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CBN RELEASES GUIDELINES FOR THE E-NAIRA

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The Central Bank of Nigeria (CBN) recently released the Regulatory Guidelines on the e-Naira (the “Guidelines”). The Guidelines come about a month after the CBN released draft guidelines to Nigerian banks, which detailed the design and the operational module of the e-Naira. The Guidelines provide the operational framework for the e-Naira, Nigeria’s Central Bank Digital Currency (CBDC).

By the Guidelines, the e-Naira will “complement traditional Naira as a less costly, more efficient, generally acceptable, safe and trusted means of payment”. Hence, the e-Naira will have the same value as the traditional Naira with the added advantage that the e-Naira can be exchanged directly with the CBDCs of other countries.

The Guidelines provide that the CBN will have the sole responsibility to mint and issue the e-Naira through its Digital Currency Management System (DCMS). The CBN will have a stock e-Naira wallet and warehouse all e-Naira (just like the traditional Naira). While individuals will be able to use, hold and manage their e-Naira in e-Naira wallets, financial Institutions (FIs) will have treasury e-Naira wallets through which they can hold and manage e-Naira.

FIs will use the FI Suite of the e-Naira to interface with the CBN and manage e-Naira holdings, requests and redemptions from the CBN. The charges for e-Naira transactions will be in line with the existing Guide to Charges by Banks, Other Financial Institutions and Non-Bank Financial Institutions. In their operations, FIs are also expected to comply with all relevant laws including anti-money laundering regulations.
