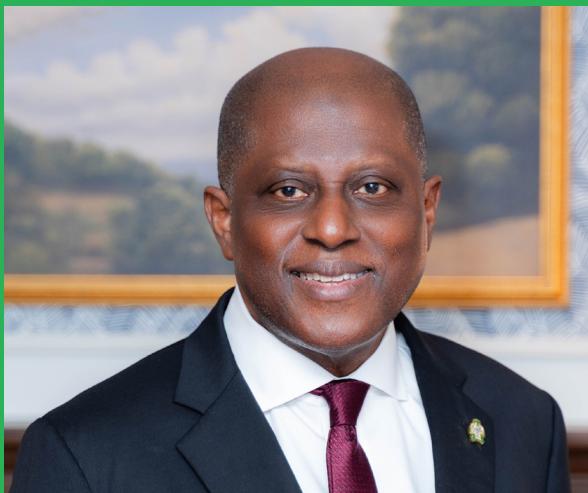




CBN Fintech Report

# Shaping the Future of Fintech in Nigeria: **Innovation, Inclusion and Integrity**

# Foreword: Nigeria's Moment To Lead In Digital Finance



As Governor of the Central Bank of Nigeria (CBN), I have witnessed first-hand the transformative power of digital finance to broaden economic participation, create meaningful employment, and improve the lives of millions of Nigerians. It is for this reason that the CBN is intent on seizing our nation's unique opportunity to harness fintech innovation for national development.

Nigeria is undergoing a rapid and significant financial evolution. Over the past decade, our nation's fintech landscape has grown from a handful of startups into one of Africa's most vibrant innovation ecosystems. Even amid global economic headwinds, Nigerian fintech firms continued to attract investment and drive change. Today, with improved stability of our currency and domestic economy, it is clearer than ever that financial innovation can advance inclusion at scale.

This report reflects the Central Bank's commitment to fostering a thriving fintech landscape while safeguarding the stability of our financial system. It is the product of extensive engagement

between regulators and industry stakeholders. By surveying fintech operators, financial institutions and policymakers, we have gathered candid insights on what is working, what is not, and where we can do better. The findings illuminate both our progress and the gaps we must address, from modernising regulatory frameworks and payments infrastructure to supporting startups in reaching Nigeria's unbanked communities. The report is careful to contextualise Nigeria's fintech journey within global trends, reminding us that we are part of a rapidly evolving digital finance landscape that offers immense opportunities as well as new risks.

For the CBN, innovation is a strategic imperative. We are committed to creating an environment where new ideas can flourish under prudent oversight, and where inclusion is at the heart of our endeavours. Fintech must help deliver financial services to the last mile of our population, from the bustling cities to the rural villages, so that no Nigerian is left behind in the digital economy.

As we embrace new technology, it is our responsibility to uphold the integrity of the financial system, maintaining strong governance, consumer protection, and risk management so that trust in our institutions remains firm.

I am confident that the insights and recommendations in this report will guide us towards a stronger, more inclusive financial future. The Central Bank will further study the perspectives gathered, and we will continue to collaborate with the industry to refine our policies. This collaborative spirit, government and innovators working together, is the cornerstone of sustainable fintech development. Our goal is to strike the right balance: encouraging the creativity that sparks growth while ensuring robust measures that guarantee stability and public confidence.

Together, we can make Nigeria a model for fintech in Africa and the world, a country where digital finance supports broad-based prosperity and where regulatory foresight keeps our financial system secure. On behalf of the CBN, I thank all the contributors to this report for sharing their experiences and expertise. We look forward to the journey ahead, as we shape the future of fintech in Nigeria with optimism, purpose, and unwavering integrity.

**Mr. Olayemi Cardoso**  
*Governor, Central Bank of Nigeria*

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# 01. **EXECUTIVE SUMMARY**

Nigeria has emerged as one of Africa's leading fintech ecosystems, supported by regulatory reforms, digital payments infrastructure, and a growing innovation community. Building on this foundation, the Central Bank of Nigeria's strategy positions Nigeria not only as a frontrunner in fintech adoption, but as a contributor to the shaping of regulatory approaches, innovation practices, and trust frameworks relevant to emerging and high-growth markets globally. This report, developed through extensive stakeholder consultation and supported by a nationwide ecosystem survey, assesses the current state of Nigeria's fintech environment, identifies strategic priorities, and outlines policy pathways to guide the next phase of development.

The research points to a compelling opportunity: Nigeria can lead not just in adoption but in the design of the global fintech future, provided it enhances collaboration between regulators and innovators, strengthens infrastructure and policy reforms, and communicates progress with clarity. Given the scale of Nigeria's payments volumes, the maturity of its real-time infrastructure, and its experience managing innovation at population scale, the country is increasingly positioned not only as a fast-growing fintech market, but as a reference whose regulatory lessons are relevant to peer emerging and high-growth economies globally. Insights emerging from the Central Bank of Nigeria's engagements with the ecosystem reinforce several priorities for the next phase of ecosystem development, including rising interest in sovereign digital asset frameworks, discussed at an illustrative and exploratory level only, as part of broader conversations on reducing FX leakage and strengthening formal remittance channels.

These perspectives are drawn from industry leaders, operators and regulators across the three inputs that inform this report: the quantitative fintech survey, the June 2025 closed-door stakeholder workshop, and the October 2025 CBN Fintech Roundtable. Together, these inputs provide a grounded understanding of how Nigeria can shift from fintech frontrunner to fintech rule-setter.

### Leadership through Innovation

Nigeria has long been a pioneer in digital financial innovation. In 2011, the country implemented a nationwide, real-time interoperable payments infrastructure, making instant interbank transfers a standard feature of financial

life well ahead of many advanced and emerging economies.<sup>1</sup> This capability has been sustained and deepened through close collaboration between the CBN and NIBSS, and across the payments ecosystem, positioning Nigeria's instant payments system as one of the most mature, resilient, and widely adopted real-time payment platforms globally. Nigeria's early adoption and operational experience, an achievement meriting wider international recognition, provide a strong foundation for the next phase of resilience, access, and governance improvements.

Today, more than 25% of all electronic transactions in Nigeria are processed via real-time payment channels and through the NIBSS NIP platform. Close to 11 billion transactions were processed in 2024, up from 5 billion transactions in 2022<sup>2</sup>, placing the country among the top adopters globally and a clear leader on the African continent. This aligns with the Payments System Vision 2025, which sets a target for achieving near-universal e-payment penetration by 2030.

### Innovation and Integrity Must Advance Together

Despite its achievements, Nigeria faces an enduring reputational burden linked to digital fraud. Fraud remains a real and evolving challenge, driven by a combination of domestic criminal activity and cross-border actors exploiting global digital platforms. While some fraudulent schemes are perpetrated locally<sup>3</sup>, law-enforcement cooperation and recent prosecutions also show that a significant share of digital financial crimes attributed to Nigeria are orchestrated by foreign or cross-border actors, often using Nigeria as a base or proxy rather than as the true origin<sup>4</sup>.

Meanwhile, Nigeria is making credible and measurable progress on financial integrity. Enhanced anti-money laundering (AML) supervision, stronger know-your-customer (KYC) requirements, and coordinated enforcement actions have helped close long-standing compliance gaps. Following coordinated national reforms and enhanced supervisory enforcement, Nigeria has exited the Financial Action Task Force (FATF) "grey list", marking a significant milestone in restoring international confidence and reducing compliance frictions for cross-border finance<sup>5</sup>.

Indeed, reputation is one of the most valuable assets of any financial system. For Nigeria, it is not only a matter of

perception but of policy, resilience, and global integration. The fintech community understands this and has already begun advancing reforms that couple robust technical implementation with transparent communication, from AML enforcement to consumer protection and supervisory innovation. These steps signal a clear commitment to rebuild trust, deepen inclusion, and position Nigeria as a credible and competitive player in the global financial ecosystem.

### Key Survey Insights:

#### Ecosystem Strengths and Challenges

The CBN's stakeholder survey drew primarily on perspectives from fintech firms, offering a first-hand view of the opportunities and challenges faced by innovators at the frontlines of Nigeria's ecosystem<sup>6</sup>. Going forward, it will be beneficial to expand engagement to include other key ecosystem players. This will deepen understanding of the ecosystem and reinforce the need for a more holistic approach to policy and industry development.

Amid a wealth of insights, the following represent some of the most significant takeaways:

- **Cross-border growth demands coordination:** 62.5% of firms plan to expand regionally. There is strong support for regulatory passporting frameworks to enable seamless, compliant expansion into peer African markets.
- **AI and real-time payments are driving the next wave:** AI is already widely used in fraud detection and credit scoring<sup>7</sup>. Real-time payments infrastructure is viewed as both a strength and a model for other digital rails.
- **Infrastructure gaps remain a drag:** Stakeholders cited the lack of universal access to digital ID verification, limited broadband penetration, incomplete data-sharing systems, and limited open-data frameworks as barriers to scaling.
- **Compliance costs are weighing on innovation:** 87.5% of respondents report that the cost of meeting regulatory and risk requirements significantly impacts their capacity to innovate.

- **Time-to-market is a major pain point:** 62.5% of firms say regulatory timelines materially impact product rollouts. Over one-third say it takes more than 12 months to bring a new product to market due to compliance bottlenecks.
- **Perceptions of regulation are split:** Exactly half of respondents view the regulatory environment as enabling, while the other 50% find it restrictive. This divergence stems from perceived delays in licensing, lack of clarity in guidance, and inconsistent application of rules.
- **Strong appetite for regulatory engagement:** 75% of respondents favour the creation of regular, high-trust engagement forums with regulators. 100% expressed willingness to collaborate through policy pilots, regulatory sandboxes, or working groups.

#### Strategic Priorities for Nigeria's Fintech Future

Based on the survey results and policy analysis, this report identifies three top-level objectives to guide Nigeria's fintech strategy:

1. **Enable innovation-friendly regulation:** Streamline approval processes, increase regulatory clarity, and deploy supervisory technology (SupTech) to reduce friction.
2. **Advance financial inclusion through digital infrastructure:** Improve the cost and reliability of API access to national identity systems, strengthen interoperability across digital platforms, and enhance infrastructure resilience to bridge last-mile gaps.
3. **Strengthen system integrity and reputation:** Modernise consumer protection, enhance AML supervision, and communicate reform outcomes.

With these objectives in focus, and consistent with the Central Bank's publicly stated commitment to disciplined reform, financial integrity, and evidence-based policy implementation, the report outlines multiple policy initiatives, including a dedicated CBN–fintech engagement platform, a compliance-as-a-service model, a fintech credit guarantee scheme, expansion of open banking, and the piloting of regional passporting agreements<sup>8</sup>.

### **A Call for Co-Creation**

The final and perhaps most urgent message from the ecosystem is that collaboration cannot be ad hoc. It must be structured, frequent, and high-trust. Fintech firms are ready to partner. Regulators are opening new channels. Now is the moment to lock in that momentum and establish governance frameworks that support mutual accountability.

With the right reforms and a unified vision, Nigeria can move from fintech frontrunner to fintech rule-setter. This report aims to support that journey through data, insight, and shared ambition.



02.

# INTRODUCTION: NIGERIA'S EVOLVING FINTECH LANDSCAPE AND CBN'S CONVENING ROLE

## 2.1 Nigeria's Fintech Landscape and Global Trends

Financial technology, or fintech, refers to the use of innovative digital technologies to deliver financial services. It encompasses a broad range of market segments, from digital payments and remittances to lending platforms, crowdfunding, insurance technology (“InsurTech”), investment and wealth management technology (“WealthTech”), and regulatory technology (“RegTech”). The term covers both agile startups and established financial institutions that are leveraging new technologies to improve financial services.

Nigeria is at the epicentre of a continental financial transformation through hosting one of Africa’s largest and most dynamic fintech ecosystems<sup>9</sup>. This network’s remarkable growth, achieved in spite of global macroeconomic headwinds, underscores its resilience and strategic importance. It also reflects Nigeria’s position as an early pioneer in digital financial infrastructure, including the nationwide rollout in 2011 of real-time payments, years ahead of advanced industrial nations such as the US and emerging market giants like India<sup>10</sup>.

What happens next in Nigeria’s fintech ecosystem could define the future of finance across the continent and beyond. As digital platforms transform how people send money, access credit, and interact with financial institutions, Nigeria finds itself both a leader and a testing ground. It hosts some of Africa’s most influential fintech firms and continues to attract significant investment.

In 2024, Nigerian startups raised over US\$520 million in equity funding out of a continental total of US\$2.2 billion, ranking among the continent’s leading ecosystems by both capital raised and deal activity.<sup>11</sup> And this trend is not new: five years earlier, in 2019, Nigerian tech startups raised approximately US\$747 million, about 37% of all African startup funding that year.<sup>12</sup> This performance, amid significant global macroeconomic gyrations, underscores Nigeria’s position as a key hub for financial innovation.

However, Nigeria’s fintech funding has largely depended on foreign capital, making the ecosystem vulnerable to global market fluctuations. The sharp rise in interest rates in advanced economies during 2022 contributed to a slowdown in venture capital funding, which helps explain the decline in Nigeria’s fintech investment inflows

by 2024. These dynamics highlight the importance of developing domestic funding avenues, such as leveraging Nigeria’s capital markets, to reduce currency risk and sustain fintech growth.

## 2.2 Global Trends Shaping Domestic Priorities

Nigeria’s fintech momentum is as much a product of necessity as of innovation. With 26% of Nigerian adults still financially excluded as of 2023, rising to 37% in rural areas and 47% in the North<sup>13</sup>, the ecosystem has grown by addressing urgent structural gaps in financial access, trust and reliability. Fintech has stepped in where formal systems have yet to fully reach, digitising informal commerce, expanding credit, and introducing new models of inclusive finance.

This rapid innovation is steadily shifting fintech’s role from peripheral to increasingly systemic. As it becomes more integral to everyday transactions and national infrastructure, regulatory expectations have deepened, both domestically and globally.

The key challenge is no longer simply fostering growth, but safeguarding broader financial stability, inclusion, and consumer protection in a system that is fast evolving, and communicating Nigeria’s excellence in this space to build investor confidence and global trust.

Nigeria’s experience must be set within a broader international context. Globally, regulators are moving towards more adaptive, tech-savvy oversight frameworks, balancing innovation with risk mitigation.

Some important international trends influencing Nigeria’s own regulatory priorities include:

- **The Proliferation of Open Banking:** The European Union’s Revised Payment Services Directive (PSD2) has become a global benchmark, demonstrating how mandating secure data sharing between banks and third-party fintechs can spur competition and innovation. This model of open banking is now being adopted or adapted in jurisdictions worldwide, including Australia, Brazil and Canada, creating a global movement towards more interconnected financial ecosystems. The CBN Open Banking Framework, supported by operational guidelines issued in 2023,

positions Nigeria to align with this critical global trend, adapting its lessons to local market realities.

- **Mainstreaming of Regulatory Sandboxes:** Regulators in markets such as Singapore and the UK have introduced sandboxes to safely test emerging technologies. Nigeria is embracing this global shift, with the CBN and other institutions continuing to support innovation through regulatory sandboxes initiatives that allow new business models to emerge while managing risk. As financial innovation increasingly incorporates artificial intelligence and data-driven systems, the strategy recognises the importance of evolving from experimentation toward responsible deployment, governance, and shared learning with peer regulators facing similar challenges.
- **Rise of SupTech and RegTech:** Tools that enable better regulatory compliance and supervision through data analytics and AI are gaining traction. Nigeria is expanding its adoption of these tools across regulatory institutions including the CBN, though further investment and collaboration are needed.
- **Crystallisation of Digital Asset and Crypto Frameworks:** Jurisdictions such as Singapore (through MAS) and the EU (via MiCA) have set global benchmarks in digital asset regulation. Nigeria is drawing from these models to design a framework tailored to its own market realities. In doing so, it is strengthening consumer protection, building public trust, and positioning itself as a standard-setter in the region. At the same time, Nigeria's regulatory journey increasingly contributes practical lessons to this global conversation. As regulators worldwide confront similar trade-offs between innovation, inclusion, and systemic risk, Nigeria's experience managing real-time payments at scale, supervising fast-growing fintechs, and strengthening financial integrity offers insights that can inform peer jurisdictions, particularly across emerging and developing economies.
- **Ubiquity of Real-time Payment Systems:** These systems are now standard infrastructure globally. Nigeria's early lead remains a model, but other markets are catching up, prompting a need to reinforce and upgrade.

Taken together, these structural shifts, in open data, risk oversight, digital identity and cross-border finance, shape how Nigeria navigates its fintech future. Nigeria is not simply adapting to global trends; in several areas, it is helping to shape them.

Global reference points abound. In East Africa, mobile money has accelerated financial inclusion. In Europe and Asia, sandboxes and digital ID regimes have lowered entry barriers. Nigeria's approach, combining proactive regulation with homegrown innovation, has the potential to offer a model that is both scalable and locally grounded.

### 2.3 The Case for Regulatory Modernisation

To consolidate leadership and sustain inclusive growth, Nigeria's regulatory architecture must evolve. The CBN, alongside other regulatory bodies, has a critical role to play in shaping a framework that is both enabling and protective.

Modernising regulation involves updating legacy rules and introducing new guidelines to ensure innovators can thrive within clear guardrails that protect consumers and maintain financial stability. Nigeria's context, with fast-growing fintech activity but also notable structural gaps, makes this balance especially important. Foundational work has already been laid through initiatives like the Payments System Vision 2025<sup>14</sup> and frameworks for open banking, crowdfunding, and regulatory sandboxes.<sup>15</sup>

However, pain points remain that hinder growth and create uncertainty. Stakeholders cite issues including:

- Ambiguity in compliance requirements
- Delays in product approval and licensing
- Inconsistent application of rules
- Insufficient coordination between regulatory agencies

These pain points increase friction, inflate compliance costs, and dampen innovation. The next phase of reform must directly address these hurdles.

## 2.4 Purpose and Approach

The impetus for this report was a dedicated Fintech Policy Forum convened by the CBN, bringing together regulators, industry leaders and experts to deliberate on the ecosystem's opportunities and risks. Through its focus, the CBN underlined fintech's strategic importance and its commitment to proactively steer fintech development through collaborative dialogue.

The report provides a forward-looking blueprint to guide fintech policy and supervision in ways that foster growth, resilience, and inclusion. It is intended to:

- Document key ecosystem milestones and regulatory innovations achieved since 2022.
- Identify strategic priorities for enhancing inclusion, innovation, and risk management.
- Synthesise stakeholder insights, global trends, and national policy objectives into a coherent set of recommendations.

Insights are drawn from a survey, a June 2025 closed-door stakeholder workshop, the October 2025 CBN Fintech Roundtable, and international benchmarking analysis. Together, these insights inform a practical, forward-looking agenda for consolidating Nigeria's leadership in financial innovation while strengthening system-wide trust and resilience.

It is important to note that this inaugural edition has been deliberately scoped to examine a specific dimension of Nigeria's fintech landscape. Recognising the breadth and dynamism of the sector, subsequent editions will broaden the analysis to encompass additional facets of the ecosystem, including for example, the deployment of fintech solutions within the banking sector.



## 03.

# REGULATOR'S PERSPECTIVE: BALANCING INNOVATION WITH FINANCIAL STABILITY

### 3.1 The Central Bank's Digital-Age Mandate

As Nigeria's fintech ecosystem matures and becomes more integral to everyday economic activity, the regulatory task has expanded in both scale and complexity. The CBN recognises fintech's transformative potential to deepen financial inclusion, modernise service delivery, reduce transaction costs, and strengthen economic resilience. But the CBN also recognises that this transformation introduces new risks, and it strains existing supervisory approaches in unprecedented ways.

The mandate of a modern financial regulator therefore requires a delicate balance: regulation must be robust enough to protect consumers and prevent financial crime, yet agile enough to avoid stifling the very innovation that drives progress. It is incumbent on central banks to create and maintain an environment where innovation can thrive responsibly, while also ensuring that the integrity and stability of the financial system remains paramount. This calls for an evolution in the regulator's role: from a traditional gatekeeper to an enabler of sustainable growth.

### 3.2 Key Regulatory Gaps

From a regulatory standpoint, four key systemic challenges have emerged, requiring careful and strategic attention to ensure the healthy and sustainable development of the fintech ecosystem. These areas of focus are informed by ongoing market surveillance, international best practices, and direct engagement with industry participants.

- Regulator–Regulatee Disconnect:** Fintech innovation has often outpaced structured engagement between regulators and innovators. There is a residual perception among some fintech actors that regulation acts as a constraint rather than a catalyst. This perception is compounded by limited routine dialogue channels and insufficient co-creation mechanisms during policy design.

For regulators, this disconnect raises risks of policy misalignment, slower compliance uptake, and missed opportunities to harness on-the-ground innovation insights. From the industry's point of view, it can lead to uncertainty, friction in product rollout, and a reluctance to engage early with regulators. Bridging this trust gap

will require more structured collaboration platforms, clearer communication pathways, and a shared commitment to regulatory transparency.

- Compliance Gaps and Financial Integrity Risks:** As fintech adoption grows, so does the potential for systemic vulnerabilities particularly in areas such as Know Your Customer (KYC), fraud prevention, and anti-money laundering (AML). While many fintech operators demonstrate strong compliance frameworks, there remain observable gaps, especially among smaller or fast-scaling firms.

Inconsistent application of KYC standards, weak fraud controls, and patchy transaction monitoring can expose the broader financial system to illicit activity. These risks are addressed in Nigeria's AML/CFT Regulations (2022), CBN Cybersecurity Framework (2018), and the ongoing Cyber SOC Project ("Project Stallion"), which once completed, will materially strengthen defences against cybercrime.

For the CBN and its partners, the urgent question is how to strengthen financial integrity without stifling innovation. This underscores the need for sector-wide approaches, including shared compliance utilities and more granular, real-time oversight mechanisms.

- Supervisory Capability Limitations:** The pace and complexity of fintech innovation challenges traditional supervisory methods and can delay regulators' ability to identify risks or intervene proactively. This is particularly relevant given Nigeria's status as a global leader in real-time payments and digital adoption, a position that calls for equally advanced supervisory tools and capabilities.
- Jurisdictional Complexity and Regulatory Overlap:** Fintech innovation rarely fits neatly within existing regulatory boundaries. New business models often straddle sectors—combining financial services, data analytics, telecom, unications infrastructure, and cross-border operations. This multi-sectoral nature creates both regulatory uncertainty and oversight gaps, across sectors and geographies. As a result, firms may face duplicative or unclear obligations, while regulators must navigate evolving mandates across sectors and geographies.

Encouragingly, structured inter-agency coordination mechanisms, such as the Financial Services Regulation Coordinating Committee (FSRCC), are already in place to address some of these challenges through alignment, information-sharing, and coordinated supervision. A practical example is the interaction between the CBN and the National Information Technology Development Agency (NITDA), where issues of payments, data governance, and digital infrastructure require close coordination to avoid regulatory gaps or duplication. To strengthen this further, stakeholders are encouraged to share any egregious or persistent examples of regulatory overlap or uncertainty, to inform more targeted coordination and policy refinement.

While tackling these supervisory challenges, the CBN also recognises the reputational burden Nigeria faces internationally. Digital financial crimes attributed to Nigeria are often perpetrated by actors based abroad. Strengthening enforcement, ensuring transparency, and communicating progress, particularly Nigeria's demonstrated enforcement actions and its successful exit from credible steps towards exiting the FATF grey list, which together reinforce confidence in the integrity of the financial system, are integral to rebuilding trust.

A photograph showing two individuals' hands and forearms over a white desk. They are reviewing several documents, including a large orange one in the foreground featuring various charts and graphs. One person is holding a pencil and pointing at the documents. A black digital wristwatch is visible on one of the wrists. The background shows more papers and a striped shirt.

# 04. FINTECH ECOSYSTEM PERSPECTIVES: A THEMATIC ANALYSIS

This chapter synthesizes insights drawn from three complementary sources: a quantitative survey of leading fintech executives; a closed-door stakeholder workshop held in June 2025; and the CBN Fintech Roundtable convened in October 2025. Together, these inputs combine data with real-world operator experience and forward-looking strategic recommendations.

While the closed-door workshop helped surface long-standing structural constraints, the roundtable introduced new strategic priorities shaped by shifting macroeconomic conditions and rapid technological change, such as regulatory passporting pilots, hybrid payment system resilience models, and industrywide shared compliance systems.

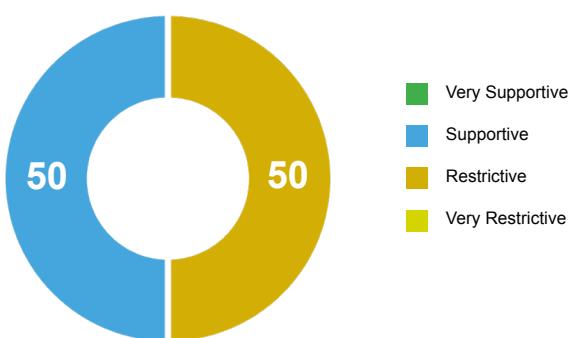
The thematic analysis below distils these findings across priority areas including regulatory engagement, time-to-market, cross-border operations, AI innovation, financial inclusion, capital access, and digital infrastructure.

#### 4.1 Regulatory Engagement & Innovation Environment

Stakeholders acknowledged the important role regulation plays in maintaining market integrity and financial stability. However, feedback revealed a notable divergence in perceptions of the current regulatory climate: 50% of respondents described it as supportive, while the other 50% viewed it as restrictive. This split highlights both the progress made and the gaps that remain in regulatory engagement.

The most consistent concern was around procedural clarity and the speed of regulatory decision-making.

*How would you rate the current regulatory environment for fintech innovation in Nigeria?*



62.5% of respondents cited delays in approvals and ambiguity in regulatory guidelines as their most pressing concerns. These were perceived as constraints on product development and innovation timelines.

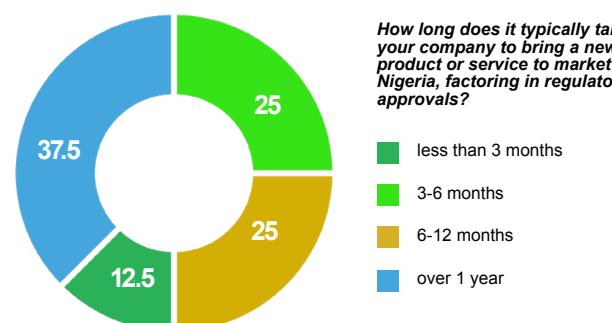
A strong consensus emerged around the need for more structured, two-way dialogue. 75% of respondents called for regular industry engagement and feedback loops to promote transparency and alignment. Echoing this, multiple workshop participants proposed a dedicated fintech engagement forum, similar to the Bankers' Committee, that would enable ongoing, high-trust dialogue on strategy, policy, and market dynamics.

Stakeholders also advocated for a Single Regulatory Window, a centralised channel that would streamline engagement across multiple regulatory domains, particularly relevant given the cross-sector nature of many fintech innovations.

Among those surveyed, 62.5% supported this proposal, underlining the desire for simplified and efficient supervisory engagement. Participants described this as a potential game changer, with the ability to reduce regulatory friction, speed up time-to-market, and foster greater clarity and coordination across agencies.

However, stakeholders also cautioned that similar efforts in the past, such as the Start-up Act, have struggled to deliver the intended level of coordination. For the Single Regulatory Window to succeed, technology-driven approaches that resolve multisectoral bottlenecks and a clear implementation roadmap will be critical.

#### 4.2 Time-to-Market, Compliance Costs & Supervisory Technology



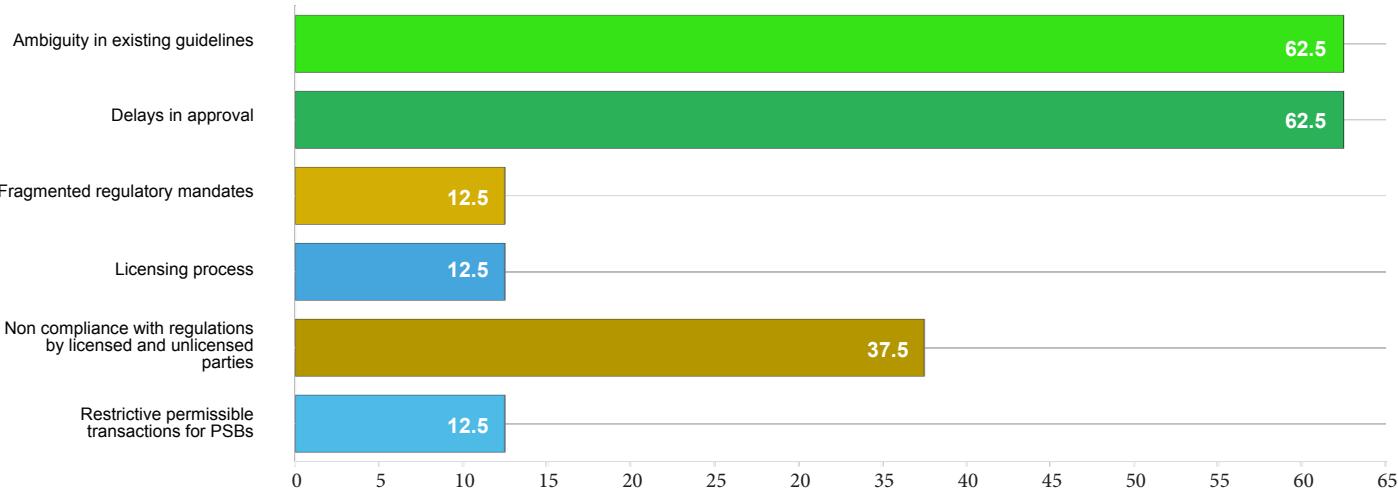
Industry actors cited lengthy product approval cycles and rising compliance costs as key friction points in scaling innovation. 37.5% of respondents reported that it takes over a year to bring new products to market, a timeline that can constrain agility in a rapidly evolving area.

Compliance-related expenditure also emerged as a major operational consideration. 87.5% of stakeholders surveyed noted that compliance costs significantly impact innovation capacity, with specific reference to fraud controls, cybersecurity investments, and AML/CFT infrastructure. For 62.5% of respondents, the key regulatory/

compliance challenges were “delays in approvals” and “ambiguity in existing guidelines”.

These obligations stem from the AML/CFT Regulations (2022) and Cybersecurity Framework (2018), both internationally benchmarked. Stakeholders strongly endorsed shared utilities such as Compliance-as-a-Service (CaaS) and fraud intelligence hubs, which are envisioned under PSV 2025 and CBN’s SupTech Strategy.

**What are the top two regulatory or compliance challenges your company has faced in the past 12 months?**



As a potential solution, the industry shows strong interest in supervisory technology; 62.5% expressed interest in a Compliance-as-a-Service (CaaS) utility, which would reduce duplicative reporting, ease the burden on smaller firms, and enhance supervisory visibility.

expand into other African markets, with ambitions to position Nigeria as a regional hub for digital financial services.

In support of this, an equal share (62.5%) endorsed the concept of a regulatory passporting framework, which would allow for mutual recognition of licences across jurisdictions.

Stakeholders proposed piloting this model with peer regulators in Ghana, Kenya, South Africa, Uganda, and Senegal. Immediate bilateral pilots were seen as more realistic in the short term than wholesale frameworks.

Participants also expressed interest in extending such col-

#### 4.3 Cross-Border Activity and Regulatory Passporting

A majority of respondents view regional expansion as essential to achieving scale and sustaining business viability. 62.5% of respondents currently operate or plan to

laboration to technical infrastructure, for example, trialling interoperability between Nigeria's and Ghana's payments systems, as a way to enhance cross-border payments and support real-time regional settlement.

#### 4.4 Payments System Resilience & Peak-Season Readiness

Stakeholders were broadly positive about the resilience of Nigeria's core payments infrastructure but identified coordination gaps during peak periods. Responses were evenly split between "Very Resilient" and "Generally Resilient" ratings, with half of respondents citing inter-institutional coordination as the top improvement area.

Workshop participants flagged transaction settlement limits and infrastructure constraints, particularly around interbank transactions, as areas requiring review. For example, the US\$100,000 limit on certain transactions, established nearly a decade ago, was highlighted as potentially outdated in light of inflation and evolving transaction needs.

Participants emphasised that any review of the transaction threshold must be undertaken carefully, to ensure the right balance between efficiency and financial stability. Adjustments should avoid unintended shifts of wholesale payments away from the Central Bank's RTGS system, while ensuring that retail and interbank instant payment channels continue to operate within clear risk, resilience and governance parameters; at the same time recognising the opportunity to further strengthen the role of the NIBSS Instant Payment (NIP) platform. Working closely with the CBN over the last 33 years, NIBSS has positioned Nigeria's instant payment rails and broader digital payments system as a robust, trusted, and forward-looking platform – comparable to how India's UPI underpins secure, real-time payments at scale. Key recommendations included:

- Developing clear, enforceable regulations through collaboration between CBN's payments supervision and risk departments.
- Setting robust operational resilience standards to ensure uninterrupted service.

- Conducting regular stress tests to enhance system preparedness.
- Introducing minimum service level agreements (SLAs) and contingency plans to guarantee reliability and accountability.

#### Case Study: "Detty December"

The December holiday season, commonly known as "Detty December", was referenced as a case study of the system's performance under pressure. Stakeholders noted that digital payment volumes increase sharply during this period, particularly across POS channels, interbank transfers, and remittances from the diaspora. Several fintechs reported significant surges in downtime and service interruptions, especially on weekends and public holidays.

These pressures reflect a convergence of seasonal behaviour and digital reliance: a spike in discretionary spending, travel-related remittances, and year-end salary disbursements compound demand across payments infrastructure. The confluence of these factors not only tests technical resilience but also the agility of institutional coordination between regulators, banks, and PSPs.

Participants emphasised that visibility and communication are just as important as capacity. Users often experience delays or failures without clear feedback, undermining trust in digital systems. Some proposed real-time dashboards for transaction status, surge protocols for high-volume weekends, and data-sharing arrangements between CBN and operators to anticipate and defuse bottlenecks before they escalate.

Suggestions included pre-scheduling maintenance blackouts, temporarily increasing settlement thresholds, and deploying real-time service dashboards to enhance transparency during peak periods.

The seasonal stress test has reinforced the ecosystem's focus on resilience, offering insights to strengthen infrastructure, improve contingency planning, and enhance real-time communication between the CBN, NIBSS, banks, and PSPs.

## 4.5 Cryptocurrency: Innovation Meets Integrity

Workshop participants and survey responses reflected a nuanced view of the cryptocurrency landscape. Stakeholders recognised crypto's potential to drive cost-effective cross-border transactions, increase financial inclusion, and catalyse new digital asset markets. However, there was equally strong acknowledgement of the risks, particularly around illicit flows, speculative bubbles, and consumer protection.

Participants broadly agreed on the need for a risk-based, activity-focused regulatory framework. Key recommendations included:

- Clarifying permissible activities for licensed institutions (e.g. custody, tokenisation, stablecoins)
- Issuing clear consumer advisories on volatility and fraud prevention
- Strengthening international collaboration on AML/CFT compliance and information sharing
- Establishing sandbox tracks to explore legitimate use cases (e.g. remittances, capital markets, CBDC interoperability)

Importantly, stakeholders cautioned against policy approaches that equate all crypto activity with criminality,

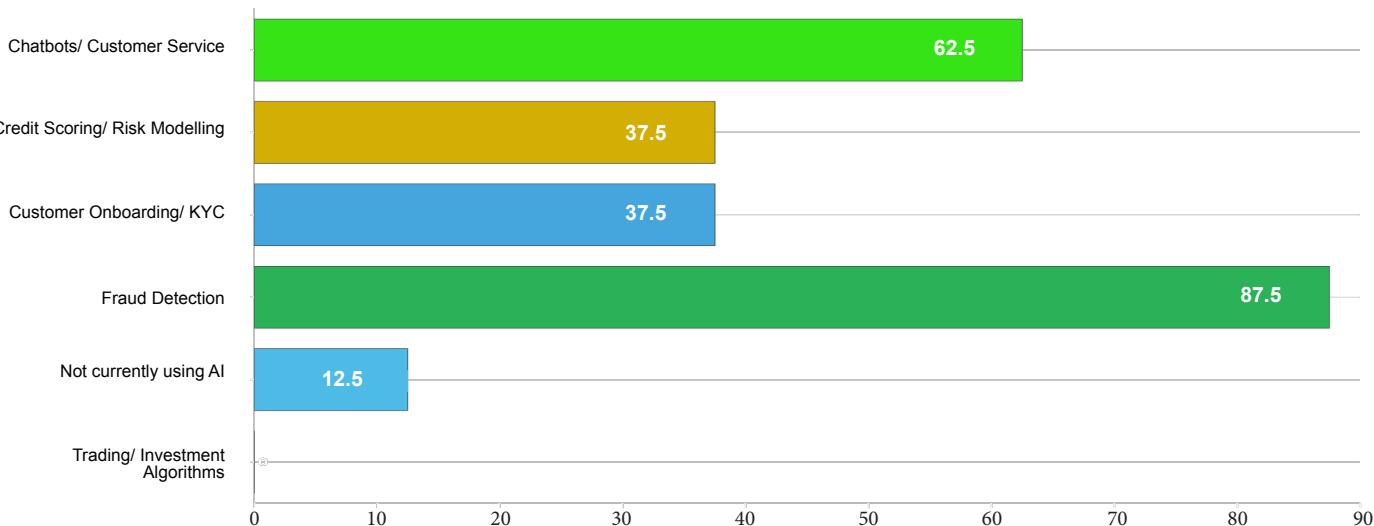
noting that many scams originate offshore, though Nigeria bears the reputational fallout. Participants encouraged a shift in global perception through transparent, principles-based regulation.

As Nigeria refines its crypto-asset policies, it can draw on global best practices. Jurisdictions like Singapore, through MAS's licensing and oversight regime for digital assets, and the European Union, through the MiCA regulatory framework, have demonstrated approaches to integrate cryptocurrency into the financial system in an orderly, secure manner. These international frameworks illustrate how clear rules can facilitate responsible crypto innovation without compromising financial integrity, providing valuable guidance for Nigeria's efforts.

## 4.6 Artificial Intelligence in Fintech

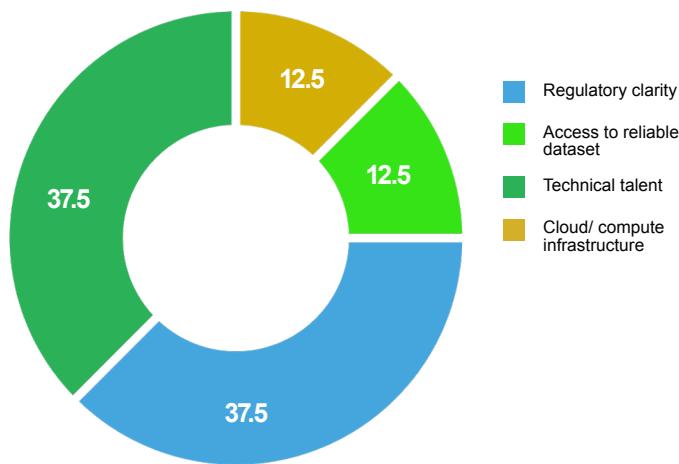
AI is widely adopted in Nigerian fintech, primarily for risk management and operational efficiency. "Fraud detection" is the most common use case by a significant margin, employed by 87.5% of companies. This underscores the severity of the fraud challenge, which was described in the closed-door stakeholder workshop as a "big issue in the industry". Other key uses include "Chatbots/customer service" (62.5%), "Credit scoring/risk modelling" (37.5%) and "Customer onboarding/KYC" (37.5%).

*Is your company currently using or exploring AI in any of the following areas?*



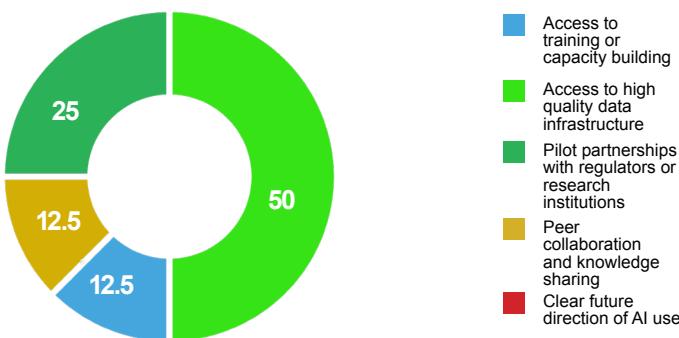
The ability to scale AI is principally constrained by access to “technical talent” and the lack of “regulatory clarity” each cited by 37.5% of firms as the biggest obstacle. Consequently, the most sought-after support is “Access to high-quality data or infrastructure” (50%).

*What is the biggest enabler or obstacle to scaling AI use in your fintech operations?*



The industry is eager to innovate responsibly, with 62.5% being “very interested” in participating in an AI-focused regulatory sandbox. Looking ahead, their priorities are to ensure the “Ethical and transparent use of AI in credit or risk decisions” and “Fair and inclusive access to AI tools and data,” each chosen by 75% of respondents.

*What kind of support would help your company adopt or scale responsible AI innovation in Nigeria?*



There was a strong consensus that Nigeria’s regulatory approach to AI should reflect both its global relevance and its unique domestic context — ensuring that innovation supports inclusion and trust.

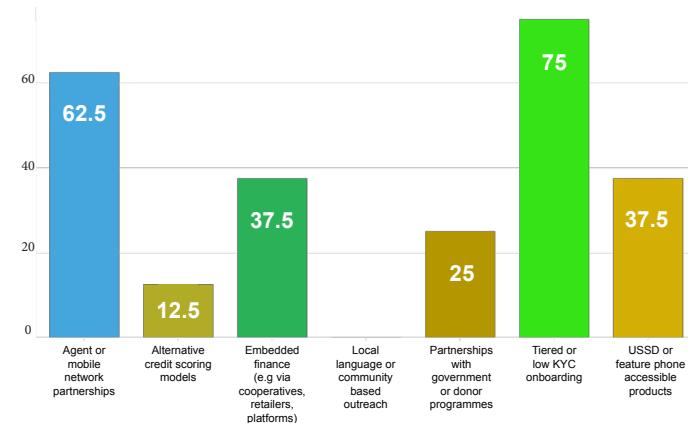
As AI systems evolve from experimental tools into embedded components of core financial services, stakeholder discussions underscored that regulatory engagement must extend beyond controlled sandbox environments alone. While sandboxes remain essential for early-stage testing, the growing systemic importance of AI-driven decision-making in areas such as credit, fraud, and compliance calls for complementary approaches centred on governance, supervisory learning, and institutional capacity-building.

To support this evolution, a proposed “Responsible AI in Finance” workstream would bring together regulators, industry participants, academic institutions, and international peers to advance ethical AI principles, supervisory methodologies, and talent development, while fostering collaboration with peer regulators across Africa, Asia, Europe, and the Americas that are shaping global AI standards.

#### 4.7 Financial Inclusion & Underserved Markets

Fintechs are at the forefront of expanding financial access, with their most effective strategies being “Tiered or low-KYC onboarding” (75%) and leveraging “Agent or mobile network partnerships” (62.5%).

*What has been your most effective strategy for expanding access to financial services among underserved populations?*



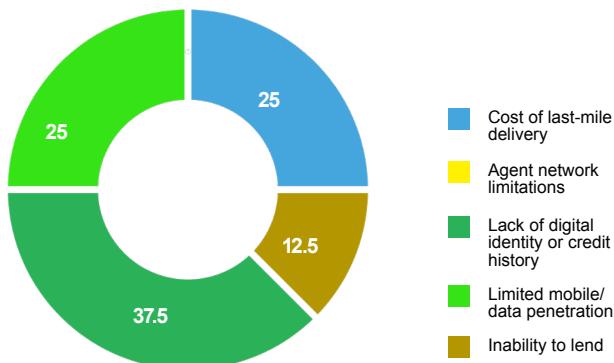
The most cited challenge was limitations in digital identity integration and credit history, mentioned by 37.5% of respondents. Workshop participants linked this not to the absence of national identity systems, but to challenges around cost, accessibility, and usability of identity verification infrastructure, reinforcing the case for a more affordable and developer-friendly integration.

The CBN's Tiered KYC Guidelines (2013) provide a risk-based pathway for low-barrier account opening, while the Open Banking Operational Guidelines (2023) expand data-driven services. In addition, the CBN's ongoing collaboration with the National Identity Management Commission (NIMC) to deliver affordable National Identification Number (NIN) APIs is expected to reduce costs and widen access.

Participants referenced India's Aadhaar system as an example of how digital identity can be scaled effectively to support inclusion, suggesting that Nigeria could explore a similar approach adapted to its own institutional and technological context.

Since 2023, the National Identity Management Commission (NIMC) has worked closely with NIBSS to deepen the practice of layering identity onto payments through the adoption of the AfriGO card as Nigeria's national domestic card scheme. AfriGO is being deployed in two variants: a General Multipurpose Card with payment functionality, and a G2P card designed for government-to-person social payments, both now integral to the Federal Government's financial and economic inclusion strategy. In parallel, NIBSS has introduced the Financial Authentication Service (FAS), providing banks with a single interface for BVN-NIN matching, in support of the CBN's tiered account framework.

*What policy or infrastructure gap most limits your ability to reach excluded populations?*



A key policy debate centred on the lending restrictions for Payment Service Banks (PSBs), widely viewed as a constraint on deeper economic inclusion. Stakeholders urged the CBN to review this framework, while recognizing the complexity involved. Some argued that a dedicated digital bank licence may be a more effective pathway for inclusive lending, rather than expanding the PSB mandate. This is particularly relevant given that PSBs are majority-owned by telecommunications companies, raising important supervisory considerations. While the CBN remains the primary authority on financial intermediation, close coordination with the NCC is essential to ensure regulatory coherence without compromising prudential oversight.

Stakeholders also highlighted that airtime, increasingly used as a proxy for credit, could evolve into a cash-like instrument with implications for monetary policy and financial stability. Similarly, optimising USSD infrastructure was seen as critical to enabling low-income populations to access digital financial services.

Across discussions, there was recognition that trust remains a central barrier to inclusion. Clearer communication on consumer protections and consistent enforcement were identified as essential to building public confidence in digital financial services.

### Rebalancing Inclusion Incentives

Roundtable participants highlighted the need to rebalance inclusion incentives, noting that ultra-low transaction fees, while beneficial to consumers, reduce the commercial viability of serving rural or low-income markets. To achieve sustainable inclusion, the CBN and industry may consider a periodic review of pricing frameworks and interchange rules, ensuring they balance affordability with the economic incentives necessary for fintechs and banks to extend infrastructure to remote regions.

### From Payments to Productive Finance

Discussions at the closed-door stakeholder workshop further stressed that as Nigeria's payments penetration deepens, the focus of financial inclusion must evolve beyond transactions toward accessible credit, savings, and capital-formation tools for micro and informal enterprises. Encouraging digital lending through regulated fintechs, microfinance integration, and credit guarantee schemes will accelerate inclusive growth.

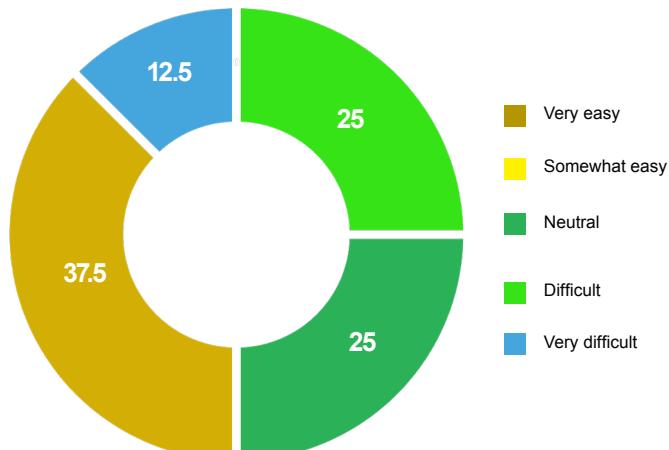
#### 4.8 Capital, Investment, and Scaling Challenges

Access to finance was highlighted as a key constraint for innovation and growth. 37.5% of respondents described it as “difficult” or “very difficult” to raise capital within Nigeria, citing macroeconomic volatility, regulatory delays in foreign direct investment approvals, and currency risk as the main deterrents.

In response, 87.5% of respondents supported the creation of a fintech-specific growth fund or credit guarantee scheme. While the CBN cannot directly create venture funds, it can convene stakeholders to structure blended finance, credit guarantees, or risk-sharing models through partners such as Development Bank of Nigeria (DBN) or InfraCredit, consistent with PSV2025.

Participants also proposed mechanisms to increase liquidity, including the development of a secondary market for fintech debt instruments. These suggestions align with broader efforts to deepen domestic capital markets and

*How easy is it currently for your company to raise capital (equity or debt) within Nigeria's financial system?*



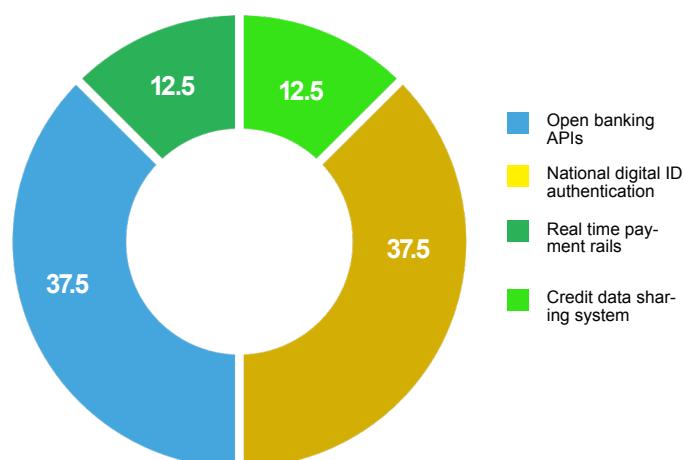
reduce concentration risk. Many stakeholders noted that enhanced international visibility of Nigeria's regulatory progress, including developments in AML enforcement and the country's exit from the FATF grey list, will contribute to improved external risk perceptions and support the mobilisation of long-term investment. These effects are likely to be reinforced where regulatory credibility is accompanied by demonstrable examples of compliant,

well-governed fintech firms operating and scaling within Nigeria's regulatory framework.

#### 4.9 Data, Infrastructure, and Interoperability Gaps

The call for robust and accessible “digital public goods” is a consistent theme. The infrastructures identified as most beneficial for growth are a “National digital ID authentication” system (37.5%) and “Credit data-sharing systems” (37.5%).

*What kind of public digital infrastructure would most help your business grow or serve customers better?*



Stakeholders were clear that the issue is not the absence of digital identity systems, but rather fragmentation, integration gaps, and uneven performance across existing platforms. The Bank Verification Number (BVN) was widely acknowledged as transformative for digital onboarding and trust-building, while the National Identity Number (NIN) provides Nigeria's foundational digital identity layer. Encouragingly, with improving interoperability, reliability, and system integration, these platforms present a strong opportunity to evolve into robust, universal identity utilities capable of unlocking broader financial inclusion and digital innovation.

The need for open data was argued passionately in the workshop, with one executive recounting being charged

significant fees by a global consultant for Nigerian data that should be more accessible.

Meanwhile, 50% of stakeholders rated system-wide interoperability as “poor”, citing the incomplete rollout of initiatives such as the Global Standing Instruction (GSI) as a missed opportunity. Stakeholders noted that fragmented APIs, inconsistent data-sharing protocols, and a lack of universal service standards continue to hamper integration across platforms. These gaps are particularly problematic for credit-related services, where delayed or missing repayment data can hinder risk assessment and increase consumer vulnerability.

While progress has been made via open banking, many fintechs still face fragmentation across APIs, ID verification, account aggregation, and service standards. This reflects implementation gaps, rather than any policy absence. Card Issuance & Usage Guidelines (2014/2020), GSI Guidelines (2020), and PSV2025 already mandate interoperability. Expansion of the GSI framework to fintech lenders and Microfinance Institutions (MFIs) is underway, with phased completion expected by 2026.

There was strong support for accelerating open banking implementation and revisiting data accessibility rules to reduce cost burdens and foster innovation.

#### 4.10 Looking Ahead: Strengthening Alignment and Co-Creation

The industry has a clear vision for what will accelerate growth. Key reforms identified include a “Review of PSB guidelines” to permit lending, or, alternatively, the creation of a dedicated digital banking licence, the formal adoption of “Open Banking” and “Open Data,” the full implementation of the GSI, and a more “coordinated approach to tackling cyber security and fraud”. Stakeholders also flagged the lack of infrastructure planning as a persistent risk, warning that without foundational investments, even promising innovations like open banking could falter.

Notably, 100% of respondents affirmed their willingness to partner with regulators through policy roundtables, innovation pilots, and sandbox environments. There is a shared understanding that proactive collaboration is not only beneficial but necessary for advancing a secure, inclusive, and resilient fintech future.

There was a strong call to institutionalise this dialogue, for example, through a permanent Fintech Advisory Council housed at the CBN, to ensure consistency, follow-through, and sustained engagement across policy cycles. This includes growing support for sandbox evolution, with stakeholders calling for live-market pilots and phased licensing options.



## 05. **NIGERIA'S FINTECH EVOLUTION**

## 5.1 Strategic Anchors for Fintech Development

The rapid expansion of Nigeria's fintech ecosystem presents a strategic opportunity to drive inclusive economic growth, deepen financial resilience, and strengthen the country's position within the evolving global digital economy.

Building on the insights presented in the previous section of this report, three overarching objectives emerge as strategic anchors for the continued evolution of Nigeria's fintech ecosystem:

- **Enabling Innovation-Friendly Regulation**  
As innovation accelerates, the regulatory environment must evolve in tandem, ensuring that innovators can operate within clear, predictable frameworks that uphold financial system integrity. Stakeholders consistently emphasised the value of regulatory clarity, coordinated supervision, and faster turnaround times. These observations underscore the importance of streamlining regulatory engagement and ensuring consistency across agencies, particularly where business models intersect multiple domains (e.g., finance, data, telecoms).
- **Advancing Financial Inclusion through Digital Finance**  
Fintech offers a powerful mechanism for extending access to underserved and excluded populations. With mobile phone penetration far outpacing access to traditional financial services, there is a compelling opportunity to bridge the gap between digital reach and financial access. Stakeholders highlighted several persistent barriers, including limited identity verification systems, affordability, and infrastructure gaps, that constrain broader inclusion. Addressing these barriers is central to unlocking inclusive financial sector growth.
- **Deepening Regional Integration via Regulatory Harmonisation**  
As Nigerian fintechs expand their reach across African markets, they face a fragmented regulatory landscape that increases compliance burdens and limits operational efficiency. Many stakeholders highlighted the value of regional cooperation and regulatory harmonisation to enable more seamless cross-border expansion. Strengthening Nigeria's

role in shaping continental standards and promoting mutual recognition frameworks could help consolidate regional leadership in Africa's digital economy. Beyond regional integration, Nigeria is also increasingly positioned to contribute to the shaping of global digital finance corridors. As fintech activity becomes increasingly cross-border, measured engagement with peer jurisdictions in Asia, the Americas, and other South-South corridors could enhance Nigeria's regulatory standing, support the gradual internationalisation of domestic fintech firms, and facilitate the attraction of sustainable long-term capital. Such engagement would be pursued through a deliberate and phased approach, emphasising regulatory dialogue, technical cooperation, and targeted interoperability, in a manner consistent with Nigeria's policy priorities.

These objectives underscore not only ecosystem priorities but also Nigeria's opportunity to enhance its international standing by demonstrating regulatory leadership, particularly in areas like AML enforcement, consumer protection, and real-time payments infrastructure.

## 5.2 Policy Pathways and Priority Initiatives

Drawing further on stakeholder feedback, this section outlines a range of potential solution pathways to address key challenges identified across the ecosystem. These reflect opportunities that emerged through dialogue and could be explored further through structured collaboration between regulators, operators, and other ecosystem stakeholders.

### A. Enhancing Regulatory Engagement and Responsiveness

#### Insights from the Ecosystem

Stakeholders consistently emphasised the importance of structured and ongoing engagement with regulators to ensure that evolving business models are understood and appropriately supported. There was widespread interest in having formalised channels for dialogue, including the creation of a standing forum for collaboration on fintech-specific issues.

## Potential Pathways

- Establishing a permanent CBN–Fintech Engagement Forum (meeting quarterly or biannually), as envisioned under PSV2025, to enable candid and constructive dialogue as well as timely coordination on market developments, innovation pilots, and supervisory concerns.
- Exploring models for a Single Regulatory Window to simplify multi-agency compliance processes and reduce time-to-market.
- Reviewing approval timelines and operational guidelines to address industry feedback on delays and ambiguity.

## B. Building Foundational Infrastructure and Reducing Systemic Friction

### Insights from the Ecosystem

Access to shared digital infrastructure, including digital identity, fraud repositories, and data-sharing frameworks, was frequently cited as a critical enabler of inclusion, innovation, and risk management. Stakeholders also pointed to rising compliance costs and the need for shared utilities that ease the reporting burden and enhance visibility.

## Potential Pathways

- Working with identity management agencies to enhance access to digital ID systems through APIs at affordable cost – including contingency arrangements and minimum service levels to reduce disruption risks.
- Exploring the development of shared compliance tools, such as a Compliance-as-a-Service (CaaS) model for regulated fintechs.
- Strengthening fraud intelligence sharing mechanisms through secure, centralised infrastructure that enforces mandatory reporting standards.

### Hybrid Infrastructure Model for Resilient Payments

Stakeholders at the CBN Fintech Roundtable proposed a hybrid infrastructure model for Nigeria's next-generation payments architecture, balancing innovation with system-wide resilience. This would involve maintaining core clearing and settlement centrally under the CBN, while federating service and innovation layers through certified

private operators connected via open APIs. This architecture combines central stability with distributed innovation, ensuring redundancy and avoiding single points of failure.

Participants at the Roundtable further recommended that minimum resilience standards should include dual-site redundancy, enforceable Service Level Agreements (SLAs), and a transparent Business Continuity Plan (BCP) shared with ecosystem participants.

## C. Supporting Capital Access and Sustainable Business Models

### Insights from the Ecosystem

Stakeholders reported difficulties in accessing both local and foreign capital, citing macroeconomic volatility, currency risks, and limited access to growth-stage financing. Many called for mechanisms that could improve investor confidence and support scale-up financing for early-stage firms.

## Potential Pathways

- Convening public-private stakeholders to assess the feasibility of a fintech-specific growth fund, credit guarantee scheme, or blended finance model.
- Exploring mechanisms to make fintech debt instruments tradable, thereby unlocking institutional capital and secondary market liquidity.

## D. Advancing Interoperability and Inclusive Credit Infrastructure

### Insights from the Ecosystem

Stakeholders highlighted the importance of system-wide interoperability for payments and credit, pointing to gaps such as the incomplete rollout of the Global Standing Instruction (GSI) and restrictions on lending by Payment Service Banks. There was also a strong interest in expanding access to credit for individuals and MSMEs through interoperable data and infrastructure.

However, there was also caution against a “take without give” process, particularly for shared infrastructure like BVN and GSI, which are built and maintained by the banking sector and regulators. For interoperability to be sustainable, fintechs must also contribute to enriching these systems, for instance, by supporting the development of an open data framework that allows two-way

value exchange across the ecosystem.

#### Potential Pathways

- Assessing options to expand the GSI framework to more credit providers, including regulated fintech lenders and microfinance institutions.
- Reviewing the PSB operational guidelines to examine how lending restrictions could be balanced with robust risk oversight to support inclusion.
- Collaborating with the NCC and industry to enhance low-cost, reliable USSD channels that serve underbanked communities.

### E. Positioning Nigeria as a Regional Fintech Leader

#### Insights from the Ecosystem

There is strong interest among Nigerian fintechs in expanding across African markets. However, inconsistent licensing requirements, divergent supervisory expectations, and regulatory fragmentation remain significant barriers to efficient cross-border growth. Stakeholders expressed strong support for mechanisms that enable regional scale and reduce duplicative compliance processes.

#### Potential Pathways

- Exploring the design and piloting of a Regulatory Passporting Program in partnership with peer African central banks. This program would aim to create a framework for mutual licence recognition, initially bilaterally or within sub-regional blocs, to streamline expansion for eligible firms operating across jurisdictions.
- Prioritising collaboration with key markets such as Ghana, Kenya, South Africa, Senegal, and other ECOWAS member states, as identified by stakeholders.
- Participating in wider continental initiatives to align regulatory standards on KYC, consumer protection, and digital financial services.

### 5.3 Collaborative Foundations for Implementation

The successful delivery of Nigeria's fintech ambitions, whether related to inclusion, innovation, or cross-border leadership, will rely not only on regulation and capital, but also on the strength of collaboration across the ecosystem.

Insights from stakeholders and the CBN's supervisory experience point to several enablers that can support more effective implementation.

#### 1. Institutional Coordination and Signalling

Stakeholders have noted that as subnational governments and peer agencies become increasingly active in areas like payments, data and identity, clear inter-agency coordination becomes more critical. Opportunities may exist for the CBN to serve as a convener, supporting alignment across regulatory bodies, state governments, and market-facing institutions. In parallel, transparent communication around policy intentions and supervisory priorities was consistently highlighted as an important trust-building tool, supported where appropriate by clear system-level indicators that reinforce accountability and execution discipline. Industry actors expressed appreciation for formal communiqués, closed-door briefings, and early-stage feedback loops on emerging policies.

#### 2. Capacity Building and Technical Exchange

To keep pace with rapid fintech innovation, supervisory institutions may benefit from sustained investment in skills development, cross-agency learning, and hands-on engagement with emerging business models. This extends beyond core regulatory and supervisory capacity to include the broader fintech talent pipeline required to support innovation, responsible AI deployment, and infrastructure resilience. Stakeholders highlighted the value of practical mechanisms, such as secondments, sandbox immersion programmes, and thematic working groups, to close knowledge gaps and strengthen mutual understanding across the ecosystem.

### **3. Industry Leadership on Public Goods**

Beyond regulation, stakeholders acknowledged their role in supporting ecosystem-wide standards, particularly around interoperability, responsible data practices, and consumer protection. Several participants proposed industry charters or voluntary codes of conduct, which could complement formal regulation while demonstrating alignment with national goals.

### **4. Development and Donor Alignment**

A final area of collaboration involves external stakeholders. Development partners and donors play an increasing role in financing infrastructure, de-risking innovation, and advancing digital public goods. Aligning such efforts with national fintech priorities, through coordinated engagement platforms or investment frameworks, can help amplify impact and avoid duplication.

Ultimately, the strength of Nigeria's fintech future will depend not only on technical capability or market momentum, but on the institutional willingness to sustain trust, communicate success, and embed shared ownership of reform. Stakeholders emphasised the importance of clear implementation signals, including a focused set of system-level indicators to track reform momentum over time.



# 06. **POLICY OPTIONS AND INSTITUTIONAL PATHWAYS**

Building on the stakeholder feedback, potential pathways and collaborative foundations outlined in the previous two sections, this report now seeks to crystallise actionable policy options and institutional steps that can help Nigeria consolidate its leadership position in fintech while strengthening resilience, inclusion, and consumer trust. These proposals reflect the ecosystem priorities previously discussed, and are designed to be pursued through phased, multi-stakeholder collaboration.

## 6.1 Ten Priority Policy Options

The following policy levers emerged through stakeholder engagement and are considered particularly impactful for short- to medium-term progress:

- 1. Launch a Standing Fintech Engagement Forum**  
Establish a dedicated, institutionalised platform for two-way engagement between regulators and fintech operators. This could build on models like the Bankers' Committee and focus on continuous dialogue, co-creation of policy pilots, and early-stage feedback on regulatory initiatives. As a complement to this forum, support the establishment of a common Self-Regulatory Organisation (SRO) within the fintech ecosystem, building on but going beyond existing bodies, like FintechNGR, to foster mutual accountability and elevate industry-wide standards.
- 2. Operationalise a Single Regulatory Window**  
Start with the establishment of a common digital portal to coordinate licensing and supervisory processes across regulatory bodies. While a fully integrated system might be ambitious, this initial step could help streamline compliance pathways and improve time-to-market for regulated entities.
- 3. Expand Regulatory Sandbox and Innovation Pilots**  
Widen the scope and participation in CBN's regulatory sandbox to support experimentation in emerging areas like AI, cross-border payments, and embedded finance. Include a broader range of institutions (e.g. microfinance banks, PSBs, telcos) in pilot schemes. Clarify the distinction between existing sandboxes operated by different regulators and promote coordination to avoid duplication.

- 4. Create an Industry-Government Digital Trust Charter**  
Develop a shared framework for responsible innovation, covering data governance, cybersecurity standards, fair competition, and consumer protection. This could take the form of a voluntary code of conduct or be embedded in licensing frameworks.
- 5. Expand Digital Banking Licenses to Support Inclusive Financial Services**  
Assess how a dedicated digital banking framework could enable new entrants to safely offer credit and savings services, subject to appropriate safeguards. This approach may offer a more scalable path to financial inclusion than revising the PSB model, particularly in underserved regions. To avoid conflicts with PSBs and Microfinance Banks (MFBs), such frameworks could be merged into a consolidated digital banking license, rather than introducing an entirely new license.
- 6. Accelerate Open Banking Implementation**  
Ensure the timely rollout of Nigeria's open banking protocols, including technical standards, governance structures, and dispute resolution mechanisms. Prioritise consumer awareness and financial education to build trust and uptake.
- 7. Expand Access to Digital Identity Infrastructure**  
Work with relevant authorities to reduce barriers to affordable, API-based digital identity verification for regulated entities. Incorporate contingency planning and enforce minimum service levels to mitigate the impact of outages. This will reduce onboarding friction and support more inclusive access to credit and other services.
- 8. Strengthen Data Sharing and Credit Infrastructure**  
Review data-sharing rules and pricing models to promote interoperability and reduce the cost of access to credit reference systems, including for fintechs and non-bank financial institutions. Encourage reciprocal contribution from all participants to ensure sustainability of shared systems.
- 9. Advance Regional Regulatory Harmonisation**  
Engage peer central banks to pilot mutual recognition of licences or establish regional sandbox programs. Work through ECOWAS and other platforms to align

fintech supervisory frameworks and enable cross-border innovation.

#### 10. Position Nigeria as a Hub for Responsible AI in Finance

Reflecting feedback from the CBN Fintech Round-table, expand regulatory sandbox and innovation pilots to institutionalise a ‘test-then-codify’ approach, where sandbox learnings are converted into formal playbooks and proportionate rules. This should be complemented by tiered, outcome-based regulatory obligations, allowing innovative firms to grow under clear, risk-adjusted supervision.

### 6.2 Institutional Mechanisms for Policy Delivery

Delivering on these policy options will require coordinated action across regulatory agencies, industry associations, and development partners. Three institutional pathways are particularly important:

#### A. Institutionalising Multi-Stakeholder Dialogue

Building on the momentum of this report and the fintech survey process, establish a standing advisory council or working group to oversee implementation. This body should include representatives from the CBN, fintech ecosystem, consumer groups, and technical experts.

#### B. Creating a Fintech Reform Delivery Secretariat

Locate a dedicated implementation team within the CBN or in partnership with a cross-agency body, tasked with tracking progress, coordinating inputs, and managing engagement across key stakeholders. This structure will be critical to sustaining momentum and ensuring accountability, without it, there is a high risk that implementation efforts stall.

#### C. Leveraging Development Partner Support

Align donor programming and technical assistance with nationally defined fintech priorities. Opportunities include co-financing infrastructure pilots, supporting regulatory capacity, and investing in digital public goods.

### 6.3 Actionable Frameworks for Regulation and Innovation

To operationalise these priorities, the following frameworks are proposed:

#### A. Regulatory Engagement Platform (REP)

Establish a dedicated CBN-hosted platform to structure ongoing dialogue, co-creation and review between regulators and fintech actors. The REP would convene quarterly thematic working groups, provide early feedback on regulatory proposals, and surface implementation bottlenecks. It would operate with clear governance terms, rotating co-chairs from the public and private sectors, and a public calendar of engagement.

#### B. Smart Licensing and Supervisory Gateway (SLSG)

Create a centralised digital portal that enables multi-agency onboarding, licensing, and reporting for fintechs. The SLSG would feature standardised forms, workflow tracking, and a helpdesk to address regulatory ambiguity. It would also embed escalation protocols and user analytics to support continuous improvement.

#### C. Open Finance Lab (OFL)

Establish an innovation sandbox focused on open finance use cases, including consumer data portability, embedded finance, and personalised financial services. The OFL would facilitate experimentation under supervisory oversight and draw participation from banks, fintechs, telcos, and data aggregators. It would also track consumer outcomes and inform adjustments to Nigeria’s open banking framework.

Such initiatives are resource-intensive and, therefore, should be scoped to ensure sustainability, long-term utility, and alignment with broader sectoral priorities. The OFL initiative could align with the CBN’s proposed Financial Services Innovation Hub, which is being developed based on BIS Innovation Lab principles. While still under development, the Hub is envisioned as a long-term institutional anchor for driving and scaling innovation across the financial system.

#### D. Fintech Trust and Safety Charter (FTSC)

Launch a voluntary but publicly endorsed charter outlining minimum standards for data protection, re-

sponsible AI, fair competition, and grievance redress. Adherence to the FTSC could serve as a reputational signal to consumers, investors and regulators. Participating firms would be listed on a public registry and be eligible for fast-track access to certain pilots.

#### **E. Fintech Credit Guarantee Window (FCGW)**

Drawing on the closed-door stakeholder workshop's conclusions, participants called for a collaborative, ecosystem-wide model for fraud prevention and cyber defence. This would involve mandatory, near-real-time sharing of fraud intelligence across all licensed financial institutions, unified reporting protocols, and a single live repository for fraudulent accounts. The SFDF would formalise a CBN-led framework for collaboration with NIBSS and industry partners to ensure consistent application of the Bank's industry-wide "black book," stronger insider-risk controls, and shared analytics dashboards. This shared defence model, as proposed by workshop participants, would complement ongoing SupTech investments and serve as a core pillar of Nigeria's national cybersecurity resilience for digital finance.

These initiatives will further strengthen the Central Industry Fraud Desk (HAWK) hosted at NIBSS, which enables early warning and rapid multi-institutional response to identified fraud attempts. The SFDF will also reinforce existing NIBSS-led mechanisms such as BVN Watchlisting and the Persons of Interest Portal, which allow financial institutions to apply enhanced monitoring to accounts and transactions flagged through agreed risk algorithms.

#### **F. Fintech Credit Guarantee Window (FCGW)**

Design and pilot a blended-finance mechanism to de-risk MSME lending by eligible fintechs. The FCGW would be administered in partnership with development finance institutions and support credit expansion to underserved segments, including youth- and wom-

en-led enterprises. Guarantee terms would prioritise inclusion metrics and portfolio quality over scale. This initiative could complement ongoing national efforts to establish a credit guarantee framework, by providing a fintech-specific layer focused on innovation-driven MSME lending.

### **6.4 Infrastructure and Capacity**

Delivering on Nigeria's fintech ambitions will also require reinforcing underlying infrastructure and institutional capabilities.

Priority areas for investment and alignment include:

- **Digital Identity Integration:** Ensure that Nigeria's identity systems are accessible to regulated fintechs through APIs, with appropriate safeguards. This is critical for inclusive onboarding, KYC compliance, and credit access.
- **Interoperability Standards:** Finalise protocols for payments and credit interoperability, including the rollout of GSI and open APIs.
- **Supervisory Technology (SupTech):** Invest in data-driven supervision capabilities, including dashboards, risk-scoring tools, and real-time alerts to strengthen proactive oversight.
- **Skills and Knowledge Exchange:** Establish structured capacity-building programmes for regulators and fintech professionals, including secondments, joint bootcamps, and regional peer-learning networks.

These frameworks and enablers provide a concrete foundation to move from high-level ambition to operational results, reinforcing Nigeria's credibility as a fintech leader and policy innovator in Africa.



# 07. **CONCLUSION: TOWARDS A RESILIENT & INCLUSIVE DIGITAL FINANCIAL FUTURE**

Nigeria is at a pivotal juncture in its fintech journey. With one of the largest, most active, and most innovative ecosystems globally, the country has a unique opportunity to shape the regulatory and innovation norms that will define the future of finance in Africa and beyond. But to do so credibly, Nigeria must continue to demonstrate that it can balance ambition with discipline, innovation with inclusion, and scale with systemic integrity.

Recent independent recognition reinforces this leadership position. Nigeria's Instant Payment System (NIP) has been recognised as the first in Africa to attain a 'Maturity Ranking', reflecting sustained progress in scale, reliability, and service quality<sup>16</sup>. In addition, a learning visit to NIBSS in June 2025 by representatives from nearly 20 central payment switches across Africa highlighted Nigeria's growing role as a reference point for cross-border interoperability, harmonised standards, and the expansion of intra-African digital commerce.

This report has outlined a pragmatic and stakeholder-informed roadmap, consistent with the Central Bank's publicly stated commitment to disciplined reform, financial integrity, and evidence-based policy implementation. It draws on direct industry feedback, international comparisons, and institutional insights to offer actionable recommendations for strengthening regulation, fostering innovation, and expanding inclusion. The analysis points to several key imperatives for future success:

- Sustain and institutionalise engagement between regulators and the fintech ecosystem to foster trust, reduce friction, and improve responsiveness.

- Invest in digital public infrastructure and shared compliance tools that can reduce costs, promote interoperability, and expand access.
- Ensure regulatory consistency and proportionality across agencies to align oversight with risk and innovation profiles.
- Scale supervisory capabilities, including SupTech tools and skills exchange programmes, to better anticipate and respond to market developments.
- Strengthen communication around reform, integrity and enforcement to reinforce Nigeria's reputation and boost investor and consumer confidence.

Ultimately, Nigeria's fintech future depends on execution and credibility. This report consistently highlights policy frameworks already in place, PSV2025, AML/CFT Regulations 2022, Cybersecurity Framework 2018, GSI Guidelines 2020, Open Banking Guidelines 2023, Sandbox 2021, and Card Guidelines 2020. The challenge is not policy absence but implementation gaps. Nigeria's ongoing reforms, including its recent exit from the FATF grey list, are central to restoring investor confidence and global reputation.



# **08. ANNEX: ACTION POINTS FOR POLICY IMPLEMENTATION**

The following sequenced action points reflect a phased and practical approach to advancing the recommendations in this report:

#### **Phase 1: Immediate Priorities (0–3 months)**

- Establish Fintech Engagement Forum under CBN leadership.
- Issue implementation roadmap for Open Banking and initiate industry sensitisation.
- Begin technical scoping for Single Regulatory Window and Smart Licensing Gateway.
- Coordinate cross-agency review of PSB lending restrictions and digital ID access – with a shift in emphasis towards Digital Bank authorisation frameworks over PSB expansion.

#### **Phase 2: Near-Term Reforms (3–9 months)**

- Launch pilot cohort for Regulatory Sandbox 2.0 including AI and RegTech use cases.
- Operationalise Fintech Credit Guarantee Window in collaboration with DFIs.
- Issue guidance on data portability and consumer protection under Open Finance.
- Initiate bilateral consultations on regulatory passporting (Ghana, Kenya, Senegal).

#### **Phase 3: Institutionalisation and Scale (9–18 months)**

- Formalise Fintech Advisory Council to oversee implementation and course correction.
- Launch Regulatory Engagement Platform and public calendar of consultations.
- Embed supervisory analytics and early-warning tools through SupTech pilots.
- Participate in ECOWAS and AU regulatory alignment fora to shape continental norms.

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