

# What Is the Future of Digital Payments in Uganda?



**T**he question of what the future of digital payments in Uganda looks like is no longer a speculative one.

It is being answered in real time by the banks, fintech innovators, regulators, and investors who are building it.

At this year's 2025 Financial Technology Service Providers' Association Fintech Conference in Kampala, one could sense a quiet revolution is underway.

Uganda's digital payment ecosystem, once fragmented and cautious, is now evolving into one of Africa's most dynamic, data-driven, and inclusive financial systems.

The energy in the room was electric, but the conversations were grounded in hard truths.

The country's payment rails are expanding, yet inclusion gaps remain.

Regulators are opening up, but compliance remains a balancing act. And while innovation thrives, sustainability and trust will ultimately define who wins.

## A booming digital economy, anchored in numbers

Few economies in the region capture the pace of financial transformation quite like Uganda's.

The Bank of Uganda's 2024/25 Annual Report reveals that electronic money transactions exceeded UGX 300 trillion, a dramatic increase

powered by mobile payments, merchant services, and government digital collections.

Between March 2024 and March 2025, the volume of mobile money transactions rose by nearly 20 percent, while their value surged by about 24 percent, from UGX 33.9 trillion to UGX 42 trillion.

The Uganda Communications Commission (UCC) adds its own perspective, Uganda now boasts over 40 million active mobile subscriptions and around 20 million internet users.

Yet, smartphone penetration remains just over one-third, underscoring the paradox of progress: as digital finance expands, many users still access it through basic handsets, USSD menus, or local agents rather than mobile apps.

This dual reality of a booming fintech ecosystem in a largely informal economy, shaped every discussion at FITSPA 2025. Uganda is racing forward, but it must bring everyone along.

"We've built the rails, now let's connect the people. If we adopt open banking and build out national payment rails, the pie becomes larger and competition moves to product quality, not market access," said Steven Musoke, a technologist who was one of the keynote speakers.

His statement captured the new spirit of collaboration sweeping

through Uganda's fintech space.

For years, payment providers fought for dominance through exclusivity. But at FITSPA 2025, a new consensus emerged; interoperability is not a threat, it's a catalyst.

"We've evolved from sending money to building bridges between fintechs and banks," said Jemima Kariuki, Chief Product Officer at MTN MoMo, noting that the company now provides 46 open APIs to developers. "Our goal is simple; make money move like a message: instant, safe, and borderless."

Echoing that call, Ezee Money CEO Eleanor Kasenge emphasized the need for a shared infrastructure mindset.

"We must stop treating interoperability like charity. It's not about losing market share; it's about growing an economy," she said.

Even the Bank of Uganda, traditionally conservative, sounded a reformist tone. Officials reaffirmed the central bank's commitment to real-time settlement systems and API-driven integration between banks, telcos, and fintechs.

Yet, for all the optimism, fintech leaders were quick to stress that Uganda's financial transformation must reflect the realities on the ground.

"We can't build like we're in Silicon Valley when we're running on a boda boda economy," said Suleiman Murunga, Director at Muda.

His statement drew nods from the crowd because it addressed the heart of the challenge: how to design digital systems that work for an economy that still runs on cash, informal transactions, and trust-based networks.

Companies like AgentBankingCo, which operates over 22,000 agents across Uganda, are tackling that challenge head-on.

"We enable institutions to launch faster, scale wider, and transact safer," said CEO Richard Jabel, whose network provides digital

access points even in remote areas. This model blending digital technology with human presence reflects Uganda's unique approach to inclusion. Digital payments here are not replacing people; they are empowering them.

## Tokenisation, AI, and the new trust economy

If interoperability is today's conversation, tokenisation is tomorrow's. "By 2035, all relevant currencies will be tokenized," predicted Murunga, sketching a future where programmable digital currencies power instant cross-border trade across Africa.

Still, fintech experts urged caution. They called for regulatory sandboxes and phased pilots to test stability and safety before large-scale adoption.

Artificial Intelligence was another frontier topic. Tatenda Nigel Chinodakufa of Sumsud demonstrated how AI-driven KYC and AML tools can make onboarding faster, cheaper, and more accurate. "AI gives us speed without sacrificing trust," he said.

But others struck a more guarded tone. M-Pesa Africa Chief Executive, Sitoyo Lopokoiyit issued a warning that reverberated through the conference.

"The story of Africa will change if we are not careful with AI. It could become the newest, deadliest form of colonialism. So let's build algorithms that understand our context and serve our people."

It was a call to build technology that is as ethical as it is efficient, a recurring theme throughout the event.

## A new kind of regulator

In a sign of how far Uganda's regulatory environment has evolved, Alley Iriza, Legal Affairs Manager at the Capital Markets Authority, summed up a new mindset.

"Regulation should focus on outcomes, not just compliance. We want safe innovation, not suffocated innovation."

The CMA's sandbox framework, which allows fintechs to test products under supervision, has become a benchmark in East Africa.

Tracy Bagonza, a Compliance Manager at M-KOPA, praised the

shift: "Financial inclusion cannot thrive without responsible innovation. Compliance isn't a barrier; it's the framework that ensures technology serves people."

This approach reflects a broader regional trend where regulators are no longer just referees; they are partners in innovation.

As Uganda's digital payments ecosystem deepens, fintechs are moving beyond transactions to tackle credit, insurance, and savings.

"When people have access to digital loans and insurance, they move from surviving to thriving," said Brendah Nambalirwa, M-KOPA CEO, highlighting the partnership between M-KOPA and Turaco Insurance, which combines asset financing with health coverage.

Traditional banks are also redefining their role. "Our digital SME platforms now combine banking, lending, and payments all in one ecosystem," said Stanbic Bank's Head of Enterprise Banking, Aaron Akampa.

"It's not just about digitizing; it's about transforming how businesses grow."

Yo Payments' Lawrence Totimeh added that partnerships remain key to scale: "If it hadn't been for collaboration with NGOs and funders, we wouldn't be here. Payments only scale when partnerships work."

Investors, too, are changing their tune with capital flowing toward fintechs with real-world revenue, not vanity metrics.

The fintechs that solve African problems sustainably are the ones writing Africa's next financial chapter.

By the time FITSPA Conference closed, one truth had crystallised: Uganda's digital payments future will not be defined by who owns the rails, but by who connects the most people.

The Bank of Uganda's data shows that even as the country is still heavily dependent on cash, digital transactions are expanding rapidly, while the UCC's figures confirm that connectivity and affordability remain the next frontiers.

Technology, everyone agreed, is the easy part. The harder challenge is trust; building systems that are inclusive, transparent, and reliable enough to replace cash in daily life.