



THE STATE OF INCLUSIVE INSTANT PAYMENT SYSTEMS IN AFRICA

SIIPS 2025 • Case Study

IPN Egypt



Origin story



Challenge

The Instant Payment Network (IPN) in Egypt emerged as part of regulatory efforts aimed at driving digital transformation and increasing financial inclusion. Egypt's Vision 2030, developed in 2016, aimed to enhance financial inclusion rates and achieve economic empowerment by making high-quality and cost-effective digital financial products and services available to all segments of society (Egypt Ministry of Planning and Economic Development, 2023). The Financial Inclusion Strategy (2022-2025) issued by the Central Bank of Egypt (CBE) complemented Vision 2030 by prioritizing financial inclusion and bringing gender inclusion to the forefront of the CBE's development policy agenda (CBE, 2021a).

The CBE's plans included efforts to bolster and promote digital payments as part of its economy's digital transformation. Toward that end, in 2020, the CBE set out to establish the Instant Payment Network (IPN) IPS to enable end users to make financial transactions (transfers/purchases) to different payment service providers (PSPs) using different payment instruments and channels (CBE, 2020). The CBE tasked the Egyptian Banks Company (EBC), its technical subsidiary, with leading the project.

At that time, the state of financial inclusion in Egypt faced several barriers, including a reliance on cash payments. As of 2021, 27% of adults in the country had a financial account (World Bank 2021g). IPN aimed to ensure the digital payment ecosystem included everyone and extended beyond the banked population to provide options for those without accounts.

Since its launch in 2022, IPN has offered an accessible, electronic alternative to cash payments while maintaining the benefits of cash and mitigating its drawbacks. Specifically, IPN offers immediate settlement, universal access, and continuous availability, eliminating the security risks and inefficiencies associated with cash.

End users can access IPN through bank channels. However, the need for a user-friendly interface for consumers prompted the creation of InstaPay, a mobile app that lets end users access IPN and send or receive money instantly between any bank account, card, or mobile wallet, 24/7 (CBE, 2025b). Through InstaPay, users can link multiple bank accounts within the app. Egypt's IPN is one of only three instant payment systems (IPS) in Africa that offer a direct-to-consumer digital channel (the others are Morocco's SWAM and Mozambique's SIMO). In contrast, most other African IPS offer only the back-end infrastructure, along with APIs that facilitate PSP integration.

The Egyptian regulator mandated that all P2P and P2B payments executed through IPN and InstaPay have zero fees. The fee waiver was designed to accelerate early adoption, demonstrate the speed and convenience of real-time payments, and advance Egypt's "Less Cash" and financial inclusion agendas. The fee waiver lasted for three years until April 1, 2025, at which time IPN allowed capped fees, which are expected to fund infrastructure upgrades without materially dampening growth (Business Today, 2025). Consumers can see the applicable fee before confirming any transaction.



Adding value

Egypt's IPN is designed to allow end users to connect bank accounts, cards, and mobile wallets to the real-time payments infrastructure. The IPN value proposition centers on the following key elements:

- **Ease and convenience:** The system was designed to be easy and accessible at any time. It simplifies the transfer process into a few steps and can execute transactions in under 10 seconds. Users can initiate transfers using easy aliases, such as mobile numbers or instant

payment addresses, instead of complex bank account details.

- **Instant transfers:** It facilitates instant digital transfers and is available 24/7, including weekends and official holidays.
- **Interoperability:** Consumers can send money instantly to any bank account, mobile wallet, debit card, credit card, or prepaid card within Egypt. This broad reach connects previously disparate payment instruments and populations.
- **Expanded use cases and features:** While IPN initially supported only person-to-person (P2P) transactions, it now facilitates a wider range of payment use cases, including merchant or person-to-business payments (P2B), business-to-business payments (B2B), and cross-border payments. The inbound cross-border use case, launched in December 2024, enables recipients in Egypt to receive funds directly into their accounts or wallets.

These use cases, along with request-to-pay, payment links, and tokenization capabilities, serve cash-heavy sectors such as commercial delivery, hospitality, and transportation. Enabling integration with fintechs via application programming interfaces (APIs) is expected to unlock even more diverse use cases in the future.

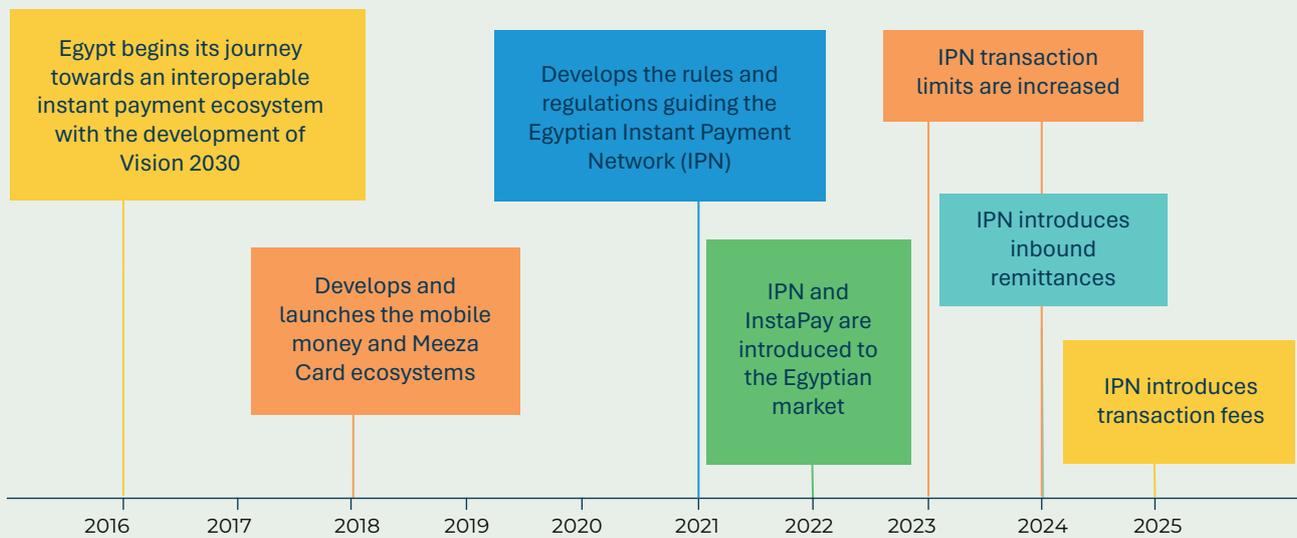
- **Affordability:** The operator initially offered IPN free of charge but introduced commercial fees in April 2025. For financial transactions, the pricing structure is 0.1% of the transaction value, with a minimum fee of 0.5 Egyptian Pounds (EGP) (\$0.01) and a maximum fee of 20 EGP (\$0.39).² Consumers pay the fees, while merchants continue to accept payments at no additional cost. IPN's low fees are a key driver of adoption, according to focus group participants.² In a 2025 AfricaNenda study, one participant noted that her husband now prefers InstaPay over cash because its transaction fees are capped, making it affordable. Another explained that she adopted InstaPay to simplify her daily money management,

which she previously handled in cash. Several respondents have also linked their salary accounts to InstaPay, praising the service as an affordable and convenient alternative to cash.

IPN developed the new pricing model after considering various factors, including the local economic context, historical fee structures, the costs associated with handling cash, and user feedback. The aim was to keep charges low for smaller transactions to encourage the adoption of digital payments.

- **Non-financial interactions:** The service enables popular features such as checking account balances and viewing mini statements, providing value beyond financial transactions. These services cater to a diverse range of demographics, including older citizens. Since implementing the new fee structure, users are allowed 10 free non-financial transactions per month, after which IPN applies a fee of 0.5 EGP (\$0.01) per activity. This approach helps manage system performance.
- **Trust and security:** Backed by the CBE, the system benefits from a proactive regulatory framework and prioritized cybersecurity. The CBE's explicit support fosters trust among historically cash-reliant citizens. This helped overcome initial concerns. Transaction validation, such as payee name and transaction amount, helps prevent errors like sending money to the wrong person.
- **Unified account hub:** InstaPay provides a single hub for end-user accounts. Instead of juggling multiple apps with different functionality, users can consolidate their financial activities with multiple banks in one secure platform.
- **Instant settlement:** Merchants can receive money instantly when customers or suppliers pay via IPN/InstaPay, which is a significant advantage over traditional payment gateway settlement times.

Egypt IPN development timeline



Source: Egyptian Banks Company, 2025

Prior to 2021, the automated clearing house (ACH) was the primary method for electronic transfers in Egypt. It was not available on weekends or official holidays, and stakeholders described it as complicated and inconvenient for consumers. Bank e-channels also lacked a seamless and easy consumer experience and were not interoperable with mobile wallets and cards. After studying successful IPS, such as India's UPI and Brazil's Pix, the CBE decided to build IPN. This initiative aligned with Egypt's Vision 2030 and the national goal of building a cashless economy.

In October 2021—six months before IPN's launch—the CBE launched the IPN regulations to provide a regulatory framework and to give international and local banks in Egypt confidence that the network was covered and protected by the central bank. As noted, the IPN service was free of charge for three years, until April 2025.

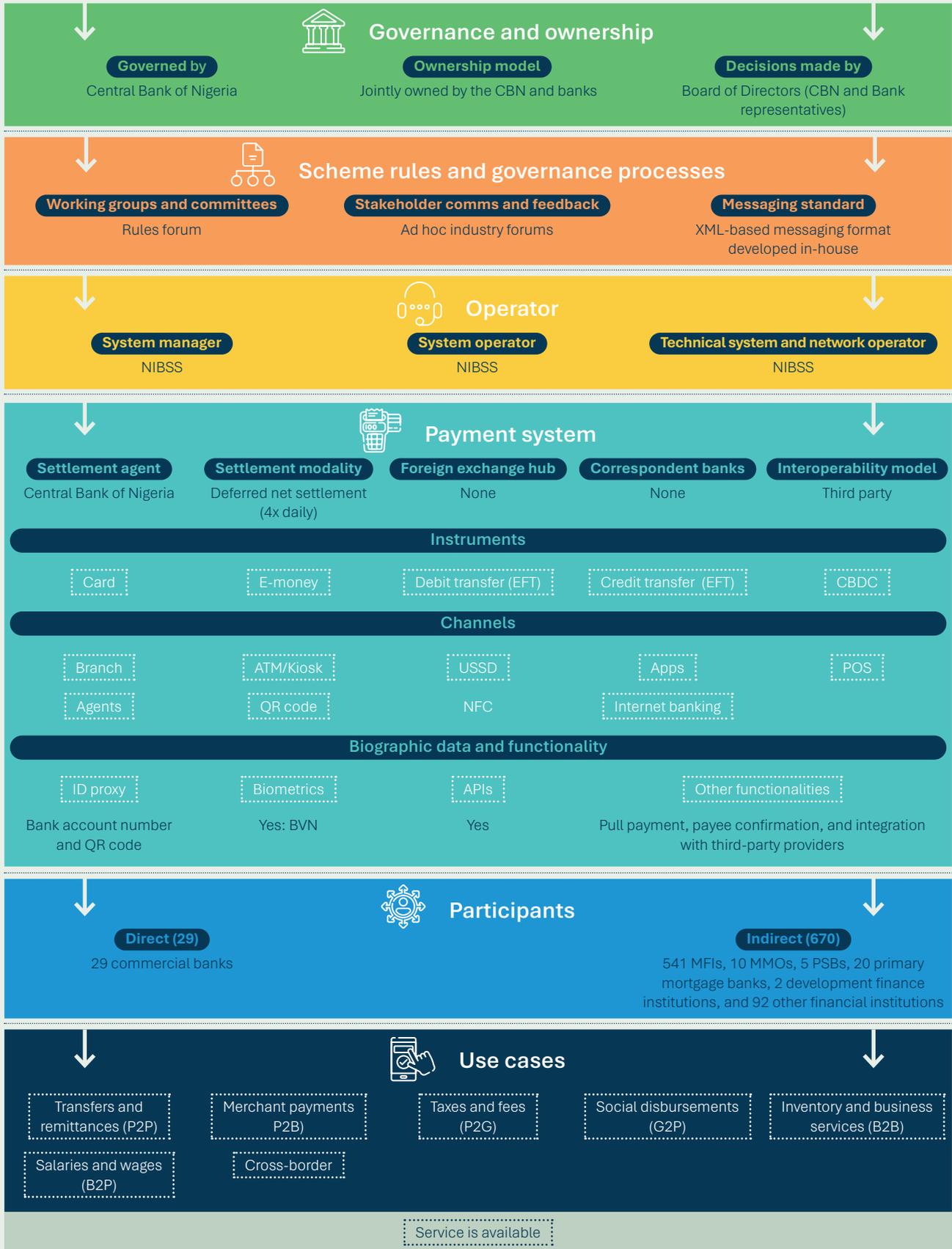
The launch of instant international remittances in December 2024 marked a significant milestone during this period. This enables people to send money to Egypt via the IPN network and deposit

funds directly into recipients' bank accounts or mobile wallets in Egyptian pounds.

As of 2025, IPN is working towards launching additional P2B capabilities, such as payment acceptance at the point-of-sale (POS) using dynamic and static QR codes, as approximately 1.2 million POS devices in Egypt are not linked to IPN (Daily News Egypt, 2023). Further plans include enabling cash withdrawal from ATMs via the InstaPay app, enabling fintech integration via open APIs to unlock new use cases, and facilitating cross-border transfers by establishing bilateral links with other IPS in countries like Jordan, Saudi Arabia, and the United Arab Emirates. The introduction of an electronic know-your-customer (eKYC) platform is also planned for the end of 2025, laying the foundation to enable features such as biometric authentication.

Governance and operations

Payment system overview



IPN currently includes 35 commercial banks operating in Egypt as well as InstaPay as direct participants. The system connects these participating banks, enabling interoperable instant transfers to and from various payment instruments. The network is continuing to integrate more banks, and there is a plan to enable fintechs and other non-bank companies to participate in the future, aligning with the national objectives of financial inclusion and digital transformation. IPN uses proprietary APIs to enable integration with participants and uses a proprietary messaging standard for communication.



Governance structure

The CBE manages IPN through a three-tier model that balances national policy, regulatory oversight, and operational agility. At the apex, the National Payments Council sets the broad payments strategy. The president of Egypt chairs the council, which includes key ministers, security chiefs, and the CBE governor. The CBE board translates the strategy into concrete regulations and risk oversight, approving IPN fee grids, transaction limits, and security standards. Day-to-day execution rests with the EBC board, led by the CEO and including CBE and bank representatives. EBC operates the switch, certifies participants, and drives the InstaPay product roadmap. This structure ensures political alignment on financial inclusion goals, strong regulatory safeguards, and technical agility.

In summary, CBE centrally controls IPN governance and fulfills the roles of system owner, overseer, and settlement agent. EBC then operates IPN. This structure signals regulatory backing and oversight, building trust among participating banks and consumers.

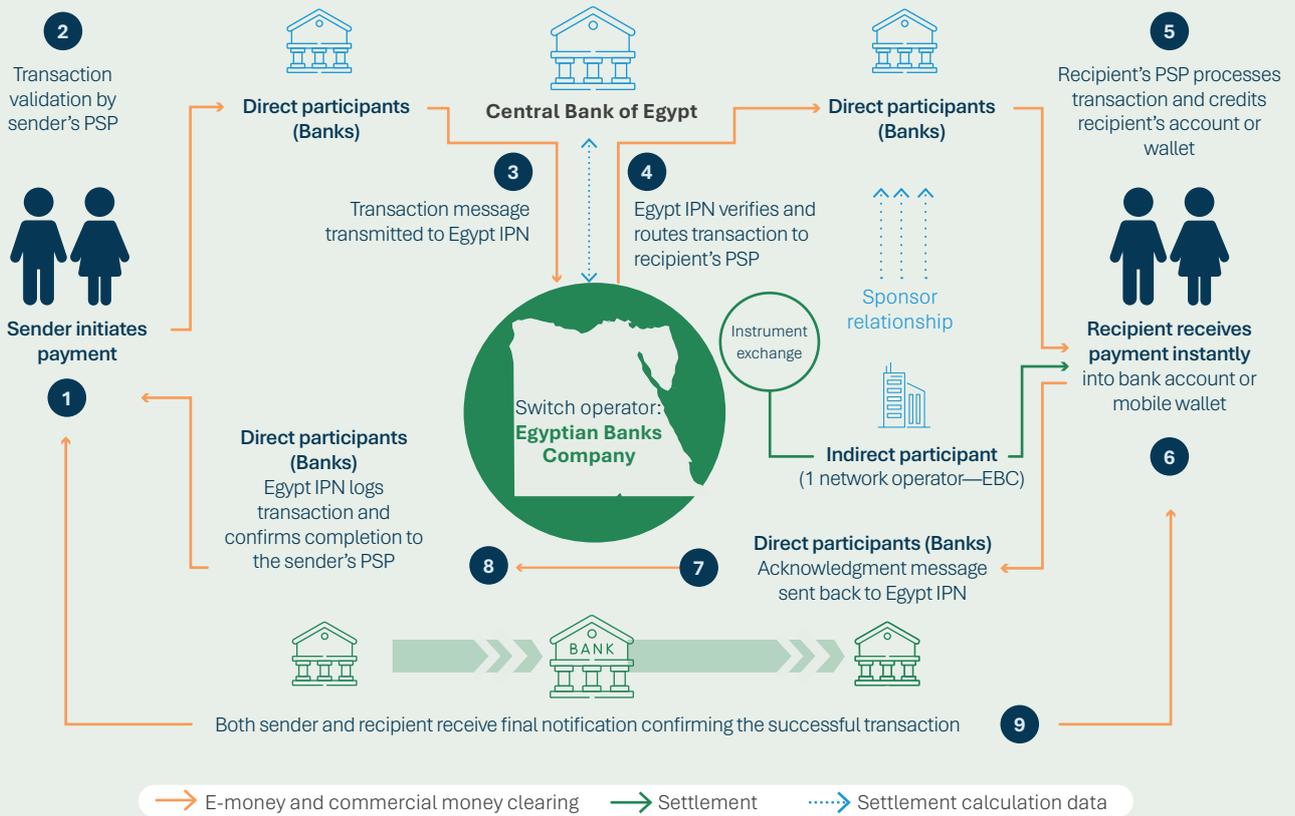


Functionality

IPN operates a centralized clearing model, connecting all 35 participating banks to each other, as well as to 27 e-money issuers through an integration with Meeza Digital, Egypt's domestic card scheme.

Egypt IPN is designed for high transaction volumes. To ensure system resilience and performance, participating banks must meet performance standards, including the capacity to process at least five times their current transaction volumes. The operational goal for transaction speed is to complete it in under 10 seconds. Additionally, the system supports real-time payment confirmation messages and transaction validation through features such as payee confirmation. IPN utilizes proprietary messaging standards and APIs.

IPN facilitates payments across various instruments and channels, including bank accounts (retail and corporate), mobile wallets, debit cards, credit cards, and prepaid cards. ATM withdrawal and QR code acceptance solutions are in the pilot stage. Furthermore, the system supports identity aliases/proxies, such as bank account numbers, mobile phone numbers, merchant IDs, QR codes, and a system ID known as the Instant Payment Address (IPA), similar to an email address. As part of the onboarding process, users link their mobile phone by registering their SIM card at the bank, thus binding the phone's signature, SIM number, and verification using bank card details and a one-time passcode (OTP). Linking the client's mobile phone to the IPN is the first authentication factor. This, in turn, links the mobile device fingerprint (MDF) and the mobile phone number (based on the activation process) in the service provider's systems, enabling secure transactions. Users also set up an IPN PIN for transactions.



Technical standards and use cases

IPN uses proprietary messaging standards and APIs. EBC made the decision not to follow international ISO standards, such as ISO 8583 or ISO 20022. IPN believes this approach will enable greater speed and customization. The technical design standardizes interfaces for participating banks and handles the complex logic within the network, aiming to simplify the integration process.

later improvements and upgrades. The phased approach to technical development allowed for a controlled expansion of the system.

As noted, as of April 1st, 2025, consumers pay fees to send transactions, though IPN remains free for merchants to receive payments. This structure is designed to keep small-value transactions affordable, while higher-value transactions help subsidize the ecosystem's costs. This aligns with a self-sustainability objective rather than generating significant profits.

Business model

IPN operates on a not-for-loss business model. CBE and EBC funded IPN's development in-house, and a team of developers in the EBC created the system. The team intentionally limited the initial build to manage upfront investment and to ensure sufficient functionality, with plans for

Scheme rules and regulations

CBE governs IPN according to detailed national regulations known as Rules Regulating Services For Instant Payment Network Inside the Arab Republic of Egypt, published in October 2021. These rules and controls are the minimum necessary for banks and PSPs authorized by the CBE to provide services

through the IPN. The original version is publicly available online through the CBE website. The most recent iterations of these rules are available only to participating banks. The regulatory guidelines take into account the needs of the ecosystem and are informed by local culture and environment, including provisions for protecting customer rights. Participants in the IPN are required to obtain a license and comply with all relevant regulatory requirements.

A bank wishing to obtain a license to participate in the IPN must apply for the necessary approvals from the CBE. Banks that are not able to meet technical standards may be denied access to IPN. As part of these technical standards, participants must provide the following to demonstrate their capacity to conduct real-time financial and non-financial transactions 24 hours a day throughout the year:

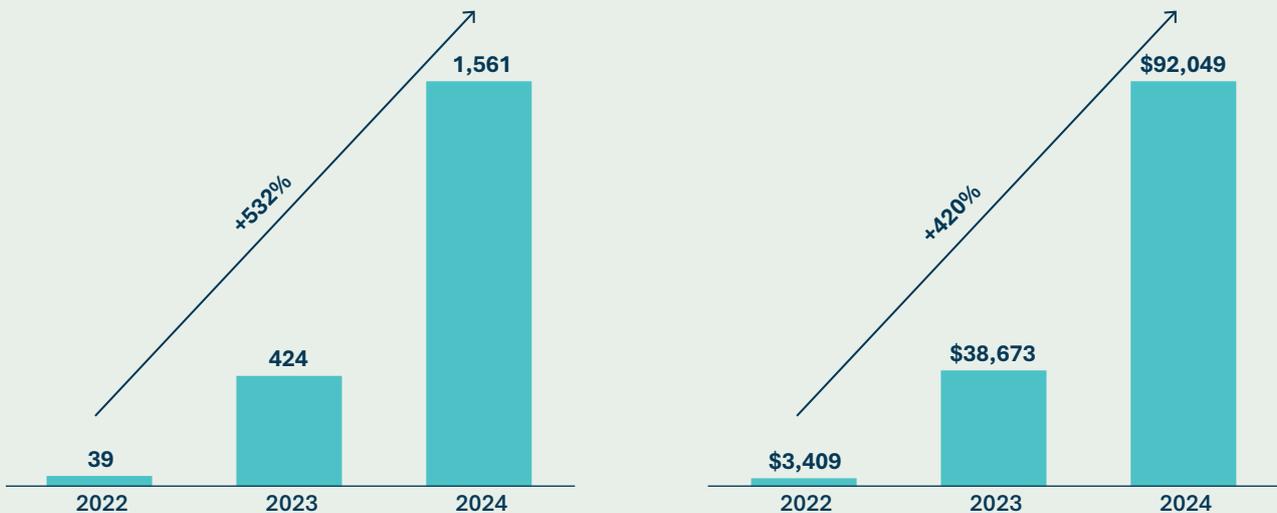
- Commitment to completing all tests and procedures for IPN, per a work plan that does not exceed six months from the date of application.
- Submission of a three-year work plan, including the number of accounts and cards of the target customers made available to IPN.

- A comprehensive risk management plan.
- The number and values of annual transactions to be executed.
- A high-level marketing plan to introduce the service and activate its use, provided that the approved budget is indicated in the plan.

The rules regulating the IPN in Egypt further specify maximum daily and monthly transaction limits, as well as individual transaction limits. IPN rules initially set a daily maximum transaction limit at 50,000 EGP (\$1,005). IPN has since increased this limit to 70,000 EGP (\$1,407) following customer feedback and driven by rising inflation and currency devaluations.

The management and enforcement of the IPN scheme rules involve several key mechanisms. The IPN has a dispute resolution system (DRS), whereby banks must maintain audit trails for all IPN transactions and ensure that these trails are protected against manipulation or unauthorized changes. This procedure aims to facilitate fraud investigations and resolve any disputes or complaints, as system records serve as conclusive evidence.

Egypt IPN transaction volumes and values (millions)





Volumes and values processed by the payment system

By the end of 2024, IPN had over 12.72 million unique users, amounting to approximately 16% of the adult population in Egypt. IPN has experienced significant growth since its 2022 launch, both in transaction volumes and values. Transaction volumes increased from 39.1 million in 2022 to 1.561 billion in 2024, representing a compound annual growth rate (CAGR) of 532% over three years. Transaction values grew from \$3.4 billion to \$92 billion, a CAGR of 420%.

Albeit off a low base, the considerable increase in IPN transaction volumes and values can be attributed to several key elements: ease of system access, a broadening range of applications, cost-effectiveness, and interoperability. These factors have also contributed to financial inclusion gains in Egypt over the past few years. From 27% in 2021, 43% of adults in Egypt had a financial account as of 2024 (World Bank 2025b). Further growth in transaction volumes and values is expected as the system enables more use cases, participants continue to join, and end users acquire accounts.



Inclusivity learnings

Egypt IPN has made progress in achieving inclusivity, fulfilling the progressed level criteria. In the previous edition of the SIIPS report, the IPN was unranked because it did not fulfill the basic criteria of inclusivity, primarily due to the absence of the P2B use case. IPN has since evolved to enable the minimum primary use case through InstaPay. In addition, IPN now meets other progressed level criteria such as cross-domain functionality and interoperability between domestic schemes, as well as some matured inclusivity criteria such as low cost through a not-for-loss model.

IPN leveraged the following drivers of inclusivity:

- Egypt IPN has met the minimum primary channel requirement through InstaPay.** Egypt is estimated to have a smartphone ownership rate of over 90%, which ensures that the use of a mobile app can sustain the minimum channel requirement (NAOS Solutions, 2023). A crucial element driving inclusion is the use of proxy aliases, specifically mobile phone numbers. This can connect the payment network to other
- digital public infrastructure systems, such as digital ID, as seen in other markets such as Nigeria, enabling interoperability across the entire digital public service delivery ecosystem (Business Day, 2024).
- Fee transparency and affordability play a vital role** in driving the adoption and inclusivity of IPN and building trust in the central bank. The CBE stands out for offering the service free of charge for three years after launch. Despite the introduction of a transaction fee, the cost recovery model, along with its relatively low rate compared to card payments (2% transaction fees), holds promise for keeping barriers to participation low and driving inclusivity.
- To progress toward mature inclusivity, **IPN may seek to provide consumers with additional recourse mechanisms**, as well as expand its use cases to include P2G and G2P flows. Bringing P2G and G2P payments onto the network would unlock gains in public sector revenue management and service delivery.

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