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48 IMTOS

APPROVED BY THE CBN FOR DIASPORA REMITTANCES

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With the rise in investment and commerce in Nigeria, and considering Nigeria's huge diaspora remittance market, which was reportedly circa \$24 Billion in 2020, the Central Bank of Nigeria (**"CBN"**) on March 22, 2021, published a list of 48 International Money Transfer Operators (**"IMTOs"**) licensed to receive foreign exchange remittances from Diaspora Nigerians.

This is in line with Regulation 2 of the Guidelines on International Money Transfer Services in Nigeria 2014, which provides that no person or institution shall provide international money transfer services unless such person/institution has been duly licensed by the CBN.

The CBN has also directed that such diaspora remittances must be received by beneficiaries in foreign currency only and disbursed in cash over the counter and/or through transfers to domiciliary accounts of recipients, thereby creating a linear remittance arrangement. Accordingly, IMTOs are NOT permitted, under any circumstances, to disburse diaspora remittances in Naira, be it through settlement accounts or via any other payment platforms within the Nigerian financial system.

While this is pursuant to the CBN's long-term goal of setting up a structure that accounts for foreign exchange inflows, it is hoped that this move will level the playing field in the money transfer space and recalibrate a competitive market for IMTOs, thus serving the apex regulator's secondary goal to ensure fairness in a liberalized market and keep service providers spurred up and committed to integrating global payment systems that are easily accessible in the market.
