

Revolutionizing banking in Botswana: Ottawa's Telepin lands mobile money contract

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Ottawa fintech firm **Telepin Software** has landed a deal to become the mobile financial services platform provider for Mascom Wireless Botswana, the country's largest wireless provider.

The deal positions Telepin as the provider of a mobile money solution with the potential to revolutionize financial services in the country.



Botswana currency, for illustrative purposes only.

Botswana's current financial sector is largely informal, with 97 per cent of transactions carried out in cash [according to Telepin's release](#). Many African nations are considered "underbanked," referring to a lack of penetration in traditional means banking.

Telepin CEO Vincent Kadar says the current system is rife with inefficiencies. He gives the example of a man sending money to his mother in a village 10 hours away: As it stands, he might opt to put the money in an envelope and trust the entirety of the transaction to a bus driver en route to the village.

On the other hand, Botswana boasts one of the highest mobile phone penetration rates in the world, [approaching 170 per cent](#). That, Mr. Kadar says, is where the opportunity for Telepin lies.

Telepin offers a turn-key, white label solution to Mascom's clients using its existing mobile money platform. Customers can deposit money with agents across Africa, and can then send and receive money, pay bills and purchase airtime, all through Telepin's digital wallet. Since the platform is entirely text-based, the application can run on a 2G network with no need for a smartphone.

According to the company, Telepin's software is enabling 45 million digital wallets across the world and is processing more than 50 million transactions a day across its customer network. Entering Botswana is just the latest step for the company into the African market, where Mr. Kadar says there will be additional announcements in the near future.

Mr. Kadar recalls recently meeting a man in a Tanzanian marketplace, an African country where Telepin also operates through a client provider. He says the man told him he was from the Maasai tribe, selling his community's crafts and sending the money back home. Mr. Kadar was thrilled when he heard the service the man was using to wire that money was one powered by Telepin's platform.

"For me, it's all about, when you send the money, who do you send it to, what do they use it for?" he says. "In Africa, it's all around community. You don't work for yourself, you work for your family and your overall community."

Mr. Kadar says the traditionally informal African market isn't turning to established wire services such as Western Union and Moneygram, where transfers are usually accompanied by significant transactional fees.

He says Telepin's partners often charge little to nothing in fees for peer-to-peer transactions, which he says allows his technology to democratize financial transactions for people like the man he met in Tanzania.

There's a great deal of potential for expansion in these partnerships, Mr. Kadar adds. Opening up these systems, which are largely still closed loops, to external players such as banks and payment service providers, can revolutionize the financial sectors of these countries.

One proposed solution would see governments taking advantage of this system to not only distribute social program funds directly to citizens, but to watermark those funds to directly pay for rent or similar services.

"What's happening is that more money is going where it needs to go," Mr. Kadar says.