

TIT-BITS

Vol. 91

# CBN APPROVES GUIDELINES ON CONTACTLESS PAYMENTS

TOLG

CENTRAL BANK OF NIGERIA

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The Nation's apex bank the Central Bank of Nigeria (the "CBN") recently approved the Guidelines for Contactless Payments in Nigeria (the "Guidelines"). Contactless payment involves the completion of a financial transaction without physical contact between the payer and the acquiring devices. The Guidelines provide a framework for the operation of contactless payments in the country.

The Guidelines outline the responsibilities of stakeholders involved in contactless payments while ensuring that these stakeholders implement risk management processes and measures in accordance with international standards. In addition, all contactless devices are to be configured to work within a maximum of 2 cm from the terminal to manage data interception-related risks. Furthermore, the transaction limits for contactless payments through accounts/wallets are N15,000.00 for a single transaction limit and N50,000.00 for a daily cumulative transaction limit. For transactions above these limits, the payer is mandated to adhere to stricter identification and verification requirements.

Contactless payment instruments are to display symbols, images, and graphics indicating contactless payment including displaying the term 'contactless payment' in Braille. Additionally, disputes arising from contactless payments shall be resolved through the industry dispute resolution system, and failure to resolve such, the dispute will be escalated to the CBN in line with the CBN dispute resolution guidelines. Participants in the contactless ecosystem are mandated to prepare periodic reports to the CBN in the prescribed formats and report any incidence of fraud, breaches, and other security events.

The establishment of the Guidelines has advanced the country's financial technological space to meet global payment standards.

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