

Financial inclusion is a global goal that aims to ensure that individuals and businesses have access to affordable and useful financial products and services. One of the key drivers of financial inclusion is the development of inclusive capital markets, which can foster economic growth, innovation and resilience. However, many emerging and frontier markets face challenges in creating and deepening their capital markets, such as low liquidity, high costs, limited product diversity and regulatory barriers.

This is where alternative finance, which refers to financial channels, processes and instruments that have emerged outside of the traditional finance system, can play a role. Alternative finance can offer new sources of funding, risk management and investment opportunities for underserved segments of the market, such as small and medium enterprises (SMEs), social enterprises and retail investors. Some examples of alternative finance include crowdfunding, peer-to-peer lending, invoice financing, and asset tokenisation.

One of the pioneers of alternative finance solutions in Africa is Financial Securities Exchange (Private) Limited (FINSEC), which is licensed by the SecAlternative trading platforms (ATPs) are trading venues that operate outside the traditional stock exchanges and offer various benefits, such as lower costs, faster execution, greater flexibility, and wider access to different types of assets and investors. ATPs have been gaining popularity and relevance in the global financial landscape, especially in emerging and frontier markets, where they can play a significant role in promoting economic development and financial inclusion.

One of the pioneers and leaders of ATPs in Africa is FINSEC, which is licensed by the Securities and Exchange Commission of Zimbabwe as a Securities Exchange (Alternative Trading Platform). These platforms play pivotal roles in channelling and allocating capital toward productive ventures, ranging from SMEs and social enterprises to infrastructure projects and innovation. Additionally, ATPs provide avenues for portfolio diversification through access to alternative assets like commodities, art, intellectual property, and digital assets.

The transformative impact of ATPs extends beyond capital allocation. They elevate financial system efficiency by curbing intermediation costs, boosting market liquidity, refining price discovery, and delivering timely, transparent information. This fosters competition and innovation, challenging traditional norms and offering improved solutions for market participants.

Crucially, ATPs serve as catalysts for financial inclusion, bridging gaps for marginalized groups such as rural communities, women, youth, and low-income households. Leveraging technology like AI and Big Data algorithms, these platforms overcome barriers to access, affordability, and trust, empowering participation in formal financial systems. Simultaneously, ATPs create opportunities for financial education and social/environmental impact awareness.

ATPs offer rational avenues for savings mobilization, allowing individuals from diverse backgrounds to contribute intentionally or automatically. Through these platforms, individuals can actively set aside funds into savings accounts or investment plans while also enabling passive savings, such as rounding up purchases to accumulate spare change. This practical approach fosters inclusivity by breaking financial barriers, welcoming participation from various demographics.

For instance, if 50% of Zimbabwe's adult population saves USD\$200 annually, this collective pool of funds, amounting to approximately USD 1.8 billion is raised, could be strategically utilised to support businesses in need of capital. The fund can be raised through alternative assets in which they invest in, these assets have a great potential to generate very good returns to the savers. ATPs like FINSEC's through its C-TRADE platform provide practical accessibility for individuals to contribute to this collective savings pool, driving potential economic growth.

Further expanding the landscape of financial intermediation, ATPs offer practical tools like mutual funds and crowdfunding. These mechanisms allow the practical pooling of funds from multiple investors, offering diversified investment opportunities while minimising operational inefficiencies. The impacts of ATPs in Zimbabwe span three fundamental pillars: capital formation, innovation, and enterprise development. These platforms offer practical solutions that fuel economic growth by providing resources for businesses and projects. They foster innovation by integrating advanced technologies, creating inclusive and accessible financial systems. Moreover, practical access to capital and financial services drives enterprise development, leading to increased employment opportunities and economic activities.

FINSEC's practical solutions align with Zimbabwe's commitment to societal development, addressing poverty eradication, food security, gender equality, sustainable economic growth, and resilient communities. ATPs serve as practical cornerstones in driving these societal changes, offering a pathway towards inclusive and sustainable economic progress.

urities and Exchange Commission of Zimbabwe as a Securities Exchange (Alternative Trading Platform). FINSEC was established in 2016 with the vision of creating an inclusive and efficient capital market that can support the development of the Zimbabwean economy. FINSEC offers a range of services and products, such as:

The Financial Securities Exchange (FINSEC) is a Zimbabwe registered securities exchange and a member of the Escrow Group. The Escrow Group has interests in the financial services and Escrow Systems are the other members of the group

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