

KEYNOTE REMARKS DELIVERED BY DR. AMINU MAIDA, EXECUTIVE VICE CHAIRMAN, NIGERIAN COMMUNICATIONS COMMISSION (NCC), AT THE NIGERIA FINTECH WEEK 2024, ON THE TOPIC: *“THE ROLE OF SMART REGULATION IN POSITIONING AFRICA’S ECOSYSTEM TO ACCELERATE INCLUSIVE GROWTH”* HELD AT THE LANDMARK CENTRE, VICTORIA ISLAND LAGOS ON 9TH OCTOBER, 2024

Distinguished Guests, Ladies and Gentlemen,

It is a pleasure and an honor to address you today at the opening of Nigeria Fintech Week 2024. This event underscores the remarkable journey of innovation and transformation we are witnessing across Africa's financial ecosystem. The future of this ecosystem is being shaped not only by the innovations we see but also by the regulatory frameworks that guide its growth.

Today, I will speak on “The Role of Smart Regulation in Positioning Africa’s Ecosystem to Accelerate Inclusive Growth.” This topic is both timely and essential. As the fintech space evolves rapidly, so too must our approach to regulation. Smart regulation could be the key to unlocking the full potential of fintech in Nigeria and across Africa, ensuring that growth is inclusive, sustainable, and beneficial to all.

The Importance of Smart Regulation

The theme of this event highlights an important truth: regulation must adapt and evolve alongside technological advancements. When done right, smart regulation becomes an enabler of innovation and inclusion, not a barrier. It fosters an environment where businesses can thrive, while also ensuring that the benefits of growth are shared equitably across society.

What exactly is smart regulation? It is regulation that is adaptable, responsive, and collaborative. It recognizes the unique needs of a rapidly evolving market and adjusts accordingly. It focuses on balancing innovation with protection, ensuring that both market growth and consumer welfare are prioritized.

Core Principles of Smart Regulation

To better understand the role of smart regulation, it is important to highlight the core principles that underpin this approach:

1. **Risk-Based Approach:** Tailoring regulatory measures to the specific risks associated with different products or services available in the market. This ensures that regulation is proportionate to the potential impact, avoiding over-regulation where it isn't necessary.
 2. **Innovation-Friendly Environment:** Creating a space where innovation can thrive. Regulatory sandboxes, for instance, allow companies to test new ideas without being hampered by overly restrictive rules.
 3. **Consumer Protection:** Safeguarding consumers must always be a top priority. Even as we encourage innovation, we must ensure that consumers are protected from harm, fraud, and exploitation.
 4. **International Cooperation:** As fintech operates across borders, international cooperation is crucial. Aligning regulations with global standards promotes a level playing field and enhances the flow of capital and talent.
 5. **Collaborative Process:** Effective regulation requires stakeholder engagement. Regulators must work with industry participants, consumers, and other stakeholders to ensure that regulations are practical, relevant, and widely supported.
 6. **Market Regulation:** A well-regulated market promotes fair competition and provides opportunities for smaller players to thrive. It ensures that new entrants can compete on an even footing, driving innovation and reducing monopolistic tendencies.
-

Driving Financial Inclusion and Economic Competitiveness

Through smart regulation, Africa can achieve greater financial inclusion, enhance economic competitiveness, and attract investments into the fintech ecosystem. More importantly, it allows fintech to address critical social and environmental challenges, driving sustainable development.

The Telecoms-Fintech Nexus

We cannot discuss smart regulation and an inclusive fintech ecosystem without recognizing the crucial role that telecommunications play. The synergy between telecoms and fintech has been a key enabler of financial access, particularly for underserved and rural communities.

As the regulator of Nigeria's telecommunications sector, the NCC recognizes the importance of inclusivity. Telecommunications is not just about connecting people; it's about empowering businesses, especially in the informal sector, to grow, compete, and prosper in the global digital economy.

The synergy between telecoms and fintech is also evident in Nigeria's financial inclusion rate, which reached 74% by December 2023, according to EFINA's Access to Finance Survey. This

growth was largely driven by an increase in non-banking channels, which expanded from 5% in 2020 to 12% in 2023.

Technologies like USSD short codes have played a significant role in improving access to financial services. These simple, yet powerful tools have bridged the gap in financial services infrastructure, bringing financial access to millions. We have also seen telecomm space players leveraging their infrastructure to provide financial services in the form of Payment Service Banks which have reached millions of users, enabling financial transactions for those previously excluded from the formal banking system

Shifting Toward Profitability-Focused Models

As the fintech sector matures, we are seeing a natural shift toward more profitability-focused models. While this evolution is expected, it underscores the need for smart regulation. Fintech companies must prioritize sustainable growth, and regulators must ensure that innovation continues to thrive within a framework that protects consumers, fosters transparency, and guarantees accountability.

Collaboration Between NCC and CBN

Collaboration between the NCC and the Central Bank of Nigeria (CBN) is critical to driving innovation and sustainability in fintech. Since signing the Memorandum of Understanding (MoU) on Payment Systems in 2018, we have been working closely with the CBN to address systemic challenges and ensure a robust regulatory framework. By working together, we can create a more resilient fintech ecosystem that promotes financial inclusion and sustainable growth.

Our commitment to collaboration is echoed in the International Telecommunication Unions Collaborative Regulation Report launched in July 2024, where Nigeria is classified within the “G4” benchmark, signifying the country’s strong, cooperative regulatory approach.

Conclusion: A Shared Responsibility for Growth

As we conclude today, let us commit to actively shaping a fintech ecosystem that drives innovation while fostering inclusivity and sustainability. The potential for fintech in Africa is immense, but it requires collective action to ensure that its benefits are realized by all. Together,

we can build a future where technology empowers every individual, community, and business across the continent.

Dr. Aminu Maida