

# AFRICA-CHINA INVESTMENT COOPERATION

FINTECH DEVELOPMENT INFRASTRUCTURE DIVISION • CORPORATE MEMORANDUM

## PROJECT CONCEPT NOTE: PROJECT AFRIPAY

**Document Reference:** ACIC/AFRIPAY/CN/2026/V1

**Executive Oversight:** T/Dr. Nana Owusu Kutire Ampem, Executive Chairman

**Primary Center Target:** Headquarters Accra, Republic of Ghana

### 1. EXECUTIVE SUMMARY

Project **AfriPay** is a high-velocity, B2B financial technology switch designed to serve as the definitive digital payment corridor between African commercial importers and Chinese wholesale supply networks. By bypassing traditional Western correspondent banking networks, AfriPay provides instant, automated settlement pathways translating local African fiat (beginning with the Ghana Cedi - GHS) directly into **Offshore Renminbi (CNH)** and **Digital Yuan (e-CNY)**. Operating within specialized regulatory frameworks, AfriPay slashes transaction clearing cycles from several business days down to minutes, drastically reducing capital drag for businesses importing critical industrial hardware, processing machinery, and consumer goods.

### 2. PROBLEM STATEMENT & MARKET FRICTION

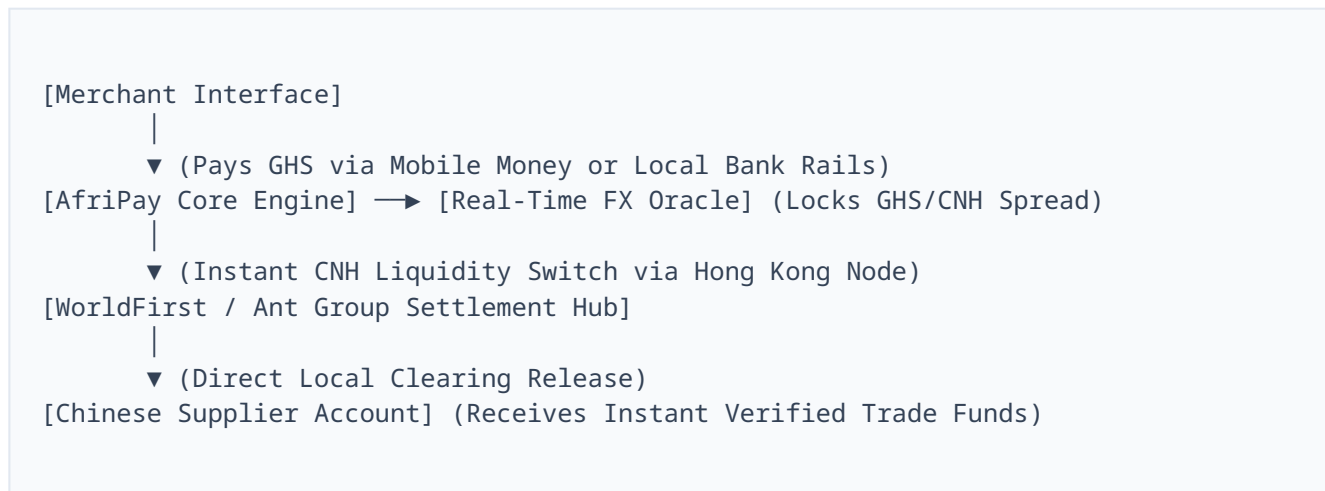
B2B cross-border trade between Africa and China faces severe structural bottlenecking due to its historical reliance on legacy Western clearing infrastructure. Importers across the continent face three critical vulnerabilities:

- **High Correspondent Banking Costs:** A typical payment routing from an African commercial bank to a factory in China must clear through intermediary banks in Europe or North America, accumulating SWIFT fees, intermediary cuts, and double-conversion foreign exchange (FX) spreads (e.g., GHS to USD, then USD to CNY).
- **Extended Settlement Latency:** Standard international wire transfers routinely take between 3 to 7 business days to clear into a vendor's Chinese bank account. This latency stalls supply chains, delays manufacturing outfitting, and freezes active working capital.
- **Severe Foreign Exchange Volatility & Slippage:** Due to macro-economic shifts, local fiat currency values can fluctuate drastically during multi-day clearing windows. If a currency drops while an order is in transit, merchants face sudden capital shortfalls or aborted shipments.

### 3. THE AFRIPAY SOLUTION & TECHNICAL ARCHITECTURE

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AfriPay acts as an intelligent backend translation engine that sits directly between African buyer wallets and Chinese seller platforms (such as Alibaba, 1688, and Temu). The application removes the USD intermediary layer through a closed-loop liquidity routing system:



#### 3.1 KEY TECHNOLOGY COMPONENTS

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- **Automated Sourcing API Switches:** Directly integrates the 1688 Open REST API into the AfriPay corporate dashboard. This allows merchants to browse wholesale Chinese catalogs with pricing automatically translated into local fiat currency at live, locked-in exchange rates.
- **Virtual Card Issuing (VCI) Engine:** For platforms that rely strictly on traditional card infrastructure (like Temu), AfriPay instantly generates single-use or multi-use virtual Visa/MasterCard tokens pre-funded directly via the user's localized funds, absorbing FX conversions seamlessly in the background.
- **Rigid Slippage Guards:** The core engine includes a hard 1.5% maximum slippage threshold. If market volatility shifts beyond this percentage before liquidity is matched, the transaction is automatically capped or held to protect the merchant's principal balance.

### 4. BUSINESS & MONETIZATION MODEL

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AfriPay moves away from capital-intensive consumer acquisition to focus on high-yield, low-churn B2B trade corridors. Revenue is derived from three primary streams:

1. **The Net Take Rate (Interchange Splits):** ACIC retains an optimized, competitive transaction fee on the Gross Transaction Volume (GTV) cleared through the switch. This rate is structurally lower than traditional SWIFT options while maintaining high operational profitability.

**2. FX Spread Hedging:** Leveraging institutional treasury facilities and our 40% Capital Reserve Fortress, AfriPay captures fractional arbitrage gains by pooling bulk cross-border settlements and executing them at optimized institutional mid-market rates.

**3. SME Corporate SaaS Subscriptions:** Premium tiers for large-scale agricultural processors and import syndicates, offering deeper 1688 catalog API hookups, dedicated account managers at the China Liaison Office, and extended trade credit financing lines.

## 5. IMPLEMENTATION & REGULATORY ROADMAP

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- **Phase 1: Sandbox & Licensing (Months 1–3):** Filing corporate documentation with the Bank of Ghana (BoG) to secure admission into the regulatory fintech sandbox environment. Concurrently, onboarding ACIC's profile with Ant Group's WorldFirst ecosystem.
- **Phase 2: Core Beta Integration (Months 4–6):** Connecting backend servers with local telecommunication mobile money gateways and bank webhooks. Testing real-time GHS-to-CNH settlement payloads within a secure sandbox environment using dummy merchant data.
- **Phase 3: Agricultural Pilot Rollout (Months 7–9):** Deploying the initial batch of 1,200 Smart POS terminals within the Ashanti Region agro-industrial corridors. Restricting initial transactional clearing to machinery procurement for our active cassava and ginger value chains to stress-test the ledger.
- **Phase 4: Full Commercial Scale (January 2027):** Official public launching of the AfriPay application at the maiden Africa-China Investment Summit 2027, opening the platform to verified import syndicates across West Africa.