Nigeria's New Virtual-Asset Rules

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The short version

Nigeria now licenses payment-type crypto. Naira stablecoins (Class 1), foreign-currency stablecoins such as USDT and USDC (Class 2), bank deposit tokens (DMTs), and the services around them (exchange, on- and off-ramps, custody, wallets, transfers, P2P) need a CBN licence or authorisation. Tokens that are securities stay with the SEC.

Capital is the headline; liquidity and records are the work. Capital is ₦15bn for a Class 2 issuer, ₦10bn for Class 1, and ₦1bn for other service providers. The daily burden is reserve reconciliation, next-day redemption, transaction-level records and fast reporting.

The informal market is pulled into the banks. P2P platforms must match the name and BVN on the naira account before releasing tokens (10.3.3).

The clock is already running. By the text, it started 5 November 2026: register in 30 days, report in 60, apply in 180.

CLASS 2 ISSUER	CLASS 1 ISSUER	OTHER SERVICE PROVIDERS
₦15bn	**₦10bn**	**₦1bn**
Capital	Capital	Capital

Key requirements at a glance

Area	Requirement	Section
Who is covered	Activity in or from Nigeria, or aimed at people in Nigeria, with or without a local office. Classification follows economic substance, not the token's name or technology.	Scope I–III
Prohibited tokens	Algorithmic stablecoins; fiat-referenced tokens backed mainly by other crypto; tokens without an enforceable right to redeem at par; tokens of sanctioned persons.	2.2
Capital	Class 2 issuer ₦15bn plus a Nigerian-incorporated licensed entity (foreign approvals do not substitute). Class 1 issuer ₦10bn. Other services ₦1bn, in addition to any SEC capital; the same capital cannot count twice.	11, 15, 16.1–16.2
Class 1 reserves	At least 20% as a deposit at the CBN; a further 40% in cash or high-quality liquid assets; no bank above 30%; 2% overcollateralisation on top of full backing.	24.4, 24.12, 24.25, 24.35

Area	Requirement	Section
Class 2 liquidity	Onshore operational liquidity at Nigerian banks, sized against US$10m, 15% of Nigeria-linked liabilities, and 30 days of stressed outflows; at least two banks, none above 50%; restore a shortfall within three business days. Reserves themselves can sit offshore.	11.3, 24.12
Redemption and yield	Redeem at par by the end of the next business day (up to five in a declared stress event). No interest or yield to holders, directly or through an intermediary.	23.3, 13.3
Reconciliation and attestation	Reconcile tokens to reserves every business day and keep the records; publish a monthly reserve attestation by an approved independent auditor within 15 business days of month-end.	24.5–24.10, 24.42
Freeze capability	Issuers must be able to freeze, block, burn and reissue, under multi-party control, log every use, and report each use to the CBN within 24 hours. They must also monitor secondary-market wallets, including non-customers, with blockchain analytics.	26.18, 26.19
P2P platforms	The naira leg settles through Nigerian banks; name and BVN must match the verified customer before tokens are released; records must let each trade be reconstructed and reconciled across both legs.	10.3.3, 10.5, 10.8.1
Travel Rule and wallets	Originator and beneficiary data at US$/€1,000 and above. For an unhosted wallet at that level, the VASP must verify its customer owns or controls it, "such as a message-signing or micro-transfer test."	26.14.3, 26.15.2
Records	Five years, enough to rebuild each transaction: amounts, times, wallet addresses, transaction hashes, counterparty VASP, Travel Rule data and rates applied.	26.12.1
Cross-border	Treated as an FX transaction with the same documents (Form M, Form NXP). Each one is reported within "[one Business Day]"; export proceeds held on-chain are not "repatriated".	11.10

Timeline for existing operators (54.1)

REGISTER	SUPERVISORY REPORTING	FULL APPLICATION
about 5 December 2026	**about 4 January 2027**	**about 4 May 2027**
30 days	60 days	180 days

Commencement is stated as 5 November 2026, so the deadlines fall around: register by about 5 December 2026; supervisory reporting by about 4 January 2027; full application by about 4 May 2027. Until a licence is granted, operators may continue only at their existing scale, under interim conditions, with AML/CFT obligations applying from day one. Missing the 180-day window means stopping until licensed. Existing Class 2 arrangements need the CBN's express interim permission to continue. Some press coverage says the start date is unclear; the text says it is 5 November, and that is worth confirming with the CBN.

What will be hardest in practice

- **Class 2 localisation.** Global issuers must decide whether to incorporate, capitalise and hold dollar liquidity in Nigeria or leave the market. Distribution without a local licensed issuer is not permitted, so the choices of the largest issuers will shape the whole market.

- **P2P identity matching.** Matching the BVN before release ends the anonymity that made informal P2P cheap. Some volume will move to licensed platforms; some will move to unhosted wallets and offshore venues, which the rules then treat as higher-risk or cross-border.
- **Unhosted-wallet control proof, at scale.** A transfer from a licensee to an unhosted wallet is treated as cross-border, with all the FX documentation that brings, unless the licensee has verified that the wallet belongs to its customer or another Nigerian resident (11.10.1(c)). The wallet-control test therefore carries economic weight, not just compliance weight. It also has to be run and recorded for every customer who withdraws to self-custody.
- **Speed of reporting.** Next-day redemption, 24-hour freeze reports, per-transaction cross-border reporting within a business day and daily reconciliation all assume clean, automated record pipelines from day one.
- **Two regulators, two capital stacks.** Firms that are both SEC-licensed exchanges and CBN-licensed payment providers hold capital twice and report twice. The delineation matrix (Schedule 8) and the Presidential Executive Order's coordination framework will decide where the lines actually fall.

Drafting points worth raising with the CBN

Section 55.1 lets the CBN issue interpretive guidance. A short, constructive note from the industry could ask it to correct these before they cause disputes:

- **Bracketed placeholders remain in the published text:** "[one Business Day]" for cross-border reporting (11.10.12), "[irrespective of the value of the transfer]" (11.10.9), "[the Nigerian Foreign Exchange Market reference rate]" (11.10.11) and "[five] Business Days" for representations before public listing (52.6.3). Operators cannot tell whether these are final.
- **A likely cross-reference slip:** 11.10.1(c) points to verification "under Section 26.14", but the wallet-control test sits in 26.15.2.
- **Duplicated text:** 24.42 and 24.43 are the same sentence on monthly attestations; Sections 54 and 55 share the same title; the scope list has two items marked (d).

Where evidence fits

Read end to end, the regulation is a records regime as much as a capital regime. It requires daily reconciliation records (24.10), a log of every freeze or burn (26.18.3), transaction-level records to rebuild each P2P trade (10.8.1), five-year transaction records with hashes and addresses (26.12.1), and evidence of transaction authorisation in refund disputes (33.2). Almost all of these are records an operator keeps about itself and shows to the supervisor on request.

> **The open question for supervisors and industry bodies:** which of these records can a holder, a counterparty or an auditor check without asking the operator? Monthly attestations are published; most of the rest are not. Rules that require the evidence to be independently checkable, rather than naming a single central checker, would make the regime stronger. Wallet-control proof (26.15.2) is the clearest case: anyone can check a signed message against the address, and a micro-transfer is on-chain and dated, so both can be checked later without the operator.

Disclosure and disclaimer

Almstins develops holder-side verification tools. Almstins Verify uses the micro-transfer method referenced in Section 26.15.2. Almstins does not custody, transfer, freeze or block customer funds. Its commercial interest in verification technology is disclosed for transparency. This AWI policy analysis does not endorse Almstins products and is not legal advice. Verify all references against the official CBN text and later amendments or clarifications.