

COMPLIANCE OBLIGATION UNDER THE GUIDELINES FOR THE OPERATIONS OF AGENT BANKING IN NIGERIA

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Introduction

On the 6th of October, 2025, the Central Bank of Nigeria (CBN) issued the Guidelines for the Operations of Agent Banking in Nigeria (“The Guidelines”) pursuant to Section 2(d) of the Central Bank of Nigeria Act, 2007, and Section 30(1) of the Banks and Other Financial Institutions Act (BOFIA) 2020.

The new Guidelines consolidate all existing policies on Agent banking, including the Guidelines for the Regulation of Agent Banking and Agent Banking Relationships in Nigeria, 2013 and the Regulatory Framework for Licensing Super Agents in Nigeria 2015 into a single comprehensive document.

While the Guidelines took effect immediately upon release, the full implementation begins on 1st April 2026. The aim is to strengthen financial inclusion, ensure responsible market conduct, and enhance service quality across the agent banking ecosystem.

This article highlights the key objectives, stakeholders, and some of the compliance obligations introduced under the new Guidelines.

Objectives & Scope of the Guidelines

The objective of this Guidelines is to establish minimum standards for operating Agent Banking in Nigeria, enhance Agent Banking in order to provide financial services and promote financial inclusion, encourage responsible market conduct and improve service quality in Agent Banking operations.¹

This Guidelines apply to all CBN licensed financial institutions authorised to engage in Agent Banking activities. This scope of coverage is however subject to periodic review by the CBN.²

The key stakeholders include:

- i. **Principals:** Deposit-taking financial institution duly licensed by the CBN;
- ii. **Super Agents:** Incorporated entities licensed by the CBN to solely carry out the permissible activity of recruiting, aggregating and managing Agents;
- iii **Agents:** Individuals or eligible non-individual(entities) contracted by a Principal directly or through a Super Agent to provide part or all the services permitted by the Guidelines;

¹ Section 1.1 of the Guidelines for the Operation of Agent Banking in Nigeria

² Section 12, *Ibid.*

iv. Payment Terminal Service, the CBN and any other stakeholder as may be approved by the CBN.

Key Obligations and Compliance under Guidelines

1. Agent Qualification and Documentation:

The Guidelines mandate any person/entity who is to be appointed as an Agent of a Principal to meet certain eligibility conditions, some of which include:

- a. Demonstrate the ability to perform all Agent Banking services specified and permissible under the Guidelines³
- b. Provide all mandatory information and satisfy the requirements specified in Section 8.0 of the Guidelines.
- c. Obtain authorisation from relevant authority, where such approval is required prior to being appointed an Agent.
- d. Must not be less than 18 and must be of sound mind (applicable to an individual Agent).⁴

The Guidelines further provide for the category of persons/entities disqualified from being appointed as an Agent, this include those with a non-performing loan with any financial institution; declared or an undischarged bankrupt; convicted of felony, fraud, dishonesty and related offences; BVN under watch-list; blacklisted; violates the Guidelines or contravenes any law or regulation in Nigeria).⁵

In addition to the eligibility conditions, the Principal or Super Agent is required to request for certain information from agent prior to appointment.⁶

2. Due Diligence Requirement:

This Guidelines also provide for the minimum due diligence exercise all Principals or Super Agents must conduct on persons/entities prior to their appointment as Agents.

This includes the appraisal or verification of the background and professional suitability of the Agent or business operations of a non-individual Agent including promoters, directors, partners and management (as applicable), credit history or information obtained from a credit bureau or other sources, any criminal record including fraud or dishonesty, sources of funds, business address or location provided by the Agent, pre-existing relationships with the Principal that may be detrimental to the Agent banking relationship etc.⁷

3. Risk Assessment:

The Guidelines mandate Principals to conduct a comprehensive risk assessment exercise before appointment and onboarding of Agents. These include but not limited to, identifying potential risks, analysing and evaluating risks, developing risk management strategies, determining control measures, assessing levels of safety and compliance in accordance with extant laws and regulations etc.⁸

In doing this, the Principal is to establish clear and well documented risk identification assessment, mitigation and monitoring policies specific to Agent banking,⁹ and consider Know Your Customer (KYC) and Customer Due Diligence (CDD) requirements, daily transaction limits, minimum IT security requirements and authentication of each customer's transaction.¹⁰

In addition to the above, the Principal, based on the due diligence assessment conducted, set transactional limit commensurate with the assessment provided for in Section 11 of the Guidelines and also ensure that proper monitoring processes exist for Agent banking operations and compliance with regulations.¹¹

³ Section 3.1, Ibid.

⁴ Section 7.1, Ibid.

⁵ Section 7.2, Ibid

⁶ Section 8.1, Ibid.

4. Onboarding:

Following a successful risk assessment exercise, Agents may be onboarded either directly by the Principal or through a Super-Agent following the steps provided in the Guidelines.¹² However, the Principal or Super Agent is required to organize training sessions prior to onboarding which afford Agents practical experience, expected to be conducted at least bi-yearly or as may be required by the CBN. The training should at minimum cover the responsibilities and obligations of the Agent, KYC regulations and customer registration requirements, transaction processes, prohibition of transaction on behalf of customers and so on.¹³

5. AML/CFT/CPF Compliance:

The Guidelines mandate Principals to train Agents on reporting fraudulent transactions,¹⁴ compliance with the CBN regulations and policies on AML/CFT/CPF in carrying out their banking operations.¹⁵ Super Agents are likewise mandated to provide AML/CFT/CPF trainings for proper identification of customers, confidentiality of information, record keeping, and financial education of Agents periodically.¹⁶ While Principals and Super Agents are jointly required to maintain a list of Agents in their network that have been blacklisted, watch-listed, or found guilty or convicted of any AML/CFT/CPF breaches or offences.¹⁷

Principals and their Agents are to comply with the requirements of the Money Laundering (Prevention and Prohibition) Act, 2022, Financing Terrorism (Prevention and Prohibition) Act 2022 and other relevant AML/CFT/CPF regulations.¹⁸

6. Operational and Transactional Limit:

By these Guidelines, Principals are mandated to ensure that the transactional limits for Agent banking are within the regulatory limits stipulated by the Guidelines, which is set at N1,200,000.00 for agent’s daily cumula-

-tive cash-out, with the CBN reserving the powers to vary or amend the limits.¹⁹

7. Rendition of Returns:

The Guidelines obligate Principals to render monthly returns to the CBN not later than the 10th day of each following month in the manner specified by the Guidelines.²⁰

SANCTIONS AND PENALTIES FOR NON-COMPLIANCE WITH THE GUIDELINES

The Guidelines empower the CBN to invoke sanctions against any defaulting participants in the Agent banking system.²¹ These sanctions include:

- i. Suspension or prohibition from further engagement in any Agent banking business;
- ii. Prohibition from onboarding new Agents;
- iii. Suspension/Removal of Board, Management and officers of the Principal;
- iv. Blacklisting of entities and their Board, Management and officers
- v. Revocation of Agent banking Approval or No Objection; or
- vi. Revocation of CBN-issued operational licence.²²

In addition to the above sanctions, the Guidelines also provide for administrative penalties applicable to each offence (payment of fines, removal or suspension)²³ and further empowers the CBN to prescribe offences where appropriate under the Agency banking operations as well as their penalties.²⁴

¹¹ Section 8.3.5 and 8.3.6, *Ibid.*
¹² Section 8.4.1, *Ibid.*
¹³ Section 8.4.2, *Ibid.*
¹⁴ Section 8.4.2 (ii) (f), *Ibid.*
¹⁵ Section 9.1.2 (viii), *Ibid.*
¹⁶ Section 9.3.8 (ii), *Ibid.*
¹⁷ Section 9.3.9, *Ibid.*
¹⁸ Section 10.8, *Ibid.*

Conclusion:

The issuance of this unified Guidelines provide much-needed clarity for stakeholders operating within the agent banking ecosystem. By consolidating previously fragmented regulations into a single comprehensive framework, the CBN has streamlined compliance expectations while simultaneously imposing more obligations and heightened responsibilities on Principals, Super Agents, and Agents, particularly in the areas of due diligence, AML/CFT/CPF compliance, risk management, and reporting, they equally set out clear penalties for non-compliance. As full implementation approaches on 1st April 2026, stakeholders must proactively assess their readiness, strengthen internal controls, and ensure strict adherence to avoid regulatory sanctions.

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¹⁹ Section 11, Ibid.
²⁰Section 12.1, Ibid.
²¹ Section 14.1, Ibid.
²² Section 14.2, Ibid.
²³Section 14.2 and Appendix (1), Ibid.
²⁴Section 14.4, Ibid.