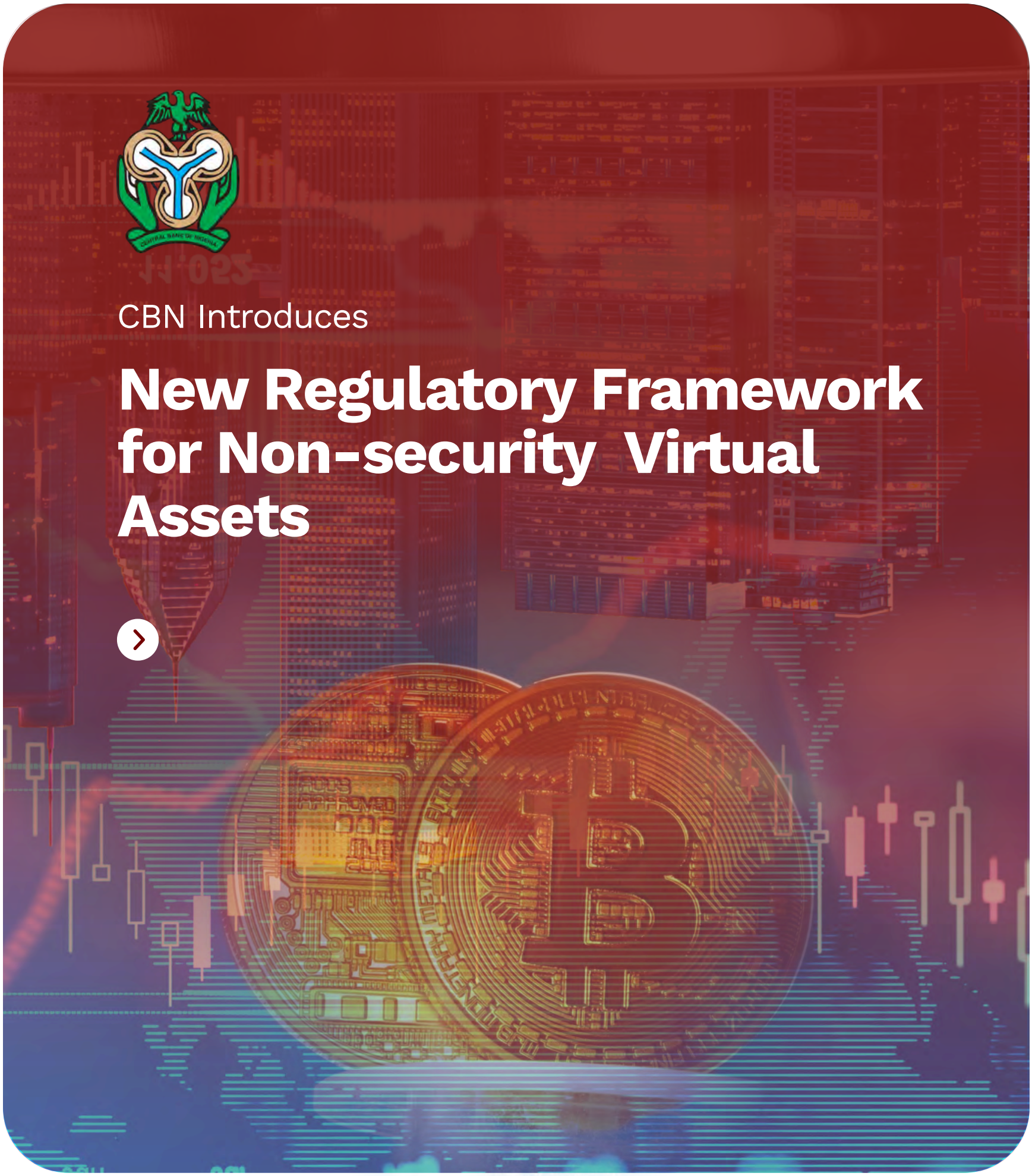
ÆLEX

Nigeria Ghana



CBN Introduces

New Regulatory Framework for Non-security Virtual Assets

ÆLEX

Nigeria Ghana

The Central Bank of Nigeria ("CBN") has issued the Regulations for the Operations of Non-Security Virtual Assets in Nigeria dated 5 November 2026 (the "Regulations"). The Regulations establish a licensing, authorisation, regulation, supervisory and oversight framework for issuing or providing services relating to non-security virtual assets, including stablecoins and virtual asset payment services.

01.
Scope and Licensing Requirements

The Regulations apply to persons carrying on regulated activities in or from Nigeria, or directing such activities at persons in Nigeria. They introduce five regulatory approval routes:

- **Class 1 Issuer Licence:** For issuers of Naira-referenced virtual assets, with minimum paid-up capital of N10,000,000 (ten billion Naira).
- **Class 2 Issuer Licence:** For foreign-currency-referenced virtual assets, with minimum paid-up capital of N15,000,000 (fifteen billion Naira).
- **Other Services Licence**: For non-SEC-licensed providers of non-issuance virtual asset services, with minimum paid-up capital of N1,000,000 (one billion Naira).
- **Other Services Authorisation:** For SEC-licensed entities undertaking specified non-issuance activities, with minimum paid-up capital of N1,000,000 (one billion Naira).
- **Approval to Extend Permitted Activities**: For eligible CBN-regulated financial institutions undertaking specified virtual asset payment activities.

An existing SEC licence does not, by itself, authorise an entity to provide services regulated by the CBN under the Regulations. The appropriate CBN approval must also be obtained.

02.
CBN and SEC Regulatory Responsibilities

The Regulations clarify the respective responsibilities of the CBN and the Securities and Exchange Commission ("SEC"). The CBN regulates non-security virtual assets and related payment, settlement and transfer activities, while the SEC retains oversight of security virtual assets and capital-market activities. Entities undertaking activities that fall within both regulatory mandates will require approvals from both regulators.

This development builds on the evolving regulatory framework previously examined in our publications, including Overview of Nigeria's Dynamic Cryptocurrency Regulatory Landscape (International Bar Association, 2024), Overview of the SEC Framework on Accelerated Regulatory Incubation Programme (2024), and Overview of the SEC's Amended Digital Assets Rules (2025).

03.
Stablecoins, P2P Activities and Lending

Stablecoin issuers must maintain eligible reserves on a 1:1 basis, together with a 2% overcollateralisation buffer.4 Holders must have an enforceable right to redeem their stablecoins at par, generally by the end of the business day following a valid redemption request.

Issuers are prohibited from paying interest, yield or other returns to holders.

Platform-facilitated peer-to-peer (P2P) virtual asset transactions also require express CBN approval. This includes platforms that match buyers and sellers or facilitate payment, escrow, transfer or settlement. A licence or authorisation for another virtual asset service does not automatically permit P2P operations.

Lending or borrowing of regulated tokens requires separate approval under applicable law. A licence or authorisation under the Regulations does not permit such activities. Further, customer assets and issuer reserves must not be used for unauthorised lending.

04
Compliance and Transitional Requirements

Regulated entities are subject to governance, capital, AML/CFT/CPF, cybersecurity, operational resilience and reporting obligations. Material incidents must generally be reported to the CBN within 24 hours, with a detailed follow-up report within 72 hours.

An existing operator is required to apply for the appropriate licence or authorisation within 180 days of commencement of the Regulations. During the transition period, the operator may continue its existing activities, but only at its prevailing scale and subject to the CBN's interim conditions, provided that it registers with the CBN within 30 days, complies with applicable AML/CFT/CPF requirements from commencement, commences supervisory reporting within 60 days (or such earlier period as the CBN may prescribe), and submits a complete application within the 180-day period.

Carrying on regulated activities without the required approval attracts a minimum penalty of N100,000,000 (one hundred million Naira), together with an additional minimum penalty of N1,000,000 (one million Naira) for each day the breach continues.

Conclusion

The Regulations introduce significant licensing, capital and operational requirements for virtual asset issuers and service providers operating in or targeting Nigeria. Affected entities should assess their business models against the new licensing categories, determine whether additional CBN or SEC approvals are required, and commence the necessary registration and compliance processes within the prescribed timelines.

ÆLEX

Nigeria Ghana

For more information or assistance, please contact us at info@aelex.com

ÆLEX

aelex.com @aelexpartners