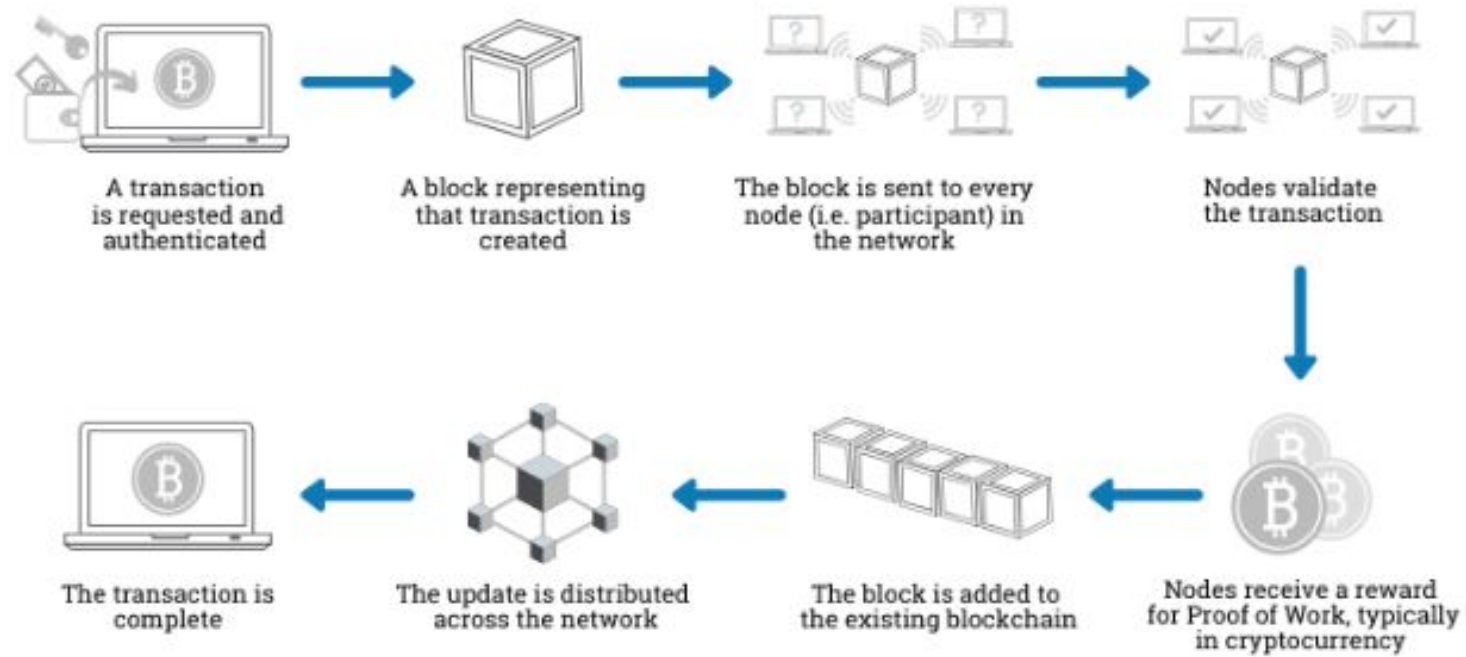




Last mile blockchain infrastructure accelerating financial inclusion

# Blockchain

## How does a transaction get into the blockchain?



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# Blockchain Features

## The Properties of Distributed Ledger Technology (DLT)

### Programmable

A blockchain is programmable (i.e. Smart Contracts)

### Secure

All records are individually encrypted

### Anonymous

The identity of participants is either anonymous or pseudonymous



### Distributed

All network participants have a copy of the ledger for complete transparency

### Immutable

Any validated records are irreversible and cannot be changed

### Time-stamped

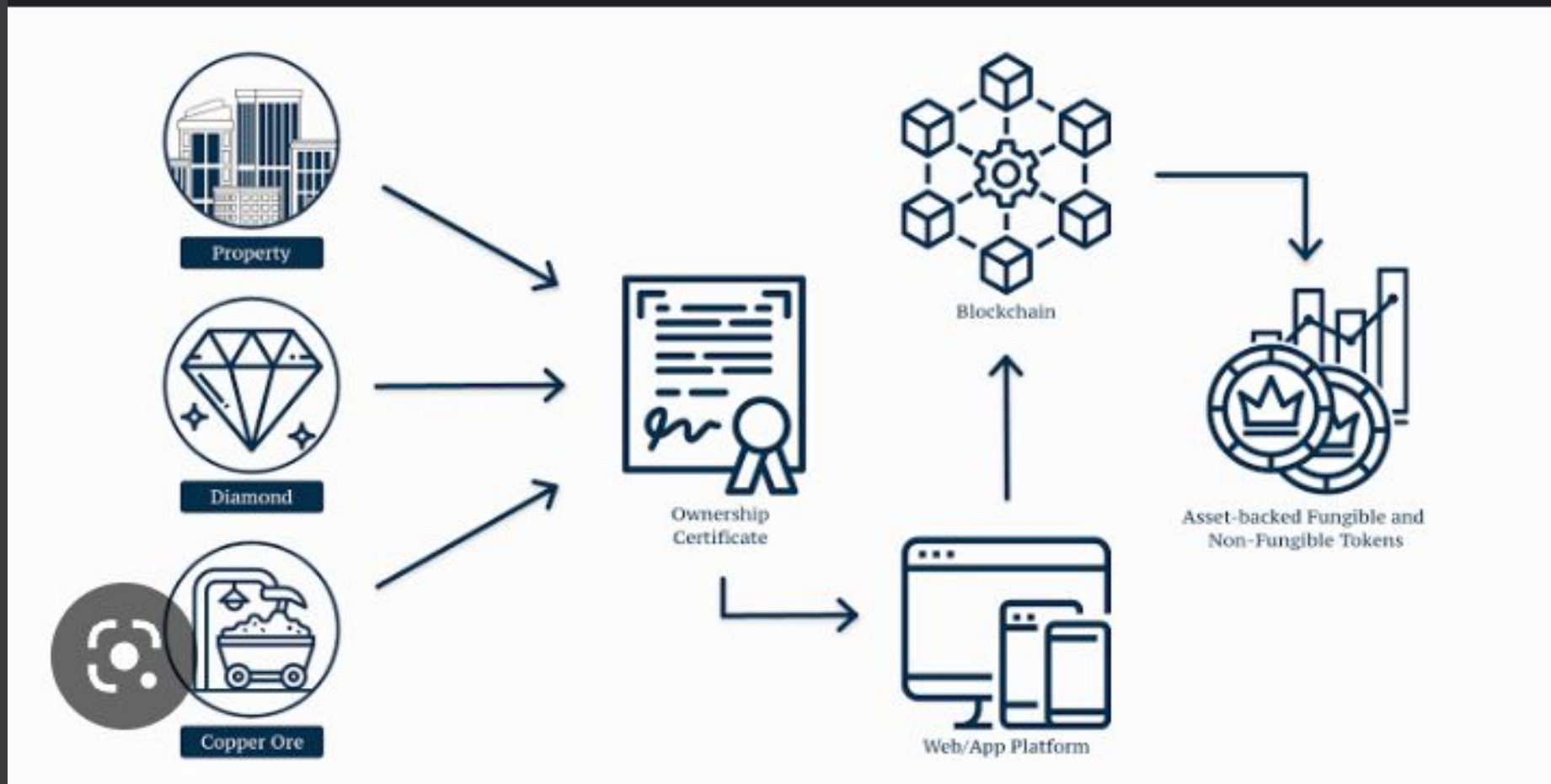
A transaction timestamp is recorded on a block

### Unanimous

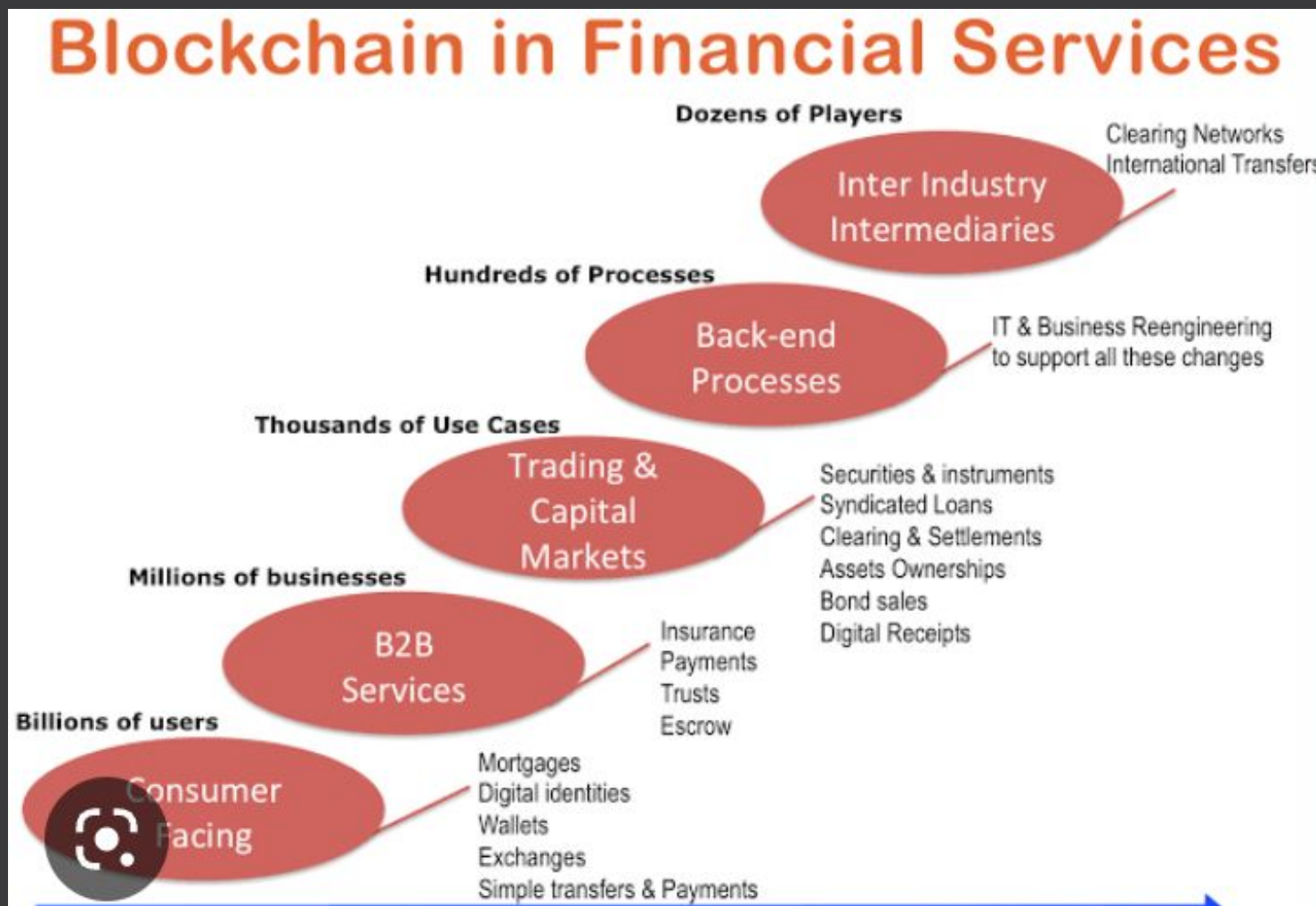
All network participants agree to the validity of each of the records

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# Blockchain Tokenization



# Blockchain in Finance



# Trade Finance

## Trade finance blockchain consortia

### Voltron

Led By



Select Consortium Members



### Marco Polo

Led By



Select Consortium Members



### Batavia

Led By



Select Consortium Members



### we.Trade

Led By



Select Consortium Members



### HKTFP

Led By



Select Consortium Members





# Web 2 and Web 3

## (d) App Architecture: web2 vs web3

Interface:

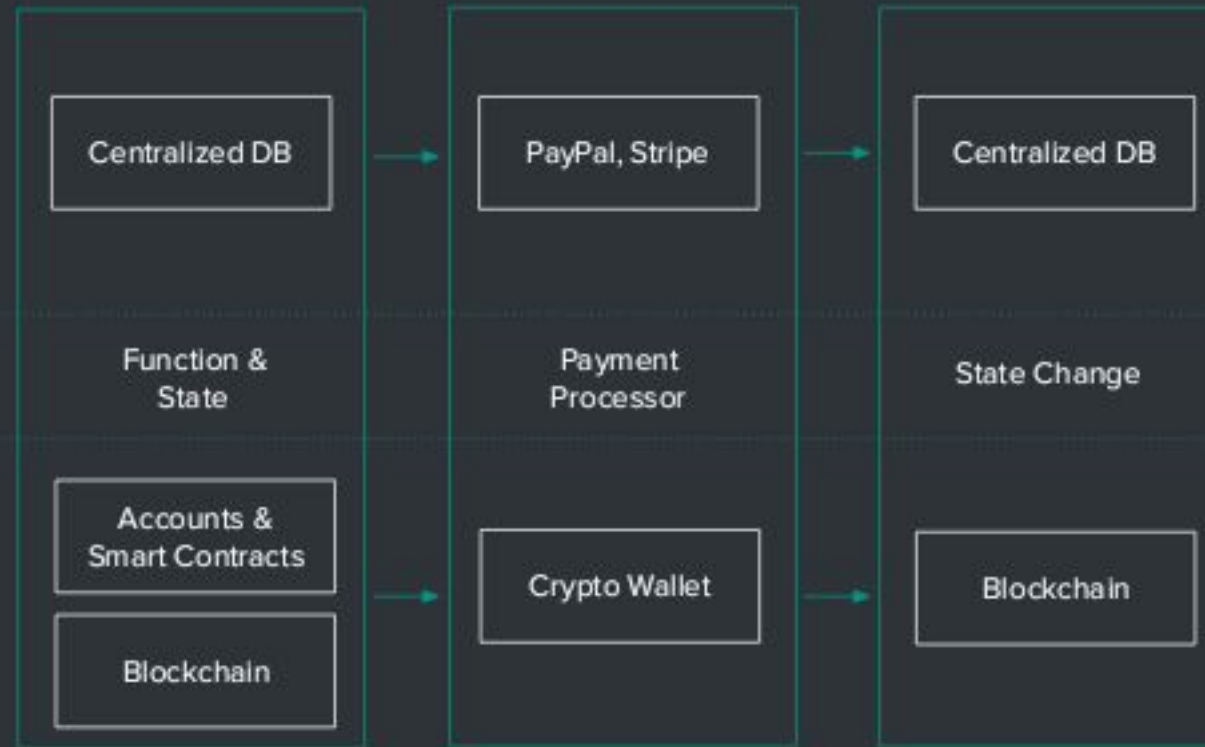
- Mobile
- Web (desktop)
- CLI

Client UI

Application Server

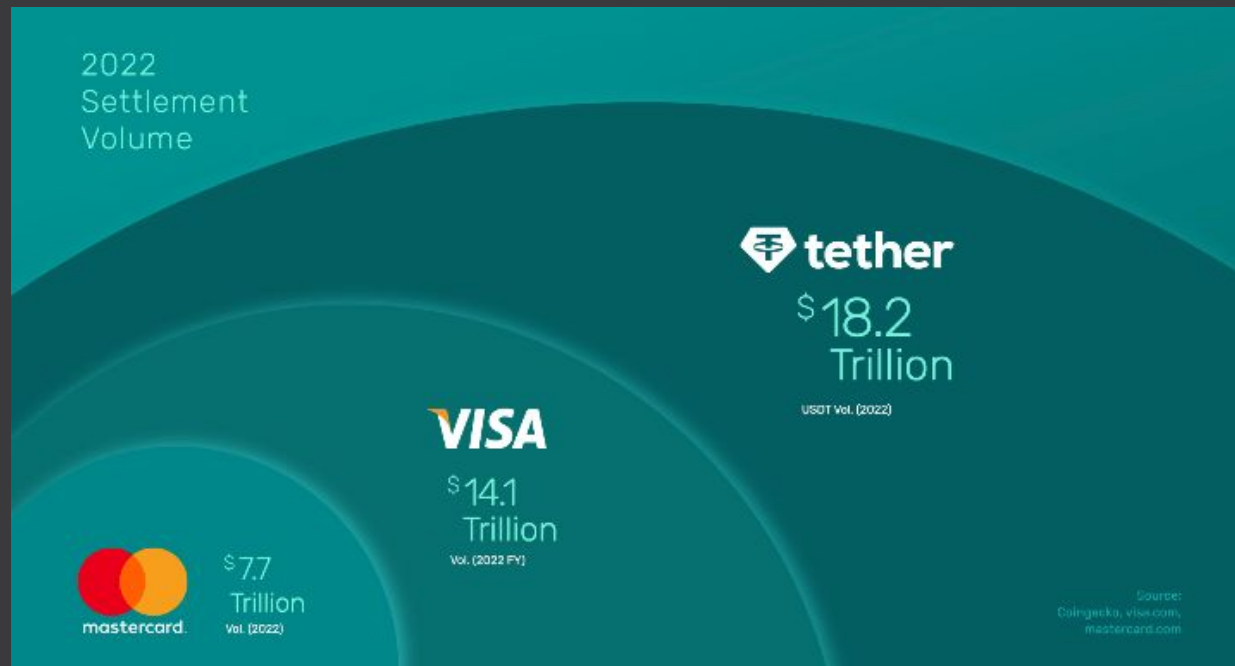
Languages:

- JavaScript/TypeScript
- React/Vue/Angular
- React Native/  
NativeScript

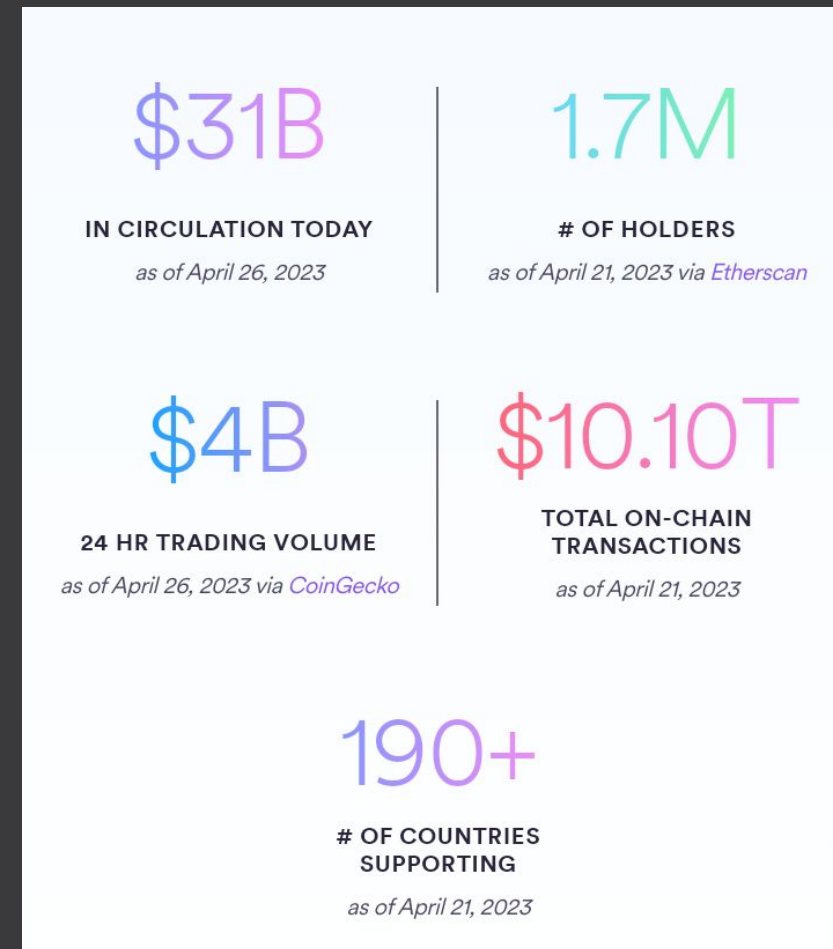


@CeloOrg

# Stablecoins flipped VISA, Mastercard



Stablecoins have been the most successful product built on Blockchains to date





# Stablecoins benefits, use cases

## TOP 10 USE CASES FOR STABLECOINS

 WIKIPEDIA

"Stablecoins are cryptocurrencies designed to minimize the volatility of the price of the stablecoin, relative to some "stable" asset or basket of assets. A stablecoin can be pegged to a specific currency, like money, or to exchange-traded commodities such as precious metals or industrial metals."

 Safe Haven Asset	 Settlement
 Trading	 Escrow
 Payments	 Lending
 Remittance	 Alternative Banking
 Payroll	 Powering Decentralized Applications

## TOP 5 BENEFITS OF STABLECOINS

 Faster Speed	 Lower Fees
 Borderless	 Transparent
 Programmable	

# Stablecoins challenges and risks

Challenges and risks	
Challenges and risks of stablecoins regardless of scale	Legal certainty
	Sound governance
	Financial integrity (AML/CFT)
	Safety, efficiency and integrity of payment systems
	Cyber and other operational risk considerations
	Market integrity
	Data protection
	Consumer/investor protection
	Tax compliance
Challenges and risks inherent in potential global stablecoins	Fair competition in financial markets
	Financial stability implications
	Monetary policy transmission

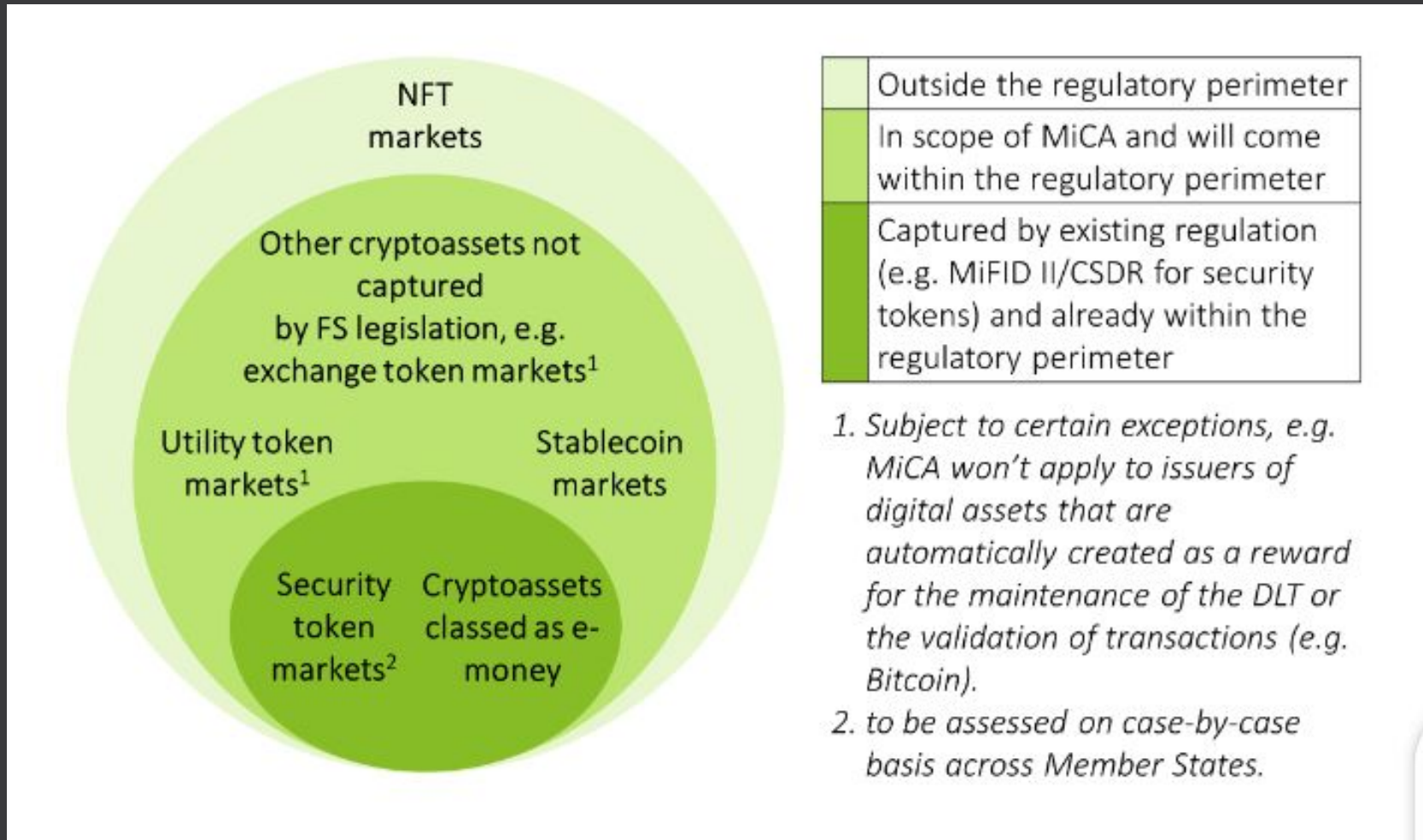
# EU makes another landmark regulation

## Policy

# EU Parliament Approves Crypto Licensing, Funds Transfer Rules

The vote clears the way for landmark MiCA regulation to take effect in 2024.

# Regulation



# Entities that MiCA regulates

Custody	Safekeeping or controlling cryptoassets or the means of access to them (e.g. private cryptographic keys).
Operating a trading platform	Management of multilateral systems, which brings together buyers and sellers in a way that results in a contract by exchanging one cryptoasset for another, or a cryptoasset for funds.
Exchange of cryptoassets for funds	Concluding purchase/sale contracts concerning cryptoassets with third parties against funds by using proprietary capital.
Exchange of cryptoassets for other cryptoassets	Concluding purchase or sale contracts concerning cryptoassets with third parties against other cryptoassets by using proprietary capital.
Execution of orders on behalf of 3 <sup>rd</sup> parties	Concluding agreements to buy/sell or subscribe to cryptoassets on behalf of third parties. Includes agreements to sell cryptoassets at the moment of their issuance.
Placing	Marketing cryptoassets to buyers, on behalf of or for the account of the offeror or a party related to the offeror.
Providing transfer services on behalf of 3 <sup>rd</sup> parties	Transferring cryptoassets from one distributed ledger address or account to another.
Reception and transmission of orders on behalf of 3 <sup>rd</sup> parties	Reception from a person of an order to buy/sell or subscribe to cryptoassets and the transmission of that order to a third party for execution.
Advice	Offering, giving or agreeing to give personalised recommendations to a third party in respect of transactions relating to cryptoassets, or cryptoasset services.
Portfolio management	Managing portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where the portfolios include cryptoassets.

## **Financial Action Task Force (FATF) for Virtual Assets Service Providers (VASP) recommendations:**

- **Licensing and registration**
- **KYC/KYB**
- **CDD - Monitoring and recording transactions**
- **Travel rule- VASP should record and share any transaction above \$1,000 ( based on countries threshold)**
- **Reporting of suspicious transactions.**



# Capital Market Amendment Bill (2022)

- 1. Provide for specific provision to govern digital currency transactions in Kenya.**
- 2. Defines digital currency.**
- 3. Creation of digital currencies through crypto mining**
- 4. Provide regulations around trading of digital currencies.**
- 5. Impose transactions taxes akin to excise duty charged on bank transactions.**

# About us



Kotani Pay's technology stack connects **blockchain protocols, dApps,** and **blockchain fintechs** to **local payment channels** in Africa.

# Problem and Opportunity

Web3-enabled products such as wallets, DeFi apps and exchanges are looking for ways to onboard **mainstream users**

Today they need to focus on users who already know crypto because it's still too complicated for the average consumer

57% of Mobile Phone subscribers in Africa use feature phones with no access to the internet

Kotani Pay



# Our Products

## 1. Kotani Pay Withdrawal API

- For cash out to mobile money wallets and local bank accounts

## 2. End to end USSD solution

- Our end to end USSD solution enables your sms phone users to create blockchain wallets using SMS interfaces like USSD and to cash out to their mobile money accounts

## 3. Stablecoin Settlement Solution

- For businesses with fiat liquidity looking to tap for stablecoin liquidity for various needs including commodity, manufacturing imports etc.

# Our Products

## SSS

## API

## USSD

Primary Need

Businesses in need of dollars

Need to onboard mainstream

Financial Inclusion

Volumes

Large Volume Txns (>300K-\$5M)

Mid Volumes (50-300K)

Low volumes (@10-50K)

Technology

Dashboard + Finance/Forex

Blockchain-PSP

Legacy-PSP

Use cases

RWA Lending/Forex/Startups

Exchanges/DeFi/Wallets

Humanitarian/Gig Work

Moats

Compliance + liquidity relationships

Developer Ecosystem

Legacy UX + Trust

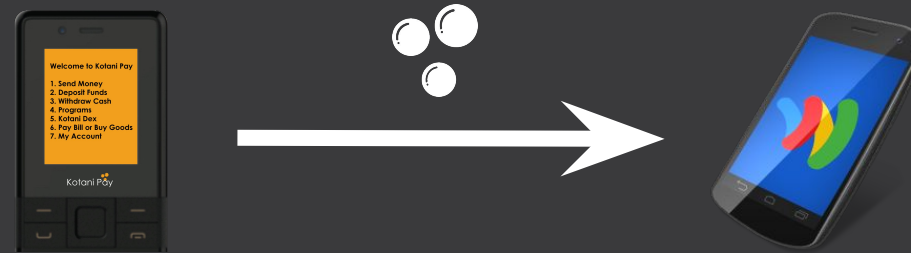
Potential

Brick-by-brick (Sales dependent)

Exponential

Africa's mobile money

# USSD Wallet



Kotani Pay provides full blockchain wallet functionality on interfaces already familiar to our target customers like sms and ussd.

Currently works on both smartphones and feature phones.

Ensure no switching costs for our customers as they switch from sms phones to smartphones.



# On-ramp/Off-ramp API



Allows users to buy/sell crypto inside crypto-enabled products



AML/KYC and compliance requirements



Liquidity in local currencies and stablecoins



Fiat payments to bank and mobile money accounts



## Cross-Border Stablecoin Payments for Digital Workers in Kenya

**TECH:** Celo dollar stablecoin (cUSD) & Celo payment rails



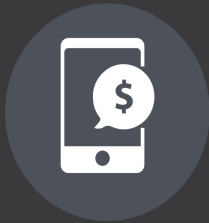
## Smart Contract Weather Index Insurance for Farmers in Kenya

**TECH:** Blockchain-based smart contracts via Etherisc (USDC Ava)



## DeFi Savings Loans for Farmers in Kenya

**TECH:** Cinch, Moola, Celo Payment Rails



## Universal Basic Income Payments for Kenyan and Ghanaian Refugees

**TECH:** Impact Market, Refugee Integration Organization, Celo



# Traction

**\$20M+**

**GROSS TRANSACTION VOLUME (GTV)  
2022 TO DATE**

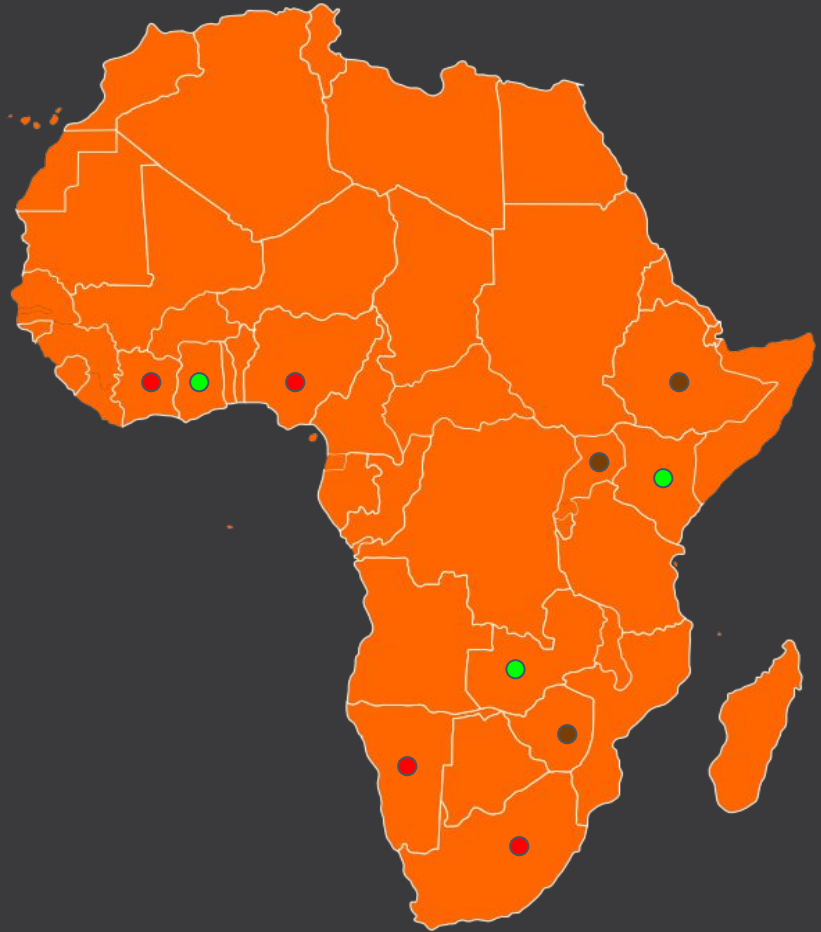
**326K+**

**USSD WALLET TRANSFERS**

**0.6-2%**

**FEES FOR CASH-IN/CASH-OUT**

# Jurisdictions and Currencies



- **Live:** Kenya (KES) Ghana(GHS) Zambia (ZMW)
- **Partnerships established, applications for APIs currently in progress** in 3 additional countries

Kotani Pay is compliant with the payments services act and banking regulations in Kenya, Ghana and Zambia. We work via banking APIs regulated by the Central Banks for users AML/KYC due diligence.