

# How 3 South African entrepreneurs are using blockchain to drive financial inclusion

We live in a world of growing financial inequality. According to a 2020 report by the United Nations, 1.3 billion people in 107 developing countries experience deprivation in health, education, and living standards due to their financial circumstances.



Fraxeum's Khaya Maloney and Barry Tuck

These people are excluded from the formal economy, trapped by their financial situation with limited access to platforms, products and services that can empower them to uplift themselves.

Traditionally, this has been exacerbated at an institutional and corporate level where capital, technological and legislative restraints have made it either impossible or not financially viable to service this low end of the market. But advances in the fintech space are quickly removing many of these barriers, enabling banks, financial service providers and emerging challengers to access this market.

At an ethical and human level, democratising access to financial services can combat poverty but at a business level this also represents a massive opportunity.

## The investment space

One of the key technologies that is acting as a catalyst to unlock this market is blockchain due to its low operating costs and ability to operate at scale. Various blockchain projects have emerged focused on creating pathways for people to spend, save and send money, but one of the best-use cases is in the investment space.

A South African-based blockchain called Fraxeum has been developed by three experienced tech entrepreneurs, co-founders Llew Morkel, Khaya Maloney and Barry Tuck, specifically to enable broad-based micro-investment into a wide range of asset classes.

“ The Fraxeum [#blockchain](#) tokenises equity in any kind of asset with zero gas fees.

Having [@MoodyInvSvc](#), [@BlackRock](#) & [@SPGlobal](#) predict that [#tokenisation](#) will grow into a \$16 trillion market validates everything we have built.

Read more - <https://t.co/eYJs49seq9>

“Essentially Fraxium tokenises equity in any kind of asset, real world or digital, traditional or alternative,” says Fraxium's chief strategy officer, Barry Tuck from Durban, “enabling fractionalisation of equity into millions of micro-shares.

“On top of the blockchain we have then developed a range of fintech solutions that facilitate simple customer KYC, AML, and onboarding, direct fiat deposits and withdrawals, a secondary over-the-counter (OTC) desk for resale of micro-shares, and much more.”

The Fraxium blockchain is an eco-friendly, zero-gas fee, banking-grade blockchain that facilitates the creation and management of accessible and inclusive investment platforms, enabling investments as low as \$0.10.

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By making investment opportunities affordable and accessible to this broad-base of retail investors who are currently excluded from the market, the Fraxium blockchain provides banks, financial service providers and other corporates or startups with the perfect platform to reach this untapped market. The Fraxium blockchain sustainably facilitates and automates the management of millions of fractional investment accounts with zero gas fees.



### Blockchain trends that investors should be aware of

Craig Lebrau, Lebrau Press 2 Nov 2022



“We have gained great traction since officially launching earlier this year, with one of Africa's largest banks now working on a product that will use Fraxium to tokenise equity in listed shares, ETFs and other alternative assets,” says Fraxium's head of business development, Khaya Maloney,

“We have a client that is enabling investment in whiskey barrel yields and rare Rolex watches, while another large multinational is looking to use Fraxium to tokenise carbon credits and clean energy projects. Other use cases include funding debt, investing in farming or mining yields, or buying equity in sports teams, franchises, or real estate.”

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Contrary to popular opinion, poverty is not purely an emerging market challenge. The same UN report highlights how the wealth gap is growing globally, with, as an example, an estimated 10,5% of the US population (34 million people) living in poverty. Access to property investment - a highly coveted asset - is becoming more and more exclusive as soaring property prices in major cities is preventing millions of people from investing in real estate.

"Building out a property micro-investment platform using Fraxeum offers a great solution to this problem," Maloney continues, "providing people who are unable to enter the property market with an affordable and accessible alternative through buying fractional shares in properties and building a portfolio. This solution has global relevance - democratising access to real-estate investment opportunities in both established or emerging markets."

While still at an early stage, Fraxeum is set to change the world of finance as more institutions, banks and financial service providers begin using the blockchain to enable broad-based micro-investment opportunities for retail investors.

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