

# Commentary: Key Highlights & Potential Impact of the Proposed Nigerian Fintech Regulatory Commission Bill

OALP Technology, Innovation and Fintech Newsletter

One of the notable occurrences in Nigeria's financial technology (**Fintech**) landscape in 2025, was the House of Representatives' approval of the Nigerian Fintech Regulatory Commission Bill 2025 (the **Bill**) for a second reading<sup>1</sup>. The Bill seeks to establish a unified regulatory framework for Fintech companies in Nigeria, a reform that could significantly reshape the existing legal, regulatory and operational architecture of the sector if eventually enacted into law. Accordingly, in this newsletter, we examine the key provisions of the Bill while considering their potential implications and structural considerations for industry stakeholders.

## ESTABLISHMENT OF NEW REGULATORY BODIES

Central to the Bill is the proposed establishment of the Nigerian Fintech Regulatory Commission (**NFRC**) as the sole regulatory authority for the Fintech sector in Nigeria.<sup>2</sup> The NFRC will be responsible for licensing, regulating, and supervising the deployment of financial technologies or applications used to deliver financial services through digital devices.<sup>3</sup> Amongst other matters, it is expected that the NFRC will be responsible for: (x) ensuring Fintech operators operate using the most efficient and accurate billing system; (y) developing and monitoring performance standards relating to the quality of Fintech services and facilities; (z) prescribing and enforcing technical specifications and standards for importation and use of Fintech equipment in Nigeria; and (xx) promoting consumer protection and complaints resolution

within Nigeria.<sup>4</sup>

Quite apart from the NFRC, the Bill seeks to establish a National Fintech Management Council (the **NFM Council**) with the Minister of Finance (**Minister**) at the helm of the NFM Council to support **external** Fintech governance and coordination.<sup>8</sup> The NFM Council, which will be comprised of representatives from different federal agencies and private sector bodies<sup>6</sup>, will be responsible for supporting and advising the Minister on international policy formulation as it relates to the Fintech sector.

The Minister is required to respect and preserve the regulatory independence of the NFRC when issuing policy directives or engaging with the NFRC.<sup>7</sup>

The proposed centralised regulatory regime has the potential to ease the compliance burden currently faced by Fintech operators. If implemented effectively, consolidating supervision with the NFRC may reduce the likelihood of regulatory gaps and provide investors with clearer visibility into Nigeria's regulatory landscape.

It may also strengthen operational performance and accountability by creating a single, dedicated channel for complaints and dispute resolution.

However, despite the anticipated benefits, the Bill does not clarify how the NFRC would assume the specialised statutory mandates exercised by regulators such as the Central Bank of Nigeria and the Securities and Exchange Commission.

1. Muktar Oladunmade, 'Nigeria moves to create single powerful regulator for fintechs with proposed bill' (techcabal, 28 October 2025) <https://techcabal.com/2025/10/28/nigeria-single-fintech-regulator-bill-nfrc/> accessed 25 January 2026.

2. Section 5(1) of the Bill.

3. Section 122 of the Bill defines 'fintech'.

4. Section 4 of the Bill.

5. Section 26 of the Bill.

6. (x) Central Bank of Nigeria (CBN); (y) Federal Ministry of Science and Technology; (z) Federal Ministry of Communications; (xx) Federal Inland Revenue Service (FIRS); (yy) Nigerian Communications NFRC (NCC); (zz) Securities and Exchange NFRC (SEC); (xxx) National Information Technology Development Agency (NITDA); (yyy) Nigeria Data Protection NFRC (NDPC); (zzz) National Office of Technology Acquisition and Promotion (NOTAP); (xxxx) NFRC (serves as Council Secretary); and (yyyy) President of the Fintech Association of Nigeria (serves as Liaison Officer).

7. Section 25 of the Bill.

These institutions play a critical role in maintaining financial stability and market integrity, and it remains uncertain how these core functions would be preserved within the contemplated centralised regulatory structure. In practical terms, we envisage the NFRC may still rely on continuous collaboration with these financial services agencies due to their expertise and statutory responsibilities, which may ultimately reintroduce the multi regulator oversight that the Bill seeks to eliminate.

Furthermore, while the involvement of the Minister is important, the Bill does not sufficiently consider the ministries responsible for supervising the digital infrastructure that enables Fintech operations. The absence of this alignment may create operational gaps that affect regulatory clarity and hinder effective implementation.

### **NEW LICENCE CATEGORISATION FOR FINTECH OPERATORS**

The Bill contemplates the establishment of a dual licensing regime known as the Individual Licence and Class Licence. The NFRC will determine the services that fall under each licence category or those exempted from licensing.<sup>8</sup> However, in determining the services that fall under each category, the NFRC shall ensure that previous holders of licences for such services as at the date of such determination are not subject to any disadvantage.<sup>9</sup> Operating a fintech system or providing a fintech service in Nigeria without a valid Individual or Class licence, unless exempted under regulations issued by the NFRC, will be punishable by a fine or imprisonment.<sup>10</sup>

Unlike the prevailing fragmented approach of sectoral regulators issuing licenses individually to fintech operators, the NFRC will assume the sole responsibility of granting and renewing Fintech licences, as well as monitoring and enforcing compliance with license terms and conditions by licensees. In this regard, the NFRC will determine the eligibility criteria and publish licensing processes and the procedures for obtaining each licensing category, which may involve auctions, tenders, competitive bidding, etc.<sup>11</sup>

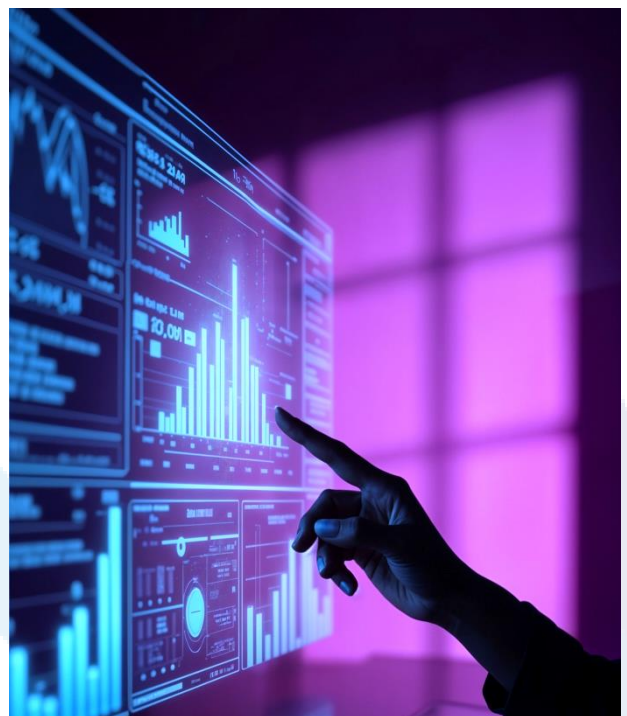
It is important to note that an implication of this new licence categorisation is the implied expansion of the class of entities required to obtain licence from the NFRC due to the expansive definition of "Fintech"<sup>12</sup> in the Bill. For example, Fintech operators that previously relied on partnership-based models may be required to obtain a licence in their own right,

notwithstanding the existence of such partnerships.

Further, for administrative purposes, the NFRC is required to maintain a separate register of all Individual and Class Licences granted which would also include other information such as the special or additional licence conditions, licence variations or revocations, notices of surrender, notices of suspension or cancellation, and approval of licence transfers.<sup>13</sup>

### **POWER OF THE NFRC TO MAKE REGULATIONS AND GUIDELINES**

The Bill grants the NFRC the authority to issue regulations and guidelines essential for the effective implementation of its provisions, covering areas such as universal service obligations related to consumer affairs, licensing, permits, authorisations and assignments, as well as fees, charges, rates, and fines.<sup>14</sup> However, before issuing any regulation, the NFRC has an obligation to conduct an inquiry on the subject matter of the proposed regulation, and the findings of the inquiry should be considered when issuing any such regulation.<sup>15</sup> This obligation to conduct an inquiry is however discretionary in the instance of issuing a guideline.<sup>16</sup>



8. Section 32(1)(2) of the Bill

9. Section 32(3) of the Bill.

10. Section 31(2) of the Bill. These may include a fine not less than the applicable initial licence fee; a fine up to 10 times the initial licence fee; up to 1 year imprisonment; or both fine and imprisonment, and upon conviction, all equipment and facilities used for the unlicensed service are forfeited to the NFRC.

11. Section 33 of the Bill

12. Section 122 of the Bill defines "Fintech" as financial technologies or applications used to deliver financial services through digital devices.

13. Section 48(1)(2) & 52(a) of the Bill

14. Section 70 of the Bill

15. Section 71(1)(2) of the Bill

16. Section 71(3) of the Bill.

## OVERSIGHT ON COMMERCIAL UNDERPINNINGS OF FINTECH SECTOR

The Bill empowers the NFRC to register agreements in order to ensure that contracts between entities in the Fintech industry are transparent, consistent with the objectives of the Act, and compliant with regulatory requirements.<sup>17</sup> The Bill establishes a strict tariff-approval requirement mandating Individual Licensees to obtain the NFRC’s consent before imposing or modifying any tariff rates.<sup>18</sup> These approved tariffs are to be published by Individual Licensees and they are required to adhere to pricing principles such as fairness, non-discrimination and cost-orientation.<sup>19</sup>

Effectively, the NFRC is empowered to intervene directly in setting tariff rates for non-competitive services provided by Individual Licensees where public interest or good cause so demands.<sup>20</sup> These provisions are designed to protect consumers by enabling the NFRC to effectively monitor industry arrangements, deter anti-competitive practices, and promote accountability. However, the mandatory registration of agreements may have the effect of slowing the pace of contracting which may delay transactions and impede operational efficiency within the Fintech sector.



## OVERSIGHT ON COMPETITION PRACTICES

The NFRC will have authority over competition matters in the Nigerian Fintech market.<sup>22</sup> As such, the NFRC may, applying its test of “dominant position”, determine that a licensee is in a dominant position in any aspect of the Nigerian fintech market and may so order such licensee to cease anti-competitive conduct and to implement appropriate remedies.<sup>23</sup> To tighten up the gap on anti-competitive practices, the Bill prohibits a licensee from executing any agreement which provides for rate fixing, market sharing,

boycott of another competitor, and boycott of a supplier of apparatus or equipment or boycott of any other licensee.<sup>24</sup> Furthermore, the NFRC may designate an industry body to develop consumer codes and may also require licensees to prepare their own individual codes, all of which must be submitted annually to the NFRC for ratification and approval.<sup>25</sup>

Despite the exclusive authority vested on the NFRC by the Bill over competition matters in the Fintech market, we are of the view that the NFRC, in exercising this power, may be required to collaborate with the Federal Competition and Consumer Protection Commission (**FCCPC**). Otherwise, there could be overlaps between the powers of the NFRC and the FCCPC in the light of the FCCPC’s Act and Regulations, particularly, the Regulation on Digital Lending.<sup>26</sup>

## CONCLUSION

A holistic review of the Bill reveals several promising aspects, one of which is the creation of a structured licensing and supervision system. Fintech operators would benefit from a centralised “one-stop shop” for licensing and regulatory compliance. This would significantly reduce the time, operational complexity, and cost of market entry and expansion while assuring predictability and uniform standards for fintech operators. Nonetheless, given that Fintech services cut across diverse fields such as securities, banking, insurance, payments, lending, transitioning to the NFRC the powers currently exercised by various sectoral regulators, like the CBN, SEC, and NDPC, in the Fintech space will be complex and require careful legislative effort to avoid overlap of powers. Overall, a centralised regulatory regime is expected to deliver immense benefits in efficiency and cost reduction. The lawmakers should strive to integrate the relevant expertise of the current sectoral regulators into the NFRC’s composition while creating a clear separation of powers.

17. Section 79 of the Bill.

18. Section 108(1)(2) of the Bill.

19. Section 108(3)(4) of the Bill.

20. Section 109 of the Bill.

21. Section 110 of the Bill.

22. Section 90 of the Bill.

23. Section 92 of the Bill.

24. Section 91 of the Bill.

25. Section 106 of the Bill.

26. The FCCPC’s Digital, Electronic, Online, or Non-Traditional Consumer Lending Regulations, 2025.

FOR MORE INFORMATION, PLEASE CONTACT :



**Damilola Salawu**

Partner

[dsalawu@olaniwunajayi.net](mailto:dsalawu@olaniwunajayi.net)



**Hopewell Nwachukwu**

Senior Associate

[hnwachukwu@olaniwunajayi.net](mailto:hnwachukwu@olaniwunajayi.net)



**Ikenna Okpalaeze**

Associate

[iookpalaeze@olaniwunajayi.net](mailto:iookpalaeze@olaniwunajayi.net)