

Beam to target african diaspora



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Ghanaian Bitcon startup Beam, based out of the capital city Accra, has come up with a product that will equip the Nigerian, and Ghanaian diaspora communities in the UK send money home very quickly and at an affordable cost.

Each year about 100, 000 Ghanaians in the UK send around US\$23 million home. At the same time, about half a million Nigerians living in the UK send US\$3. 8 billion home.

A report commissioned by Citizens International and published by the United States Agency for International Development suggests that the primary reasons for sending money home is to provide for the basic needs such as food, shelter and clothing for a parent.

Money transfer companies such as Western Union and MoneyGram has largely dominated the money remittance market until now.

Sticking to the current methods, those diaspora communities can expect to spend up to 10 percent in transaction fees.

The increasing use of bitcoin on the African continent will make it much more affordable to send money home. And it would appear that there is demand for it.

Chief technology officer (CTO) of Beam, Falk Benke reports that the demand is as a result of low level of level of sophistication in payment systems.

In addition, 70 percent of Ghanaians do not have access to the services of bank, making Beam's introduction into the market timely indeed.

How Beam Works

A customer transfers a bitcoin from his wallet to Beam's bitcoin wallet. When Beam gets the confirmation that the bitcoins have been transferred, the company then sends the money to the recipient.

The system allows smartphone users the facility to scan QR codes and send the funds.

The product is in beta phase at the moment. The entire transaction takes only about 10 minutes. However, the company promises that with complete automation, the entire process will take about just under a minute.

While present methods can take up to three days for funds to be received in cash or reflect in a person's bank account, Beam does really well to be ahead of the competition.

The service charges a flat-fee of \$1.60 on each transaction, regardless of the amount. In addition, the firm levies a 3 percent markup on its exchange rate. Due to the low fees, Beam is also able to pass on the savings to its customers.

Beam platform offers a built-in anti-money laundering system and know your customer requirements.

Globally bitcoin regulation is still in its early days, and plenty of jurisdictions such as the US and UK have not yet issued clear guidelines on how to treat bitcoin.

Nirunj Handa along with Falk Benke co-founded Beam. Before founding the company, both the founders taught software development at the Meltwater Entrepreneurial School of Technology.

They began the startup at Meltwater's incubation program, which provided them with some seed capital.

In Ghana and Nigeria, Beam is working with banks that are authorized to deal in remittances to ensure compliance.

In the UK, Handa said, the firm will endeavor to comply with the guidelines that have been provided by Her Majesty's Revenue and Customs, and the Financial Conduct Authority going forward.