

LegalNOTES

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Overview of The Central Bank of Nigeria's 2025 Guidelines for The Operations of Agent Banking In Nigeria

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Featured Contribution

Introduction

The emergence of agent banking in Nigeria is an innovation of financial institutions (Fis) to ensure the financial inclusion of customers in semi-urban and rural communities. It is a model designed to extend banking services to semi-urban and rural areas that may have been excluded from the coverage of conventional banking. By its definition, agent banking is the provision of financial services to customers by a third party (Agent) on behalf of a licensed deposit-taking financial institution (Principal).²

Regulatory Framework for Agent Banking in Nigeria

Prior to 2025, the Central Bank of Nigeria (CBN), in line with its mandate under the *CBN Act 2007*³ and the *Banks and Other Financial Institutions Act (BOFIA) 2020*,⁴ issued the following guidelines to provide a framework for the operation of agent banking, which include:

- a. *Guidelines for the Regulation of Agent Banking and Agent Banking Relationships in Nigeria*, issued on February 8, 2013.
- b. *Regulatory Framework for Agent Banking in Nigeria*, issued on March 9, 2023.
- c. *Circular on Cash-Out Limits for Agent Banking Transactions*, issued on December 17, 2024.

However, in view of the current realities of agent banking in Nigeria, the CBN issued a new Guideline for the Operations of Agent Banking in Nigeria ("the Guideline") on October 6, 2025, to adequately regulate and address the emerging issues of agent banking in Nigeria. The Guideline consolidates all the extant policies with respect to agent banking/agent banking relationships, and it supersedes the previous guidelines.

Key Highlights of the Guideline

1. Permissible and Non-Permissible Activities

Some activities like cash payment of retirement benefits, cash disbursements and repayment of loans, which were expressly permitted in the 2013 guideline, have been removed in the 2025 guideline. However, it may be inferred that these activities can be carried out upon the approval of CBN, as the 2025 guidelines grant the CBN the power to approve other activities that may be permissible.⁵ In the same vein, some activities like cash advances and charging customers any fee, which were expressly prohibited in the 2013 guidelines, are no longer expressly prohibited in the 2025 guidelines.⁶

2. Mode of Appointment of Agents

The 2025 guideline expressly provides for the permitted mode of appointment of agents, which may be made either

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2 Guideline for the Operations of Agent Banking in Nigeria, October 2025, Par 16

3 The CBN Act 2007, s. 2 (d)

4 The BOFIA ACT 2020, s.1

5 Guideline for the Operations of Agent Banking in Nigeria, October 2025, Par.3.1

6 Ibid Par.3.2

directly between the Principal and the Agent or indirectly, where the Principal engages the services of a Super Agent duly licensed by the CBN to appoint agents on behalf of the Principal.⁷

3. Agent Exclusivity

Under the CBN 2025 Guideline for the Operation of Agent Banking in Nigeria, an agent can only maintain and operate under one principal and can only belong to the network of one Super Agent at any given time.⁸ However, though the Guideline became effective on its date of issuance, this particular provision of exclusivity is to become effective on April 1, 2026, as provided by the CBN circular with reference number PSP/DIR/CON/CWO/001/049, dated October 6, 2025, to all Deposit Money Banks, Other financial Institutions, and payment service providers on the issuance of Guidelines for the operations of Agent Banking in Nigeria.

4. Dedicated Agent Accounts

The 2025 Guideline introduced a requirement for Agents to maintain a dedicated agent account with the principal as the only account to be utilized for all agent banking operations.⁹ This was introduced to promote transparency in agent banking relationships.

5. Compliance with Anti-Money Laundering Requirements

In contrast to the 2013 *Guideline on the Regulation of Agent Banking and Agent Banking Relationships in Nigeria*, which only expressly provided for the compliance of FIs with the requirements of the Money Laundering (Prohibition) Act, 2011¹⁰, the 2025 Guidelines provides for the compliance of both FIs and Agents with the requirements of the *Money Laundering (Prohibition) Act, 2022* and *Terrorism (Prevention and Prohibition) Act, 2022* and relevant extant regulations.¹¹

6. Consumer Rights

Under the 2025 Guideline, there are stricter responsibilities on both the Principals and Agents to ensure that consumer rights are adequately

protected.¹² Some of these stricter responsibilities include the reduction of the timeline to resolve consumer complaints, which was not later than fourteen (14) days under the 2013 guidelines, to not later than 7 days.¹³

7. Sanction for Late Submission of Returns to CBN

Like the 2013 Guideline on the Regulation of *Agent Banking and Agent Banking Relationships in Nigeria*, the 2025 Guideline also provides that principals are to submit monthly agent banking returns to the CBN by the 10th of the following month, signed by the MD/CEO and Chief Compliance Officer of the institution. However, under the 2025 guideline, late submission constitutes a regulatory infraction and attracts CBN sanctions.¹⁴

8. Remedial Measures, Sanctions and Penalties:¹⁵

In addition to the remedial measures and sanctions, the 2025 guideline expressly provides for quantifiable administrative sanctions for different infractions under the guideline.¹⁶ Actions like engaging in non-permissible agent banking activities will warrant a fine of not less than N5,000,000 and N100,000 for each day of the default. In addition, the entity shall forfeit the estimated profit.

Conclusion

The 2025 Guidelines is a robust regulation of agent banking in Nigeria, as it introduces provisions in tune with the current realities of the agent banking system. The Guideline has far-reaching implications for all stakeholders within the agent banking ecosystem. For financial institutions, it imposes heightened responsibilities in the management of agent banking relationships. Institutions are now required to strengthen their compliance frameworks, invest in robust technology platforms capable of real-time transaction processing and regulatory reporting, and reorganise their agent networks to ensure effective delivery of banking services to customers in communities that remain underserved by conventional banking channels.

⁷ Ibid Par.5

⁸ Guideline for the Operations of Agent Banking in Nigeria, October 2025, Par.4.2, 4.3

⁹ Ibid Par.10.1

¹⁰ Par. 14.2, Guidelines for the Regulation of Agent Banking and Agent Banking Relationships in Nigeria issued on February 8, 2013.

¹¹ Guideline for the Operations of Agent Banking in Nigeria, October 2025, Par.10.8

¹² Ibid Par.10.9

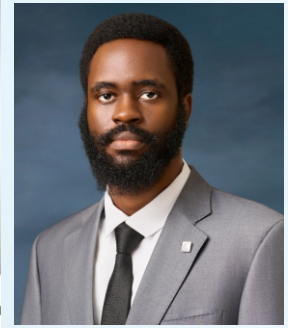
¹³ Ibid

¹⁴ Ibid Par.12

¹⁵ Ibid Par.13 and 14

¹⁶ Appendix (I) of the Guideline for the Operations of Agent Banking in Nigeria, October 2025

FROM THE COURT



ANIBABA v DANA AIRLINES LTD & ANOR. [2025] 9 NWLR (PT. 1994) 377 TO 434

“Justice requires that courts respect the framework laid down by law, international or domestic. For businesses, aligning policies with both frameworks in sectors where they co-exist is not just about compliance, but about ensuring operational certainty, alignment with global best practices, and mitigating risk.” **Muhammad Yasir Abubakar-Sadiq, AICMC**¹⁷

Brief Facts

The 1st Respondent, Dana Airlines Limited, is a registered company in Nigeria engaged in commercial air transportation and operated a McDonnell Douglas MD-84 aircraft. On 3 June 2012, the aircraft, conveying Mrs Oluwatosin Ibironke Anibaba and 152 other passengers from Abuja to Lagos, crashed at Iju-Ishaga, Lagos State, at about 3:35 pm, resulting in the death of all persons on board.

The Appellant, being the husband and legal representative of the deceased, instituted an action at the Federal High Court against the Respondents, alleging that the crash was caused by the negligence of the deceased pilot, Mr Peter Simon Waxton, whose estate was represented by the 2nd Respondent. He contended that the untimely death of his wife occasioned substantial financial and emotional loss to him, their child, and the deceased's parents.

In its judgment, the Federal High Court awarded the sums of US\$20,000.00, US\$30,000.00 and US\$10,000.00 respectively to the Appellant, his daughter, and the parents of the deceased

as general damages for pain, loss of companionship and affection, with post-judgment interest at the rate of 10% per annum.

Dissatisfied with the judgment, the Appellant appealed to the Court of Appeal. The appeal was allowed in part, and the Court of Appeal set aside the quantum of damages awarded by the trial court and reassessed same, awarding a total sum of US\$250,000.00 as general damages for pain, suffering, and loss of companionship and affection. However, the Court ordered that the naira equivalent of the award be calculated at the exchange rate prevailing on 3 June 2012, being the date the cause of action arose.

Still dissatisfied, the appellant appealed to the Supreme Court. The respondents, dissatisfied with the part of the decision of the Court of Appeal awarding the sum of US\$250,000.00 to the appellant, filed a cross-appeal. The Supreme Court allowed the appeal in part and dismissed the cross-appeal.

Commentary

This Supreme Court decision in *Anibaba v. Dana Airlines Ltd & Anor* provides a

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significant clarification of the legal framework governing liability for aviation accidents in Nigeria, particularly in the context of domesticated international conventions. In allowing the appeal in part, the Court authoritatively affirmed that the *Montreal Convention for the Unification of Certain Rules for International Carriage by Air, 1999*¹⁸, as domesticated under S.48(2) of the 3rd Schedule to the *Nigerian Civil Aviation Authority Act, 2006*, provides the exclusive substantive legal regime for claims arising from carriage by air. Accordingly, when a claim arises under the *Montreal Convention*, the Convention alone governs who is liable and what compensation can be recovered. This includes compensatory damages for emotional pain, suffering, and loss of companionship, which are expressly recognised. However, claimants cannot rely on other domestic or common laws to claim punitive, exemplary, or additional non-compensatory damages beyond what the Convention allows.

In reaching this conclusion, the Supreme Court in *Anibaba v. Dana Airlines* made a crucial distinction between substantive liability and procedural or distributive matters. Substantive liability refers to the airline's actual legal responsibility and the types of damages that a claimant may recover, matters exclusively governed by the *Montreal Convention*. This includes both economic and non-economic compensatory damages, such as emotional pain, suffering, and loss of companionship, but excludes punitive or exemplary damages. Procedural and distributive matters, by contrast, concern who is entitled to bring a claim and how the awarded compensation is divided among beneficiaries. These aspects fall under domestic laws, such as the *Fatal Accidents Law of Lagos State, Cap. F1 1963* and the

Administration of Estates Law of Lagos State 2003, which operate alongside the Convention to ensure claims are properly administered within Nigeria.

Beyond the immediate relevance of the Supreme Court's decision to aviation law, it illustrates the Court's approach to the interplay between domesticated international conventions and domestic legislation. Rather than treating such instruments as operating in isolation, the Court emphasised harmonisation, ensuring that international obligations are given full effect without undermining the operation of relevant local laws.

This Month in Legal History

■ Election

On February 25, 2022, the *Electoral Act 2022* was signed into law by President Muhammadu Buhari, GCFR, to repeal the Electoral Act, No. 6, 2010, and to regulate the conduct of Federal, State and Area Councils elections in the Federal Capital Territory of Nigeria and for related matters.

■ Business

The Business Facilitation (Miscellaneous Provisions) Act, 2022 (also known as the Omnibus Act), was signed into law on February 14, 2023. The Act aims to ease the business environment in Nigeria by amending 21 business-related legislations, including the Companies and Allied Matters Act 2020.

■ Commerce

The Federal Competition and Consumer Protection Act, 2019, was signed into law by President Muhammadu Buhari, GCFR, on February 5, 2019, to provide for the establishment of the Federal Competition

¹⁸ (As domesticated in the Third Schedule of the Civil Aviation Act, 2006, Art., 17, 21, 23, 29)

and Consumer Protection Commission and the Competition and Consumer Protection Tribunal.

Security

The *Terrorism (Prevention) (Amendment) Act* was enacted on February 21, 2013, to amend the *Terrorism (Prevention) Act, 2011*, and to provide for extra-territorial application of the Act, increase terrorist financing penalties and related matters.

Legal Quotes

“The rule of law is the foundation of freedom.”

Friedrich A. Hayek
– *Economist and legal philosopher*

“In matters of conscience, the law of the majority has no place.”

Mahatma Gandhi
– *Lawyer and political leader*

“Law and order exist for the purpose of establishing justice and when they fail in this purpose they become the dangerously structured dams that block the flow of social progress.”

Martin Luther King Jr.
– *Civil rights leader*

“A bad law is the worst form of tyranny.”

Edmund Burke
– *British statesman and philosopher*

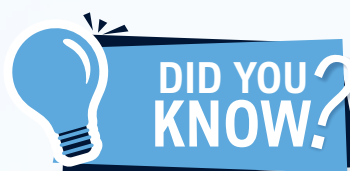
“Justice is the constant and perpetual will to allot to every man his due.”

Justinian I – *Byzantine Emperor and codifier of Roman law*

Liberty lies in the rights of that person whose views you find most odious.”

H. L. Mencken
– *American journalist and social critic*

JOKE¹⁹



On January 16, 2026, the Securities and Exchange Commission (SEC) issued Circular No. 26-1 on the Revised Minimum Capital Requirements (the “Circular”) applicable to regulated capital market operators, including Virtual Asset Service Providers (“VASPs”) and Fintech operators. The Circular was issued by the SEC pursuant to the Investments and Securities Act, 2025, and is aimed at strengthening market resilience, enhancing investor protection, and aligning capital requirements with the evolving risk profile of digital asset activities and Fintech operators in the Nigerian capital markets.²⁰

¹⁹ <https://www.pinterest.com/wisconsinowi/attorney-jokes/>

²⁰ <https://www.ecofinagency.com/news-finance/1901-52041-nigeria-tightens-capital-rules-for-brokers-in-overhaul-of-securities-market>



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