

**GUIDELINES**

**ON**

**MOBILE PAYMENTS SERVICES**

**IN NIGERIA**

**EXPOSURE DRAFT**

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## **1.0 PREAMBLE**

In exercise of the powers conferred on the Central Bank of Nigeria (CBN) by Section 47(2) of the CBN Act, 2007, to promote and facilitate the development of efficient and effective system for the settlement of transactions, including the development of electronic payment systems; and

Pursuant to its mandate of promoting a sound financial system in Nigeria, the CBN hereby issues the following guidelines for Mobile Payments Services in Nigeria

## **2.0 INTRODUCTION**

The introduction of mobile telephony in Nigeria, its rapid growth and adoption, and the identification of person to person payments as a practical strategy for financial inclusion, has made it imperative to adopt the mobile channel as a means of driving financial inclusion of the unbanked. These factors underscore the decision of the Central Bank of Nigeria to issue these guidelines, to create an enabling environment for the orderly introduction and management of mobile payment services in Nigeria.

This guideline addresses business rules governing the operation of mobile payment services, and specifies basic functionalities expected of any mobile payment service and solution in Nigeria. It identifies the participants, and defines their expected roles and responsibilities in providing mobile payment services in the system. In addition, it sets the basis for the regulation of services offered at different levels and by the participants.

These guidelines have identified two models for the implementation of mobile payments services namely;

- A. Bank Led – Bank and/or its Consortium as Lead Initiator
- B. Non-Bank Led- A corporate organisation duly licensed by the CBN as Lead Initiator

## **3.0 OBJECTIVES**

The objectives of the guidelines are as follows:

- A. To ensure a structured and orderly development of mobile payment services in Nigeria, with clear definition of various participants and their expected roles and responsibilities.

- B. Specification of the minimum technical and business requirements for the various participants recognized for the mobile payments services industry in Nigeria.
- C. To promote safety and effectiveness of mobile payments services and thereby enhance user confidence in the services.

## **4.0 SCOPE**

To achieve the above stated objectives, this Guideline covers models, agent network, business rules, roles and responsibilities of participants under mobile payments services in Nigeria.

## **5.0 MODELS**

Two models of mobile payments services are identified for operation in Nigeria:

- a. The Bank-led Model: This is a model where a bank either alone or a consortium of banks, whether or not partnering with other approved organizations, seek to deliver banking services, leveraging on the mobile payments system. This model shall be applicable in a scenario where the bank operates on stand-alone basis or in collaboration with other bank(s) and any other approved organization. The Lead Initiator shall be a bank or a consortium of banks.
- b. The Non-Bank led Model: This model allows a corporate organization that has been duly licensed by the CBN to deliver mobile payment services to subscribers. The Lead Initiator shall be a corporate organization (other than a deposit money bank or a telecommunication company) specifically licensed by the CBN to provide mobile payments services in Nigeria.

## **6.0 AGENCY NETWORK**

The provisions of the Guidelines for the Regulation of Agent banking and Agent banking relationships in Nigeria shall apply to Mobile Money Agent Network.

## **7.0 BUSINESS RULES**

### **7.1 Licensing**

All Mobile Money Operators (MMOs) shall:

- (a) Be licensed by the CBN on such terms and conditions as may be prescribed from time to time.
- (b) Be issued a unique Scheme Code by the NIBSS for managing interoperability.
- (c) Be issued short codes by the NCC.
- (d) Ensure that all telecommunication equipment are type approved by the NCC.
- (e) Register users of its scheme based on technology standards and the requirements of these Guidelines.
- (f) Ensure that the registration processes within its mobile payments scheme shall fulfil the entire KYC requirements specified in these Guidelines.

### **7.2 Activation**

- (a) The Mobile Payments System shall require a registered user to activate the service before the commencement of transactions with his security code (e.g. PIN/Password etc.).
- (b) The activation of service shall ensure that user identity is not compromised within or outside the mobile payment system.
- (c) The Mobile Money Operators shall ensure that the activation process is not compromised or altered within its infrastructure.

### **7.3 Transactions**

- (a) All transactions initiated and concluded within the mobile payment system shall have a unique transaction reference issued by the system
- (b) All transactions shall have the following elements: Transaction reference number, payer and payee phone numbers, transaction amount, transaction date and time stamps, merchant categories, merchant addresses, codes and other relevant transaction details and unique identifiers.
- (c) Each transaction detail logged within the payment system shall contain a valid description as in 7.3. (b).
- (d) MMOs shall provide notifications for all transactions processed from their systems.

- (e) Only a single charge shall be applied from a consumer's wallet for a mobile payment transaction. No airtime deductions shall be made in respect of charges on any transaction.
- (f) MMOs shall appoint and notify CBN of their settlement banks.
- (g) All obligations arising from mobile payment transactions shall be settled into settlement accounts held with Deposit Money Banks. MMOs shall maintain separate accounts for their other business activities.
- (h) The **settlement accounts** with the deposit money banks shall be opened as a Trust Account, with users of the e-money issued on it as beneficiaries.
- (i) The **settlement account** shall not be interest bearing to both the users and the organisation and no charges of any form shall apply to the account.
- (j) The settlement account shall not be used, under any guise or purpose, as collateral for negotiation of loans by the organisation.
- (k) The balance on the settlement account shall always be equal to the total outstanding (un-spent) balance of all holders of the e-money.
- (l) Mobile Money Operators shall be required to reconcile on a daily basis, the balances in their pool accounts and make weekly returns to the Director, Banking & Payments System Department of the CBN.
- (m) All customer transactions shall be traceable; auditable and can be validated.
- (n) Remittance inflow messages shall, at a minimum, be conveyed to the recipient through secured SMS.

#### 7.4 Rules of Operations for bank account based Transactions

- (a) Transactions shall be originated via a bank's banking application into the mobile wallet.
- (b) The bank account based relationships shall comply with the existing account opening standards and practice in the Nigerian banking system.
- (c) The transaction activities generated shall be traceable, monitored and logged within the mobile payments system.
- (d) Access to the account through the Mobile Payments System shall be via a secured channel that meets the defined standards, as specified in these guidelines.
- (f) Authorization of transactions originating from or terminating on these accounts shall be based on standards defined by the host bank.

## **7.5 Card Account Based**

This is a scenario where a payment card is issued and linked to a mobile phone account subject to the appropriate KYC and Card Issuance Rules (Please, see the Guidelines on the Issuance and Usage of Cards in Nigeria)

(a) **Types of Card – Driven Payments**

The types of card – driven payments recognized by these guidelines are:

- i. Credit
- ii. Debit, and
- iii. Pre-Paid

(b) **Rules of Operations for Card Based Transactions**

- i. The Card Account based transactions shall be based on an infrastructure that relies on the global DES secure architecture at the minimum.
- ii. The card shall be issued by a CBN approved Card issuing Organization.
- iii. The card system shall comply with the existing regulation and standard for cards.
- iv. All Card Account based transactions must be authenticated against the originating Card Management System.

(c) **Types of Stored Value Account**

The various options recognized by these guidelines include Re-loadable Stored Value Account, Pre-paid Account, etc.

(d) **Rules of the Operations for Stored Value Account**

- i. All system based accounts shall have an identification system that generates unique identifier per user account within the Mobile Payments System.
- ii. These accounts shall only be accessible through the Mobile Payments System.
- iii. The user may specifically request for other means of access to his/her system based account other than as specified in 7.5(f)(ii) above. However, the liability of the user shall be clearly stated before granting such request
- iv. All accounts and transaction details shall be stored in an encrypted format
- v. The Mobile Payments System account unit shall comply with all the standards and requirements defined in these guidelines

- vi. All system based account shall be tied to a settlement account with a licensed deposit-taking institution. The settlement account shall be funded to the tune of the total amount of the system based accounts on the scheme.

## **7.6 Mobile Payments Processes**

The MMOs Operators shall provide a detailed payments management process that covers the entire solution delivery, from user registration and management, agent recruitment and management, Consumer protection/dispute resolution procedures, Risk management processes, to transaction settlement.

These processes shall cover the scope of the value chain across all the participants in the mobile payments ecosystem.

# **8.0 ROLES AND RESPONSIBILITIES OF PARTNER ORGANISATIONS**

## **8.1 BANKS**

The role/responsibilities of banks as Scheme Operators shall include:

- (a) Provision of all financial services for the operation of the mobile payments service.
- (b) Verification, approval and accountability for the credibility and integrity of their partner organizations.
- (c) Seeking and obtaining necessary approvals from the regulatory authorities.
- (d) The deployment and delivery of the mobile payment services to the customer.
- (e) Ensuring that the mobile payment service meets all specified mobile payment standards as provided in this Guidelines.
- (f) Putting in place adequate measures to mitigate all the risks that could arise, following the deployment and use of its mobile payment service.
- (g) Facilitating remittances to both scheme and non-scheme recipients.
- (h) Providing financial, clearing and settlement services to the mobile payments system.
- (i) Educating the customers on the appropriate use of the service

## **8.2 LICENSED CORPORATE ORGANIZATIONS**

The roles/responsibilities of Licensed Corporate Organizations shall include:

- (a) The provision and management of the solution required to deliver mobile payment services to the subscriber.
- (b) Ensuring that the proposed services meet all the regulatory standards and requirements specified in the mobile payments Guidelines; the deployment and delivery of the mobile payment solutions to the customer;
- (c) Educating the customers on appropriate use of the solution; ensuring that international inflow messages shall at a minimum be conveyed to the recipients by secure SMS.
- (d) Ensuring that the mobile payments system provides transaction monitoring and reporting in compliance with this Guideline.
- (e) Providing access for on-the-spot assessment and verification of its transactions by the Central Bank of Nigeria on demand basis.
- (f) Providing a monthly assessment report on the performance in prescribed format, and the submission of same to the Banking and Payment Systems Department of the Central Bank of Nigeria.
- (g) Keeping records of transactions emanating from the organization's mobile payment system.
- (h) Ensuring that the mobile payment services comply with specified standards as stated in this guidelines.
- (i) Putting in place adequate measures to mitigate all the risks that could arise from the deployment and use of its mobile payment services.
- (j) Ensuring that no bilateral connections exist with other MMOs.

## **8.3 INFRASTRUCTURE PROVIDERS**

These are organizations providing infrastructure that enable switching, processing and settlement facilities for mobile payments services. Settlement here refers to Inter-Scheme Settlement.

#### **8.4 Mobile Network Operators (MNOs):**

Their role shall be guided by the following provisions:

- (a) Providing telecommunication network infrastructure for the use of Mobile Money Operators;
- (b) Ensuring that a secure communication channel based on the minimum technology standard stipulated in this Guidelines are implemented;
- (c) That MNOs shall not give priority to any MMO over another MMO;
- (d) Ensuring that its subscribers are free to use any mobile payments scheme service of their choice;
- (e) Shall not receive deposits from the public, except in respect of the airtime billing of their subscribers;
- (f) Shall not allow the use of the airtime value loaded by their subscribers for purposes of payments or to transfer monetary value;
- (g) Shall ensure seamless interconnection between MMOs; and
- (h) Shall not engage in any conduct which has a purpose or effect of lessening competition in any aspect of mobile payments services.

#### **8.5 CONSUMERS**

They shall have rights/responsibilities as follows:

- (a) Ease of enrolment
- (b) Ease of use ( SMS, USSD, STK and IVR)
- (c) Privacy, Trust and Security of transaction
- (d) Convenience: anywhere, anytime.
- (e) Accessibility to funds on completion of transaction process
- (f) Real time transfer of value

- (g) Easy and prompt access to dispute resolution process
- (h) Ensure the protection of PIN / Password
- (i) Ensure prompt reporting of fraud cases, errors and complaints
- (j) Ensure proper confirmation of transaction details and recipients' mobile phone numbers at all times before authorizing transactions.
- (k) Comply with all security rules as provided by the scheme operator
- (l) Escalate complaints to the Consumer Protection Departments of the Central Bank of Nigeria, if resolution of complaints is unduly delayed.

## **9.0 SETTLEMENT**

- (a) The settlement process to be deployed by Mobile Money Operators shall ensure compliance with the settlement standards and requirements defined in these Guidelines.
- (b) The MMO shall ensure that its mobile payment infrastructure fully complies with the clearing and settlement rules for finality of settlement.
- (c) The scheme operator shall, on a daily basis request for its settlement positions from its bankers for reconciliation of transactions.
- (d) All inter scheme settlements shall be routed through the inter-bank settlement system.
- (e) The scheme operator shall ensure that all settlement information details are preserved for reference for a minimum period of seven (7) years.
- (f) The Scheme Operator shall maintain a Shareholders Fund unimpaired by losses of N2 billion, with effect from 1<sup>st</sup> January, 2016.

### **9.1 Operating Rules for Scheme Settlement Operator**

Nigeria Inter-bank Settlement System Plc (NIBSS) shall:

- (a) Provide net settlement positions of all Inter-Scheme service providers and effect final settlement using the CBN Inter-Bank Funds Transfer System (CIFTS) on (T+1) cycle.
- (b) Provide statistical reports to the regulatory bodies and participants as may be prescribed from time to time
- (c) Maintain audit trail and transaction log of all transactions consummated on the scheme.

- (d) Provide the infrastructure (hardware, software, switching and security) to link all inter scheme providers.
- (e) Provide business continuity/disaster recovery plans to ensure services are available at all times.
- (f) Provide 99.99% system availability and ensure that all signed-on participating institutions follow same rules.
- (g) Ensure MMOs are connected to the National Central Switch (NCS) for the purpose of interoperability
- (h) Ensure that the mobile payment services are compatible and interoperable with the network infrastructure of different MNOs, solution providers, MMOs and the NCS

## **9.2 Inter -Scheme Settlement**

The role of NIBSS as Inter-Scheme Settlement Provider shall be to provide net positions of transactions across schemes to the inter-bank settlement system to affect the finality of payment for services consummated across two different Schemes by various participants.

## **9.3 Forms of Settlement**

There are various settlements processes which will come into play, depending on how the mobile services are consummated. The processes include *On-us; Not on-us; and Remote On-Us*:

### **(a) On-Us Transactions**

- i. These are payment transactions in which all parties involved in the transaction cycle are of the same scheme i.e. Issuer, Acquirer, Merchant and Consumer.
- ii. Transactions are not routed through a switch except where an external processor is involved e.g. Airtime Recharge Transactions, Bills payment.
- iii. Settlement is done directly online from consumer's account to beneficiary account.
- iv. For goods and services, merchants account is credited same working day.

### **(b) Remote on-Us Transactions**

- i. These are payment transactions where a consumer uses a payment channel of another Acquirer.
- ii. The Switch/Card Network is involved in the transaction processing (Authorization and Settlement).

### **(c) Not on-Us Transactions**

- i. These are payment transactions where an Acquirer Terminal is used by other Issuers.
- ii. The role of the Inter-Scheme Settlement Providers shall be to provide a net position of all participants which consummate services across schemes to the inter-bank settlement system to affect the finality of payment.

### **9.4 Final Settlement**

For finality of settlement between participating institutions, settlement providers shall provide settlement information of their participants to the final settlement system. Final Settlement shall be done through the CBN Inter-Bank Funds Transfer System (CIFTS) by effecting the net positions provided by the national central switch and the inter-bank settlement system.

## **10.0 TRANSACTION SECURITY STANDARDS**

- 10.1 Mobile Payments solutions deployed shall adhere to the following standards:
  - (a) The minimum encryption standard is Triple Data Encryption Standard (DES) encryption. Encryption shall be on an end-to-end basis.  
ISO 8583
  - (b) EMV standards in the case of Card payment related transactions.
  - (c) PCIDSS
- 10.2 All subsequent routing of messages to the Mobile Money Operators' servers must be with the highest level of security with dedicated connectivity like leased lines (E1 links) / VPNs;
- 10.3 That any sensitive information stored in third party systems is restricted with appropriate encryption and hardware security standards;

- 10.4 All transactions on an account shall be allowed only after authentication of the mobile number and the PIN associated with it;
- 10.5 That mobile payments application shall not allow the option of saving the PIN either on the handset or on the application;
- 10.6 All accounts activated by the consumer on the mobile application are linked to the mobile phone number. This mobile phone number shall be used as the second factor authentication for mobile transactions;
- 10.7 The PIN does not travel in plain text during the transaction;
- 10.8 That proper system of verification of the phone number shall be implemented;
- 10.9 The payment authorisation message from the user's mobile phone shall, at the minimum, be DES encrypted and checked for tampering by the scheme operator. It shall not be possible for any interceptor to change the contents of the message;
- 10.10 There shall exist, a security policy duly approved by the Board of Directors of the organisation providing the service;
- 10.11 Segregation of duty of Security Officer / Group dealing exclusively with information systems security and Information Technology Division which actually implements the computer systems;
- 10.12 The Information Systems Auditor audits the information systems;
- 10.13 Logical access controls to data, systems, application software, utilities, telecommunication lines, libraries, system software, etc. exists;
- 10.14 At the minimum, there shall be in place, the use of proxy server type of firewall so that there is no direct connection between the Internet and the Mobile Money Operators' systems. For sensitive systems, an inspection firewall shall be implemented to thoroughly inspect all packets of information, compare past and present transactions and enable a real time security alert;

## **11. INFRASTRUCTURE**

The core infrastructure for providing a national mobile payment system comprises of transaction processing, clearing and settlement platforms. The responsibility for the provision and management of these platforms shall be that of the Lead Initiator

## **12. RISK MANAGEMENT**

**12.1** In view of the peculiarity of the operations of the MMOs and the unique risks associated with their operations, the guidelines hereby specifies the following requirements to mitigate risks arising from their activities.

- (a) The MMOs shall ensure that risk mitigation techniques are in place to minimize operational, liquidity, technical, fraud, financial and money laundering risks.
- (b) The mobile payments system shall not be susceptible to sustained operational failures, as a result of system outages.
- (c) A risk management officer shall be assigned by the MMOs, who is to provide internal risk management oversight.
- (d) The CBN will review the risk management program, including all the controls that are in place to manage the risks from time to time.

### **12.2 Credit and Settlement Risk**

The central role of the settlement infrastructure requires that MMOs shall:

- (a) Have adequate collateral at any point in time to cover their settlement exposure to the tune of their daily settlement figures (current and projected) over a specified time period.
- (b) Ensure that the mobile payment settlement platform automatically generates transaction settlement information/records.
- (c) Adopt standard messaging formats for all schemes for settlement purposes.
- (d) Maintain audit trail and settlement log for a minimum of seven (7) years.
- (e) Fulfill other conditions that may be reviewed by the regulatory authorities from time to time.

### **12.3 Business Continuity Risk**

MMOs shall:

- (a) Maintain proper backup infrastructure.
- (b) Implement a disaster recovery and business continuity plan.
- (c) Periodically test the effectiveness of the backup infrastructure and business continuity plan.

### **12.4 Business Continuity Plan (BCP)**

MMOs shall:

- (a) Ensure that BCP is approved by their board.
- (b) Comply with laid down minimum technology standards as specified in this document.
- (c) Ensure proper/adequate back up of data as may be required by their operations.
- (d) Ensure that the BCP is tested through a fail-over process, at least twice a year.
- (e) Have, well documented and tested business continuity plans approved by the board, that address all aspects of the mobile payment business, to take care of business disruptions and ensure system availability and recoverability:
  - i. Both data and software should be backed up periodically
  - ii. Recovery and business continuity measures, based on the criticality of the systems, shall be in place and a documented plan with the organization and assignment of responsibilities of the key decision making personnel shall exist.
  - iii. An off-site back up is required for recovery from major failures / disasters to ensure business continuity. Depending on criticality, different technologies based on backup, hot sites, warm sites or cold sites should be available for business continuity.

iv. Develop and implement comprehensive risk management framework to identify, monitor and control risks. This should provide the strategy to resolve potential problems that may result from internal and external interdependencies.

12.5 The BCP shall be:

- (a) Based on a comprehensive Business Impact Analysis and Risk Assessment;
- (b) Documented in a written program;
- (c) Reviewed and approved by the board and senior management, at least annually;
- (d) Disseminated to employees;
- (e) The responsibility of the MMO, where it is outsourced to a third-party;
- (f) Flexible to respond to unanticipated threat scenarios and changing internal conditions;
- (g) Focused on the impact of various threats that could potentially disrupt operations rather than on specific events;
- (h) Developed based on valid assumptions and an analysis of interdependencies; and
- (i) Effective in minimizing service disruptions and financial loss through the implementation of mitigation strategies.
- (j) Ensure that processing priorities can be adequately implemented and that business operations can be resumed in a timely manner.
- (k) Monitor closely mobile traffic and system capacity to ensure that any service degradation due to capacity problems are addressed promptly.
- (l) Ensure that the BCP is independently reviewed and approved at least annually by CBN;
- (m) Ensure employees are trained and aware of their roles in the implementation of the BCP;
- (n) Ensure the BCP is tested, at least quarterly, on an enterprise-wide basis;

- (o) Review the BCP testing program and test results on a regular basis;
- (p) Ensure the BCP is continually updated to reflect the current operating environment.

## **13.0 TECHNOLOGY**

The technology implemented for mobile payment services shall comply with the following standards and other requirements outlined in the provisions of these Guidelines.

### **13.1 Standards**

#### **(a) Modularity of Technologies**

- i. The MMOs shall ensure that the minimum technology standards for communication are met (Interoperability and Interconnectivity).
- ii. Only secure channels shall be used in providing mobile payments services.
- iii. The mobile payments services shall ensure non-repudiation.

#### **(b) Reliability**

- i. Payment instruction shall be consistently executed. In the event of failure, reversal shall be immediate and automatic.
- ii. Consumers shall get immediate value for every successful transaction.

#### **(c) User Interface**

- i. The user interface shall, at the minimum, be menu-driven.
- ii. The user interface shall not provide access to confidential information.
- iii. PIN shall be encrypted at the point of entry.

## **14.0 KNOW YOUR CUSTOMER (KYC) AND CUSTOMER DUE DILIGENCE (CDD) REQUIREMENTS**

All MMOs shall comply with the provisions of the KYC Guidelines (CBN AML/CFT Regulation 2009

## **15.0 CERTAINTY OF MOBILE TRANSACTIONS**

For the purpose of establishing certainty of transactions through mobile payments, MMOs shall ensure the following:

- 15.1 Summary of transaction requested must be displayed to the user for confirmation. The transaction summary shall include, the phone numbers of the paying user and receiving user, transaction description, the transaction amount, date and time and a unique transaction identifier. By confirming the summary, the user commits to the transaction.
- 15.2 Option for the user to save such transaction summary.
- 15.3 Upon completion of the transaction, the user receives an electronic receipt which shall conform to the transaction summary earlier displayed and the option for saving the electronic receipt shall be available to the user.
- 15.4 The electronic summary of transaction and the electronic receipt should be securely logged and the log maintained online for a minimum period of three (3) months and subsequently archived for a minimum period of seven (7) years. However, if a complaint arises before the expiration of the seven (7) years, the log in respect of such pending complaints shall be maintained until the case is completely resolved or discharged.
- 15.5 Regulatory authorities, Law Enforcement Agencies or Arbiters are granted access to the log, when required, for the purpose of certifying a printed copy for evidential purposes.

## **16.0 CONSUMER PROTECTION AND DISPUTE RESOLUTION**

The MMOs shall put in place, a dispute resolution mechanism in order to build confidence in the Mobile Payments System.

## **17.0 CESSATION OF MOBILE PAYMENT SERVICE**

- 17.1 Any MMO wishing to exit from the mobile payments system shall notify the CBN in writing regarding the intention for the discontinuation, 120 days before ceasing its operations;
- 17.2 The CBN shall have powers to order any MMO exiting from the mobile payments system to meet its outstanding obligations.

## **18.0 STATUTORY RETURNS**

- a. MMOs shall, at the end of every month and not later than the 14th day of the next month, submit to the CBN, data and other information on mobile money operations including:
- b. Nature, value and volume of transactions;
- c. Incidents of fraud; and
- d. Nature and number of customer complaints and remedial measures taken.

### **18.1 Annual Reporting**

MMOs shall include in their annual reports and accounts, in the prescribed format all activities of its mobile money operations.

## **19.0 REMEDIAL MEASURES**

If an MMO or its agent fails to comply with these Guidelines, the CBN may take any corrective action against the MMO as may be prescribed from time to time.

## **20.0 SANCTIONS**

In addition to the use of remedial measures in Section 22, the Bank may impose any or all of the following sanctions against an MMO, its board of directors, officers or agents:

- (a) Withholding Corporate approvals;
- (b) Financial Penalties;
- (c) Suspension from mobile money operation; and
- (d) Revocation of the mobile money operation license.

## **21.0 REVIEW OF THE GUIDELINES**

This Guideline shall be reviewed from time to time by the Central Bank of Nigeria.

## **GLOSSARY OF TERMS**

**CIFTS:** The Real Time Gross Settlement (RTGS) System deployed by the Central Bank of Nigeria which effects settlement of transfer among banks on real time and gross basis. It is known as the CBN Inter-Bank Funds Transfer System (CIFTS).

**Bank:** A deposit taking institution duly licensed by the Central Bank of Nigeria.

**Interoperability:** a situation in which payment instruments belonging to a given scheme may be used in systems installed by other schemes.

**Inter-Scheme Operation:** Inter-Scheme operations are mobile payments consummated across two different schemes by various participants.

**Intra-Scheme Operations:** Intra-Scheme operations are mobile payments that are consummated within a particular service provider's scheme.

**Issuer:** the entity which receives payment in exchange for value distributed in the system and which is obligated to pay or redeem transactions or balances presented to it.

**Mobile Money Operators:** provide the infrastructure for the mobile payment systems for the use of participants that are signed-on to their scheme.

**NCC:** refers to the Nigeria Communications Commission with Regulatory powers over the telecommunication companies (Telcos)

**Service Providers:** employ the infrastructure of the scheme operator to provide services to end users.

**Settlement Infrastructure Providers:** Organizations providing infrastructure that enables message exchange, switching and settlement facilities for mobile payments services.

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