

## **“Africa’s growing uptake of blockchain and crypto assets – opportunities, disputes, and shared experiences”.**

On 19 April 2023, 3VB’s [International Advisory and Dispute Resolution Unit](#) (“IADRU”) hosted leading industry experts in blockchain and crypto assets to discuss opportunities, disputes and shared experiences in respect of Africa’s uptake in the technology.

According to United Nation’s agency UNCTAD, significant proportions of the population of African states are using digital currencies, including Kenya (8.5%), South Africa (7.1%) and Nigeria (6.3%). In June, the Central African Republic adopted Bitcoin as a legal tender.

Against this background, 3VB’s [Sir William Blair](#) chairing the panel, was joined by [Professor Bitange Ndemo](#), Kenya’s Ambassador to the Kingdom of Belgium and the European Union and Professor of Entrepreneurship at the University of Nairobi, [Chi Nnadi](#), Co-Founder and CEO of Mara, Africa’s ultimate digital finance ecosystem, [David Quest KC](#), [Saima Hanif KC](#) and [Chloë Bell](#) to discuss the opportunities and challenges Africa faces.

### **The opportunity**

The panel reflected on the opportunity crypto assets provide for resolving key challenges in Africa’s infrastructure. Crypto assets can be used to increase social and financial inclusivity, Professor Ndemo explained. From his experience as Chair of the Kenyan Distributed Ledgers and Artificial Intelligence Taskforce, Professor Ndemo described how Kenyan farmers often experience substantial delays in receiving payment for their produce, due to lags in traditional payment mechanisms. In his view, cryptocurrency offers a means by which payment can be made much more quickly, giving a boost to trade and livelihood.

Chi Nnadi is also optimistic that the crypto market could become a key tool in Africa’s development. We are, he stated, at an ‘*inflection point*’ where blockchain can allow us to move capital and collaborate across borders more easily. Employed correctly, it could help ‘*leapfrog*’ Africa into the modern age.

Speaking more broadly on the development of crypto, David Quest KC emphasised the pace at which crypto has advanced. The original conception of crypto in 1996, he explained, was to have a decentralised, private digital currency. Today, crypto’s reach has expanded to the tokenisation of other assets including shares, bonds and real property. There is a real opportunity for Africa, and the globe, to engage in a broader process of digitising assets.

### **The challenge**

The development and use of crypto assets in Africa has not been without its challenges. Saima Hanif KC regarded the regulation of crypto to be a significant difficulty facing African states. New products raise questions for regulators as to how best to mitigate the risk of consumer harm. Will crypto technology fit into a state's traditional regulatory system, or is a new, bespoke regime required? How can regulators supervise a market which is decentralised and global?

In respect of disputes relating to crypto assets, Chloë Bell is confident that this new technology can 'fit' within existing legal frameworks. From her experience litigating crypto matters in the UK, Chloë noted that English law principles have thus far been more than capable of resolving disputes. Professor Ndemo agreed, noting that the law governing African states is similarly capable of adapting to the crypto market.

Harmonisation of measures (regulatory or legislative), however, is likely to be difficult. Chi Nnadi emphasised that divergences are inevitable as some actors move quicker than others and each country will vary in its need and use for the technology. Legislators, regulators, and practitioners will need to consider carefully how to tailor their approach to individual states whilst keeping aligned with global standards.

### **The future**

In view of the opportunities, and despite the challenges, the panel are optimistic about the future and utility of crypto assets in Africa. Professor Ndemo believes the key to its success lies in the collaboration between regulators and crypto institutions: '*regulation must not inhibit innovation*'. For Chi Nnadi, this can be achieved by actors adopting a '*future focussed*' approach whereby supervision facilitates, as opposed to stifles, the crypto market's ability to assist in societal development.

*This article was written by 3VB's current pupils, [Devon Airey](#), [Chaitanya Kediya](#) and [Amy Gregg](#) with contributions from [Agnes Gitau](#) – IADRU Co-ordinator*