



neofingo

Protocol Overview

**Euro (UK) — Africa (Ghana) Digital
Trade Finance Corridor**

Smart Finance • Shared Governance

An initiative of the 24-Hour Economy & Accelerated Export Development Authority
Office of the President of the Republic of Ghana | © 2026 Neofingo

What is Neofingo?

Every year, African SMEs lose access to over **~\$120 billion** in trade finance. The gap persists because legacy banking infrastructure - built in an era of paper Bills of Lading and telex confirmations - was never designed to serve a shea butter processor in Tamale or a coffee exporter in Freetown. Compliance costs alone can exceed the profit on a \$50,000 shipment. Africa's most dynamic businesses remain locked out of global trade, not for want of ambition, but because leaks in the financial plumbing have been allowed to persist.

Neofingo is a Digital Finance Corridor that connects the UK's digital banking ecosystem - neobanks, electronic money institutions, & RegTech firms - with African fintech hubs through a new financial instrument: the neo-LC, a programmable digital Letter of Credit. The protocol is open-licence, standards-aligned, and jointly governed by African and UK financial partners. Trust is designed into the architecture, built transaction by transaction, with no single side holding overriding control.

In Ghana, Neofingo operates under the **24-Hour Economy & Accelerated Export Development Authority** (Office of the President of Ghana). It navigates a complex regulatory landscape without itself being a regulated service through a prospective Bank of Ghana policy sandbox. Its reference implementation is anchored in the AfCFTA Secretariat's AfCFTA Hub. A proof of concept has support from ODI Global, BII, and the UK's FCDO.

What Does the neo-LC Do?

The Letter of Credit is the oldest trust mechanism in international trade - a bank's guarantee that a seller will be paid if the right goods ship, with the right documents, by the right date. The problem? Paper-based LCs are expensive, slow, and error-prone. The ICC estimates that up to 70% of first-time documentary presentations contain discrepancies that delay payment. For an SME on thin margins, a single rejection can spell insolvency.

A neo-LC mechanism can radically reimagine this instrument for a mobile, AI-enabled world. An exporter connects through their existing fintech app, and an AI assistant called **Nomi** guides them through LC creation, document validation, and submission in plain, conversational language. On the institutional side, the neo-LC is validated in real time against ICC eUCP 2.1 and ISO 20022 standards. Discrepancies are flagged instantly with actionable cure steps. A confirming institution in London underwrites the transaction digitally. Settlement shrinks from weeks to same-day.

The legal scaffold is equally decisive. The UK's **Electronic Trade Documents Act (ETDA) 2023** resolved a decades-old barrier: the legal ownership of an electronic document. Under ETDA, a digital Bill of Lading can now be "possessed" in the same way as its paper equivalent. Neofingo exports this legal architecture to the UK - Africa corridor, giving the neo-LC full enforceability under globally recognised rules.



How Does a Transaction Flow?

Consider a Ghanaian cooperative exporting processed shea to a buyer in Manchester. Under the Neofingo protocol, the transaction flows through three interlocking layers:

Layer	What Happens
AI Compliance Engine	The cooperative uploads its invoice, certificate of origin, and phytosanitary certificate. Nomi cross-references every data point against LC terms and ICC rules. Errors are flagged in real time. AML screening and KYC checks run simultaneously, governed by the UK PRA's SSI/23 model-risk principles.
Shared Governance	Every action is recorded in an immutable "Smart Record" - a cryptographically secured audit trail that neither side can alter unilaterally. Over time, this record becomes a portable reputation asset for the exporter. Reliability, proved transaction by transaction, replaces the collateral they could never post.
Open API Architecture	The platform speaks ISO 20022 and eUCP v2.1. These are the same standards used by the world's largest banks. UK neobanks, African fintechs, insurers, and freight forwarders all plug in through a single API gateway. No bespoke integrations, no bilateral lock-in. Each participant adds value but none becomes a gatekeeper.

On the liquidity side, a **"Nostro-Lite"** settlement model allows African fintechs to hold settlement accounts with London neobanks while posting dramatically less cash collateral than traditional correspondent banking requires. The Smart Record's real-time data transparency substitutes for locked-up capital. Development finance guarantees - from institutions such as British International Investment - provide additional risk cover, keeping freed-up capital circulating in the African economy.

Why Should Anyone Care?

The trade finance gap compounds in the dark, and in the day it destroys dreams. Each rejected LC application, each SME whose working capital is trapped in a 45-day documentary cycle, represents a small erasure. It means an export that never ships, a job that never materialises. Multiply that across fifty-four African nations and the cumulative cost dwarfs most aid budgets. Neofingo addresses this from multiple vantage points:

For African SMEs, the neo-LC removes the prerequisite that you must already be wealthy to participate in global trade. The AI compliance engine drives the marginal cost of each transaction close to zero. The Smart



Record turns your track record into a bankable asset, replacing collateral you were never going to have.

For UK neobanks, the corridor opens a gateway to 1.4 billion consumers and a middle class choosing digital finance over legacy banking at a pace that outstrips almost every other region. The protocol de-risks cross-border deployment by embedding compliance into the transaction fabric itself.

For regulators, the architecture works with the grain of sovereignty. The Bank of Ghana’s policy engagement provides supervised proof of concept; the UK’s ETDA 2023 provides the legal backbone; Ghana’s 24-Hour Economy initiative provides industrial policy alignment. Neither jurisdiction cedes control but both gain fresh capabilities.

For the AfCFTA’s continental vision, Neofingo provides a deployable mechanism for the trade configurations the free trade area was designed to enable. Triangular trade - goods produced in Ghana, enhanced in the UK, sold in Côte d’Ivoire - can be financed through a single protocol. Diagonal accumulation - where inputs from multiple African countries qualify as a single origin - becomes ever more practical. The AfCFTA Hub serves as the orchestration engine, bringing each instrument into tune.

How Do Partners Connect?

The Neofingo API gateway removes the need for bilateral integrations. Participants connect once and reach the entire corridor:

Participant	How They Connect
SME Exporters	Via their preferred African fintech app. Nomi guides onboarding, KYC, and first LC creation. Mobile-first, low-bandwidth friendly, with USSD fallback for basic handsets.
African Fintechs	Integrate once with the Neofingo API (ISO 20022 / eUCP v2.1) to originate neo-LCs, run local-currency rails, and provide KYC/KYB. Nomi embeds directly into the fintech’s own environment.
UK Neobanks & EMIs	Issue and confirm neo-LCs via the corridor API. Nostro-Lite reduces balance-sheet drag. Real-time Smart Record visibility replaces heavy due-diligence overheads. Settlement via UK Faster Payments, CHAPS, or SWIFT.
DFIs & Insurers	Provide first-loss guarantee facilities and credit insurance. The Smart Record delivers granular, real-time risk data, reducing the pricing uncertainty that has historically kept guarantors away from African trade.



The Road Ahead

The Ghana - UK corridor is the first deployment, pairing Accra with London under joint nurturing in the Bank of Ghana's policy sandbox. The pilot targets SME exporters in agri-processing, light manufacturing, and creative industries - with deliberate emphasis on enterprises led by young people and women. From Ghana, the protocol's modular design supports iterative roll-out across AfCFTA member states. Integration with the AU 4D AfCFTA Hub positions Neofingo as a reference implementation for electronic trade documents under the continental framework.

Impact targets for 2026 - 2028 include 2,000 SMEs onboarded, a tenfold increase in AI-verified LC applications, and a 40% average reduction in transaction costs. The corridor's success would open into a web of transaction channels criss-crossing Africa and linking into multiple international trade-finance markets. Instead of a single pipeline, Neofingo unfolds a living network where an exporter's reputation, rather than their proximity to power, determines their access to capital.

