

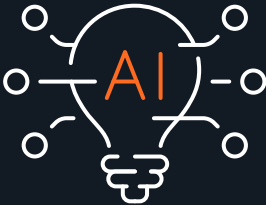
FINTECH YEAR IN REVIEW 2025

The year 2025 is earmarked to be a landmark period for the fintech industry, marked by groundbreaking innovations, regulatory milestones, and continued push towards financial inclusion. From the rise of embedded finance to the growing adoption of blockchain technologies and artificial intelligence, the sector continues to redefine how businesses and consumers engage with financial services. This review explores the key trends expected for the year ahead that will shape the fintech landscape.

1

GENERATIVE AI AND MACHINE LEARNING

In October 2024 the Department of Communications and Digital Technologies published the South Africa National Artificial Intelligence Policy Framework for public comment. The framework sets out nine strategic pillars for South Africa's artificial intelligence policy. In 2025 we expect to see the finalisation of this framework with further engagement on the adoption of guidelines for the effective use of artificial intelligence tools in highly regulated industries such as the financial sector.



2

PAYMENTS

Several regulatory amendments to the regulatory regime for payments are expected in 2025, including proposed changes to the National Payment System Act. In December 2024, the South African Reserve Bank confirmed multiple workstreams and initiatives to modernise South Africa's national payment system. These changes are expected to allow for greater involvement of non-bank entities directly accessing the payment system. The finalisation of the Conduct of Financial Institutions Bill (COFI) is expected to include provisions addressing payment system related activities.



3

CRYPTO AND BLOCKCHAIN

At the end of 2024, the Financial Sector Conduct Authority confirmed that 248 crypto asset service provider (CASP) licenses had been issued. With a newly regulated market, we expect to see more joint ventures, collaborations and partnerships between CASPs and traditional financial institutions. We also expect to see the roll out of further regulation and standards around the regulation of crypto assets dealing with cross border flow of funds and the market conduct of CASPs. The finalisation of the Conduct of Financial Institutions Bill is expected to have provisions dealing with crypto assets.



4

OPEN FINANCE

Formal adoption of a South African open finance framework by the Financial Conduct Sector Authority is on the cards. We expect to see the adoption of guidelines regulating the activities of financial institutions and third-party providers. The finalisation of the COFI Bill is expected to have provisions dealing with open finance related activities.



5

INVESTMENT & REGIONAL ENGAGEMENT

In 2025 we expect further foreign investment in local players, as well as entrants from other international regions entering the South African market. Increased engagement between regional regulators and supervisory bodies is also expected, aiming to establish regional rules for fintech entities that operate in multiple jurisdictions across Africa.



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