GENIE CAPITAL LTD
Independent IP Origination & Stewardship

AFRICAN FINTECH EVOLUTION

SENEGAL 2026

From payment disruption to financial-infrastructure integration — how Dakar built the most structurally advanced digital-finance ecosystem in Francophone Africa, and what happens next.

PREPARED FOR	Fintech Investors, Regulators, Policymakers, the Public, Fintech Founders & Executives
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DATE	September 2026

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EXECUTIVE SUMMARY

Senegal has consolidated its position as the undisputed leader of financial inclusion in the West African Economic and Monetary Union (WAEMU), overtaking Côte d'Ivoire in both mobile money float and microfinance assets.

With 29.7% of the regional electronic money float and CFA 1,234.3 billion in microfinance assets (26.5% of the regional total), Dakar has established itself as a structural hub for digital finance in Francophone Africa. The market is defined by a paradox: near-universal adoption — 72% adult mobile money penetration — coexists with a deep, experience-driven trust deficit, in which simplicity and speed trump price, and a single moment of friction can erode years of loyalty.

72%	30M	80%	$154.2M
Adult mobile money penetration	PI-SPI connected users (WAEMU)	Wave share of e-money float	2025 venture funding raised

The launch of the BCEAO's PI-SPI instant-payment platform on 30 September 2025 is the single most important structural shift in the region's financial architecture. By July 2026 it had connected 30 million users — nearly 40% of the WAEMU adult population — across 80 participating institutions, with Senegal leading the Union with 19 authorized participants. This free, 24/7, interoperable infrastructure fundamentally challenges the fee-based models that have driven Wave's and Orange Money's growth, while opening the door to embedded credit, savings, and insurance products that move the ecosystem beyond wallets and payments. The BCEAO has since extended the connection deadline — banks, e-money issuers and payment institutions now have until 30 September 2026, and microfinance institutions until 30 June 2027 — reflecting steady but gradual integration: as of July 2026, only around one million transactions worth CFA 110 billion had been processed on the rails, against a much larger connected user base.

The market remains highly concentrated. Wave controls roughly 80% of Senegal's mobile money float (CFA 459 billion), followed by Orange Money at 19% (CFA 106 billion). Yet the competitive dynamics are shifting. A 0.5% tax on money-transfer transactions, capped at CFA 2,000 and introduced under Law No. 2025-17 of 27 September 2025, took effect in October 2025 alongside a parallel 0.5% withholding tax on merchant payments. The government aims to raise roughly CFA 220–230 billion over three years; industry groups warn the levy could trigger a significant drop in transaction volumes and a partial retreat to cash, and have proposed an alternative levy on provider turnover that would preserve inclusion momentum while still generating revenue.

The next phase of Senegal's fintech evolution will be defined by ecosystem consolidation, not early-stage growth. The winners will be those who successfully navigate the licensing gridlock — only a handful of fintechs hold full BCEAO licenses — build trust through fraud detection and consumer protection, design for women and rural users who remain significantly underserved, and leverage PI-SPI's free rails to scale embedded financial services across the WAEMU. Senegal's place in the Pan-African fintech landscape is that of the innovation catalyst of Francophone Africa: a small, stable, French-speaking market that has produced a unicorn (Wave), built a regulatory framework attracting both continental giants (Flutterwave) and global players (Visa, Mastercard), and demonstrated that a CFA-franc economy can be a world-class proving ground for digital finance.

ABOUT GENIE CAPITAL LTD

Independent IP Origination & Stewardship

Genie Capital Ltd is an IP origination and stewardship company based in Buea, Cameroon. In addition to its core mission of IP origination and stewardship, the firm applies its own analytical frameworks to diagnose structural fragilities and market trajectories, and makes the findings freely available. Genie Capital is not an investment fund, an advisory firm, or a lobbyist.

> *Independent analysis, freely shared: Genie Capital's diagnostic work on public companies and market structures is published for the benefit of investors, regulators, and the public alike.*
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1 HISTORICAL BACKGROUND

From Postal Orders to Informal Trust Networks

Before digital payments, Senegal's financial transfers relied on state infrastructure and personal networks. The postal money order (mandat) was the primary formal channel, but it was often slow and unreliable due to liquidity issues at post offices. To fill the gap, people turned to informal systems: sending money with trusted transport drivers, or using tontines (rotating savings clubs). The arrival of fax-based transfers in the 1990s offered a faster alternative, followed by over-the-counter (OTC) providers such as Wari (launched 2008) and Joni Joni (2013), which built vast agent networks so people could send money without a bank account. The success of Wari was so profound that its name became a byword for "send me money" in Wolof.

The Digital Leap: Regulation Opens the Door

A pivotal moment came in 2006, when the BCEAO issued regulations allowing non-bank actors to issue electronic money. This created the legal space for Orange Money to launch in May 2010, followed shortly by Société Générale's Yoban'tel solution. Early mobile money was basic, mainly for domestic transfers and bill payments, but it laid the groundwork for what followed.

The true disruption arrived in 2018 with Wave Mobile Money. Founded by Americans Drew Durbin and Lincoln Quirk, Wave started on the fishing quays of Senegal, building trust with informal fish traders before scaling rapidly. Its success was built on a radical pricing model: free deposits and withdrawals, and a flat 1% fee on transfers — down from the 4–10% typically charged by earlier telecom-led providers. This low-fee strategy structurally reset market pricing and made Wave the default wallet for millions. Wave became Francophone Africa's first unicorn in 2021 following a $200 million Series A, and has since raised further debt financing (including a $137 million round in 2025) to expand across roughly a dozen African markets.

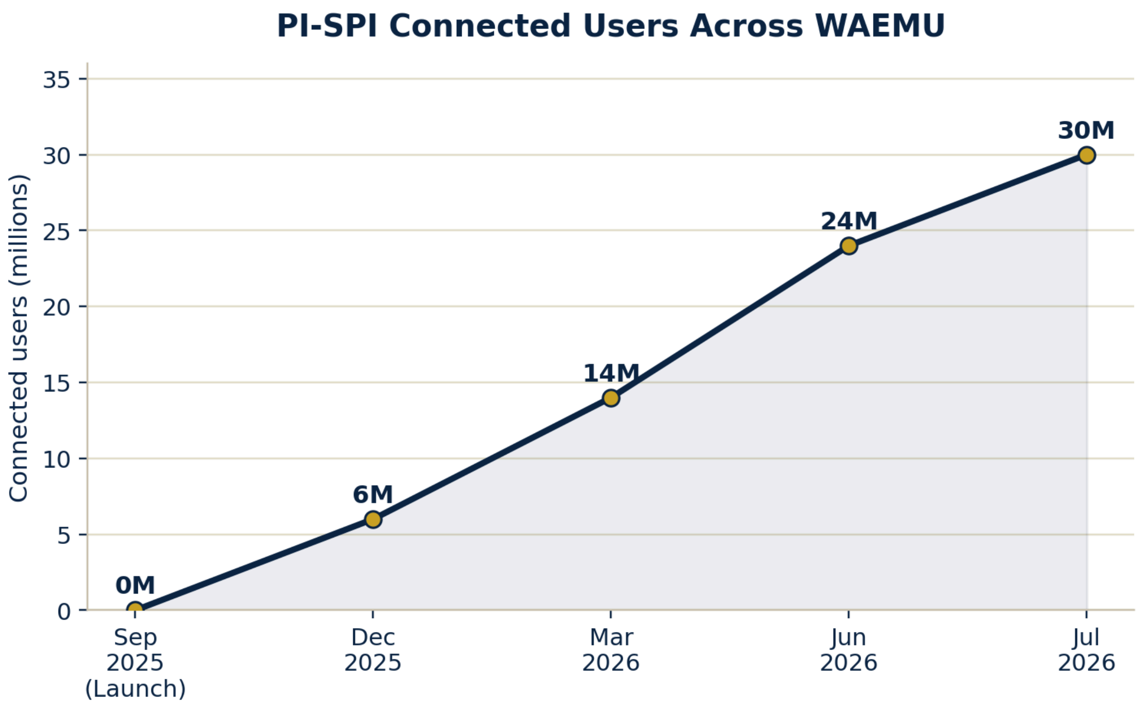

Figure 1. PI-SPI connected users, September 2025 – July 2026. Source: BCEAO 2025 Annual Report; Ecofin Agency, Togo First.

2 REGULATORY ENVIRONMENT

Senegal's fintech regulatory environment is a multi-layered framework built primarily on regional BCEAO directives, supplemented by national laws covering investment, data privacy, and anti-money laundering.

Central Bank & Regional Framework (BCEAO)

The core regulation is the BCEAO's Instruction No. 001-01-2024, which requires prior authorization for all payment service providers, with strict capital and governance standards. There are two main licenses: a Payment Institution (PI) licence, requiring capital of CFA 100 million, and an Electronic Money Institution (EMI) licence, requiring capital of CFA 300 million. The approval timeline runs 6 to 18 months, and a key requirement is that a copy of client data must remain accessible from within the WAEMU region. As of early 2026, the BCEAO had published an official list of licensed payment institutions across the eight WAEMU countries, with Senegal among the leading jurisdictions by number of authorized entities.

Investment Code (Law No. 2025-16)

Promulgated in September 2025, the new Investment Code offers significant incentives for fintech firms: corporate tax reduced to 15% for companies reinvesting at least 30% of profits in Senegal; zero dividend tax for the first eight years for startups in fintech, agri-tech, and creative industries; and a local-content requirement that at least 40% of a project's value must pass through Senegalese SMEs.

Data Privacy & Protection (Law No. 2008-12)

Data privacy is governed by the 2008 Data Protection Act, enforced by the Commission de Protection des Données Personnelles (CDP). Key provisions include extraterritorial scope (applying to foreign organizations that use processing means located in Senegal), transfer restrictions (prohibited unless the receiving country offers "sufficient protection"), and penalties ranging from CFA 1 million to 100 million, with possible criminal imprisonment of 6 months to 7 years. Through 2026 the CDP has been actively enforcing compliance, particularly around financial-data collection and processing.

Anti-Money Laundering (Law No. 2024-08)

Fintechs must implement strict Customer Due Diligence (CDD) and report suspicious transactions to CENTIF, the national financial intelligence unit. In its 2025 activity report, CENTIF issued warnings about risks linked to fintechs and crypto-assets, emphasizing the need to reconcile financial sovereignty with technological adaptation.

The Mobile Money Tax (Law No. 2025-17)

A bill adopted by cabinet on 10 September 2025 and enacted as Law No. 2025-17 of 27 September 2025 amended the 2012 General Tax Code to introduce a 0.5% withholding tax on merchant payments received through electronic platforms, plus a 0.5% tax on money-transfer operations (mobile money, bank transfers, postal transfers, and card payments), capped at CFA 2,000 per transaction. Deposits below CFA 20,000, bank transfers, state transfers, salaries, and scholarships are exempt. The tax took effect in October 2025 and is intended to help fund the government's 2025–2028 Economic and Social Recovery Plan; see the Challenges and Risks section for its projected fiscal and behavioural impact.

Startup Act (Law No. 2020-01)

Fully operational since 2025 after five years of development, the Startup Act provides a formal "startup" label, offering three tax-free years, customs duty waivers, and a unique "startup leave" allowing employees to take a year off to launch a company with job security. The law also established a fund of funds to mobilize investors around the Senegal 2050 priorities.

Crypto-Asset Regulation

Senegal currently has no dedicated cryptocurrency legislation at either the national or WAEMU level. The BCEAO has repeatedly warned the public that crypto is not legal tender and that the CFA franc remains the only legal-tender currency. However, on 8 May 2026 the BCEAO hosted an international conference in Dakar, "Crypto-Assets and Digital Innovations," bringing together governors from the Association of African Central Banks, the IMF, World Bank, and BIS. Senegal's Minister of Finance, Cheikh Diba, indicated that Senegal actively supports the BCEAO in developing a regional regulatory framework for crypto-assets, aimed at harmonizing practices, strengthening cross-border supervision, and protecting consumers. The BCEAO has also engaged a proof of concept for a central bank digital currency (CBDC), though it has stated it is prepared to abandon the project if the expected benefits do not exceed the risks.

3 KEY PLAYERS

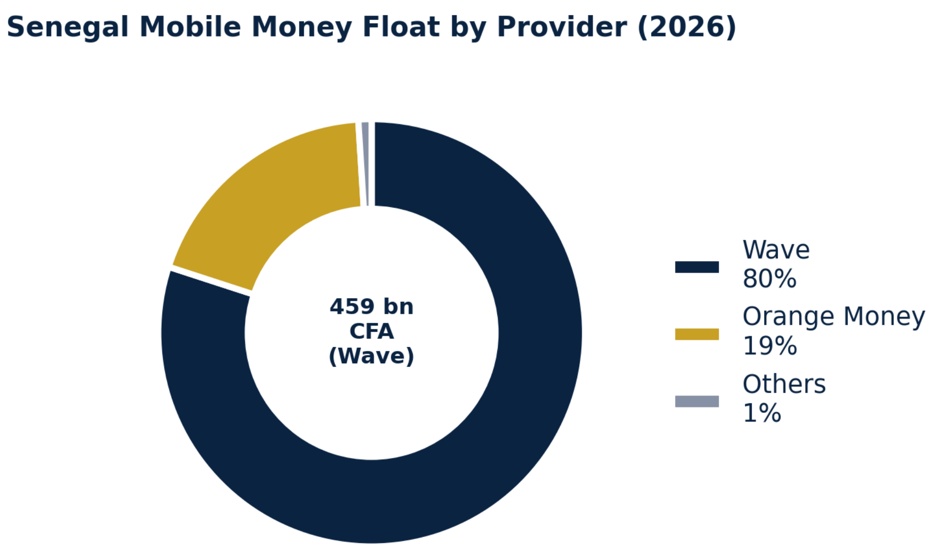

Figure 2. Senegal mobile-money float by provider. Source: Senego, 2026.

1. Wave Mobile Money

Metric	Detail
Market share	≈80% of e-money float (CFA 459 billion)
Users	>20 million monthly active users across West Africa; 7.5 million in Senegal
Products	P2P transfers (1% fee), merchant payments, bill pay, savings, micro-credit, insurance, virtual Visa card with Ecobank
Technology	Smartphone app-first; QR codes; merchant APIs
Financials	Valued at ≈$1.7 billion since its 2021 Series A (unicorn); volume- and value-added-service revenue model
Profitability	Still scaling; low fees require massive scale to reach net profit

2. Orange Money (Sonatel)

Metric	Detail
Market share	≈19% of e-money float (CFA 106 billion)
Users	4 million active users in Senegal
Products	P2P transfers, bill pay, merchant payments, international remittances, bank interoperability, limits up to CFA 2 million

Metric	Detail
Technology	USSD, smartphone app, APIs
Financials	Sonatel, Orange Money's parent, crossed CFA 1,000 billion in revenue in H1 2026; ≈CFA 1.2 billion collected daily via 70,000 cash points
Profitability	Highly profitable; a key diversification pillar for Sonatel

Other notable players

Player	Position
Free Money (Yas / Mixx by Yas)	Challenger; ≈5–10% of P2P volume, ≈1.2 million active users; aggressive pricing, Mastercard/Ecobank prepaid card
Wizall Money	≈1.5 million clients; rural inclusion focus; government cash-transfer partnerships
Wari	Cash-to-cash transfers; 90,000 points of sale across 34 countries
PayDunya	Payment aggregator; 8,000+ merchants; acquired by Peach Payments in 2025
CinetPay	Payment aggregator; 12,000+ merchants across 12 countries; market leader by merchant count
InTouch Group	35,000 merchants, 1,000 corporate clients; backed by CFAO, TotalEnergies, Worldline
Bictorys	Founded 2023, Dakar; omnichannel payments, POS, tap-to-pay; pre-revenue scaling phase
Joni Joni	OTC transfers and e-wallet; 12,000 service points, mostly institutional

4 CUSTOMER DYNAMICS

Customer Profiling

The user base is young, male-dominated, and segmented by a stark urban–rural and gender divide. Financial-app users skew heavily young: 65.4% are aged 25–34, with another 32.6% aged 18–24. Men make up 68.3% of financial-app users, versus 31.7% women — a gap compounded by education and geography, as 45% of users have only primary-level education and 21% have no formal education.

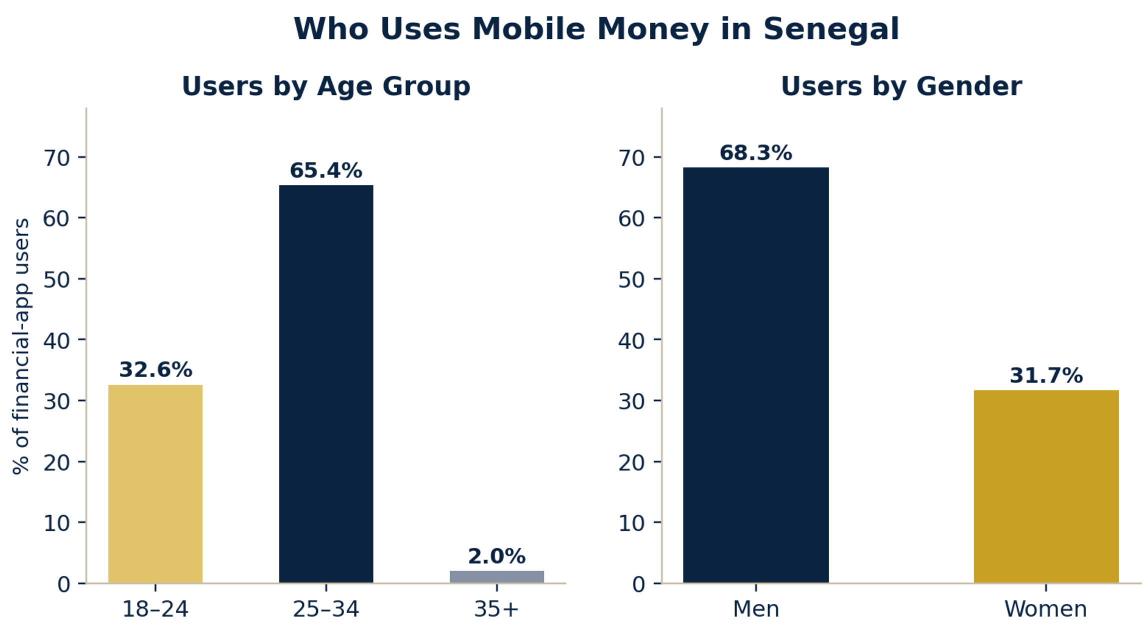

Figure 3. Age and gender profile of mobile-money users in Senegal.

Adoption & Usage Dynamics

Mobile money is not occasional — it is the "people's bank" for daily life. 87% of Senegalese report using mobile money services, and 86.35% of those aged 15+ hold an electronic-money account. Users perform an average of nine operations per month, and 98% of digital financial services (DFS) users used at least one service monthly over the past year. Usage is highly concentrated: Wave is used by 99.2% of surveyed users, followed by Orange Money at 47%; other solutions remain marginal at under 3%. Primary uses center on cash-in/cash-out, receiving funds, account-to-account transfers, and airtime purchases — digital credit and savings adoption remains comparatively limited.

Sentiment Drivers

Senegalese users prioritize speed, security, and simplicity over price. The decision criteria most often cited are rapidity of transactions (83.8%), security (51.1%), and user experience (40.9%). A crucial insight: despite Wave's fees often being perceived as higher than Orange Money's, users still overwhelmingly choose Wave — driven by affective attachment and operational factors such as agent-network density. Senegal's Net Sentiment Score (NSS) stands at −5.0, a state of "relative stability" without strong emotional attachment, notably supported by mobile-money interoperability. The country's Digital Customer Experience (DCX) index is 44.0.

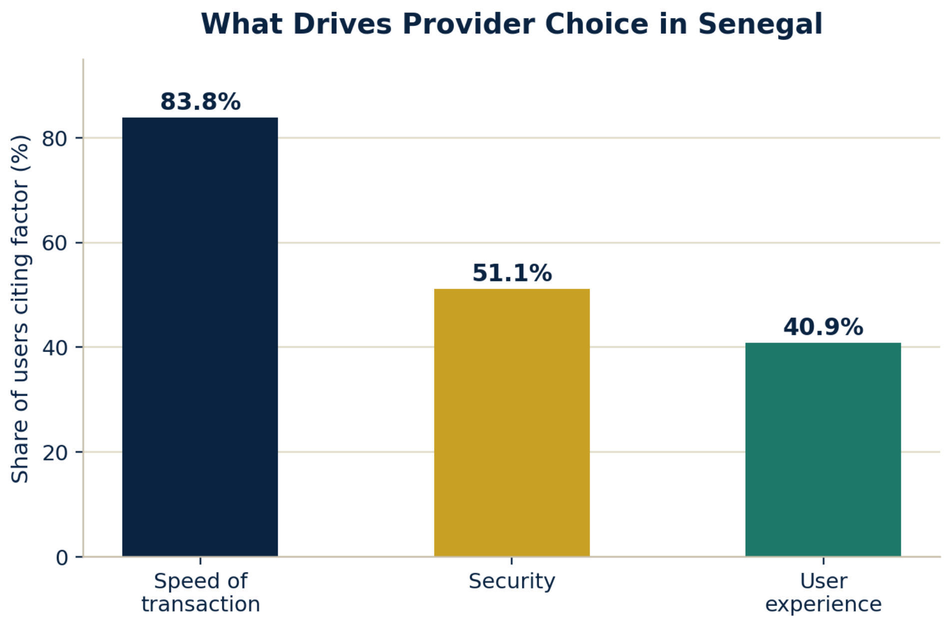

Figure 4. What drives provider choice in Senegal.

The Wave vs. Orange Money Experience War

> *Wave is universally praised for an "épuré" (clean) interface and extreme ease of use, accessible across education levels — feeding a virtuous feedback loop with reactive customer service. Orange Money's app, by contrast, is often perceived as too complex for the average user, and its promotional campaigns are met with palpable distrust.*
>
> — Synthesis of user-sentiment research, 2026

Trust Deficit

Despite high adoption, a significant trust deficit persists, especially among women. 90% of DFS users have been exposed to at least one risk in the last year, and 32% have lost money as a result. 43% have dealt with at least one fraud attempt, with losses for 18% of them. Only 18% of users receive fraud warnings from agents, and 55% say they were not always informed of costs before a transaction. Of those who encountered a problem, only about half contacted an agent or provider — lack of information on how to reach providers remains the biggest obstacle to redress.

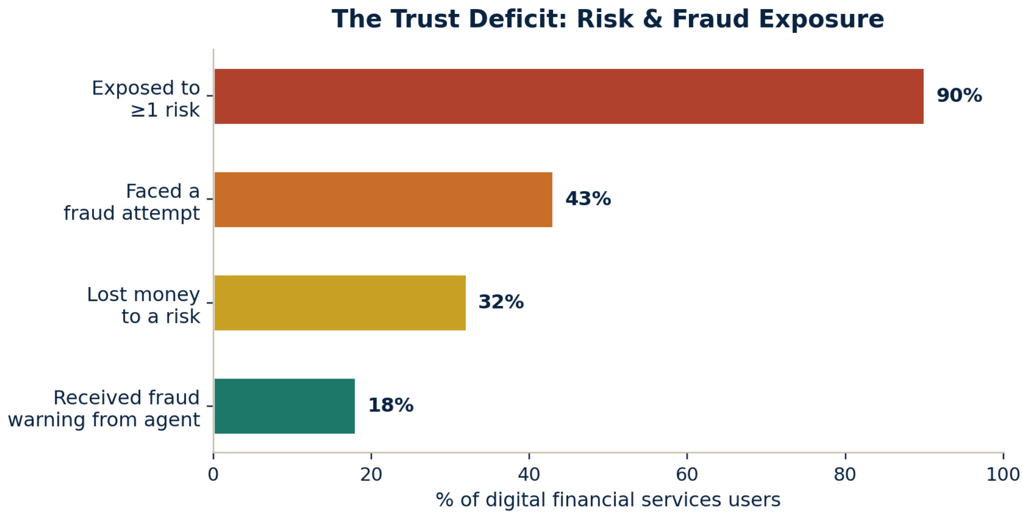

Figure 5. Risk and fraud exposure among digital financial services users.

The Switching Dynamic

Customers who switch from cash to digital exhibit distinct, highly valuable behaviour. These "switch users" transact more frequently and continuously, are more loyal, and have the lowest platform drop-off rates. They rarely revert to cash, and they experience more positive financial outcomes — handling emergencies better and reporting less financial stress than cash users.

5 BANK–FINTECH DYNAMICS

Banks in Senegal have moved from viewing fintechs as disruptors to treating them as essential partners, with the relationship shifting decisively toward collaboration and interoperability. The traditional boundaries are dissolving, with banks building their own digital offerings, partnering with mobile-money leaders, or integrating into the new regional instant-payment infrastructure.

The Evolving Role of Banks

Banks have shifted from direct competitors to partners and infrastructure providers. The BCEAO's 2006 e-money regulation opened the door for non-bank actors, prompting banks to respond along three tracks: offering their own digital wallets (Société Générale's Yoban'tel, later replaced by YUP; CBAO Mobile), providing "banking-as-a-service" (banks supply the regulated account infrastructure that fintechs need, while fintechs supply the user-friendly front end), and acting as liquidity partners, managing float and settlement for mobile-money operators.

Partnership Models

Bank-to-wallet and wallet-to-bank integration is now the dominant model. Key examples include CBAO & Wave (signed September 2024, enabling seamless transfers between CBAO accounts and Wave wallets), Société Générale & Orange Money (SG Connect, enabling direct transfers to Orange Money accounts), BNDE & Orange Money (transfers between bank accounts and Orange Money), and Crédit Mutuel du Sénégal & OFMS. On card issuance, Wave, Visa, and Ecobank launched a virtual payment card integrated into the Wave app; in 2026, Scale and Mastercard partnered to accelerate card issuance for fintechs across five African countries including Senegal; and HUB2 and Ecobank announced a partnership to build a more interconnected African payment ecosystem.

The PI-SPI Game-Changer

The PI-SPI platform, officially launched on 30 September 2025, creates instant, interoperable transfers between bank accounts, mobile wallets, and other payment solutions, 24/7, with funds availability in under ten seconds. As of July 2026 it had 30 million connected users (nearly 40% of the WAEMU adult population) across 80 participating institutions — 59 banks, 9 e-money issuers, 11 microfinance institutions, and 1 payment institution. Usage, however, remains "gradual": in its first ten months the platform processed roughly one million transactions worth a cumulative CFA 110 billion (about $190 million), a large connected base relative to actual transaction volume. The BCEAO has since extended the connection deadline for banks, e-money institutions and payment institutions to 30 September 2026, and for microfinance institutions — still in technical testing — to 30 June 2027.

Senegal leads with 19 authorized institutions — the most in the WAEMU — including CBAO, Société Générale, Ecobank, UBA, Orange Finances Mobiles, and MiXX Senegal. The most disruptive feature is that P2P transfers via PI-SPI are free. This could fundamentally challenge the fee-based models of both Wave (1% on transfers) and Orange Money. Users will increasingly transact using just a phone number, payment address, or QR code, regardless of the recipient's provider — eroding the "Do you have Wave or Orange Money?" question that has defined the market to date.

Open Banking Landscape

Senegal does not yet have a formal open-banking framework, but private APIs from large banks (Société Générale, Ecobank, BICIS, UBA) are exposed to large corporate clients and selected fintech partners. Multi-rail aggregators such as Onafriq, Flutterwave, Paystack, and Bizao offer unified APIs that simultaneously expose multiple mobile-money and bank rails, reducing integration complexity for merchants and fintechs.

6 POSITION IN AFRICAN FINTECH EVOLUTION

Senegal's place in the Pan-African fintech evolution is best described as the quiet powerhouse of Francophone Africa. It is not the continent's largest market, but it has produced one of its most disruptive companies and built one of its most structurally advanced digital-finance ecosystems.

The "Big Four" and the Francophone Challenger

Continental fintech is still dominated by the Anglophone "Big Four" — Kenya, South Africa, Egypt, and Nigeria — which captured the vast majority of the $3.1 billion raised across Africa in 2025. Senegal sits just outside this top tier but is the undisputed leader of the Francophone bloc. In 2025 it attracted $154.2 million in venture funding — overwhelmingly driven by Wave — making it the fifth-largest destination on the continent. Combined with Côte d'Ivoire, the two Francophone West African nations captured 55% of all venture capital raised outside the Big Four, a 78% year-over-year increase.

The Wave Effect

Senegal's continental significance is disproportionately tied to Wave, Francophone Africa's first unicorn. Wave did not just win Senegal; it exported a low-fee, app-first mobile-money model that has forced incumbents across the region to rethink pricing. Its success is why pan-African giants such as Flutterwave are now aggressively expanding into Francophone markets — Flutterwave obtained a Payment Institution licence in Senegal in 2025, explicitly framing the country as a "gateway to unlock immense business opportunities" in the region.

Comparison with Neighbours

Within the WAEMU, Senegal and Côte d'Ivoire form a duopoly that shapes the entire regional market.

Criterion	Senegal	Côte d'Ivoire	Ghana
Adult MM penetration	72%	78%	95%
Dominant operator	Wave (≈65% P2P)	Orange (≈45%)	MTN (≈80%)
Market character	Innovation-driven, competitive	Scale-driven, fragmented	Mature, telco-dominated
WAEMU MM float share	29.7%	23.5%	N/A (non-WAEMU)
Microfinance leadership	#1 in WAEMU	#2 in WAEMU	N/A

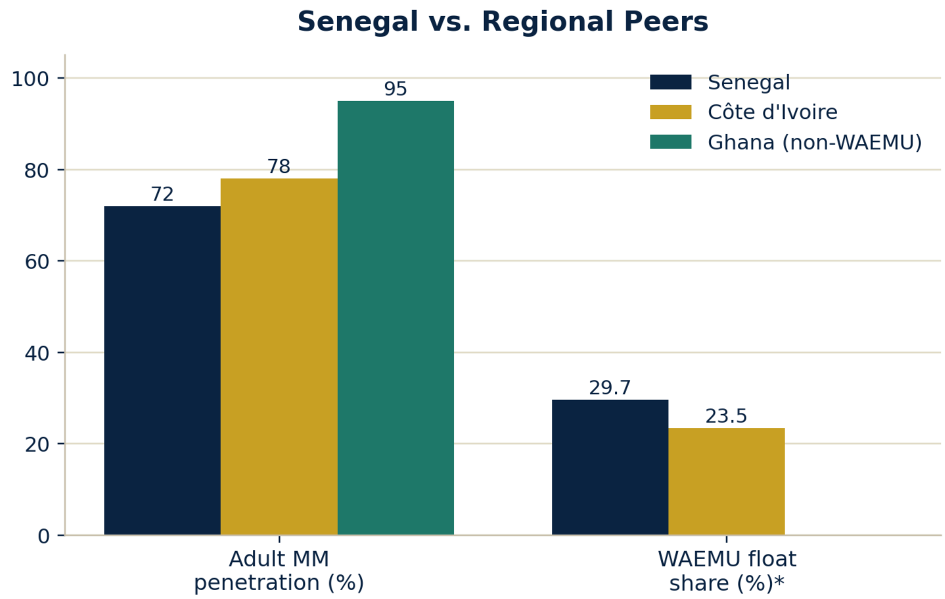

Figure 6. Senegal vs. regional peers on key adoption metrics.

Senegal leads WAEMU in microfinance assets, holding 26.5% of the regional total (CFA 1,234.3 billion), narrowly ahead of Côte d'Ivoire (26.3%). It also hosts the highest number of large microfinance institutions (81 structures) in the Union. In mobile money, Senegal's electronic-money float represents 29.7% of the WAEMU total — the largest share — with the sector growing 35.2% year-over-year to CFA 1,923 billion in 2025.

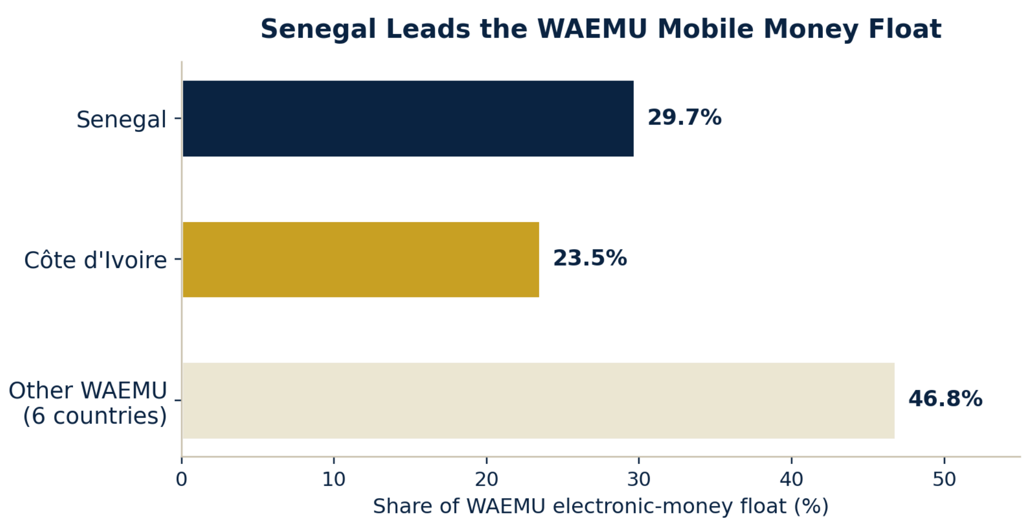

Figure 7. Share of WAEMU electronic-money float by country.

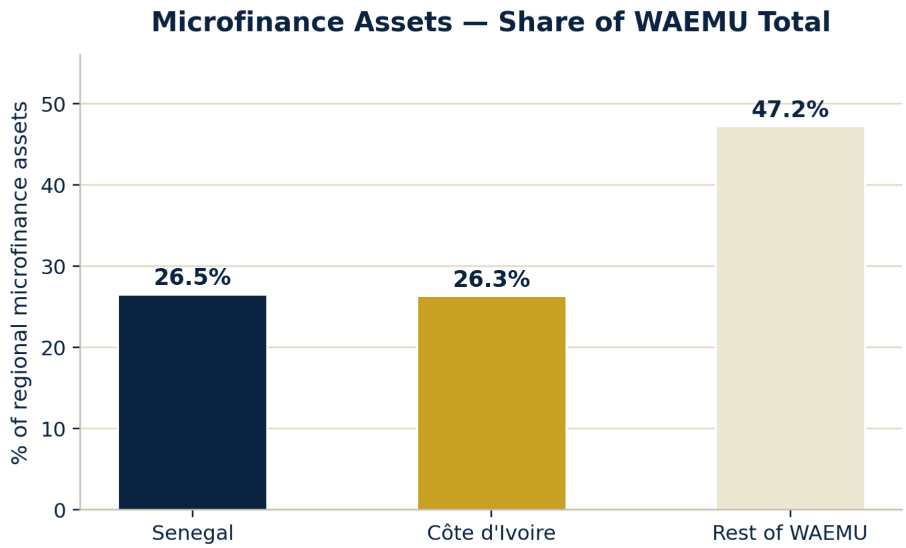

Figure 8. Share of WAEMU microfinance assets by country.

Côte d'Ivoire has overtaken Senegal in transaction-value share of mobile money, rising from 19% to 23% of the WAEMU market between 2023 and 2024, driven by its larger population (26 million adults vs. Senegal's 12 million). Its mobile-money penetration stands at 78%, compared with Senegal's 72%. Ghana, outside WAEMU, represents a more mature but less innovative market: with 95% adult mobile-money penetration and MTN MoMo controlling roughly 80% of the market, Ghana is highly inclusive but dominated by a single telco. Senegal's market is more competitive and innovation-driven, with Wave's disruption forcing a pricing revolution that Ghana's MTN-dominated market has not experienced.

The Francophone Advantage

The CFA franc's peg to the euro — once dismissed as a colonial relic — has become a competitive advantage for fintech investment. It eliminates currency risk for international investors and provides macroeconomic stability that Nigeria's naira volatility and Ghana's cedi fluctuations cannot match. This is a structural reason why Senegal and Côte d'Ivoire are attracting capital at a time when Anglophone markets are struggling.

7 OPPORTUNITIES FOR THE FUTURE

Interoperability & Integration

The launch of PI-SPI is the single most important structural shift in the region's financial architecture. It enables real-time, interoperable transfers between banks, e-money institutions, and payment providers across all eight WAEMU countries, operating 24/7 with funds availability in under ten seconds. Because P2P transfers via PI-SPI are free, the platform could fundamentally challenge the fee-based models of both Wave and Orange Money. For the market as a whole, PI-SPI reduces integration costs and widens the service offering for banks and fintechs, while enabling regional scalability across the eight-country bloc.

Remittances

Remittances to Senegal reached an estimated $3.2–3.27 billion in recent years, making them a critical FX stabilizer and household-income engine — amounting to roughly 10% of GDP. Competitive dynamics are intensifying: Wise remains the cost champion on the France–Senegal corridor (0.5–1% real fees), Sendwave and RIA dominate France-to-Senegal mobile-money transfers, and WorldRemit partnered with Wizall Money in 2026 to launch its first mobile-money transfer service to Senegal. A key trend is that fintechs are now targeting the diaspora directly as account holders, not just as senders: Djamo's $40 million raise explicitly cited the diaspora as a core customer segment, and IFAD has launched a call to mobilize diaspora funds for rural development, inviting fintechs to build digital remittance solutions.

Embedded Finance

The most significant product evolution is the shift from transactional wallets to embedded financial platforms. Wave has stated its ambition to move beyond payments into credit, savings, and digital insurance, with products designed to be "simple, responsible, and accessible" for households and businesses underserved by traditional banks. Its diversification strategy already includes electronic ticketing for the BRT and TER urban transit systems, a Visa virtual card for e-commerce and subscriptions, and micro-credit, savings, and insurance products in preparation. Microfinance institutions are embedding digital services too: the FIMF is modernizing 23 branches in Keur Massar with a platform offering wallet-to-bank, bank-to-wallet, credit requests, account opening, merchant payments, and micro-insurance, in partnership with fintech Sun Telecom.

Crypto-Assets

Senegal's regulatory posture on crypto is shifting. Following the BCEAO's May 2026 Dakar conference, the central bank has created a C-CRYPTO committee tasked with developing cryptocurrency regulations. The expected framework will likely include licensing for VASPs with strict AML/KYC requirements, consumer-protection rules, and a clear stance that Bitcoin is not legal tender, while enabling structured oversight. Senegal's broader "New Deal Technologique" strategy positions the country as a tech and financial hub by 2050, with blockchain and AI as priority areas. Notably, Bitcoin mining was legalized in Senegal in 2025, with government support for blockchain activities and renewable-energy-powered mining operations.

8 CHALLENGES AND RISKS

The Regulatory Bottleneck: Licensing Gridlock

The most immediate structural barrier is the extreme concentration of unlicensed operators. As of mid-2025, out of more than 100 fintechs identified in Senegal, only a handful had obtained BCEAO authorization. The BCEAO's national director for Senegal, François Sène, noted that many applications were delayed or incomplete, and that a 15-month grace period had already expired after two six-month extensions. Industry consultant Oumar Diallo reported that CFA 2,000 billion in flows were lost in just six days due to service interruptions for unlicensed operators. Critics describe the approval process as opaque, with unexplained processing delays and complex procedures that create an implicit filter between local startups and formalization.

The Mobile Money Tax: A Fiscal Gamble

The 0.5% levy on money transfers and parallel taxes on merchant payments, adopted in September 2025 under Law No. 2025-17, represent perhaps the single greatest near-term threat to inclusion momentum. The government aims to raise roughly CFA 220–230 billion over three years to support its 2025–2028 recovery plan, but industry groups warn the tax could trigger a significant drop in transaction volumes as users revert to cash — echoing Ghana's experience with its e-levy, which saw usage fall an estimated 25% and sector revenues fall 20% before being repealed in 2025. The stakes are high: GSMA estimates mobile money added around $6 billion to Senegal's GDP since 2013. Operators have proposed an alternative levy on provider turnover instead of end-user transaction taxes, arguing this would preserve the "spirit of dialogue" and avoid loading costs onto consumers.

Cybersecurity and Fraud

Senegal recorded 3,794 cybercrime offenses in 2025, with most cases involving online scams, data breaches, and unauthorized access. The Special Cybercrime Division has dismantled networks using phishing emails mimicking bank identities. This is not a peripheral issue: 90% of digital financial services users have been exposed to at least one risk in the past year, and 32% have lost money. 43% have dealt with fraud attempts, with losses for 18% of them, and only 18% of users receive fraud warnings from agents. The trust deficit is especially acute among women, who report a substantial lack of trust in the security and ease of use of mobile money.

Financial Inclusion Gaps

Despite impressive headline figures — roughly 76% of adults now hold a formal account, up from about 15% in 2014 — major gaps persist. A 6% gender gap in financial inclusion remains, and only 20% of women access loans from formal financial institutions, largely due to difficulties providing collateral. The statistics are stark: the majority of women live in rural areas (61.34%), and 51.03% have no formal education; only 8.17% of women hold a bank account. The National Financial Inclusion Strategy 2022–2026 targets 90% inclusion for small businesses with a focus on women and youth, but the most significant challenge remains financial education — the gap between accessing formal services and understanding how to use them to build wealth.

Funding and Investment Constraints

While Senegal attracted $154.2 million in venture funding in 2025 — largely driven by Wave — the broader ecosystem faces capital constraints. Fintechs must comply with capital requirements ranging from CFA 100 to 300 million and maintain headquarters within the region, creating significant barriers for early-stage startups. The requirement to apply separately in each WAEMU country for regional operation compounds the cost burden, renewing calls for a unified regional licensing regime that remains unrealized. Seed-stage funding represents only about 1.5% of total capital invested in Africa — three to four times below the 4–6% typically recorded in the United States.

Talent Gap

Senegal faces a shortage of advanced skills, with a persistent gap between training and market needs. Structural weaknesses remain, including heterogeneous and sometimes obsolete IT systems, a shortage of local expertise in key positions, and an inadequate legal framework. Luxembourg has offered to help establish a Digital Professions Center of Excellence as a public–private partnership linking universities, startups, and established companies to close this gap.

9 FOR STAKEHOLDERS

For Policymakers and Regulators

— Streamline the licensing process. The current opaque, slow approval system is constraining local innovation. A fast-track pathway for compliant startups, with clear, published criteria and timelines, would restore confidence.

— Reconsider the tax structure. Shifting the levy from end-user transactions to provider turnover, as industry has proposed, would preserve inclusion momentum while still generating revenue.

— Accelerate a unified regional licensing regime. Allowing one licence to operate across all eight WAEMU countries would dramatically reduce compliance costs and enable regional scaling.

— Invest in financial education at scale. The National Financial Education Programme must be resourced and deployed nationwide, particularly targeting women and rural populations.

For Fintech Operators and Investors

— Prioritize compliance as a competitive advantage. With the regulatory net tightening, early movers who secure licences will build a structural moat against unlicensed competitors.

— Build fraud detection and consumer protection into products from day one. Trust is the scarce commodity in this market; providers who demonstrably protect users will win loyalty where 90% have already faced risk.

— Design for women and rural users. The 20% of women currently accessing formal loans represents a substantial untapped market. Alternative collateral mechanisms, group-lending models, and USSD-first interfaces can unlock this segment.

— Leverage PI-SPI for regional expansion. Interoperable payment rails reduce the cost of cross-border scaling, but operators must still navigate country-by-country licensing.

For Development Partners and Ecosystem Builders

— Fund the talent pipeline. The proposed Digital Skills Hub needs concrete investment — scholarships, apprenticeships, and industry–university partnerships can close the gap between education and employability.

— Support startup-ecosystem infrastructure. Senegal's Startup Act provides a framework, but the proposed fund of funds mobilizing investors around Senegal 2050 priorities needs capitalization. The recently launched $50 million Catalyst DER/FJ fund for pre-seed and seed-stage startups is a promising step.

— Promote cybersecurity capacity. Luxembourg's offer to share expertise in cybersecurity and financial-services regulation is a model for targeted technical assistance.

10 CONCLUSION

Senegal's fintech trajectory is transitioning from a market defined by payment disruption to one defined by financial-infrastructure integration. The combination of PI-SPI's free P2P rails, Wave's embedded-finance ambitions, the diaspora remittance corridor, and the emerging crypto regulatory framework positions Dakar as a test case for how a small, stable, Francophone market can build a full-stack digital financial ecosystem — and then export that model across West Africa.

The country's competitive advantages are structural: a stable currency pegged to the euro, a regulatory framework attracting both continental giants and global players, a unicorn in Wave that has redefined mobile-money economics for an entire linguistic region, and a young, tech-savvy population with 72% adult mobile-money penetration. Senegal's leadership in PI-SPI connectivity (19 authorized institutions, the most in the WAEMU) and microfinance assets (26.5% of the regional total) provides a foundation for the next phase of growth.

Yet the licensing gridlock, the tax shock, and the trust deficit are real threats that could stall momentum. The window for decisive action is narrowing. Stakeholders who move quickly on regulatory reform, consumer protection, and talent development will define whether Senegal converts its early lead into sustained continental leadership. The bottom line is clear: Senegal has the market demand, the innovation density, and the regulatory ambition to build a world-class fintech ecosystem — but the next 24 months will determine whether it does so.

> *Senegal's place in the Pan-African fintech landscape is that of the innovation catalyst of Francophone Africa.*
>
> — Genie Capital Ltd, September 2027

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