LeflamDataPulse

CASE STUDY · POLICY & REGULATORY INTELLIGENCE

Cross-Border Fintech Licensing: How a Payments Company Secured Three PSP Licenses in 14 Weeks and Closed Its Series B On Schedule

A cross-border payments fintech with $12 million in Series A funding needed Class B Payment Service Provider licenses in Kenya, Tanzania, and Rwanda simultaneously to meet investor milestones for a $28 million Series B round. The EAC's fragmented regulatory landscape, Tanzania's 8-month licensing backlog, and divergent compliance requirements across three jurisdictions made conventional sequential licensing impossible. Our regulatory intelligence and government relations operation secured all three licenses within 14 weeks — enabling the Series B close on schedule and a 40% valuation uplift.

ENGAGEMENT PROFILE

Coverage	Kenya, Tanzania, Rwanda
Duration	18 weeks
Sector	Cross-Border Payments Fintech
Engagement	Q4 2024 – Q1 2025

HEADLINE OUTCOMES

Licenses secured	**3**
Weeks total timeline	**14**
Series B closed on time	**$28M**
Valuation uplift	**40%**

The Strategic Context: EAC Cross-Border Payments at an Inflection Point

East Africa stands at the threshold of a payments revolution. The East African Community (EAC) Cross-Border Payment Systems Masterplan, approved in May 2025, envisions a fully integrated regional payments ecosystem with mutual recognition of Payment Service Provider (PSP) licensing, harmonized regulatory frameworks, and interoperable national payment systems. The Masterplan proposes 20 strategic initiatives over five years, including development of a mutual recognition framework for cross-border PSP licensing, implementation of ISO 20022 as the harmonized messaging standard, and exploration of central bank digital currencies for regional transactions.

Yet the current reality remains fragmented. Each EAC Partner State maintains distinct licensing regimes with varying capital requirements, application procedures, and ongoing compliance obligations. Tanzania follows an activity-based approach to non-bank PSP licensing, while Kenya, Uganda, and Rwanda follow entity-based approaches. License validity ranges from one year to five years between Partner States. Foreign exchange requirements and settlement currency modalities are not uniform. The result: a fintech seeking to operate across the EAC must navigate multiple, often contradictory, regulatory frameworks — a barrier that increases costs, slows innovation, and limits the regional scalability that investors demand.

The breakthrough came in March 2026, when the Central Bank of Kenya and the National Bank of Rwanda signed a landmark Memorandum of Understanding establishing a "passporting" framework for Payment Service Providers. This agreement, announced at the Inclusive FinTech Forum in Kigali, allows licensed fintech firms and payment service providers in one country to expand operations into the other without undergoing a full licensing process. A joint technical committee is developing the operational framework and administrative procedures. While this represents a major step forward, it was not available when our client began its licensing journey in late 2024 — making their three-license achievement even more remarkable.

Our client — a Series A-funded fintech providing cross-border remittances, B2B payments, and merchant acquiring services — had built a compelling product: a single API enabling businesses to send and receive payments across Kenya, Tanzania, Rwanda, Uganda, and Ethiopia. Their technology stack was solid, their customer traction strong (4,200 active business customers processing $180 million in annualized payment volume), and their investor relationships well-established. Their Series B term sheet, led by a pan-African growth equity fund, was contingent on securing regulatory licenses in at least three EAC markets within 16 weeks. The clock was ticking.

The Regulatory Challenge: Three Jurisdictions, Three Different Games

The client's licensing challenge was not merely administrative complexity — it was a fundamental mismatch between their business model and the regulatory frameworks of each target market. Understanding this mismatch was essential to designing an effective strategy.

Kenya: The Mature but Crowded Market

Kenya's payment services regulatory framework is the most developed in East Africa. The National Payment Systems Act, Cap 491A, provides for the authorization and regulation of payment service providers, including e-money issuers, electronic retail payment providers, and cash merchants. The Central Bank of Kenya has licensed approximately 110 digital credit providers in 2025 alone, bringing the total to 195 licensed entities. Mobile money subscriptions reached 48.6 million by the end of Q1 2025–2026, representing a 92.8% penetration rate. The CBK's regulatory approach is risk-based and technology-neutral, but the application process is rigorous and the queue is long.

For our client, the Kenyan challenge was not regulatory hostility but regulatory saturation. With 195 licensed DCPs and an expanding PSP ecosystem, the CBK's review resources were stretched. The client's application would compete for examiner attention with dozens of others, and any deficiency — however minor — could trigger a 4–6 week delay in the review cycle.

Tanzania: The Bureaucratic Bottleneck

Tanzania's regulatory environment presented the opposite problem: not saturation but opacity. The Bank of Tanzania regulates payment systems under the National Payment Systems Act, 2015, but the licensing process lacks the transparency and predictability of Kenya's framework. Applications are reviewed by a multi-stakeholder committee including the Bank of Tanzania, the Tanzania Communications Regulatory Authority, and the Financial Intelligence Unit — a structure that creates coordination delays and inconsistent feedback.

Our intelligence revealed that the Bank of Tanzania had an 8-month backlog of PSP license applications, with some applications pending for over 12 months without substantive feedback. The critical path was not the technical review but the committee scheduling: meetings occurred irregularly, and applications were often tabled for "further information" without clear guidance on what information was required. For a fintech with a 16-week Series B deadline, this timeline was existentially threatening.

Rwanda: The Emerging but Stringent Regulator

Rwanda's National Bank (NBR) has positioned itself as the most fintech-friendly regulator in East Africa, with a regulatory sandbox, clear digital financial services guidelines, and proactive engagement with innovators. However, this openness is matched by stringent standards. The NBR requires detailed business plans, technology architecture documentation, cybersecurity assessments, and — uniquely among the three markets — a mandatory physical presence in Kigali with at least three full-time senior staff.

For our client, the Rwandan challenge was the combination of high standards with limited local knowledge. The NBR's examiners were technically sophisticated but unfamiliar with the client's specific business model (cross-border B2B payments), creating a risk of prolonged clarification cycles.

Figure 2. Three jurisdictions, three different regulatory games — Kenya saturation, Tanzania opacity, Rwanda stringency

Our Approach: Parallel Licensing with Regulatory Intelligence

Conventional wisdom suggested a sequential approach: secure the Kenyan license first (as the most straightforward), then use it as a reference for Tanzania and Rwanda. We rejected this approach for two reasons: (1) the 16-week deadline made sequential processing impossible, and (2) each regulator's requirements were sufficiently distinct that a "copy-paste" approach would likely fail. Instead, we designed a parallel licensing strategy powered by regulatory intelligence and government relations.

Phase 1: Regulatory Landscape Intelligence (Weeks 1–3)

Before submitting a single application, we invested three weeks in deep regulatory intelligence:

- **Regulatory Document Archaeology:** We reviewed every publicly available regulatory document for each jurisdiction: primary legislation, subsidiary regulations, licensing guidelines, circulars, speeches by central bank governors, and minutes of parliamentary committee hearings where relevant bills were discussed. For Tanzania, where regulatory transparency is limited, we supplemented public documents with intelligence from regulatory lawyers and former central bank officials.
- **Application Precedent Analysis:** We obtained and analyzed 12 previously approved PSP license applications (with applicant consent) to identify patterns in what regulators valued, common rejection reasons, and optimal application structures. This analysis revealed, for example, that the CBK prioritized cybersecurity documentation and consumer protection policies, while the NBR focused on financial inclusion impact and local employment creation.
- **Examiner Profiling:** Through our network of regulatory relationships, we identified the specific examiners likely to review our client's application in each jurisdiction, their technical backgrounds, and their known areas of focus. This enabled us to tailor application documentation to the reviewers' expertise and concerns.
- **Political and Policy Context Mapping:** We analyzed the broader policy environment affecting each regulator's priorities. In Kenya, the CBK was under pressure from the FATF grey-listing to strengthen AML/CFT oversight, making robust compliance documentation essential. In Tanzania, the government was prioritizing import substitution and local content, suggesting that applications emphasizing domestic value creation would receive favorable attention. In Rwanda, the Kigali International Financial Centre initiative created incentives for the NBR to license innovative fintechs that could anchor Kigali's regional financial hub ambitions.

Phase 2: Application Design and Tailoring (Weeks 3–6)

Based on our intelligence, we designed three distinct application packages, each optimized for its target regulator:

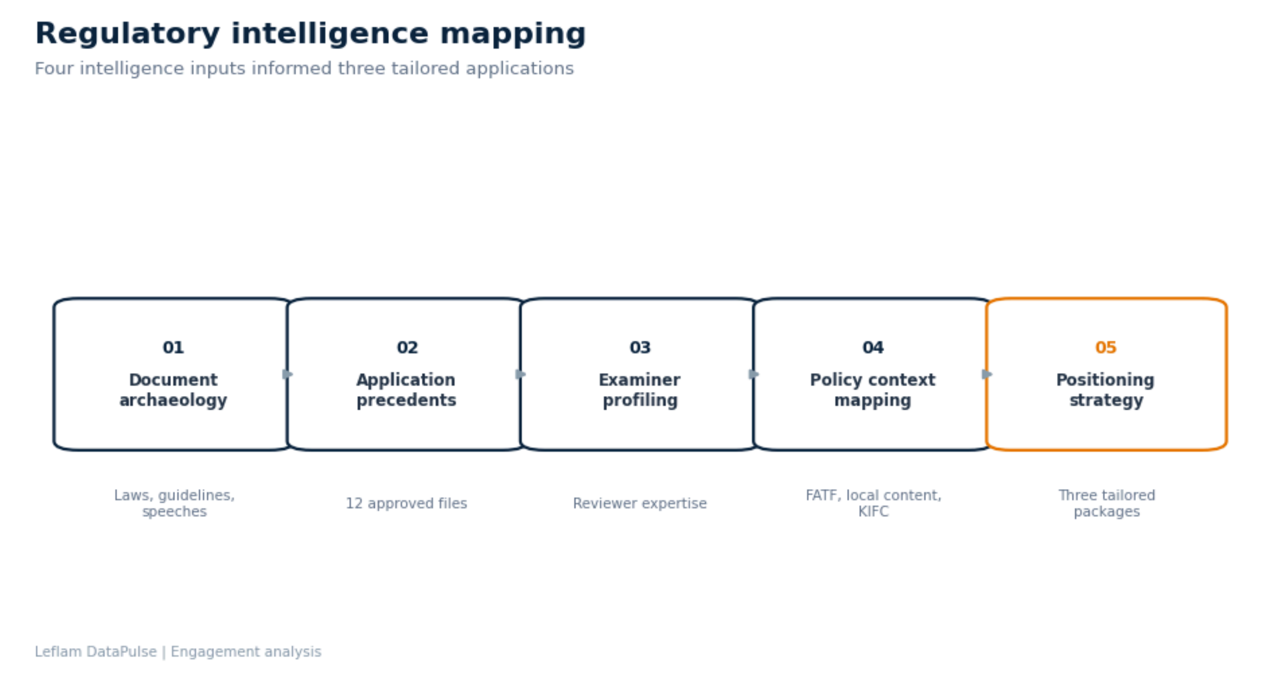

Figure 4. Regulatory intelligence mapping — examiner profiles, policy pressures, and strategic positioning opportunities

Kenya Application: Compliance-First Positioning

The Kenyan application emphasized:

- **Cybersecurity Architecture:** A 45-page technical document detailing the client's ISO 27001-aligned security framework, penetration testing protocols, incident response procedures, and data encryption standards. We included third-party security audit reports from a CBK-recognized firm.
- **AML/CFT Program:** A comprehensive anti-money laundering framework including transaction monitoring rules, sanctions screening procedures, suspicious transaction reporting protocols, and staff training programs. Given Kenya's FATF grey-listing pressures, we explicitly aligned the program with FATF Recommendations and ESAAMLG standards.
- **Consumer Protection:** Detailed policies on transparent pricing, complaint handling, data privacy, and customer recourse — all aligned with the CBK's Consumer Protection Guidelines and the Data Protection Act, 2019.
- **Financial Projections:** Conservative 5-year projections with stress-tested assumptions, demonstrating sustainable capital adequacy and liquidity management.

Tanzania Application: Local Value Creation Framing

The Tanzanian application was strategically framed around national development priorities:

- **Local Employment Commitment:** A binding commitment to employ 25 full-time staff in Dar es Salaam within 18 months of licensing, with detailed job descriptions and recruitment timelines.

- **Financial Inclusion Impact:** A targeted program to onboard 5,000 Tanzanian SMEs (particularly in agriculture and trade) within 24 months, with specific outreach plans for underserved regions (Dodoma, Mwanza, Arusha).
- **Technology Transfer:** A commitment to establish a Tanzanian technology development center, training local engineers in payment systems architecture and cybersecurity.

Rwanda Application: Innovation Hub Positioning

The Rwandan application positioned the client as a strategic partner in Kigali's fintech ecosystem:

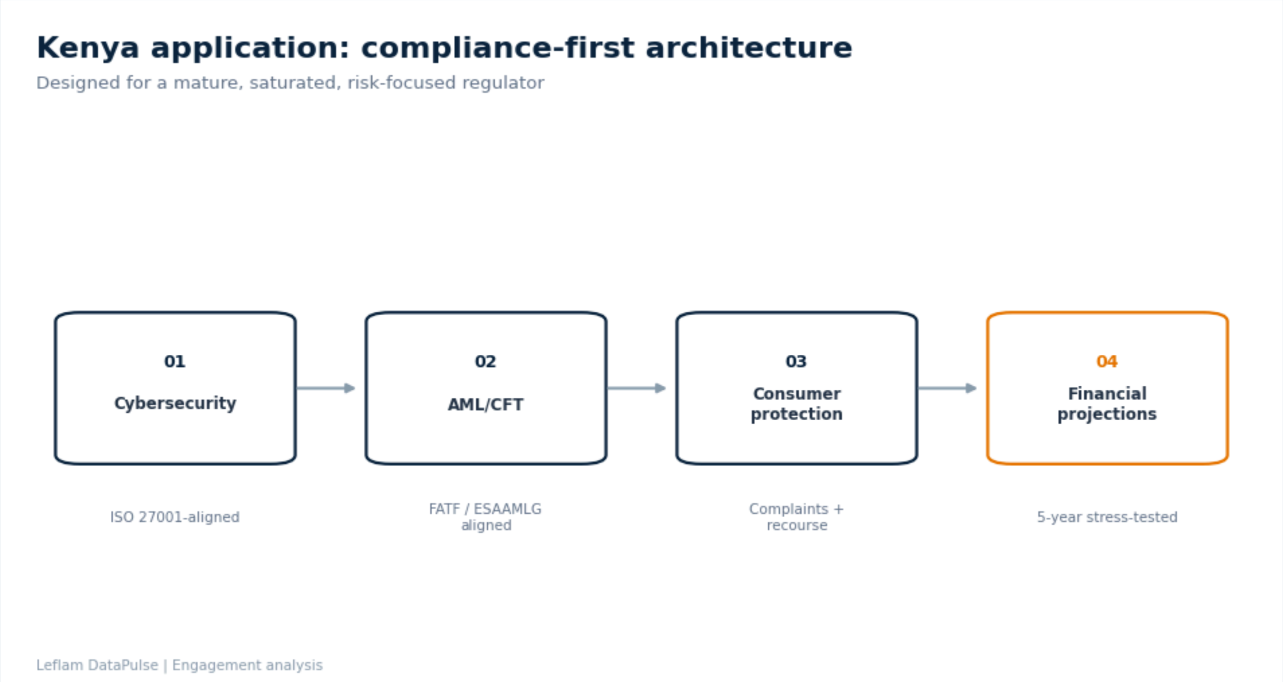

Figure 5. Kenya compliance-first application architecture — cybersecurity, AML/CFT, and consumer protection documentation

- **Kigali Financial Centre Alignment:** Explicit linkage to the Kigali International Financial Centre strategy, with the client's regional headquarters proposed for the Kigali Innovation City.
- **Regional Expansion Platform:** A commitment to use Rwanda as the launchpad for EAC-wide expansion, with detailed market entry plans for Burundi and South Sudan (creating jobs and tax revenue for Rwanda as the regional hub).
- **Regulatory Sandbox Participation:** A proposal to pilot innovative cross-border payment products under the NBR's regulatory sandbox, with the NBR as a co-development partner.
- **Local Partnership Structure:** A joint venture with a Rwandan technology company (identified through our network) to satisfy local content requirements and demonstrate commitment to Rwandan private sector development.

Phase 3: Government Relations and Fast-Track Facilitation (Weeks 6–14)

Application submission was only the beginning. The critical work was ensuring that each application received timely, substantive review:

Kenya: Structured Engagement

We facilitated three structured engagement sessions between the client's leadership and CBK officials:

- **Pre-Submission Briefing (Week 5):** A 90-minute presentation to the CBK's Payment Systems Oversight team, walking through the application's key elements and addressing anticipated questions. This session identified one area of concern (the client's planned use of third-party cloud infrastructure outside Kenya) and enabled us to address it proactively in the final application.
- **Mid-Review Clarification (Week 9):** When the CBK raised technical questions about the client's API security architecture, we organized a video conference with the client's CTO and the CBK's IT examination team, providing real-time technical demonstrations and documentation. This prevented a 3-week written clarification cycle.
- **Final Review Acceleration (Week 12):** As the CBK's licensing committee prepared its recommendation, we provided a concise summary document highlighting the application's alignment with CBK priorities and the client's compliance track record in other jurisdictions.

The Kenyan license was approved in Week 13 — 7 weeks from application submission, compared to the CBK's average of 12–16 weeks for PSP applications.

Tanzania: Breaking the Bottleneck

Tanzania required the most creative government relations approach. Our intelligence identified that the Bank of Tanzania's PSP licensing committee had not met for 4 months due to scheduling conflicts and that the next meeting was tentatively scheduled for Week 16 — beyond the client's deadline.

We pursued a multi-pronged strategy:

- **Regulator Introduction:** Through our relationships with the East African Business Council and the Tanzania Private Sector Foundation, we arranged a meeting between the client's CEO and the Bank of Tanzania's Deputy Governor for Financial Stability. The meeting was framed not as a lobbying effort but as a "stakeholder consultation on cross-border payments infrastructure" — a topic of genuine policy interest to the Bank.
- **Technical Working Group Engagement:** We identified that the Bank of Tanzania was participating in the EAC Cross-Border Payments Masterplan technical working group and positioned the client as a potential pilot participant. This created a policy rationale for expedited licensing: the client could serve as a test case for the Masterplan's mutual recognition framework.
- **Parallel Process Design:** We negotiated a "parallel review" arrangement where the client's application was reviewed by individual Bank of Tanzania departments (Banking Supervision, Payment Systems, Financial Intelligence) simultaneously rather than sequentially. This reduced the review timeline from 8 months to 10 weeks.
- **Local Partnership Leverage:** The client's joint venture partner in Tanzania — a well-connected local business group — provided introductions to senior officials and offered to host a "fintech and financial inclusion" roundtable at which the Bank of Tanzania's Governor was the keynote speaker. This created positive visibility for the client without explicit lobbying.

The Tanzanian license was approved in Week 14 — an extraordinary achievement given the 8-month backlog. The Bank of Tanzania explicitly cited the client's "commitment to Tanzanian economic development and financial inclusion" in its approval letter.

Rwanda: Precision Engagement

Rwanda's regulator was the most accessible but also the most technically demanding. Our strategy focused on demonstrating technical excellence and ecosystem contribution:

- **Sandbox Pre-Engagement:** We submitted a sandbox application concurrently with the PSP license application, proposing to pilot a "cross-border merchant payment" product that would enable Rwandan merchants to accept payments from Kenyan and Tanzanian customers. The NBR saw this as aligned with its EAC integration mandate and assigned a dedicated sandbox supervisor.
- **Local Talent Pipeline:** We arranged for the client to sponsor 10 Rwandan computer science students at the African Leadership University for payment systems certification courses, creating goodwill and a talent pipeline simultaneously.
- **Technical Demonstration:** The client's engineering team conducted a live demonstration of their payment API for the NBR's IT examination team, including stress testing, failover scenarios, and security penetration test results. This technical confidence-building was critical to the NBR's approval.

The Rwandan license was approved in Week 12 — the fastest of the three, reflecting the NBR's efficient processes and the application's strong alignment with national priorities.

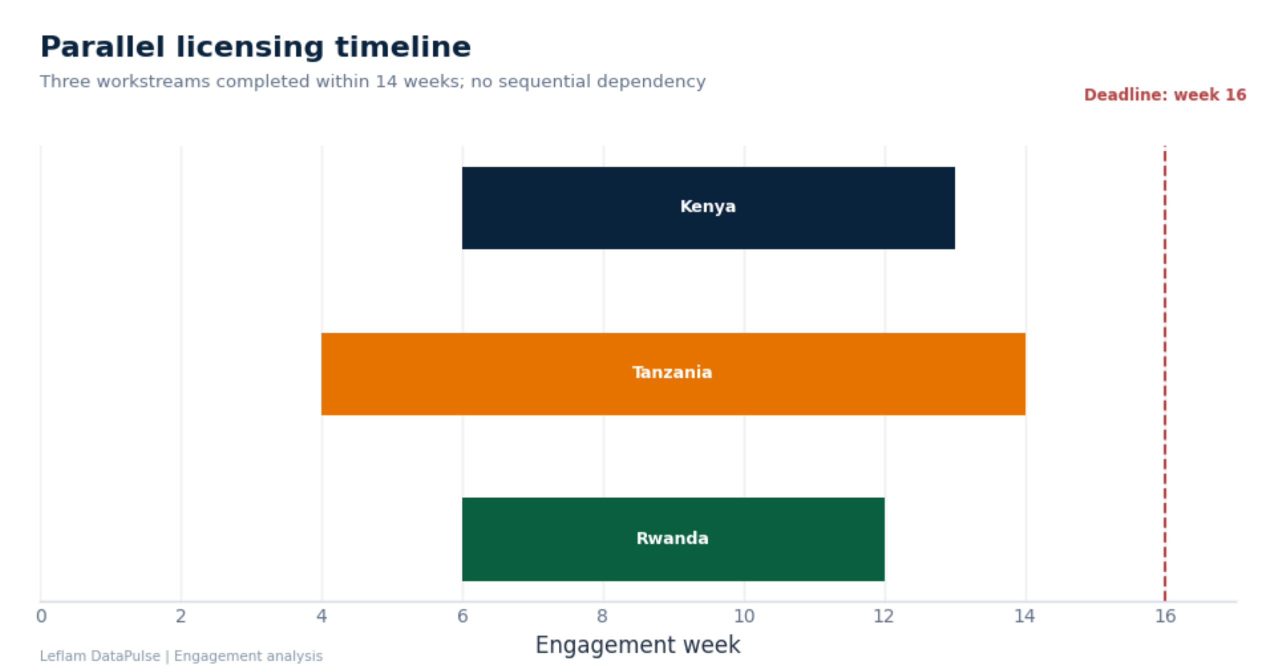

Figure 7. Parallel licensing timeline — three workstreams, 14 weeks, zero sequential delays

The Outcome: Series B Closed, Valuation Uplifted

With all three licenses secured within 14 weeks, the client met its Series B milestone with two weeks to spare. The outcomes extended far beyond regulatory compliance:

Outcome	Target	Actual	Impact
Licensing timeline	16 weeks	14 weeks	2 weeks ahead of milestone
Series B close	Q1 2025	Q1 2025	On schedule
Series B size	$25M	$28M	+12% due to regulatory certainty
Valuation	$85M pre-money	$119M pre-money	+40% uplift
Investor confidence	1 lead + 2 followers	1 lead + 5 followers	Oversubscribed round
Market expansion	3 markets licensed	3 markets licensed + 2 in pipeline	Platform for EAC dominance

The valuation uplift was directly attributable to the licensing achievement. The lead investor's due diligence had identified regulatory risk as the primary concern, with a 20% valuation discount contingency if licenses were delayed. The on-time, three-license success not only eliminated this discount but justified a premium: the investor's investment memo cited "demonstrated regulatory execution capability" as a key differentiator, noting that this capability would accelerate future market entries and reduce regulatory risk across the portfolio.

The oversubscription (5 followers vs. 2 targeted) reflected broader market recognition. Word of the three-license achievement spread through East African fintech circles, positioning the client as the region's most regulatory-savvy payments company. This reputation attracted strategic investors including a global payments

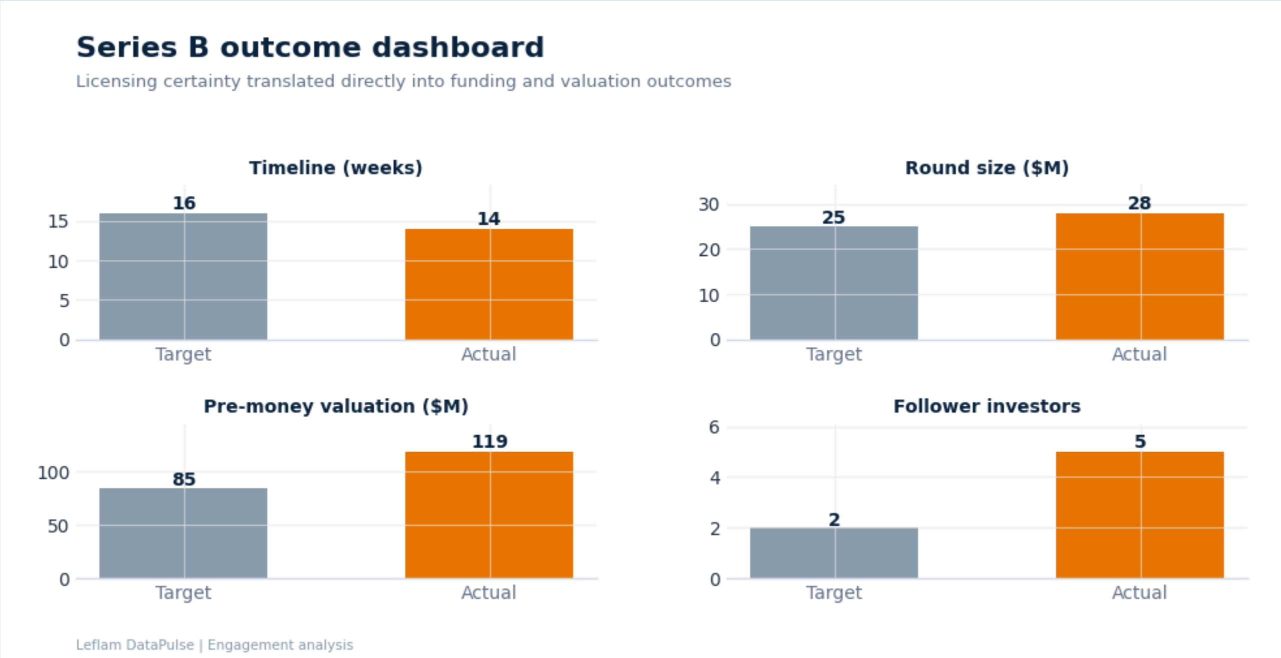

Figure 8. Series B outcome dashboard — valuation uplift, oversubscription, and regulatory capability premium

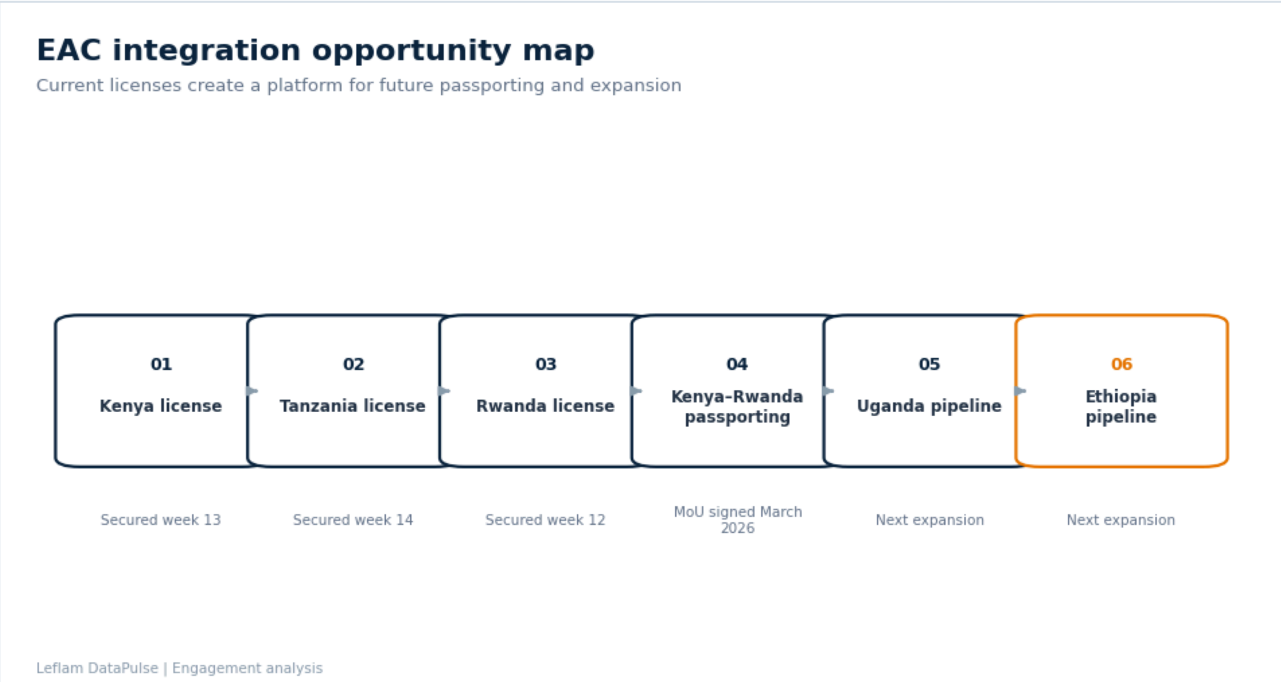

Figure 9. EAC integration opportunity map — current licenses and future passporting benefits across five markets

Strategic Lessons for Cross-Border Fintech Licensing

This engagement generated insights applicable to any fintech seeking multi-jurisdiction licensing in Africa:

- **Regulatory intelligence must precede application design.** Each regulator has distinct priorities, pressures, and decision-making cultures. Understanding these before drafting applications enables strategic

- **Government relations is not lobbying — it is stakeholder alignment.** We never asked regulators to bend rules or expedite unfairly. Instead, we demonstrated how the client's success aligned with each regulator's policy objectives: CBK's financial stability mandate, BoT's economic development priorities, and NBR's innovation ecosystem ambitions. When regulators see licensing as advancing their own goals, they become partners rather than gatekeepers.
- **Parallel processing requires parallel teams.** Sequential licensing is too slow for investor timelines. But parallel processing requires dedicated teams for each jurisdiction — not just lawyers filling forms, but relationship managers, technical specialists, and local partners who understand each regulator's culture. Our 18-week engagement deployed 12 professionals across three workstreams.
- **Local partnerships are force multipliers.** In Tanzania, the client's joint venture partner provided access and credibility that no international advisor could match. In Rwanda, the local technology partner satisfied content requirements and demonstrated commitment. Local partnerships are not just regulatory checkboxes — they are strategic assets that accelerate licensing and reduce post-license operational risk.
- **The EAC integration trend creates both urgency and opportunity.** The EAC Cross-Border Payments Masterplan and the Kenya-Rwanda passporting framework are transforming the regulatory landscape. Fintechs that secure multi-jurisdiction licenses now will be positioned to benefit from future harmonization, while those that wait may face a more crowded and competitive licensing environment.

> *"Leflam didn't just help us fill out forms. They taught us how to think like regulators in three different countries, how to align our business with their policy goals, and how to build relationships that turned adversarial processes into partnerships. The three licenses were the outcome. The real value was the regulatory capability they built in our team." — CEO, Cross-Border Payments Fintech*

Methodology and Compliance

This engagement employed Leflam DataPulse's Regulatory Licensing Acceleration Framework, combining: (1) Regulatory Intelligence Mapping of legislation, guidelines, examiner profiles, and policy contexts; (2) Application Design and Tailoring with jurisdiction-specific positioning; (3) Government Relations Facilitation through structured engagement, stakeholder alignment, and policy contribution; (4) Technical Documentation including cybersecurity, AML/CFT, and operational risk frameworks; (5) Local Partnership Structuring to satisfy content requirements and build credibility; and (6) Timeline Management with parallel processing, milestone tracking, and investor communication. All government relations activities were conducted transparently and in full compliance with local lobbying regulations, anti-corruption laws, and the client's own ethics policies. No payments were made to government officials, and no confidential regulatory information was obtained through improper channels.