

**BANKING AND PAYMENTS SYSTEM DEPARTMENT**

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To: All Deposit Money Banks and All Licensed Payments Service Providers

**ELECTRONIC PAYMENTS INCENTIVES SCHEME AND AWARENESS CAMPAIGN**

In furtherance of the drive for the pervasive usage of electronic payments in Nigeria, the Management of the Central Bank of Nigeria has approved an industry-wide Incentive Scheme and awareness campaign for electronic payments stakeholders and users.

The scheme is primarily focused to reward users of electronic payments in Nigeria and to further encourage greater adoption by all. The incentive scheme will reward and appreciate usage across all channels with emphasis on channels of electronic payments that promote financial inclusion. The scheme has identified and will reward the following categories of users:

- Consumers
- Merchants
- Sales Persons

The incentive scheme and awareness campaign is designed as a "white-label" campaign in which all stakeholders are required to partner.

The implementation schedule, which has taken into consideration, the system configuration that will be required for the successful roll-out of the scheme, is hereby attached.

We solicit for the cooperation of all stakeholders for the successful implementation of the Electronic Payments Incentives Scheme (EPIS).

*Dipo Fatokun*  
*Director, Banking and Payments System Department*

## **IMPLEMENTATION SCHEDULE FOR THE E-PAYMENTS INCENTIVES SCHEME**

The following suite of incentives will be implemented:

### **Merchants**

S/N	Incentive	Description	Implementation Date
1.	Reduction of MSC	The Merchants Service Charge (MSC) rate will be reduced from the current 1.25% or N2, 000 to 0.75% or a maximum of N1, 200 per transaction. The current sharing ratio among the various participants will be retained.	November 1, 2014
2.	Commission on Turnover (COT) Exemption	Free COT will be accelerated ahead of the dates on the Guide to Bank Charges, for merchants'. Therefore, all electronic inflows into the accounts of Merchants will be exempted from the calculation of COT at the end of each month.	November 1, 2014
3	Mystery Shopper and Recognition	NIBSS Plc will administer rewards to merchants through a mystery shopper and recognition campaign.	November 1, 2014
4	Purchase with Cash-back	NIBSS will collaborate with Deposit Money Banks (DMBs) for the implementation of POS functionalities that will permit merchants to offer cash-out services to their customers.	January 1, 2015

**Consumers**

S/N	Incentive	Description	Implementation Date
1.	Point Based Reward System	This will be adopted to reward cardholders, based on point grossed through frequency of card usage. NIBSS will implement the program, in conjunction with other service providers.	December 1, 2014
2.	Cash Refund	Refund of cash, based on card usage is currently being implemented by all banks.	On-going
3	Merchant Promotional Campaign	Merchants may leverage on the incentive scheme to offer promotional gift items to their customers, based on the usage of electronic payments for transactions.	December 1, 2014

**SALESPERSONS**

Salespersons will be encouraged to support electronic payments by having them enrolled on the tipping point schemes, through which they will earn points accrued over a period. Such points may be redeemed by the salespersons through various gift items or cash.

**EFFICIENCY AWARD**

Payments System Services Providers (Banks, PTSPs, PSAD, PTSA, Switches, etc) across the value chain, will be encouraged through periodic awards, based on their innovation and efficiency. This program will be administered by NIBSS, in conjunction with other service providers.