

Nigeria

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1. Fintech regulatory framework: a summary of the most relevant laws and regulations concerning fintech and financial innovation.

Depending on the nature of their business, fintech operators and operations in Nigeria are subject to different laws and regulated by various institutions. Such laws include:

- the Companies and Allied Matters Act 2020 (as amended) ('CAMA');
- the Central Bank of Nigeria Act 2007 (the 'CBN Act');
- the Banks and Other Financial Institutions Act 2020 ('BOFIA');
- the Investment and Securities Act 2025 ('ISA 2025');
- moneylenders laws applicable in the various states in Nigeria; and
- the rules, regulations, guidelines and circulars issued pursuant to these laws.

The Central Bank of Nigeria (CBN) is the principal regulator of the Nigerian fintech space. CBN derives its powers from the CBN Act and BOFIA. BOFIA requires that any entity carrying on the business as a financial institution must obtain a licence from CBN.

Regarding moneylending, any entity not licensed by CBN, but which wishes to carry on the business of moneylending is required to obtain a moneylender's licence from the relevant authority of the state government in the state in which it intends to carry on its business.

In relation to cryptocurrencies and companies offering virtual asset services, ISA 2025 classified digital and virtual assets as securities, formally bringing them within the regulatory purview of the Securities and Exchange Commission (SEC) and empowering SEC to regulate virtual assets service providers (VASPs).

Lastly, every entity wishing to do business in Nigeria is required to be incorporated with the companies' registry and comply with the requirements of CAMA. For fintech companies, CAMA prescribes the minimum requirements for incorporation, share capital, operations, management, meetings, directors, shareholding and other related matters.

There are other laws that apply to fintech companies in varying degrees not discussed in this update. We have set out below a summary of some of the most important regulations with respect to fintech and financial innovation in Nigeria.

New Licence Categorisations for the Nigerian Payments System

CBN issued the New Licence Categorisations for the Nigerian Payments System, 2020 (the 'NPS Circular') in 2020 to provide for the different categories of licences and requirements for carrying on business as a payment operator in Nigeria. Furthermore, CBN subsequently issued the approved new licence categorisations in 2021 to provide for the specific requirements to be satisfied by an applicant before being issued each of the payments-related licences. Some of the payments-related licences in Nigeria are discussed in Table 1.

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Guidelines on Operations of Electronic Payment Channels

These guidelines were introduced with the aim of promoting and facilitating the development of an efficient and effective payments system for the settlement of transactions in Nigeria, including the development of electronic payment systems. The guidelines have various sub-parts which cover the following operations: automated teller machine (ATM) operations; point of sale (POS) card acceptance services; mobile point of sale (MPOS) acceptance services; and web acceptance services. Each fintech operator is required to comply with the parts of the guidelines which applies to its operations.

Regulatory Framework and Guidelines for Mobile Money Services

The Regulatory Framework for Mobile Money Services in Nigeria and the Guidelines on Mobile Money Services in Nigeria 2021 cover the licensing regime, capital requirements and rules of operation for mobile payment transactions. The regulations identified the following two models for the implementation of mobile money services: (1) the bank-led model (with a bank and/or consortium of banks as lead initiator); and (2) the non-bank-led model (with a corporate organisation duly licensed by CBN as lead initiator). In addition, the regulations prescribe the permissible and non-permissible activities for mobile money operators in Nigeria.

Guidelines on Transactions Switching

The Guidelines on Transactions Switching in Nigeria 2016 set out the procedure for the operation of switching companies and the provision of switching services in Nigeria. It also covers the rights and obligations of the parties to a switching contract, prohibits exclusivity arrangements, prescribes operational modalities and the mandatory minimum standards required for providing switching services in Nigeria, as approved by CBN.

Supervisory Framework for Payment Service Banks 2021

Payment service banks (PSBs) are financial service providers who leverage the use of technology to provide limited banking and financial services to persons in Nigeria. This regulation provides for the permissible and non-permissible activities of PSBs, ownership and licensing requirements, and the corporate governance structure for PSBs. PSBs have in recent years gained popularity in Nigeria following CBN's issuance of the Supervisory Framework for Payment Service Banks in 2021: one of the key objectives of the regulations is to improve the access of everyday Nigerians to financial services.

Regulatory Framework for Non-Bank Acquiring in Nigeria 2021

The Regulatory Framework for Non-Bank Acquiring in Nigeria 2021 sets out the procedure for the operation of non-bank merchant acquirers in Nigeria, including the rights and obligations of parties involved in the acquiring process and business.

According to CBN, a merchant acquirer is an institution responsible for processing and settling credit and debit card transactions on behalf of merchants or other businesses. Merchant acquirers play an integral role in the electronic payment system and transaction processing as they enable merchants to accept card payments by acting as a link between merchants, financial institutions and card schemes. Their functions typically include transaction authorisation, processing and settlement of electronic payment transactions.

The Nigeria Startup Act

The Nigeria Startup Act 2022 (the 'NSA') was a joint initiative of the presidency and stakeholders in the Nigerian fintech space. The NSA defines a startup based on certain criteria, some of which include:

- the nationality of the company;
- objects of the company;
- shareholding of the company;
- goods/services provided by the company; and
- expenses of the company.

The NSA established the Council for Digital Innovation and Entrepreneurship (the 'Council'), which has, as one of its principal functions, the responsibility to support digital and technological development through grants to persons, research institutions and universities pursuing postgraduate programmes in the areas of science, technology and innovation. The NSA also seeks to harness Nigeria's ever-growing fintech space by providing tax and fiscal incentives for qualified startups such as access to export initiatives and financial assistance to qualified entities involved in the exportation of products and services.

It is expected that the NSA will further help to increase investments in the Nigerian fintech space by incentivising potential investors and creating an enabling environment for startups, and by extension, fintech and financial innovation. In relation to new laws or regulations that may be enacted or issued in the near future, or any bill on fintech and financial innovation in Nigeria, we have provided a high-level overview of some proposed laws and regulations below.

Operational Guidelines for Open Banking in Nigeria 2023

In March 2023, CBN issued the Operational Guidelines for Open Banking in Nigeria (the 'Guidelines') which apply to banking and other related financial services. Organisations that use customers' data for the purpose of providing innovative financial services within Nigeria are eligible participants in the open banking ecosystem. Participants are required to, among other things, adhere to security standards when accessing and storing customers' data, subject to compliance with minimum privacy, operational, customer experience and risk management standards as prescribed by CBN.

The Guidelines categorise participants into application programming interface (API) providers (APs), API consumers (ACs) and customers, depending on the roles the participants play in the open banking sector. CBN, through the Guidelines, stipulates the clear responsibilities and expectations

for the various participants. APs and ACs are required to establish and implement a data governance policy, data ethics framework, data breach policy and so on. APs and ACs, in dealing with customers' data, are also required to comply with the Nigeria Data Protection Act 2023 (the 'NDPA') and other data privacy and protection regulations issued by the regulators, including any data protection regulations issued by the CBN.

The Guidelines require that intellectual property (IP), including proprietary and protectable software source and object codes, aggregate data, aggregate services and other protectable information, will be protected under the applicable laws in Nigeria. To maintain the highest standards of integrity and security within the open banking system, the Guidelines also mandate APs and ACs to comply with the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) in Banks and Other Financial Institutions in Nigeria Regulations in force.

The CBN approved the launch of open banking in Nigeria starting August 2025, giving effect to the regulatory framework and operational guidelines for open banking issued by the CBN in 2021 and 2023, respectively. Open banking is, however, not yet fully operational in Nigeria.

The Nigeria Data Protection Act 2023

The NDPA was enacted to regulate the protection of personal data and establish the Nigeria Data Protection Commission (the 'Commission'). The NDPA has notable provisions that significantly impact how organisations (such as financial services companies) collect and process customers' personal data. Before the enactment of the NDPA, data privacy in Nigeria was primarily regulated by the Nigeria Data Protection Regulation 2019 (the 'NDPR') and the NDPR Implementation Framework 2020 (the 'Implementation Framework'). Although the NDPA did not initially repeal the NDPR and the Implementation Framework, the NDPR and the Implementation Framework have now been repealed by the Nigeria Data Protection Act General Application and Implementation Directive 2025 ('GAID').

Applicability

The provisions of the NDPA apply in circumstances where: (1) a data controller or processor is domiciled in, resident in or operating in Nigeria; (2) the processing of personal data occurs within Nigeria; or (3) the data controller or processor is not domiciled in, resident in or operating in Nigeria, but is processing the personal data of a data subject in Nigeria. Data controllers and data processors are required to comply with the principles of data processing set out in the NDPA.

The Investments and Securities Act 2025

As stated above, ISA 2025 formally recognises digital and virtual assets as securities regulated by the SEC. Section 357 of ISA 2025 defines securities to include virtual and digital assets, thereby bringing them within the regulatory purview of the SEC and requiring all entities dealing in virtual and digital assets to comply with the SEC's rules and regulations. This means that the issuance and offering of digital and virtual assets in Nigeria needs to be registered and approved by the SEC, and entities operating as VASPs in Nigeria must be registered and regulated by the SEC.

The Reviewed Guidelines on International Money Transfer Services in Nigeria, 2024 (the 'IMTS Guidelines')

The IMTS Guidelines repealed the 2014 Guidelines on International Money Transfer Services in Nigeria and introduced a more comprehensive regulatory structure for the licensing and operation of international money transfer operators (IMTOs) in Nigeria. The IMTS Guidelines impose clear operational restrictions on IMTOs, including the prohibition on outbound transfers. IMTOs are restricted from processing bound transfers. They are also barred from accepting deposits or extending credit to the public. Furthermore, while banks may serve as agents to IMTOs, banks and fintech companies are prohibited from operating as IMTOs.

Another major reform relates to the payout of remittances. All inbound money transfers must now be paid to beneficiaries in naira, either directly into bank accounts or as cash payments at the prevailing exchange rate in the foreign exchange market. Transfers exceeding the equivalent of US\$200 must be credited into a bank account. The IMTS Guidelines also remove the former cap on exchange rate quotes, allowing IMTOs to determine rates freely on a willing-buyer, willing-seller basis in the official foreign exchange market.

Central Bank of Nigeria Circular on Migration to ISO 20022 Standard for Payments

CBN issued directives to all licensed operators in the Nigerian payment ecosystem to fully migrate to the ISO 20022 messaging standard and implement mandatory geographical identification of all payment terminals. The deadline for compliance with this requirement was 31 October 2025.

Accelerated Regulatory Incubation Programme for the Onboarding of Virtual Asset Service Providers and Other Digital Investments Service Providers

The Accelerated Regulatory Incubation Programme (ARIP) is primarily designed by the SEC to fast-track the onboarding of entities that have submitted applications to the SEC as VASPs, as well as other prospective applicants seeking registration. The ARIP framework allows qualified participants to obtain approval in principle from the SEC pending the full implementation of the Rules on Issuance, Offering Platforms and Custody of Digital Assets 2022 (Digital Assets Rules).

ARIP will afford its participants the opportunity to receive regulatory guidance and support from the SEC before commencing full operations in the Nigerian capital market. The ARIP also enables the SEC to understand the various digital asset business models and strengthen its regulatory approach to digital and virtual assets, and VASPs.

2. Regulations on crypto assets: a summary of the legal framework regarding crypto assets and how they are regulated.

Legal nature of cryptocurrencies

ISA 2025 recognises digital and virtual assets as securities. Section 357 of ISA 2025 defines securities to include virtual and digital assets, thereby bringing them under the supervision of the SEC and requiring all entities dealing in them to comply with SEC rules and regulations. In Nigeria, the SEC issued rules titled 'Rules on Issuance, Offering Platforms and Custody of Digital Assets 2022' (the 'Digital Assets Rules'). The Rules regulate the offering of virtual assets and digital assets, virtual/digital assets offering platforms, digital asset custodians (DACs), VASPs and digital asset exchanges (DAXs).

While the Digital Assets Rules do not expressly define the terms crypto assets or cryptocurrencies, they define what is classified as virtual assets and digital assets. Accordingly, the Digital Assets Rules define 'digital assets' as a digital token that represents assets such as debt or equity claims on the issuer and define 'virtual assets' as a digital representation of value that can be transferred, digitally traded and can be used for payment or investment purposes, excluding digital representations of fiat currencies, securities and other financial assets.

While the SEC issued the Digital Assets Rules in May 2022, at the time of writing the SEC has yet to commence the implementation of, and the licensing of eligible entities under, the rules. The SEC released the Proposed Major Amendments to the Rules on Issuance, Offering Platforms and Custody of Digital Assets in Nigeria on 15 March 2024 and an Exposure of Amendments to the Rules on Issuance, Offering Platforms and Custody of Digital Assets in Nigeria on 16 December 2024 (the 'Proposed Rules'). The Proposed Rules contain significant amendments to the existing Digital Assets Rules. The proposed amendments include new requirements and fees for the registration of DACs, VASPs and DAX in Nigeria. It is important to note that the Proposed Rules have not been finalised and issued by the SEC and are, therefore, not yet in effect.

Tax treatment of crypto assets

In analysing the tax considerations, we would like to mention that the Nigeria Tax Act 2025 (the 'NTA'), which repealed various tax laws, including the Companies Income Tax Act 2004 (as amended) ('CITA'), the Value Added Tax Act 2004 (as amended) (the 'VAT Act') and the Capital Gains Tax Act 2004 (as amended) (the 'CGT Act') and so on, was signed into law on 26 June 2025 alongside the Nigeria Tax Administration Act 2025 ('NTAA'), with both coming into effect on 1 January 2026.

The NTA and NTAA now govern the taxation of cryptocurrencies (virtual assets and digital assets) in Nigeria. The analysis below reflects the current tax regime under those Acts.

Capital gains tax on the disposal of digital assets

The CGT Act imposes capital gains tax at the rate of ten per cent on the gains realised from the disposal of chargeable assets, subject to any applicable allowable deductions and roll-over relief. Section 3 of the CGT Act provides that chargeable assets include digital assets. As a result, where

digital assets are disposed of by a person or entity liable to pay CGT in Nigeria, and a gain is realised from such disposal, CGT will apply to the gain from such disposal at the rate of ten per cent.

Companies income tax

The CITA requires a Nigerian company that is, among other things, involved in the sale and purchase of cryptocurrencies as a part of its business operations or that provides a platform for the facilitation of cryptoexchange transactions to pay companies income tax (CIT) on its worldwide income, less any allowable deductions, capital allowances and any exempt income, at the rate of 20 per cent (if the gross annual turnover for the relevant financial year is NGN 25m and below NGN 100m) or 30 per cent (if the gross annual turnover for the relevant financial year is above NGN 100m) of the taxable profits. This is in addition to tertiary education tax which is at the rate of three per cent of a Nigerian company's assessable profits.

Value added tax

The VAT Act imposes VAT at the rate of 7.5 per cent on all supplies of taxable goods and services in Nigeria, excluding the supply of goods and services that are specifically exempted from VAT (such as securities). VAT will not apply to the sale and purchase of cryptocurrency in Nigeria, as ISA 2025 recognises digital assets as securities. The VAT Act exempts the supply of securities from taxable goods and services liable to VAT.

Tax treatment of crypto assets under the NTA and NTAA

The NTA and the NTAA repeal and replace several existing tax laws and establish a new tax regime for digital assets, including crypto assets. The NTA derecognised the capital gains tax regime and instead subjects both profits and gains from transactions in digital or virtual assets to income tax. A company that is engaged in virtual asset-related activities, including the exchange, trading, custody or issuance of virtual assets, is also required to register with the Nigeria Revenue Service (NRS, formerly known as the Federal Inland Revenue Service) as a VASP for tax purposes. This formal recognition of VASPs integrates virtual asset activities into Nigeria's mainstream tax framework.

The NTAA requires VASPs to, with or without notice, and in addition to filing income tax returns, submit to the NRS, returns containing:

- a description of the virtual asset service provided during the month;
- the date of the transaction;
- the type and value of the virtual assets involved;
- the sales value of the virtual assets;
- the name, address, telephone number, email address and tax identifier (ID) of the customer, including the national identification number of the customer if they are individual;

- the name, address, telephone number and email address of any counterparty involved in the transaction; and
- such other particulars as may be prescribed by the NRS.

From 1 January 2026, companies that engage in services related to the exchange, custody or management of crypto assets are now required to register with the NRS and file returns as VASPs, in addition to income tax returns.

The regulatory dynamics of central bank digital currencies and their synergies/conflicts with private cryptocurrencies

In October 2021, CBN launched Nigeria's central bank digital currency (CBDC) pursuant to its powers under section 19 of the CBN Act, which confers on CBN the sole right to issue currency notes and coins in such forms and designs as may be approved by the President on the recommendation of CBN's Board. The implementation of the eNaira is governed by the Regulatory Guidelines on the eNaira issued by CBN on 25 October 2021 (the 'eNaira Guidelines'). The eNaira Guidelines legally recognises the eNaira as a CBDC, with the same legal status, value and convertibility as the Naira (NGN 1:1 eNaira), which is Nigeria's lawful fiat currency.

The eNaira operates through the Digital Currency Management System (DCMS), solely administered by CBN. CBN, through the DCMS, is responsible for minting, issuing, redeeming, distributing and destroying the eNaira. The CBN also manages the eNaira Stock Wallet, which serves as the origin point for all eNaira in circulation. The eNaira Speed Wallet application, available on major application stores, enables end users to access and transact with eNaira.

Licensed deposit money banks and other authorised financial institutions maintain treasury wallets to warehouse eNaira from CBN and distribute it to consumers, merchants and businesses through linked branch wallets and merchant wallets. Individual users and merchants transact through the eNaira Speed Wallets and merchant wallets respectively. These wallets enable peer-to-peer and peer-to-business transactions, direct payments to and from government entities, and integration with other digital financial services. CBN exercises comprehensive oversight over the eNaira ecosystem through continuous monitoring and mandatory reporting by participating financial institutions. Financial institutions are required to render regulatory returns in line with the provisions of BOFIA.

The eNaira Guidelines empowers CBN to determine technical, regulatory and operational standards for the eNaira. CBN is also empowered to manage unresolved issues and complaints escalated from financial institutions and disputes arising between financial institutions.

Synergies/conflicts with private cryptocurrencies

Private cryptocurrencies are not recognised as legal tender in Nigeria and fall outside of the scope of CBN's exclusive issuing rights in relation to legal tender in Nigeria. The eNaira is a CBDC issued and fully backed by CBN pursuant to its powers under the CBN Act. The eNaira is recognised as legal tender in Nigeria and must, therefore, be accepted as payment for goods and services in Nigeria. Each eNaira unit in circulation is fully convertible at a one-to-one rate with the Naira.

By contrast, private cryptocurrencies are not issued by CBN or any central authority in Nigeria. Private cryptocurrencies are typically created through decentralised blockchain protocols, managed by open-source communities or private entities. Under Nigerian law, private cryptocurrencies do not have the status of legal tender (but as securities), and there is no mandatory requirement on individuals or businesses to accept them as payment.

In relation to regulatory oversight, while the eNaira is regulated solely by CBN, cryptocurrencies fall under the regulatory purview of SEC pursuant to the provisions of ISA 2025, which classifies digital and virtual assets as securities. SEC is, therefore, responsible for the regulation of the registration, issuance, trading and custody of such assets. Although the SEC regulates the issuance, offering and custody of digital assets, CBN has prohibited financial institutions regulated by it from engaging in cryptocurrency transactions in their personal capacity and only permits them to facilitate the settlement of crypto transaction in very limited conditions with entities registered with SEC.

The eNaira is integrated with Nigeria's existing identity infrastructure. Users can open and operate wallets using their bank verification number, national identification number or tax identification number. It also offers tiered know-your-customer (KYC) levels and allows users without full documentation to transact within limits. Private cryptocurrencies provide global access with minimal barriers. Anyone with an internet connection and a smartphone may transact using private cryptocurrencies.

The eNaira is also traceable, as every transaction can be monitored by the CBN and, where necessary, linked to a verifiable identity. Private cryptocurrency transactions, while visible on public blockchains, are not directly connected to personal identities. In terms of convertibility and stability, the eNaira maintains parity with the Naira (NGN 1 eNaira = NGN 1 cash), backed entirely by the CBN's reserves. Its value is stable and non-volatile, unlike private cryptocurrencies, which are market-driven with fluctuating values based on supply, demand and global speculation. Both eNaira and private cryptocurrencies are digital and rely on blockchain-inspired technology. They also both enable instant, peer-to-peer transactions without absolute reliance on banks.

Investor protection in relation to crypto asset transactions

The Digital Assets Rules

The Digital Assets Rules, which though in force, are yet to be fully implemented, mandate the registration and approval by SEC of all issuers of digital assets before engaging in any public offering or operations. The white paper to be submitted by all intending issuers to SEC must also contain details of the intended issuer's business model, management team, technical description of the project, use of proceeds and the risks attached to investing in the proposed tokens.

Under the Digital Assets Rules, there are mandatory provisions and requirements aimed at ensuring investor protection. For instance, VASPs must:

- obtain and retain self-declared risk acknowledgement forms from its users prior to them investing in an exchange;

- ensure that all fees and charges payable are fair, reasonable and transparent;
- ensure that it does not engage in any business practices appearing to SEC to be deceitful, oppressive or improper (whether unlawful or not) or which otherwise reflect discredit on its method of conducting business;
- disclose and display prominently on its platform, any relevant information relating to the exchange, such as education materials, including comparative information where necessary, and information about complaints handling or dispute resolution and its procedures;
- carry out continuous awareness and education programmes;
- have in place adequate policies, procedures and controls to mitigate against money laundering, terrorism financing and proliferation financing (ML/TF/PF) requirements and comply with anti-money laundering/combating financing of terrorism (AML/CFT) and proliferation financing laws and regulations; and
- in the event of any system error, failure or malfunction, take all necessary and immediate appropriate actions to mitigate any potential losses and immediately notify SEC of the system error, failure or malfunction.

The Money Laundering (Prevention and Prohibition) Act 2022

The Money Laundering (Prevention and Prohibition) Act 2022 ('MLA 2022') mandates the reporting of suspicious transactions to the Nigerian Financial Intelligence Unit (NFIU). Additionally, cash transactions exceeding NGN 5m for individuals or NGN 10m for corporate entities must be reported.

Financial institutions are required to maintain proper records of all transactions and customer identification documents for a period of at least five years after the end of the business relationship. They must also implement internal controls, conduct regular employee training, and establish an internal audit unit to ensure compliance with and effectiveness of the measures taken to enforce the provisions of MLA 2022. MLA 2022 also places an obligation on every financial institution to take reasonable measures to ensure that any person purporting to act on behalf of a customer is so authorised, identified and verified.

The Central Bank of Nigeria (Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing of Weapons of Mass Destruction in Financial Institutions) Regulations, 2022

The Central Bank of Nigeria (Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing of Weapons of Mass Destruction in Financial Institutions) Regulations, 2022 (the 'CBN AML Regulations') mandate financial institutions to:

- adopt policies stating their commitment to comply with AML, CFT and countering proliferation financing of weapons of mass destruction obligations under subsisting laws, regulations and regulatory directives and to actively prevent any transaction that otherwise

facilitates criminal activities, money laundering, terrorism financing and proliferation financing;

- formulate and implement internal controls and other procedures to deter criminals from using its facilities for ML/TF/PF; and
- adopt a risk-based approach in the identification, assessment and management of their ML/TF/PF risks in line with the requirements of the CBN AML Regulations.

SEC has its own version of AML regulations that impose similar obligations on the entities regulated by SEC, such as VASPs, DACs and DAXs.

The Federal Competition and Consumer Protection Act 2018

The Federal Competition and Consumer Protection Act 2018 ('FCCPA'), as the principal legislation governing and protecting consumer rights in Nigeria, establishes a comprehensive framework for promoting fair market practices for all commercial activities within, or having effect within Nigeria. FCCPA provides mechanisms for the enforcement of consumer rights and imposes obligations on businesses to uphold standards of honesty, transparency and accountability.

The provisions of FCCPA extend to digital and e-commerce transactions within or having effect within Nigeria. FCCPA prohibits deceptive misrepresentation of goods and services, unfair trade practices and contract terms, non-performance of contractual obligations, and the sale of substandard goods or services. FCCPA requires the display of the full price for any products or services, inclusive of any additional fees or charges.

The Federal Competition and Consumer Protection Commission (FCCPC), established under FCCPA, is vested with the powers to regulate issues relating to consumer protection and to enforce the laws against persons that breach consumer protection rights as set out under FCCPA. FCCPC is also empowered to investigate and address consumer complaints arising from any such prohibited activities.

3. Payment service providers and digital wallets: a summary of regulations applying to payment service providers and/or digital wallets.

In order to operate as a payment service provider or provide services relating to a digital wallet in Nigeria, an entity is required to obtain a licence from CBN. Payment service providers in Nigeria are classified into various categories. We have provided a high-level overview of each category and the permissible activities as stipulated by CBN in Table 1.

No	Category/licence	Permissible activities
1	Payment Solution Services	All activities permitted under the Payment Solutions Service Provider (PSSP), Payment Terminal Service Provider (PTSP) and Super-Agent categories.

2	Payment Solutions Service Provider	Payment processing gateway and portals, payment solutions/application development, merchant service aggregation and collections.
3	Payment Terminal Service Provider	Point of sale (POS) terminal deployment and services, POS terminal ownership, payments terminal application development, merchant/agent training and support.
4	Super-Agent	Agent recruitment and management, bills payment (utilities, taxes, tenement rates, subscriptions etc), payment of salaries; funds transfer services (local money value transfer), balance enquiry, generation and issuance of mini-statements, collection and submission of account opening and other related documentation, agent mobile payments/banking services, cash disbursement, cash repayment of loans and cash payment of retirement benefits, cheque book request and collection, and collection of bank mail/correspondence for customers.
5	Mobile Money Operator (MMO)	E-money issuing, wallet creation and management, pool account management, bill payment, agent recruitment and management, pool account management, non-bank acquiring as stipulated in the regulatory requirements for non-bank merchant acquiring in Nigeria, any other activities that may be permitted by CBN from time to time and all activities permitted under the Super-Agent category.
6	Switching and Processing	Switching, card processing, transaction clearing and settlement agent services, non-bank acquiring services.
7	Payment Service Banks (PSBs)	Accepting deposits, payments, and remittance (inbound), operation of electronic wallets, issuance of debit and pre-paid cards, financial advisory and investment in Federal Government of Nigeria and CBN securities.

Table 1: Payment service provider categories

In relation to the question on the regulatory framework for mobile wallet creation, one of the permissible activities for MMOs and PSBs includes the creation and management of e-wallets.

Therefore, entities which intend to provide digital wallet-related services to persons in Nigeria will be required to obtain an MMO licence or PSB licence from the CBN.

AML/CFT obligations are central to the regulation of payment service providers and digital wallet operators, as they are required to implement robust KYC, transaction monitoring, suspicious activity reporting to the NFIU/Special Control Unit, record-keeping and customer due diligence policies. Data protection and consumer privacy obligations are also highly relevant. The NDPA imposes duties on payment service providers and wallet operators that process personal data, including the lawful basis for processing, data security, breach notification and the rights of data subjects.

4. Special support for fintechs: a description of special programmes supporting the fintech ecosystem, fintech startups (eg, regulatory sandboxes and accelerator programmes) and regulations regarding special support.

CBN, as the primary regulator of the Nigerian financial and payment system, plays a major role in determining the ease of entry or otherwise into the financial services space. As part of its efforts to support fintechs, the CBN in 2021 released the Framework for Regulatory Sandbox Operations 2021 (the 'Sandbox Regulations') to encourage innovation that can improve the design and delivery of payment services. The sandbox is also suitable for proposed products, services or solutions that are either not contemplated under the prevailing laws and regulations or do not precisely align with existing regulations.

The sandbox application process is open to both existing CBN licensees (financial institutions with fintech initiatives) and other local companies. The latter may include financial sector companies, as well as technology and telecom companies, intending to test an innovative payments product, or service industry deemed acceptable by CBN. CBN also has the power to review an approval granted to any participant before the end of the testing period of the participant in the sandbox.

Similarly, SEC has adopted a 'Three-Pronged Objective' to regulate and facilitate innovations in the Nigerian fintech landscape. This includes:

- safety;
- market/financial deepening; and
- providing solutions to existing problems.

In furtherance of these objectives, SEC released the Regulatory Incubation Guidelines for Specific Category of Fintech Entrepreneurs 2021 (Incubation Guidelines) and created a Fintech & Innovation Office (FINO) to facilitate its communication with fintech innovators, regulate fintech businesses and constantly engage with innovation hubs around the country.

The Incubation Guidelines allow SEC to supervise some new models of providing capital market services in a limited form before they become fully established. Interested participants are required to show, among other things, that they are using innovative technology to offer a new type of product or service or apply innovative financial technology to an existing product or service.

5. Open banking: a summary of regulations regarding open banking and direct or indirect regulations that affect open banking.

Nigeria has a regulatory framework for open banking. CBN first issued the Regulatory Framework for Open Banking in Nigeria in 2021 (the 'Framework'), establishing the foundation for data sharing across the financial system to enhance competition and innovation in the banking system. In addition, the Framework contains principles for data sharing across the banking and payments system to promote innovations and broaden the range of financial products and services available to bank customers. In line with the provisions of the Framework and in recognition of the various efforts channelled towards developing acceptable standards among stakeholders, CBN issued the Operational Guidelines for Open Banking in Nigeria 2023 (the 'Open Banking Guidelines') to serve as the primary instrument governing open banking activities. In August 2025, CBN officially launched open banking in Nigeria, allowing banks to start sharing customer data with other eligible financial institutions.

The Open Banking Guidelines provide that all organisations that have possession of customers' data, which may be exchanged with other entities for the purpose of providing innovative financial services within Nigeria, are eligible to participate in the open banking ecosystem pursuant to the Guidelines. In this regard, the participants in the open banking ecosystem are categorised into APs, ACs and customers based on the roles that they perform in the open banking ecosystem. AC or AP refers to a participant that uses an API to avail data or service to another participant, such as a licensed financial institution/service provider, a fast-moving consumer goods company and other retailers. Customers refer to the data owner required to provide consent for the release of data for the purpose of accessing financial services.

Data that may be exchanged and corresponding API services that may be implemented by and used by participants include:

- information on products provided by participants to their customers and access points available for customers to access services;
- statistical data aggregated on the basis of products, service, segments and so on. not associated to any individual customer or account;
- data at individual customer level either on general information on the customer (such as KYC data, total number or types of account held) or data on the customer's transaction (such as balances, bills payments, loans, repayments and recurring transactions on customer's accounts); and
- information on a customer which analyses, scores or give an opinion on a customer such as credit score and income ratings.

Item (1) is classified as low risk, item (2) is moderate risk, item (3) is high risk, and item (4) is high risk and sensitive.

The Guidelines cover a wide range of services, including:

- payments and remittances;

- deposit-taking and lending;
- personal finance advisory;
- credit scoring/rating;
- treasury management;
- mortgages;
- leasing; and
- any additional services as determined by CBN.

The Open Banking Guidelines introduced the Open Banking Registry, which serves as a public database of eligible participants and a mechanism for regulatory oversight and transparency. Participants must register in the Registry to operate in the open banking ecosystem.

Key obligations of participants under the Open Banking Guidelines include:

- obtaining customer consent before accessing or sharing data;
- implementing strong data governance, data ethics, and data breach policies;
- complying with Nigeria's data protection regime (including CBN and NDPA requirements);
- providing real-time notifications to customers when their data is accessed; and
- filing AML/CFT returns, in line with existing anti-money laundering laws, to mitigate unlawful use of the open banking ecosystem.

Although the Open Banking Guidelines now provide a comprehensive regulatory basis for open banking, their success will depend on CBN's implementation and enforcement strategy. At present, no additional laws or regulations specific to open banking are pending, but CBN has indicated that it will continue to monitor the implementation of the policy and expand the scope of services and standards under the framework as may be required or necessary from time to time.

6. Regulation of virtual asset service providers.

The regulation of VASPs in Nigeria has evolved from an era of prohibition to a structured framework of multi-agency oversight. SEC and CBN are the two regulators regulating VASPs in Nigeria. SEC acts as the primary regulator, and CBN only supervises banking relationships to safeguard monetary stability. In addition, FCCPC oversees the protection of consumers, while the Commission regulates the use of personal data of consumers by VASPs and other related entities.

The primary legislation that regulates VASPs is ISA 2025 and the Digital Assets Rules, which recognises and classifies digital and virtual assets as securities, thereby bringing the regulation of cryptocurrencies within the regulatory purview of SEC. The Digital Assets Rules regulate the offering of virtual assets and digital assets, virtual/digital assets offering platforms, DACs, VASPs

and DAXs. While SEC issued the Digital Assets Rules in May 2022, at the time of writing, SEC has yet to commence the implementation of, and the licensing of eligible entities under, the Digital Assets Rules. Instead, SEC released the Proposed Rules which contain significant amendments to the existing Digital Assets Rules. The proposed amendments include new requirements and fees for the registration of DACs, VASPs and DAXs in Nigeria. The Proposed Rules have not been finalised or issued by the SEC and are, therefore, not yet in effect. There have been media reports stating that the Governor of the CBN indicating that CBN and SEC were working on a joint framework for the regulation of cryptocurrencies in Nigeria.¹

Notwithstanding the non-implementation of the Digital Assets Rules or the finalisation of the Proposed Rules, SEC released a Framework on the ARIP for the Onboarding of Virtual Assets Service Providers and other Digital Investment Service Providers on 21 June 2024 (the 'Framework'). Under the Framework, SEC provided a special window for the onboarding of entities that propose to carry on virtual asset activities whose applications have been filed with the SEC, as well as other potential applicants that perform such activities. The Framework will enable qualified entities to obtain an approval in principle from the SEC, pending when the Rules become operational. Participants who meet the prescribed ARIP's conditions and demonstrate satisfactory compliance with the Framework's requirements may transition to full registration with the SEC, subject to undergoing a review and meeting any additional requirements specified by the SEC.

In addition, CBN issued the Guidelines on the Operation of Bank Accounts for Virtual Asset Service Providers, dated 22 December 2023 (the 'CBN Guidelines'), to permit financial institutions (regulated by CBN) to facilitate the settlement of crypto asset transactions and manage accounts for VASPs, DACs, DAXs and digital asset offering platform operators (DAOPs).

Categories or definitions of VASPs under domestic law, and types of activities subject to regulation.

ISA 2025 and the Digital Assets Rules recognise all digital and virtual assets as securities unless the issuer or operator demonstrates otherwise. Under the Digital Assets Rules, digital and virtual asset service providers are classified as:

- VASPs: a catch-all category for digital and virtual asset service providers;
- DAXs: platforms that facilitate the trade of virtual/digital assets;
- DACs: entities responsible for the safekeeping and management of virtual/digital assets; and
- DAOPs: platforms for the offering and issuance of new digital assets.

SEC is the primary authority for licensing and supervision of VASPs, while CBN regulates their access to banking services and monitors systemic financial risks. In practice, this creates a dual-layered oversight mechanism designed to balance market innovation with investor protection and monetary stability.

¹ Nanji Nandang Venley, 'CBN working with SEC on framework for crypto regulation, says Cardoso', International Centre for Investigative Reporting, 3 October 2025 www.icirnigeria.org/cbn-working-with-sec-on-framework-for-crypto-regulation/?utm_source=accessed+9+July+2026.

7. AML and the Travel Rule in crypto asset transactions.

Nigeria has adopted a legal and regulatory framework that imposes AML/CFT obligations on entities that facilitate crypto asset transactions. The principal legislation governing AML/CFT in Nigeria is MLA 2022, which recognises VASPs as 'financial institutions', thereby requiring VASPs incorporated and operating in Nigeria to comply with all AML/CFT obligations under MLA 2022.

MLA 2022 is complemented by the CBN Guidelines, the CBN AML Regulations and the SEC (Capital Market Operators Anti-Money Laundering and Combating the Financing of Terrorism) Regulations 2022 (the 'SEC AML Regulations').

- The CBN Guidelines require CBN-licensed financial institutions to implement appropriate risk management procedures to determine whether designated accounts opened by VASPs are being used or likely to be used for ML/TF/PF.
- The AML obligations under MLA 2022 that VASPs are required to comply with include: customer due diligence, suspicious transaction reporting, record-keeping and reporting of cash transactions exceeding US\$10,000 (or its equivalent).
- The SEC AML Regulations require all SEC-licensed operators to comply with AML requirements, including licensed VASPs.

Pursuant to the CBN AML Regulations and the SEC AML Regulations, any entity incorporated in Nigeria and licensed by CBN or SEC that facilitates the settlement of payments for crypto asset transactions is required to comply with AML/CFT obligations. These obligations include the following.

Risk mitigation

Establish and uphold effective risk management systems that aid in identifying instances where a designated account, opened for a VASP in compliance with the Guidelines, is currently in use, has been used, or may potentially be used for activities related to ML/TF/PF. In addition, the Nigerian entity will be required to: (1) undertake steps to determine the beneficial ownership, source of wealth, and funds in the designated accounts; and (2) ensure that there are appropriate customer protection systems against the risk of fraud, established complaints redress mechanisms and a channel for communication of customer complaints against designated account holders.

Suspicious transaction reporting and monitoring

Takes steps to:

- implement robust KYC procedures to promptly identify all individuals/entities offering services covered by the Guidelines and ensure immediate compliance;
- monitor and supervise all activities within designated accounts and be accountable for any misapplication of these accounts;
- maintain transaction volume and value record for each designated account and ensure adherence to set limits;

- ensure strict adherence to guidelines and laws by taking measures such as onsite visits to confirm proper account operation;
- pay close attention to complex or unusually large transactions lacking visible economic or lawful purpose;
- investigate suspicious transactions and promptly report findings to the NFIU and comply with relevant laws and regulations; and
- maintain records of investigations into reviewed unusual transactions not reported to the NFIU.

Filing returns

File periodic returns to CBN (and SEC and NFIU as may be applicable) between the end of a month and the tenth day of the following month. The returns are required to include: (1) the number of the designated accounts opened within the reporting period; (2) the value and volume of transactions conducted in each account within the reporting period; and (3) details of the counterparty(ies) to the transactions, incidents of fraud or theft, and the number of customer complaints and remedial measures taken.

The Travel Rule

While MLA 2022, the SEC AML Regulations and the CBN Guidelines collectively create the foundation for AML/CFT oversight of crypto-related activities, Nigeria has not yet fully implemented a specific 'Travel Rule' regime.

However, by 'Travel Rule' regime, we understand that it refers to the obligation on VASPs to collect and transmit originator and beneficiary information when conducting virtual asset transfers. The purpose of this requirement is to ensure transaction traceability, support the detection of illicit activity and facilitate cooperation among regulators globally. Based on this understanding, we confirm that VASPs are subject to Travel Rule obligations under the SEC's AML Regulations and are required to implement the Travel Rule accordingly. These obligations include the collection, verification and transmission of specific information relating to both the originator and the beneficiary of all virtual asset transfers. All such transfers are treated as cross-border transactions, and VASPs must securely share the relevant information with the receiving VASP or financial institution and make it available to competent authorities upon request.

The required information includes the full name, wallet address and identification details (such as physical or business address) of the originator, as well as the beneficiary's name and wallet address. While transactions below US\$1,000 are exempt from the full requirements, they must still include basic identifying information and be subject to verification if deemed suspicious. VASPs are also required to retain all originator and beneficiary data in accordance with the record-keeping obligations set out in the Regulations.

Nigeria's AML/CFT regime under MLA 2022 also has extraterritorial application. It empowers the Federal High Court to assume jurisdiction over money laundering offences committed outside Nigeria, including where such offences are connected to funds or property traceable to Nigerian

persons or entities. This means that, while a Travel Rule obligation per se does not yet exist, cross-border transactions remain subject to AML oversight where there is a Nigerian nexus (eg, a Nigerian customer, transaction or asset). CBN, SEC and NFIU are the primary regulators responsible for overseeing and enforcing AML/CFT compliance in relation to virtual asset transactions.

8. Enforcement and cross-border recognition of tokenisation and structuring of secured transactions involving crypto assets.

The regulation of tokenised assets is still an emerging area of practice in Nigeria. The Digital Assets Rules recognise the tokenisation of assets under the definition of 'digital assets', which refer to instruments that give the holder a debt or equity claim to the issuer of such instruments. The tokenisation of real estate is structured as tokens that enable investors to acquire fractional ownership in properties without relying on traditional intermediaries. Through this model, each token represents a proportionate share of the underlying asset, thereby broadening access to real estate investment and enhancing market liquidity.

While there have been no major debt transactions to date in which tokenised assets have been used as collateral, largely because the implementation of the Digital Assets Rules has not yet commenced, it is noteworthy that four real estate companies have been admitted into the ARIP, reflecting SEC's growing recognition of tokenised investment structures. While it is envisaged that ISA 2025 will regulate digital bonds and tokenised securities, and entities issuing such instruments will be required to register with SEC, there are currently no companies that have been publicly identified as participants in the ARIP or Regulatory Incubation Programme.

In conventional debt transactions in Nigeria, collaterals typically include:

- tangible movable or immovable property such as real estate, vehicles, equipment, furniture and fittings, machinery, aircraft and ships;
- financial instruments including shares and treasury bills;
- fixed and floating charges over intangible assets;
- claims and receivables;
- bank deposits;
- IP; or
- third-party guarantees or assignment by way of security of various classes of assets including intangibles.

To the extent tokenised assets are capable of recognition as representing ownership rights or value, parties may attempt to adapt existing collateral structures. The standard procedure for perfection of securities such as obtaining governor's consents (where required in relation to real estate), registrations with the companies registry and stamping with the tax authority will apply. However, this remains untested in practice, and further regulatory or judicial clarification will likely be required before such arrangements can be regarded as settled law.

Under Nigerian law, parties are generally free to choose the law and jurisdiction that will govern their contract. A Nigerian court will enforce a foreign law clause if the choice of law is *bona fide* (made in good faith, not to evade Nigerian law); and the choice of law is legal and not contrary to Nigerian public policy. Where the governing law clause in a crypto asset-related contract is a foreign law, the Nigerian courts would generally consider such clauses legally binding and enforceable under Nigerian laws subject to the consideration of certain factors. Please see section 9, where we have addressed these factors in detail. Public auction is generally not required for enforcement in Nigeria; the disposal of securities can be by private sale or public auction.

In the case of default, under Nigerian law secured lenders have several options for enforcing their security interests. In relation to movable assets, the Secured Transactions in Movable Assets Act (STMA) 2017 provides various enforcement methods, including:

- taking possession of the collateral;
- selling, leasing or otherwise disposing of the collateral;
- appropriating the collateral in satisfaction of the debt;
- exercising rights of possession;
- appointing a receiver; and
- where applicable, initiating winding-up proceedings against the debtor.

Lastly, a lender can appropriate the secured assets.

9. Litigation and jurisdiction on crypto assets: legal implications of disputes involving crypto assets.

Despite recognition of digital and virtual assets as securities under ISA 2025, disputes involving crypto assets in Nigeria remain a nascent area before the Nigerian judiciary. There is a notable judicial decision addressing cryptocurrency-related disputes in Nigeria. In *Rise Vest Technology Limited & Ors v Central Bank of Nigeria*, the Federal High Court held that a CBN circular could not, as an administrative instrument, create an offence in relation to cryptocurrency transactions and ordered that the claimants' frozen accounts be unfrozen. Although the case did not address the overall legality of cryptocurrency trading, the decision reflects a growing judicial willingness to apply established legal and constitutional principles to disputes involving crypto assets within Nigeria's evolving regulatory framework.

Generally, a party's submission to a foreign jurisdiction is legally binding and enforceable under Nigerian law. Contracting parties are free to choose the governing law and dispute resolution forum. The attitude of Nigerian courts in matters of choice of law has, generally, been to hold parties to their bargains. The Nigerian Supreme Court has held, however, (in *Sonnar & Anor v Partnenreedri MS Nordwind & Anor* (1988) NSCC, 28–49 (the 'Sonnar case')) that the parties' choice of law is not conclusive and that to be effective, the choice of law must be 'real, genuine, bona fide, and reasonable'. The Nigerian Supreme Court further held in the above case that the

foreign law chosen by parties as the proper law of their contract 'must have some relationship to and must also be connected with the realities of the contract considered as a whole'.

As with the case of the parties' choice of law, Nigerian courts have demonstrated that, in certain limited circumstances, they will be prepared to assume jurisdiction notwithstanding the express choice of some other jurisdiction by the parties. The factors which Nigerian courts will consider in determining whether to assume jurisdiction were also set out in the Sonnar case, and they include:

- the location of the evidence, the convenience in terms of accessibility and expenses between the domestic and foreign courts;
- the applicability of the law of the foreign court and its difference in material respect from the domestic law;
- with what country either party is connected and the closeness of the relevant party to that country;
- whether the party seeking to stay the proceedings genuinely desires trial in the foreign country or is only seeking procedural advantages; and
- whether the plaintiffs would be prejudiced by having to sue in the foreign court because they would:
 - be deprived of security for that claim;
 - be unable to enforce any judgment obtained;
 - be faced with a time-bar not applicable to the domestic court; or
 - for political, racial, religious or other reasons be unlikely to get a fair trial.

How the above factors would be applied in any particular case is entirely at the discretion of the courts, and that discretion will be exercised judicially and judiciously. While largely untested before the Nigerian courts, we anticipate that in disputes involving crypto assets, the courts will take into consideration the factors outlined in the Sonnar case when enforcing foreign jurisdiction clauses in an agreement.

10. Intellectual property (IP) and crypto assets: legal protection, ownership, enforcement and monetisation of IP rights related to digital and virtual assets.

Protection of innovations and inventions in Nigeria

The legal framework for IP in Nigeria is founded on existing laws governing copyright, trademarks, industrial designs and patents. Digital assets such as images, audio-visual works, digital artworks, computer programs and software are creative outputs that exist in digital form and are capable of copyright protection once fixed in a tangible medium. While digital assets fall within the scope of IP

law, virtual assets are more commonly governed by financial and securities regulations rather than by copyright or patent law.

The Copyright Act 2022 automatically protects computer programs and software, classifying them as 'literary works'. This protection is granted automatically upon the creation of the software's unique source and object codes provided the work is original and fixed in a tangible format. Similarly, digital art, photographs, music, videos and other creative works enjoy the same automatic protection as their traditional counterparts under Nigerian law. Copyright subsists for the author's lifetime plus 70 years after death.² While this protection is automatic, registering the work with the Nigerian Copyright Commission through its Nigerian Copyright e-Registration System (NCeRS) is a voluntary process that strengthens evidentiary claims and facilitates enforcement in the event of infringement. This protection is also internationally enforceable in other countries that are signatories to the Berne Convention, of which Nigeria is a member.

Unlike copyright, which protects the expression of an idea, patent law protects the underlying method, process or system of an invention. Under the Patents and Designs Act 2004, an invention is patentable if it is with respect to a patentable subject matter and meets the statutory requirements of novelty, inventive step and industrial applicability. Under Nigerian law, patent protection is only valid when registered. The Nigerian Patent Registry does not undertake a substantive review of patent applications and thus, the registration of a patent is not conclusive proof of its validity. A registered patent is valid for 20 years, subject to the payment of the annual renewal fees.

In theory, blockchain-based or algorithmic innovations may qualify for patent protection if they meet the aforementioned requirements for patentability. However, it is unlikely that such matters would be patentable under Nigerian law if they are merely computer-implemented invention of abstract algorithm and do not produce a technical effect. This distinction is particularly relevant in the digital asset space, where innovations often concern cryptographic mechanisms or transaction protocols rather than artistic expression. Virtual assets, such as cryptocurrencies, are fundamentally based on mathematics, relying on complex algorithms and cryptographic principles. Because copyright and patent law do not extend to the protection of abstract ideas, mathematical methods or scientific principles, virtual assets as such are not protectable under either regime. Copyright protects the expression of an idea once fixed in a tangible medium, while patent law protects a technical solution to a specific problem. Neither regime grants monopoly rights over the foundational mathematical or cryptographic concepts upon which virtual assets are built. Consequently, while the software code implementing a virtual asset system may attract copyright protection, and a novel technical process may in some cases qualify for a patent, the virtual asset itself does not enjoy IP protection.

The Trademarks Act 2004 provides a different nature of IP protection, covering names, symbols and logos that distinguish a business, its goods or its services. Though not providing direct IP protection for digital or virtual assets, trademark protection offers an important means of safeguarding the commercial identity and reputation associated with such assets. For exchanges, wallets, token issuers and platforms, trademarks protect against infringement, counterfeiting and cybersquatting. Registration confers exclusive rights in respect of the class of goods/services the mark is registered; unlike patent and copyright, trademark protection is renewable indefinitely in seven-year terms.

² This timeline may vary depending on the nature of the eligible.

As with conventional works, ownership of IP rights in digital assets generally vests in the creator. For copyright works, ownership typically belongs to the author or originator of the work, except where the work is created in the course of employment or under a commissioning arrangement, in which case ownership may vest in the employer or commissioning party unless otherwise agreed. By contrast, ownership of patentable inventions ordinarily belongs to the inventor, but where an invention is made in the course of employment, the right to apply for and hold the patent may vest in the employer, particularly if the invention was developed as part of the employee's assigned duties or through the use of the employer's resources. Once ownership is established, the holder of an IP right, whether in a traditional, digital or virtual context, may enforce or protect those rights through the Federal High Court, which has exclusive jurisdiction over IP claims.

IP protection in foreign jurisdictions

IP rights are territorial, meaning protection in Nigeria does not necessarily extend beyond its borders. This being the case, Nigeria is a party to certain international conventions, including the Berne Convention, which extends protection to several contracting member states. This is not the case with patents and trademarks and thus, registration in Nigeria will not grant protection in foreign jurisdictions. Inventors and innovators may take advantage of the Patent Cooperation Treaty and claim foreign priority over a patent where it has been filed in a convention country.

When deciding where to seek protection, the primary consideration is market presence: that is, jurisdictions where the business plans to manufacture, sell or license its IP. A second factor is the risk of infringement, assessed through the strength of local enforcement systems and the prevalence of piracy or counterfeiting. An inventor may also consider other factors such as:

- the cost and duration of registration procedures;
- the existence of reciprocal international treaties like the Patent Cooperation Treaty;
- the country's legal and regulatory environment for IP enforcement;
- potential tax implications associated with IP ownership; and
- the strategic value of securing protection in jurisdictions that serve as key manufacturing or distribution hubs.

Monetising IP of crypto assets locally

We are not aware of any legal restriction on the monetisation of IP in crypto assets in Nigeria. This is without prejudice to legal requirements for registration of such assets under securities law and other financial regulations which could restrict the recognition of such IP rights if the crypto assets are not registered as required under Nigerian law. The monetisation of IP tied to crypto assets, such as non-fungible tokens (NFTs), tokenised software or digital content, is possible but subject to Nigeria's evolving regulatory framework. ISA 2025 classifies digital assets and virtual assets as securities, empowering SEC to regulate their issuance, trade and licensing through DAOPs and VASPs.



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