EXPANDING FROM SOUTH AFRICA

Kenya for SA payments firms: a big, wallet-first market whose rules are being rewritten.

The regulator, licences, money you need, how long it takes, the routes others used to get in, and what changes if the new payments law passes.

54m
Active mobile money subscriptions (June 2026), 101 per 100 people

88.8%
M-Pesa share; Airtel Money has 11.1% and is growing

4–9 mo
Typical time to get a CBK payment licence today (adviser estimate)

5–250m
KES
Proposed minimum capital under the draft NPS Bill 2026

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05 Three ways in, and who used them
06 Entry checklist for an SA firm

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Rand Signal tracks payments, fintech and regulation for South African firms, and helps them assess new African markets from public sources.

Status

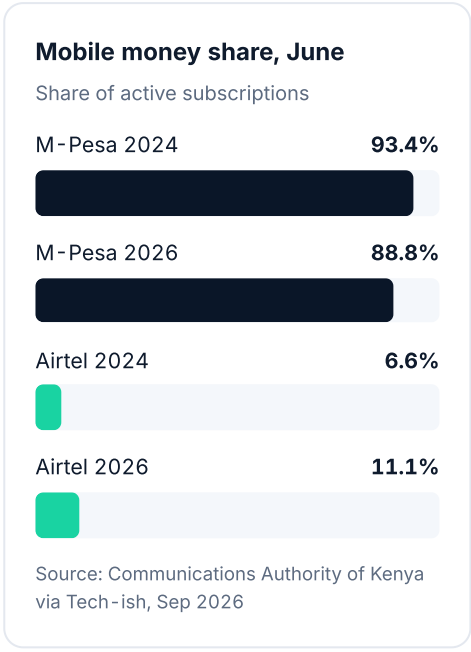
Sourced and checked 19 November 2026. The Kenyan payments law is in draft and can change. Not legal advice.

THE MARKET

Kenya had about 54 million active mobile money subscriptions on 30 June 2026, more than one per person, up 13.2% in a year (Tech-ish, citing the Communications Authority). M-Pesa holds 88.8% and Airtel Money 11.1%. Its share has slipped since interoperability arrived in 2022 (TechCabal).

Digital lending is large and now licensed: 281 digital credit providers held CBK licences by end September 2026, having issued about 9.6 million loans worth KES 165 billion by August (Citizen Digital).

> **WHAT IT MEANS FOR AN SA FIRM**
> Any consumer or merchant product has to work with M-Pesa from day one. The opening is in what sits around the wallets: merchant acceptance, gateways, SME credit, remittances and B2B payments.



WHO REGULATES WHAT

CENTRAL BANK OF KENYA (CBK)

Payment service providers and system operators under the National Payment System Act 2011; also all non-deposit-taking credit providers since the Business Laws (Amendment) Act took effect on 27 Dec 2024 (Bowmans, CDH).

DATA PROTECTION COMMISSIONER (ODPC)

Fintechs handling Kenyans' personal data must register as data controllers or processors (Chambers / CDH). Cross-border transfer guidance (8 Sep 2026) requires a Kenyan copy for some "strategic interest" processing (Covington).

LICENCES AND CAPITAL TODAY

CBK CATEGORY (CURRENT RULES)	MINIMUM CORE CAPITAL	FITS
Small e-money issuer	KES 1m	Limited wallets
Electronic retail PSP	KES 5m	Gateways, merchant and e-commerce payments
E-money issuer	KES 20m	Wallets at scale
Designated payment instrument issuer	KES 50m	Card and instrument issuing

Source: Kaziiko, Sep 2026. Fees: KES 5,000 to apply, KES 100,000 on authorisation. You first register a Kenyan company; capital must sit in a Kenyan bank; customer funds are held in trust with a local bank. Typical timeline 4–9 months (adviser estimate, not a CBK figure).

WHAT THE DRAFT NPS BILL 2026 CHANGES

CBK and the Treasury published a draft National Payment System Bill 2026 to replace the 2011 Act. It creates 10 licence categories with minimum capital from KES 5 million to KES 250 million; public comments closed on 9 October 2026 (FintechSpecs). Firms with several licences hold the highest category's capital plus 50% for each extra one. Every provider must be interoperable and able to share customer data for open finance (same source).

Existing firms would get 12 months to comply, and no single bank could hold more than KES 500m or 25% of a firm's trust deposits, whichever is higher (HapaKenya). Bowmans reportedly reads the bill as not carrying over current licences, so holders may need to re-apply; foreign companies could apply through a registered branch (as reported by FintechSpecs).

DRAFT CATEGORY	KES M
Payment initiation	5
Account information	5
Payment gateway	10
Messaging operator	20
Money remittance	30
Merchant acquirer	50
E-wallet provider	50
Card scheme	50
Switching / clearing	50
E-money issuer	250

> **WHAT IT MEANS**
> If you apply now, you may have to re-apply under the new categories within a year. Plan capital for the new tiers, not the old ones.

THREE WAYS IN, AND WHO USED THEM

1 · PARTNER

Tanzania's NALA entered by routing transfers through Pesalink and settling with Equity Bank, avoiding a long licence process (TechCabal). Cross Switch launched through licensed Kenyan PSP Pesawise (Zawya).
Fastest; least control.

2 · LICENSE

Nigeria's Payaza got CBK authorisation as a payment gateway on 5 Nov 2026. It covers checkout, not wallets or holding customer funds (Nairametrics).
Own the relationship; slower.

3 · ACQUIRE

Moniepoint bought 78% of Sumac Microfinance Bank, completed by April 2026, using its licence and SME customers to launch (FF News).
Instant scale; most capital.

ENTRY CHECKLIST FOR AN SA FIRM

STEP	WHAT TO DO	OWNER
1	Pick the route: partner first to test demand, or license if you must hold funds or own merchants.	CEO
2	Match your product to a category under both the current rules and the draft bill, and budget capital for the higher one.	Compliance + finance
3	Shortlist licensed Kenyan partners (banks, Pesalink, PSPs) from CBK's public registers.	Partnerships
4	Plan ODPC registration and where Kenyan customer data will be stored and processed.	CTO / data
5	Get SA exchange control sign-off for funding a Kenyan entity before you move capital.	Finance
6	Book a pre-application meeting with CBK's National Payments System Department and appoint local counsel.	Compliance

WATCH NEXT

Done · 9 Oct 2026
Public comments on the draft NPS Bill closed

Next · date not set
Final bill goes to Parliament; categories and capital may change

After commencement
12-month window for existing firms to meet new rules

Ongoing
CBK licensing rounds for digital lenders and PSPs

Want this for your expansion?

A tailored entry profile for your product and target country: regulator, licence fit, capital, partners and competitors, fully sourced.

Country profile · on request
Email **randsignal.za@gmail.com**
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