money simply, securely, instantly and without the need for reconciliation. This allows for an almost unlimited number of use-cases by public and private banks, clearing houses and financial service providers.

The cloud-based solution is completely independent from existing legacy services, allowing rapid development and integration, nationally and internationally.

The platform can also be built on to allow flexibility for a variety of payment, collection or exchange solutions that meet the current and future needs of Africans:

- **Instant account payments** of any value, e.g., a few dollars to friends or family to help pay bills or utilities
- **Instant payment to merchants** by individuals at a cheaper rate than that of credit cards
- **Government-to-person transactions** that can be undertaken instantly and without clearance delays, such as subsidies, tax rebates and salaries
- **Person-to-government** transactions that allow for improved financial visibility and better credit scoring, such as the payment of taxes
- **Instant company-to-person** payments such as loans, rebates, and salaries

Minka plans to partner with clearing houses and central banks across the continent, particularly in those countries that lack an established real-time payments infrastructure such as: Algeria, Botswana, Cameroon, the Central African Republic, Chad, Egypt, Madagascar, Mali, Morocco, Mozambique, Namibia, Niger and Zimbabwe.

Resonance between Latin America and African markets

Having successfully executed one of the fastest-growing and most successful real-time payments projects in Latin America, Minka has already proved its mettle in developing fit-for-purpose payment solutions in emerging markets.

The largest open banking project in Latin America, Minka's TransfiYa project, is currently used by almost two million Colombians to send money using only a mobile number. It will soon support one-click purchases, pay-outs and collections and includes direct read-and-write API access to 80% of accounts in the country.

Perhaps most critically, the provision of this blockchain-influenced infrastructure will be a key driver of financial inclusion and personal wealth sovereignty in Africa.

"We intend to replicate this success in markets across the world including Africa, which has leapfrogged into the fintech space and has similar demographics and levels of financial exclusion of those in Latin America," notes Sánchez.

The opportunity in Africa for Minka's platform is profound, given the similarities between countries on the continent and in the Latin America region:

- Cash payments remain a primary mode of transacting, presenting blue-ocean opportunities in real-time, blockchain-style transacting
- Both have similarly high levels of financial exclusion
- Many countries retain a traditional dependence on legacy financial infrastructure, including cash, cheques, electronic payments and credit card rails
- Financial systems in both regions were developed over long periods of time as a series of separate, non-operable networks with limited means to securely and efficiently transfer balances or exchange information with one another.

"With a proven use-case in Colombia, we have built an infrastructure that will allow the financial services sector in any country or region in Africa to create an almost unlimited number of financial options for people. This provision has been shown time and again to be one of the most important factors in the development of the local economy and improved access to financial services," says Sánchez.

About Minka

Founded in 2018, [Minka](#) is an open network that enables organisations to publish and move money in real-time. The fintech firm provides building blocks that allow clients to develop a mobile wallet, digital bank, clearinghouse, loyalty program or local currency.

The company has improved the way people interact with money in Latin America and is now building an open network to scale the benefits in African markets and other emerging market economies.

In April 2022, Minka announced that it had secured \$24 million in capital through a funding round led by Tiger Global and Kaszek.

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Issued by Lantern Comitas on behalf of Minka. For more information, contact the Lantern Comitas press team using ng@lanterncomitas.com