



# **REGULATORY GUIDELINES ON THE eNAIRA**



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## Glossary of Terms

Acronym	Definition
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
BVN	Bank Verification Number
CBN	Central Bank of Nigeria
DCMS	The Digital Currency Management System
eNAIRA	Electronic Naira issued by the Central Bank of Nigeria as a legal tender
FIs	Financial Institutions such as Banks, Other Financial Institutions, Mobile Money Operators
KYC	Know Your Customer
MERCHANT	Duly accredited individuals and non-individual (corporates) authorized to conduct business in Nigeria
MDAs	Ministries, Departments and Agencies
NIN	National Identification Number
TIN	Taxpayer Identification Number

## **1.0 Introduction**

The Central Bank of Nigeria, under the Central Bank of Nigeria (CBN) Act 2007 and the Banks and Other Financial Institutions Act (BOFIA) 2020, is empowered to issue legal tender currency, ensure financial system and promote the development of electronic payments system. The Bank, in furtherance of its mandate, hereby issues the following Guidelines for the operation of the eNaira.

The eNaira is the digital form of the Naira, issued by the CBN in line with Section 19 of the CBN Act. It is a direct liability of the Bank, a legal tender and will form part of the currency in circulation and will be at par with the physical Naira (that is 1:1). The eNaira shall complement traditional Naira as a less costly, more efficient, generally acceptable, safe and trusted means of payment. In addition, it will improve monetary policy effectiveness, enhance government's capacity to deploy targeted social interventions and boost remittances through formal channels.

The eNaira wallet is required to access, use and hold eNaira. The eNaira will be exchangeable for other Central Bank Digital Currencies (CBDC).

## **2.0 Scope**

The provisions of these Guidelines shall apply to all financial institutions and users of the eNaira.

## **3.0 The eNaira Platform**

This section gives an overview of the key components of the eNaira platform.

### **3.1 The Digital Currency Management System (DCMS)**

The eNaira shall be administered by the CBN through the Digital Currency Management System (DCMS) to mint and issue eNaira.

Financial institutions shall maintain a treasury eNaira wallet for holding and managing eNaira on the DCMS.

### **3.2 The Financial Institution Suite**

The FI Suite is the primary application used by the FIs to manage their digital currency holdings, requests, and redemption with the CBN.

### **3.3 The eNaira Wallets**

The eNaira platform shall host eNaira wallets for different stakeholders.

#### **3.3.1 Stock eNaira Wallets**

The eNaira stock wallet belongs solely to the CBN and it shall warehouse all minted eNaira.

### **3.3.2 eNaira Treasury Wallets**

A financial institution (FI) shall maintain one treasury eNaira wallet to warehouse eNaira received from the CBN eNaira stock wallet. FIs may create eNaira sub-treasury wallets for branches tied to it and fund from its single eNaira treasury wallet with the CBN.

#### **3.3.2.1 eNaira Branch Wallets**

An FI may create eNaira branch sub-wallets for its branches. The eNaira branch sub-wallet shall be funded from the treasury eNaira wallet.

### **3.3.3 eNaira Merchant Wallets**

eNaira Merchant wallets shall be used solely for receiving and making eNaira payments for goods and services.

### **3.3.4 eNaira Consumer Wallets**

eNaira Consumer wallets shall be created for end users to transact on the eNaira platform.

## **3.4 Security and Privacy**

The two-factor authentication and other measures shall be adopted to ensure the security of eNaira wallet.

## **3.5 Technical Requirements**

FIs shall integrate their backend systems to the DCMS for efficient transfer of eNaira between bank accounts and eNaira wallets.

## **3.6 AML/CFT**

AML/CFT checks for fraud detection and prevention shall apply on the eNaira platform.

## **4.0 Participants and Roles**

### **4.1 Central Bank of Nigeria (CBN)**

The CBN shall exclusively perform the following roles:

- a) Mint, issue, distribute, redeem and destroy the eNaira;
- b) Determine the technical, regulatory and operational standards for the eNaira;
- c) Manage unresolved eNaira issues and complaints escalated from the FIs and disputes arising between FIs;
- d) Monitor compliance with applicable regulations; and
- e) Issue directives and review Guidelines on eNaira periodically as may be required.

#### **4.1.2 Financial Institutions (FIs)**

The Financial Institutions are intermediaries between the CBN and customers. Their roles within the eNaira ecosystem shall include:

- a) Facilitating eNaira wallet onboarding for bank customers (merchants and customers);
- b) Integrating the eNaira wallet feature into their digital banking channels;
- c) Requesting eNaira from CBN for self and on behalf of its customers;
- d) Managing eNaira across its branches;
- e) Developing and / or updating reporting and internal frameworks to ensure compliance with KYC and AML/CFT requirements;
- f) Receiving and resolving customers' complaints on eNaira; and
- g) Ensuring that eNaira enquiries and complaints are included in the periodic reports to CBN.

#### **4.1.3 Merchants**

Merchants' roles include:

- a) Providing customers with alternative channels for making transactions using eNaira;
- b) Providing cashback services for customers;
- c) Publicising the option of eNaira payment for transactions at merchant locations; and
- d) Protecting their eNaira wallet credentials against fraudulent access.

#### **4.1.4. Ministries, Departments and Agencies (MDAs)**

MDAs may:

- a) Receive revenue in eNaira; and
- b) Make payments in eNaira.

#### **4.1.5 Consumers**

Consumers are the end users of the eNaira and their roles are specified below:

- a) Creating eNaira wallets and funding it;
- b) Utilising eNaira as an alternative payment option for legitimate transactions;
- c) Protecting their eNaira wallet access credentials; and
- d) Notifying financial institutions in the event of fraud/complaints/disputes.

### **5.0 Onboarding and Transactional Processes**

This section describes the process of onboarding participants on the eNaira platform.

#### **5.1 Participants**

The onboarding process shall vary based on the role of each participant.

### **5.1.1 Financial Institutions (FIs)**

The onboarding of FIs shall be done automatically by the CBN.

### **5.1.2 Merchants**

Merchants shall be onboarded by the FIs upon downloading the “**eNaira Speed Merchant Wallet**” from the app stores and fulfillment of the following requirements:

- a) Provision of all mandatory information;
- b) Acceptance of the Terms and Conditions of eNaira;
- c) Acceptance of the Privacy Policy of eNaira; and
- d) Validation and activation by their preferred FI.

### **5.1.3 MDAs**

MDAs shall be onboarded by the CBN upon receipt of the appropriate mandate.

### **5.1.4 Consumers**

Consumer onboarding shall be self-service upon downloading of the “**eNaira Speed Wallet**” from the app stores and fulfillment of the following requirements:

- a) Provision of all mandatory requirements;
- b) Acceptance of the Terms and Conditions of eNaira;
- c) Acceptance of the Privacy Policy of eNaira; and
- d) Validation and activation by their preferred FI.

## **6.0 Disclosure**

During the onboarding process, users shall have option to disclose whether the eNaira wallet being created will be operated for self or as trustees.

## **7.0 Unique Identifier**

The TIN, NIN and/or BVN shall be used as unique identifiers:

- a) TIN shall be for corporate entities;
- b) NIN and/or BVN shall be for individuals; and
- c) BVN shall be for merchants that are not corporate entities.

## **8.0 Transaction Types**

This section describes the various transaction types.

### **8.1 Consumer Transactions**

The following services shall be available to individual consumers on the eNaira platform:

- a) Person to Person (P2P);
- b) Person to Business (P2B) / Business to Person (B2P);
- c) Person to Government (P2G) / Government to Person (G2P);



- d) Cash or Bank account to eNaira wallet;
- e) eNaira wallet to cash or bank account; and
- f) Any other services as may be approved by the CBN from time to time.

## **8.2 Merchant Transactions**

The following services shall be available to merchants on the eNaira platform:

- a) Merchant/Business to bank account;
- b) Merchant/Business to Person (M/B2P); and
- c) Cash to eNaira.

Merchants shall sweep their till balance(s) into their FIs accounts on a daily basis.

## **8.3 FI Transactions**

The following services shall be available to FIs on the eNaira platform;

- a) FIs to CBN / CBN to FI;
- b) FI to Government / Government to FI;
- c) FI to Business / Business to FI; and
- d) FI to Customer.

## **8.4 MDA Transactions**

The following services shall be available to MDAs on the eNaira platform:

- a) MDAs to Person / Person to MDAs;
- b) MDAs to MDAs;
- c) MDAs to FIs / FIs to MDAs;
- d) MDAs to CBN / CBN to MDAs; and
- e) MDAs to Businesses / Business to MDAs.

## **9.0 Charges and Cost Structure**

The charges for eNaira transactions shall be in line with the Guide to Charges by Banks, Other Financial and Non-bank Financial Institutions.

## 10.0 AML/CFT Compliance

Financial Institutions are required to comply with the **Money Laundering (Prohibition) Act 2011 (as amended)**, the **Terrorism (Prevention) Act 2011 (as amended)** and **all subsisting anti-money laundering laws and regulations** as may be issued by the CBN from time to time.

Users of eNaira shall be subjected to a tiered structure with transaction and balance limits as follows:

### 10.1 Tier 0

Documentation requirements for Tier 0 users are:

- a) Passport Photograph;
- b) Personal Information (Name, Place & Date of Birth, Gender & Address); and
- c) Telephone Number (NIN issued but not linked to phone number).

### 10.2 Tier 1 - 3

Documentation requirements for Tiers 1 to 3 are as stipulated in **CBN Circular on Tiered Know Your Customer (T-KYC)**.

### 10.3 Merchants

Merchants are expected to have existing bank accounts with FIs. Further requirements at point of onboarding are:

- a) TIN;
- b) BVN of MD/CEO;
- c) Email address; and
- d) Business Category.

FI's Compliance Officers shall carry out final verifications.

### 10.4 Transaction and Balance Limits

The transaction and balance limits for individual and merchant eNaira wallets are shown below:

Category	Daily Transaction Limit	Balance/eNaira Wallet Limit
Tier 0 (Phone number without verified NIN)	N20,000.00	N120,000.00
Tier 1 (Phone number with verified NIN)	N50,000.00	N300,000.00
Tier 2	N200,000.00	N500,000.00
Tier 3	N1,000,000.00	N5,000,000.00
Merchant	No Limit	No Limit

## **11.0 Risk Management**

Financial Institutions shall put in place appropriate measures to ensure sound risk management practices to address potential threats to their operations.

These shall include:

- a) An Enterprise risk management framework;
- b) Appropriate governance structures;
- c) Documented and approved policies; and
- d) Secured information technology infrastructure.

Financial Institutions shall be required to implement additional risk management measures as may be prescribed by CBN guidelines from time to time.

## **12.0 eNaira Wallet Recovery Process**

### **12.1 Roles and Responsibilities of the Stakeholders**

The roles and responsibilities of the different stakeholders with respect to ensuring the prevention or minimisation of loss following loss / theft of a user's device or compromise/hack of user eNaira wallet are stipulated as follows:

### **12.2 Banks**

Banks shall provide the following services:

- a) Ensure that eNaira users have access to an array of channels to report loss/theft of device or compromise/hack of user eNaira wallet. At a minimum, banks shall ensure that customers are able to report via:
  - i. USSD channels;
  - ii. Internet banking platforms;
  - iii. Customer care phone lines; and
  - iv. In-branch customer care.
- b) Develop a system to validate the identity of complainants;
- c) Facilitate prompt placement of restriction on eNaira wallets where a valid report of loss/theft of device or compromise/hack of user eNaira wallet is made; and
- d) Make reports to the CBN on number of reports received and actions taken thereon including timelines.

### **12.3 Merchants**

Merchants shall provide the following services:

- a) Provide channel for eNaira payment at sales outlets.

## 12.4 eNaira Wallet Users

Wallet users shall have the following responsibilities:

- a) Ensure the protection of eNaira wallet login credentials and devices to prevent disclosure to third parties; and
- b) Promptly report to Financial Institutions or eNaira Helpdesk where there has been a loss/theft of device or compromise of user eNaira wallet.

## 13.0 Wallet Recovery

This section outlines the process for wallet recovery.

### Loss/Theft of Device

To recover eNaira wallets in the event of a loss/theft of device, users shall:

1.
  - a) Download a new “**eNaira Speed Wallet**” from the app stores;
  - b) Accept the Terms and Conditions of usage of eNaira;
  - c) Accept the Privacy Policy of eNaira;
  - d) Create new username and password; and
  - e) Input two factor authentication credentials.

or
2. Contact FIs for assistance.

## 13.1 Compromise of eNaira Wallet

In the event of a compromise of eNaira wallet, users shall:

1.
  - a) Request for a change of password using the forgotten password functionality in the eNaira app or using the USSD password change process;
  - b) Select an appropriate password;
  - c) Input username and password for existing users; and
  - d) Input two factor authentication credentials.

or
2. Contact FIs for assistance.

## 14.0 Financial and Regulatory Reporting

FIs shall render returns to the CBN in line with the provisions of the Banks and Other Financial Institutions Act (BOFIA) 2020 and as may be specified from time to time.

## 15.0 Dispute Resolution

Consumer Complaints in relation to the usage of the eNaira shall be referred to Helpdesk of users' preferred FI Helpdesk. If unresolved by the FI Helpdesk, it shall be escalated to the eNaira Helpdesk via 0800myeNaira (0800 6936 2472) or [helpdesk@enaira.com](mailto:helpdesk@enaira.com) for resolution.

Complaints from Financial Institutions as well as disputes arising between Financial Institutions shall be reported to the eNaira Helpdesk Team and resolved within two (2) working days.

For disputes where one or both parties are unsatisfied with the resolution, the issue shall be referred to an arbitration panel as provided under the extant Arbitration and Conciliation Act or as may be defined by the Central Bank from time to time.

#### **16.0 Effective date**

The effective date of these Guidelines is **October 1, 2021**.