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**CIRCULAR TO:**

All Deposit Money Banks (DMBs),  
Microfinance Banks (MFBs),  
Mobile Money Operators (MMOs),  
Switching and Processing Companies,  
Payment Terminal Service Providers (PTSPs),  
Payment Solution Service Providers (PSSPs),  
Super Agents,  
Other Licensed Operators in the Nigerian Payments Ecosystem.

**INTRODUCTION OF MARKET STRUCTURE REQUIREMENTS, DATA LOCALISATION, ULTIMATE BENEFICIAL OWNERSHIP DISCLOSURE, AND SYSTEMIC OVERSIGHT MEASURES IN THE NIGERIA PAYMENTS SYSTEM**

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The Central Bank of Nigeria (CBN) has observed significant structural developments within the Nigerian Payments ecosystem, characterised by rapid growth in electronic payments, increasing adoption of digital financial services, and the emergence of operators with substantial market presence across key payment activities.

While these developments have supported innovation, efficiency, and financial inclusion, they have also raised concerns relating to market concentration, operational dependence, systemic importance, transparency of ownership structures, and the localisation of critical payment data.

Accordingly, the CBN hereby issues this Circular to improve transparency through beneficial ownership disclosure, address concentration risk, promote a fair, competitive, and resilient payments ecosystem. The Circular further aims to safeguard the integrity of the Nigerian payments system and ensure the localisation of payments transaction data within Nigeria.

In this regard,

1. All Deposit Money Banks, Payment Service Providers and Other Financial Institutions with digital payments footprints shall disclose the Ultimate Beneficial Ownership (UBO) of significant shareholders in accordance with applicable extant laws and regulations including Anti-Money Laundering, Combating the Financing of Terrorism and Counter Proliferation Financing (AML/CFT/CPF) regulations. Institutions shall maintain accurate

and up-to-date UBO records and make such information available to the CBN upon request.

2. All Financial Institutions and participants facilitating payments within Nigeria shall ensure that payments transaction data generated within Nigeria are stored and managed in Nigeria in accordance with data protection laws and regulations applicable in Nigeria. Accordingly, all affected Financial Institutions shall fully comply with this requirement effective **January 1, 2027**.
3. Market Structure Requirements:

For the purpose of this Circular, the definitions of card issuing and merchant acquiring activities shall be as prescribed in the extant Guidelines on the Operations of Electronic Payment Channels in Nigeria.

- i. Any licensed financial institution engaged in card issuing activities, whether individually or part of a group of related entities, that holds more than twenty-five percent (25%) market share in card issuing within any rolling twelve-month period shall not hold more than fifteen percent (15%) market share in merchant acquiring activities during the same period.
- ii. Any licensed Financial Institution engaged in merchant acquiring activities, whether individually or as part of group of related entities, that holds more than twenty-five percent (25%) market share in merchants acquiring activities within any rolling twelve-month period shall not hold more than fifteen percent (15%) market share in card issuing activities during the same period.
- iii. All regulated entities shall submit monthly market share returns in accordance with prescribed templates and timelines.
- iv. All affected Financial Institutions are required to take necessary measures to achieve full compliance not later than **December 31, 2026**.

#### **COMPLIANCE AND ENFORCEMENT**

The CBN shall monitor compliance with the provisions of this Circular and may, where necessary, impose supervisory sanctions in accordance with applicable laws, regulations, and guidelines.

Thank you.



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