

The Future of Virtual Asset Regulation in Nigeria:

Implications of the Presidential
Executive Order on Virtual Assets
Coordination, 2026



Introduction

Digital assets, also known as virtual assets, are digital representations of value recorded on a cryptographically secured, distributed ledger (blockchain) or similar technology, and are increasingly influencing how money moves, how portfolios are built, and how financial systems operate.¹

Globally, it was reported that digital assets have moved from niche to mainstream, briefly surpassing USD 4,000,000,000,000 (Four Trillion United States Dollars) in market value.² In recent years, it's no different, as Nigeria has emerged as one of the world's leading digital asset markets, reflecting the growing role of cryptocurrencies and stablecoins in the country's financial ecosystem. According to Chainalysis, Nigeria received approximately USD 59,000,000,000 (Fifty-Nine Billion United States Dollars) in crypto-asset inflows between July 2023 and June 2024,³ ranking second globally on the 2024 Global Crypto Adoption Index and sixth on the 2025 Global Crypto Adoption Index.⁴

Within Sub-Saharan Africa, Nigeria accounts for approximately 60% of all stablecoin inflows recorded since 2019, underscoring its dominance in the region's digital asset landscape.⁵ The International Monetary Fund (IMF), in Annex VII of its 2025 Article IV Consultation Report on Nigeria, notes that stablecoins have become an important bridge between crypto markets and the traditional financial system, with millions of Nigerians increasingly relying on digital assets to navigate foreign exchange constraints, inflationary pressures, and the high costs associated with cross-border payments. The rapid expansion of the sector, notwithstanding periods of regulatory uncertainty, has reinforced the need for a coherent, coordinated regulatory framework that promotes innovation while safeguarding financial stability, consumer protection, and market integrity.⁶ In light of this, it is no doubt that the rapid growth of the Nigerian digital/virtual assets ecosystem has outpaced the country's traditional regulatory framework.

Accordingly, as virtual assets increasingly perform functions associated with money, securities, commodities, and payment instruments, regulatory mandates have become fragmented, resulting in overlapping oversight, jurisdictional uncertainty, and significant enforcement gaps. These challenges have heightened exposure to financial crimes, including cryptocurrency fraud, cybersecurity risks, and taxation issues, hence undermining confidence in the sector.

Recognising these realities, President Bola Ahmed Tinubu, pursuant to the executive powers vested in him by Section 5 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended), issued an Executive Order on 17 July 2026, establishing a Virtual Asset Council to regulate virtual assets. The Order marks a significant policy shift towards harmonised supervision, inter-agency cooperation, and a more coherent governance structure for Nigeria's rapidly evolving digital asset market.

Therefore, this insight briefly examines the key details of the Executive Order and its implications for virtual asset service providers.

Nigeria at a Glance — Digital Asset Footprint

\$59B Crypto Inflows Crypto-asset value received by Nigeria between July 2023 and June 2024. Chainalysis, 2024	#2 → #6 Global Adoption Rank Nigeria's position on the Global Crypto Adoption Index: 2nd in 2024, 6th in 2025. Chainalysis Adoption Index	~60% SSA Stablecoin Inflows Share of Sub-Saharan Africa's stablecoin inflows attributable to Nigeria since 2019. IMF Article IV, Annex VII (2025)
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Key Details of the Executive Order:

While not establishing a new regulator, the Order creates a Virtual Asset Council (“Council”), chaired by the Central Bank of Nigeria (“CBN”), with the Nigeria Revenue Service (NRS) and the Securities and Exchange Commission (“SEC”) as vice-chairs, and including the Nigerian Financial Intelligence Unit (“NFIU”) and the Office of the National Security Adviser (“ONSA”).

The Council is tasked with providing policy direction, promoting synergy among the participating agencies, and collaborating with the Attorney-General of the Federation to develop a harmonised legal and institutional framework that aligns the sector with Nigeria’s national security, economic, and social objectives.

Additionally, the Order also establishes a Virtual Asset Office, responsible for the day-to-day coordination of information sharing, applications, and reporting among the agencies. The Virtual Asset Office constitutes the Council’s operational body, with its secretariat domiciled at the CBN.

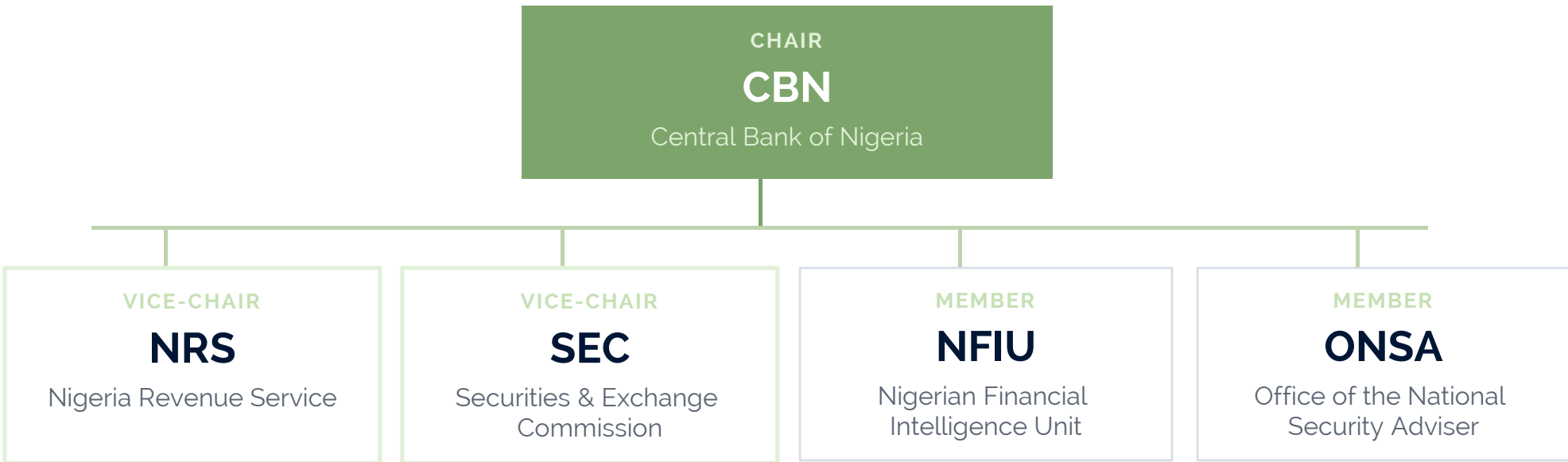
The Order does not create a new regulator or transfer the powers of any existing regulatory agencies (SEC, CBN, NRS, etc.); rather, it seeks to coordinate the work of those agencies.

In furtherance of the Order’s coordinated approach, the CBN is to proceed with implementing a regulatory sandbox for virtual assets. The regulatory sandbox will provide a controlled environment for operators to test and operate virtual asset services, products, and blockchain-based solutions under the supervision of the relevant agencies to confirm the product/service’s compliance with the regulatory regime before reaching the wider market.

The NRS is also intended to provide a tax policy for the virtual assets sector. The policy will operationalise Nigeria’s tax laws regarding virtual assets, ensure predictability for taxpayers/virtual asset service providers, and strengthen voluntary compliance. The primary goal of the policy is to ensure that the virtual asset sector makes a fair contribution to national revenue.

Overall, the Order directs the Council to develop a Harmonised Implementation Framework within 30 days to guide participating agencies in the expedited implementation of the Order.

Virtual Asset Council — Governance Structure



Collaborating with the **Attorney-General of the Federation** to develop a harmonised legal and institutional framework

Implications of the Executive Order for Virtual Asset Product/Service Providers (“VASPs”)



01

Regulatory Compliance:

While the Order does not in itself impose new compliance obligations, it signals a clear intent to move towards more structured oversight, and VASPs should anticipate that the Council's forthcoming Harmonised Implementation Framework may translate into concrete regulatory requirements.



02

Regulatory Sandbox:

Stakeholders in the virtual assets sector are required by the Order to comply with the pre-launch requirements set out in the regulatory sandbox for virtual assets. The sandbox aims to assess the regulatory implications of every virtual asset/service with respect to monetary sovereignty, financial stability, market integrity, consumer protection, financial inclusion, and revenue administration before they are launched to the general public.



03

Fiscal Policy Update:

In view of the proposed tax policy aimed at operationalising Nigeria's tax laws as they relate to virtual assets, stakeholders should review their fiscal policies to ensure compliance with relevant tax laws as it relate to their products/services.

What This Means in Practice

Move from reactive compliance to *activity-based readiness*.

Map product functions against agency mandates (CBN / SEC / NRS / NFIU).

Prepare sandbox submission dossiers covering the six sandbox dimensions.

Refresh fiscal, AML, and consumer-protection policies for the NRS tax regime.

Conclusion

The issuance of the executive order marks a significant step towards establishing a coordinated and coherent regulatory framework for Nigeria's virtual asset ecosystem. By creating the Virtual Asset Council and the Virtual Asset Office, it addresses regulatory fragmentation while preserving the statutory mandates of existing agencies. The Order also introduces an activity-based regulatory approach, supported by a regulatory sandbox, a dedicated tax policy, and a forthcoming Virtual Assets White Paper to guide the sector's long-term development.

Its significance lies not in creating a new regulator but in fostering regulatory certainty, enhancing inter-agency collaboration, strengthening consumer protection, and addressing financial crime risks, all while supporting responsible innovation. As one of the world's leading digital asset markets, Nigeria's ability to effectively implement this coordinated framework will be instrumental in promoting investor confidence, safeguarding the financial system, and positioning the country as a leading hub for digital asset regulation and innovation in not just Africa but globally.

Four Intended Outcomes

01

Regulatory Certainty

Clear allocation of oversight across CBN, SEC, and NRS mandates.

02

Inter-Agency Collaboration

Structured information sharing via the Virtual Asset Office.

03

Consumer Protection

Sandbox-tested launches; safeguards before public release.

04

Responsible Innovation

A framework that encourages growth while managing crime risks.

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Endnotes

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3. Chainalysis, "The 2024 Global Adoption Index: Central & Southern Asia and Oceania (CSAO) Region Leads the World in Terms of Global Cryptocurrency Adoption" <https://www.chainalysis.com/blog/2024-global-crypto-adoption-index/> accessed July 20, 2026.
4. Axel Schimmelpfennig and Bo Zhao, "Stablecoins in Nigeria: A Growing Cross-Border Channel" (International Monetary Fund, June 16, 2026) < <https://www.imf.org/en/news/articles/2026/06/16/stablecoins-in-nigeria> > accessed July 20, 2026.
5. Ibid.
6. Ibid



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