

Round The Year Review

A Compilation of Regulatory
Updates Across the Year

2025

REGULATORY ROUNDUP FOR 2025

Nigeria's Evolving Regulatory Landscape: Strengthening Oversight, Market Integrity, and Financial Innovation

Over the course of 2025, Nigeria's regulatory landscape has continued to evolve in response to real-world challenges, market pressures, and the steady pace of digital transformation. Regulators and lawmakers have focused on tightening oversight where risks have emerged, improving transparency across financial markets, and putting stronger protections in place for consumers and investors. At the same time, there has been a clear effort to allow innovation in banking, fintech, payments, and digital assets to develop within more structured and predictable regulatory boundaries. Together, these developments point to a regulatory environment that is becoming more deliberate, more responsive, and better aligned with the realities of a fast-evolving financial ecosystem





YEAR IN REVIEW - 2025

JAN



1. CBN launches digital payment system for MDAs

The introduction of DocFlow by the CBN represents a critical shift in how government payments are processed across Ministries, Departments, and Agencies.

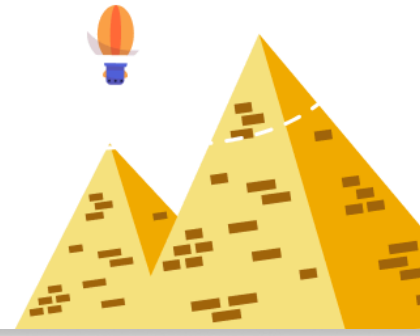
DocFlow is an end-to-end digital payment and document management platform designed to eliminate the delays and inconsistencies associated with the long-standing manual, paper-driven system. By automating approvals, centralizing documentation, and enabling real-time monitoring of payment requests, the system strengthens the audit trail for government transactions and significantly reduces opportunities for leakages and fraudulent manipulation. [Read more](#)

For financial institutions that service public-sector clients, DocFlow is expected to improve settlement timelines, enhance the predictability of payment flows, and provide clearer documentation paths, all of which benefit liquidity management for both banks and businesses that depend on government contracts.

2. CBN Raises the Stakes on Fraud Accountability

In January 2025, the CBN empowered NIBSS to directly debit the settlement accounts of banks and fintechs that receive fraudulent funds. The directive reinforces zero tolerance for weak fraud controls and places immediate financial liability on institutions that fail to prevent illicit transactions, heightening the need for robust KYC and transaction monitoring frameworks. [Read more here.](#)

Across Africa



1. Kenya drafts cryptocurrency regulation bill

In Kenya, the National Treasury began drafting a comprehensive bill to regulate digital assets, marking one of the country's clearest signals yet of a shift from caution to structured oversight. For years, authorities issued warnings about cryptocurrency risks without providing a formal licensing regime, creating uncertainty for both investors and service providers. The proposed legislation is expected to introduce licensing requirements for exchanges and custodians, establish taxation rules for digital-asset transactions, impose AML/CFT obligations on virtual asset service providers, and enhance consumer protection through improved disclosures and risk warnings. If adopted, the bill will provide greater clarity for institutional players, foster safer participation in digital-asset markets, and align Kenya's governance approach with global standards such as the FATF recommendations.



The background features a solid purple color. Overlaid on this are several sets of white, wavy, parallel lines that intersect to form a complex, grid-like pattern. These lines are arranged in a way that they appear to flow and curve around the central text, creating a sense of movement and depth. The overall effect is a modern, abstract design.

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1. Nigeria Introduces Taxation and Licensing Regime for Crypto Firms

February also marked a landmark shift in Nigeria's approach to digital assets, moving the country from a stance of prohibition to one of structured regulation. The government has introduced a formal taxation and licensing regime for crypto businesses, requiring compliance with defined reporting, operational, and governance obligations. While smaller startups may struggle to meet these new compliance demands, the clarity provided by this framework is expected to attract institutional players, increase investment flows into the sector, and enhance overall market stability. By formalizing the regulatory environment, authorities aim to reduce the risks associated with unregulated digital asset activities while creating an ecosystem conducive to sustainable growth and innovation in fintech. [Read more](#)

2. CBN Issues Guidelines for Dormant and Inactive Account Management

The Central Bank of Nigeria also released guidelines targeting the management of dormant and inactive accounts, with the goal of reducing fraud and protecting depositors. Under these new requirements, financial institutions must prevent unauthorized access to dormant accounts, publish relevant account information, and transfer unclaimed funds to a CBN-controlled central account that depositors can redeem at any time. While these measures are designed to curb fraudulent activity, the requirement to publish account details raises significant concerns around data privacy, identity theft, and KYC compliance. Furthermore, banks are expected to face increased administrative burdens in terms of customer notifications, tracking, and reconciliations, which could necessitate significant enhancements to internal systems and operational processes.



3. Flutterwave Evaluates Potential NGX Listing

In a positive signal for Nigeria's capital markets, the government has pledged support for Flutterwave as it explores a potential public listing on the Nigerian Exchange (NGX). Such a listing would be a landmark event, representing one of the first domestic capital market opportunities for a high-profile African fintech unicorn. A successful listing could encourage other African fintech companies to consider domestic capital markets for growth and investment, providing increased visibility for the local ecosystem and potentially catalyzing broader investor interest in technology-driven financial services in Nigeria.

Across Africa



ACROSS AFRICA: INNOVATION RISES AMID REGULATORY TIGHTENING

1. Across the continent, February saw the dual trends of rapid innovation and heightened regulatory scrutiny. Airtel Money came under investigation by COMESA for alleged hidden charges and the non-disclosure of foreign exchange rates on cross-border transactions, reinforcing a continental emphasis on consumer protection and transparency in mobile money operations.
2. In Kenya, the Central Bank enforced interest rate reductions in line with the Risk-Based Credit Pricing Model, accompanied by on-site inspections to ensure compliance. These measures aim to improve access to credit while reducing borrowing costs, reflecting a broader regulatory push for equitable financial inclusion.
3. Meanwhile, Ghana and Rwanda officially launched their fintech passporting system through a memorandum of understanding, enabling fintechs licensed in either country to operate cross-border without undergoing full re-licensing processes, significantly lowering barriers to regional expansion. Nigerian startup Startbutton also expanded into seven francophone African markets, allowing businesses to accept local payments without physical operations while managing compliance, currency conversion, and payment processing as the Merchant of Record, further illustrating how innovative models are facilitating cross-border market entry in Africa.

The background features a teal color with a complex, abstract pattern of white, overlapping wavy lines that create a sense of movement and depth. The lines are thin and densely packed in some areas, creating a mesh-like effect.

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MAR

MARCH

1. Flutterwave Expands Payment Services in Ghana

Flutterwave has expanded its payment options in Ghana by introducing “Pay With Bank Transfer” in partnership with Affinity Bank. The feature allows merchants to receive payments directly into virtual bank accounts instead of relying only on mobile money or cards. In a market where bank transfers are already a major channel, this addition gives businesses a more structured and traceable way to collect funds. It also eases reconciliation and reduces the operational friction that often comes with fragmented payment methods. Over time, this could influence how merchants design their payment flows, especially for higher-value or recurring transactions.

2. Tinubu Signs Investment and Securities Act into Law

On March 29, 2025, the President signed the Investments and Securities Act 2025, replacing the long-standing 2007 framework. The new law expands the SEC’s reach, especially over digital and tokenised instruments that previously sat in an unclear space. It also introduces stricter expectations for fund managers and investment schemes, signalling a market that will now demand stronger governance and clearer disclosures. As the SEC begins rolling out its rules and operational guidance, 2026 is likely to be the year when operators start feeling the real weight of this transition, particularly those offering products that now fall squarely within the Act’s definition of securities.

MARCH

3. FATF's Revised 40 Recommendations

When FATF updated its 40 Recommendations in late February 2025, it was not just a routine refresh, two changes stood out. First, supervisors must now look beyond “Do you have controls?” and instead test whether those controls actually work. This quietly raises the bar for everyone, because policies that only look good on paper will no longer pass. Second, FATF softened its long-standing view on non-face-to-face relationships. They are no longer automatically high-risk as long as strong verification tools and monitoring are in place. With more onboarding now happening digitally, this shift is likely to influence how regulators approach remote KYC in 2026.

4. NDPC Issues the NDPA General Application and Implementation Directive

Data protection in Nigeria took a major step forward when the NDPC released the NDPA General Application and Implementation Directive in March 2025. For the first time, organisations now have a single, structured playbook that explains what the NDPA actually expects in practice. The Directive also cleared out the old NDPR era completely, replacing it with clearer rules on governance, lawful processing, data subject rights, DPIAs and cross-border transfers. It is a big shift for everyone handling personal data, and we broke it down in our TL;DR for easier understanding.



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APR

APRIL

1. The Amended Investment and Securities Act makes room for Cryptocurrency and other Virtual Assets.

The Investments and Securities Act 2025, signed in April, formally classifies virtual and digital assets as securities, bringing cryptocurrencies, tokenised assets, VASPs and DAOPs under the direct regulation of the Securities and Exchange Commission. The Act requires digital asset exchanges and service providers to register and comply with securities rules, making unlicensed operations illegal. This shift creates a clearer regulatory environment and is expected to reshape market behaviour in 2026 as operators adjust to mandatory licensing, stricter oversight and higher compliance standards. Read more on this in our regulatory roundup.

2. CBN launches undercover AML checks for Bureau De Changes

The Central Bank of Nigeria has introduced undercover mystery-shopping checks on BDCs to test real-time compliance with AML, CFT and KYC rules. The exercise targets weak customer-due-diligence practices and aims to enforce stronger internal controls, with the risk of sanctions or licence withdrawal for non-compliance. Supervision will be tighter in 2026 across the foreign-exchange market and compliance burden increased on BDCs as the CBN pushes for cleaner, more transparent retail FX activity. Read more about this in our newsletter.



YEAR IN REVIEW - 2025

MAY

MAY

1. CBN and NIBSS launch remote BVN for diaspora

In May 2025 the Central Bank of Nigeria with the Nigeria Inter-Bank Settlement System launched a remote-BVN platform allowing Nigerians living abroad to obtain a Bank Verification Number without returning home. The move is meant to expand access to banking services for the diaspora, ease remittances, and integrate more Nigerians into the formal financial system. Looking to 2026 this could significantly increase foreign-remittance inflows, deepen financial inclusion, and encourage more diaspora participation in Nigeria's banking and investment sectors.

2. Kenya moves to preserve cash payments under new Bill

In May 2025 Kenya introduced the Central Bank of Kenya Amendment Bill which would require all physical businesses to accept cash for transactions up to KSh 100,000, effectively banning cashless-only policies below that threshold. The Bill proposes penalties for refusing cash and prohibits extra charges on cash payments, aiming to protect consumers who rely on physical currency. If implemented, it is likely to influence 2026 by slowing the push toward a fully cashless economy, keeping businesses operating both cash and digital channels, and supporting financial inclusion for people without reliable access to digital payment systems.

3. CBN releases draft standards for automated AML systems

In May 2025 the Central Bank of Nigeria issued an exposure draft setting baseline standards for automated AML solutions, requiring financial institutions to adopt technology-driven systems for customer identification, risk profiling, sanctions and PEP screening, transaction monitoring and automated reporting. The draft signals a shift away from manual processes, and by 2026 institutions are expected to rely more heavily on real-time automated tools, improving detection of suspicious activity and strengthening overall financial-system integrity.



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JUN

JUNE

1. Nigeria enacts sweeping tax-system overhaul

The June 2025 tax reforms signed by President Tinubu overhaul Nigeria's fiscal landscape by consolidating fragmented laws, unifying tax administration and replacing the former revenue authority with the new Nigeria Revenue Service. The reforms focus on simplifying existing taxes, eliminating overlapping levies and strengthening enforcement rather than introducing a wide set of new taxes. They also set up structured systems for appeals, taxpayer protection and inter-government coordination, creating a more predictable environment for businesses and individuals. As the laws take effect from 2026, Nigeria is expected to see tighter compliance, clearer obligations and more efficient revenue mobilisation driven by a streamlined and modernised tax framework. You can find a fuller explanation in our [article](#), and on [Youtube](#).

2. NIBSS rolls out Nigeria's National Payment Stack for instant payments

In June 2025, NIBSS launched the National Payment Stack (NPS), a new nationwide payment infrastructure designed to power instant payments across Nigeria. The NPS aims to modernise how funds move in the country by enabling real-time transfers and reducing reliance on older, slower systems. This rollout is expected to accelerate digital transactions, improve financial inclusion, and support broader adoption of cashless payments going into 2026 and beyond.

3. Ethiopia mandates digital payments in government offices

The government of Ethiopia has directed that all government offices must now accept digital payments, ending reliance on cash for public fees and services. The policy aims to streamline payments, improve transparency, and reduce corruption. The move is expected to accelerate Ethiopia's shift toward a cashless economy and expand access to formal payment services by 2026 and beyond.

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JUN

1. The CAC launched Artificial Intelligence business registration portal which handles more than 11,000 transactions each day

The Corporate Affairs Commission launched its new AI driven business registration portal, which now processes over 11,000 transactions daily. The system delivers instant name approvals, real time NIN verification and targeted registration times of under 30 minutes. Although users have experienced technical issues linked to external identity and payment platforms, the CAC is actively resolving these challenges.

Moving forward, the AI portal marks a major step toward faster, smarter and more efficient business registration in Nigeria. It is expected to improve ease of doing business, reduce processing bottlenecks and support a more modern, technology driven corporate registry system.

2. NCC Introduces ₦10M Licence for Bulk SMS Providers

The NCC updated its regulatory framework for bulk SMS operations by introducing a mandatory ₦10 million, five-year licence for entities providing Application-to-Person (A2P) messaging services, including bank notifications and promotional messages. This marks the first dedicated licensing regime targeted at international bulk SMS traffic, with all routing now required to pass through NCC-approved channels to strengthen oversight, curb abuse, and improve revenue assurance.

3. FIRS launches real-time portal to monitor VAT transactions

The FIRS launched a real-time Transaction Monitoring System designed to enhance transparency in VAT-eligible transactions across the digital economy. The platform provides the Service with immediate visibility into transactions where VAT is applicable, enabling more efficient tax administration, reducing leakages, and supporting compliance enforcement.

A decorative background consisting of multiple overlapping, wavy lines in a light pink color, creating a complex, mesh-like pattern that frames the central text.

YEAR IN REVIEW - 2025

AUG



1. Taxation of Digital Assets under the Nigeria Tax Act 2025

Nigeria's new Tax Act, signed on 26 June 2025, formally brings digital assets such as crypto, tokens and NFTs into the national tax system. It gives digital assets a broad definition and requires individuals and companies to pay tax on profits from buying, selling or using them, including personal income tax, companies income tax, capital gains tax and, in many cases, VAT.

The Act also states that digital assets are considered located in Nigeria if the owner is a resident or if a foreign platform has a significant presence in Nigeria, allowing the country to tax both local and cross border activities. Losses from digital asset transactions can only be used to offset future digital asset gains, making proper record keeping essential.

Overall, the Act introduces clear tax rules for digital assets and reflects Nigeria's commitment to regulating its growing digital economy.

You can learn more about this in our [article](#). You can also [watch](#) our youtube video for more information about this.

2. CBN Introduces Location and Principal-Level Restrictions for PoS Operators

The CBN strengthened oversight of agent banking operations with the introduction of mandatory geo-tagging controls requiring all Point-of-Sale (PoS) terminals to operate strictly within a 10-metre radius of their registered business location. In addition to the location restriction, the CBN also mandated that each PoS agent may operate under only one principal financial institution, eliminating multi-principal arrangements previously common in the sector. Both requirements are scheduled to become effective(full enforcement) from 1 April 2026.

AUGUST

3. CBN Mandates Banks to Adopt ISO 20022 Payments Standard

The Central Bank of Nigeria (CBN) issued a directive requiring banks, mobile money operators, super agents, and other licensed payment service providers to migrate to the ISO 20022 payment-messaging standard by 31 October 2025. This transition positions Nigeria's payment ecosystem for improved interoperability, richer and more transparent transaction data, stronger fraud and AML monitoring, more efficient automation of payment processes, and closer alignment with global payment-system standards going forward.

4. President Bola Tinubu signed the Nigerian Insurance Industry Reform Act (NIIRA) 2025 into law

The Nigeria Insurance Industry Reform Act (NIIRA) 2025 has been signed into law, introducing sweeping changes to strengthen the insurance sector. The Act addressed the industry's pressing need for a dynamic and modern framework to align with Nigeria's evolving economic landscape. Key provisions in NIIRA enforce compulsory insurance policies and introduce comprehensive regulations for technology-driven insurance providers, including fintechs.

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SEP



1. CBN issues new directive to Domestic Systemically Important Banks (DSIBs)

In September, The Central Bank of Nigeria issued a circular requiring DSIBs to seek CBN approval at least six months before the expiration of any incumbent MD/CEO's tenure, and to publicly announce their successor no later than three months before transition. The directive aims to prevent leadership vacuums and preserve stability within institutions deemed "too big to fail." In 2026, Clients must formalize succession plans and secure CBN approval for new MD/CEOs six months before the incumbent's tenure ends. [Read more](#) on this in our newsletter.

2. CBN cuts MPR by 50 Basis points to 27%

The Central Bank of Nigeria (CBN) reduced the Monetary Policy Rate (MPR) by 50 basis points to 27.00%, its first rate cut in five years. Alongside the rate adjustment, the Monetary Policy Committee widened the standing facilities corridor to ± 250 basis points, raised the Cash Reserve Requirement (CRR) for commercial banks to 45%, and introduced a 75% CRR on non-TSA public-sector deposits. This policy recalibration came as headline inflation eased to 20.12% in August, signalling the CBN's measured pivot toward supporting economic growth while maintaining vigilance on price stability. For regulated financial institutions, this suggests a medium-term environment of measured expansion accompanied by sustained supervisory focus on risk management, governance, and compliance as the policy framework evolves toward 2026.



3. Kenyan High Court exempts Fintechs from VAT in Landmark ruling

In 2025, the Kenyan High Court delivered a landmark ruling granting VAT exemption to fintech companies offering payment facilitation services. The decision clarified that fintechs do not need to be licensed under the Banking Act to qualify for the exemption, provided their operations are functionally equivalent to those of financial institutions. The ruling is expected to reduce compliance costs for small and medium-sized fintechs and could help level the playing field with banks and mobile money operators, fostering a more competitive digital payments ecosystem.

4. Crypto platforms now included in EU Sanctions

In 2025, the EU explicitly brought cryptocurrency platforms under its sanctions regime for the first time, targeting Russian transactions via alternative payment systems in its 19th sanctions package. The move underscores the growing role of digital assets in global financial geopolitics. Yet enforcement remains challenging, as sanctioned entities can rapidly create anonymous wallets, raising unresolved questions about the liability of compliant platforms when exposures are only detected later through blockchain analysis.



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OCIT



1. FATF Delists Nigeria From The Grey List

In October, Nigeria was officially removed from the Financial Action Task Force (FATF) grey list, marking a significant boost to its financial credibility following years of reform to strengthen supervision and enforcement. The delisting signaled renewed confidence from investors and correspondent banks and is expected to ease compliance pressure for regulated firms. Maintaining this status will require consistent enforcement and sustained transparency across the financial system to prevent future relisting. [Read more](#) on this in our newsletter.

2. Central Bank of Nigeria (CBN) Tightens POS Rules, Limits Agents To One Financial Institution

In October, the Central Bank of Nigeria (CBN) introduced new guidelines to tighten rules around Agent Banking operations, addressing vulnerabilities such as fraud and terrorist financing. Key new controls include restricting agents to serving only a single principal financial institution and implementing mandatory geo-location tracking for transactions. This move requires all fintechs with agent banking operations to immediately review and align their compliance procedures with the new CBN mandates.

3. CBN Proposes New ATM Regulations for Quicker Refunds and Improved Service

The Central Bank of Nigeria (CBN) issued a draft regulation in October 2025, to link ATM deployment to card issuance and enhance service reliability and consumer protection. The rule mandates a deployment ratio of 1 ATM for every 5,000 cards issued (to be met by 2028) and establishes faster refund timelines for failed interbank transactions (within 48 hours). This action signals a renewed regulatory focus on infrastructure quality, accountability, and the efficient resolution of customer disputes.

The background features a complex, abstract pattern of thin, light purple lines that swirl and overlap to form a large, roughly circular shape. The lines are dense and create a mesh-like texture. The overall color scheme is a gradient of purple, from a darker shade at the top to a lighter shade at the bottom.

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NOW

NOVEMBER

1. NIBSS Launches National Payment Stack to Unify Digital Transactions

NIBSS has introduced the National Payment Stack, a new infrastructure designed to make Nigeria's payment systems faster, more reliable, and easier for banks and fintechs to plug into. The old rails have carried the industry for years, but they were not built for today's instant, high-volume transactions. With the first live tests already completed, NPS is setting the stage for smoother transfers, better interoperability and fewer reconciliation issues. As more institutions migrate to the new rails, 2026 is likely to bring cleaner, more consistent payment experiences across the ecosystem.

2. FCCPC Sets Deadline for Digital Lending Compliance

FCCPC reminded digital lenders of their obligations again on 17 November 2025, reinforcing the rules that originally took effect on 21 July 2025. The Commission made it clear that all online and non-traditional lenders must meet the new standards on transparency, data use, marketing practices and loan recovery. This second notice was not just a reminder, it was a warning. FCCPC confirmed that by 5 January 2026, any lender that has not aligned with the framework could face sanctions or removal from operating channels. With that deadline approaching, most operators will need to tidy up their processes before the new year.

3. Kenya's tax tribunal rules payment switches are VAT-free

Kenya has given its payment-switch operators a major win after the Tax Appeals Tribunal ruled that switching services fall under financial services and are therefore VAT-exempt. The case involved Kenswitch, whose job is to route transactions between banks, ATMs, POS terminals and mobile-money operators. Kenya Tax Revenue (KRA) had tried to classify this work as an ICT service, and tax it, but the tribunal disagreed. The ruling removes a significant cost burden and gives other switches like PesaLink and Switchlink Africa clearer footing as they plan for 2026. It also sets an interesting precedent for how digital-finance infrastructure is classified across the region.



YEAR IN REVIEW - 2025

DEFC



1. CBN Releases Exposure Draft Guidelines for Handling APP Fraud

The CBN has issued draft guidelines to address the growing rise of Authorised Push Payment (APP) fraud, the type where customers are tricked into willingly sending money to scammers. The draft sets out how banks, fintechs, mobile money operators and other payment providers must prevent, detect, investigate and resolve these cases across all digital channels. It also introduces clearer timelines for reporting, investigation, and reimbursement, making institutions jointly responsible when fraud crosses multiple platforms. With digital payments surging, these rules point to a more coordinated, customer-protective approach that could shape how institutions structure fraud controls going into 2026. We broke this down step by step in our [TL;DR.t](#)

2. EFCC Arraigns Bill Interserve Global over compliance failures

The EFCC has charged Bill Interserve Global, a DNFBP, for failing to appoint a management-level compliance officer and for not setting up an internal audit function, two basic obligations under the Money Laundering (Prevention and Prohibition) Act, 2022. The alleged breaches date back to 2023, but the arraignment in December 2025 signals something important: regulators are no longer overlooking structural lapses, especially in high-risk sectors. It is a reminder that governance gaps, even “minor” ones, now carry real enforcement consequences as we move into 2026. We have put together a [DNFBP Compliance Checklist](#) to help operators avoid these pitfalls.



3. CAC Moves to Shut Down Unregistered PoS Operators from January 2026

The Corporate Affairs Commission has given all point-of-sale (PoS) operators in Nigeria a firm deadline: register your business by 1 January 2026 or risk having your terminals seized and operations shut down. The notice, issued in December 2025, was triggered by the large number of agents running without formal CAC registration, a practice the regulator says violates both CAMA 2020 and CBN's agent-banking rules and exposes the system to fraud and weak oversight. Security agencies have been directed to enforce compliance nationwide, and fintechs that enable unregistered agents could be flagged to the CBN. This signals a shift from guidance to enforcement in the agent-banking space, and as the 2026 deadline looms, operators will need to tighten onboarding and registration practices or face disruptions.

4. CBN Introduces Weekly Withdrawal Caps of ₦500,000 (ATMs) and ₦5 million (banks)

The Central Bank of Nigeria has rolled out new weekly withdrawal limits, ₦500,000 at ATMs and ₦5 million over the counter, in what it says is an effort to moderate cash churn as electronic payments grow. The announcement in December 2025 reflects ongoing attempts to balance liquidity with digital adoption, though critics worry it may revive frustrations with access to physical cash. For banks and fintechs, the caps mean adjusting customer communication, branch operations, and cash-handling protocols to reduce friction, especially for customers who still rely on cash. As 2026 begins, the industry will be watching how this policy affects payment behaviour and whether it nudges deeper migration toward digital channels.

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