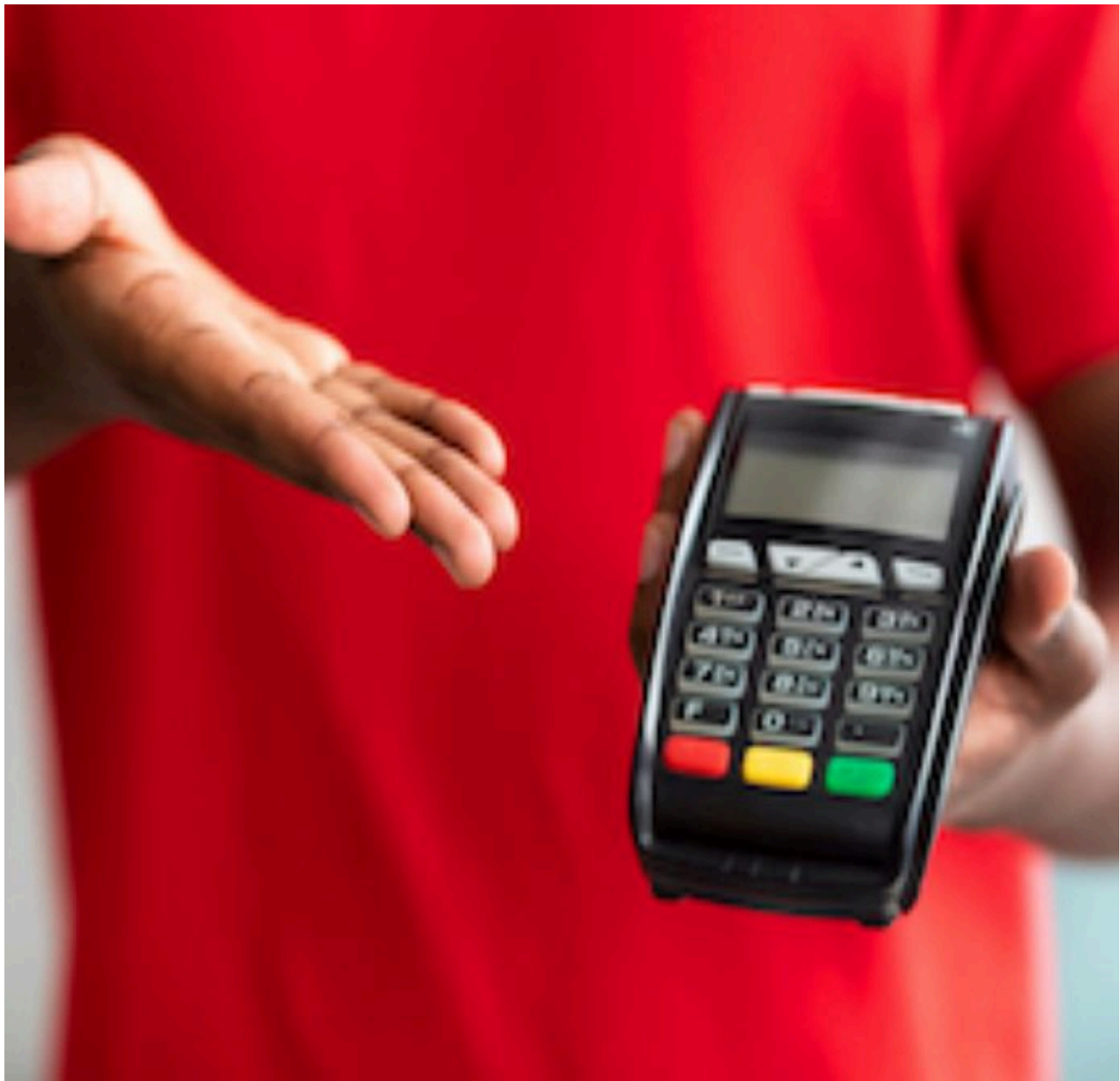


AN ANALYSIS OF THE GUIDELINES FOR OPERATIONS OF AGENT BANKING IN NIGERIA

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1.0. INTRODUCTION

On 6th October 2025, the Central Bank of Nigeria (CBN) issued the Guidelines for the Operations of Agent Banking in Nigeria (“the Guidelines”), set to take effect from 1st April 2026. This marks a major step in strengthening Nigeria’s financial inclusion framework and updating the rules that govern how financial services reach the unbanked population.

Agent banking simply refers to the delivery of financial services by a third party to customers on behalf of a licensed deposit-taking financial institution.³ It allows banks and other financial institutions to extend their services to people in rural or underserved areas without having to set up physical branches.⁵

The CBN first introduced agent banking regulations in 2013, and followed up with a framework for licensing super agents in 2015. Over the years, these initiatives have expanded access to financial services and encouraged digital finance adoption. However, with rapid technological advancements and the evolving financial sector, the earlier frameworks became outdated and it became necessary for the CBN to update the existing regulatory framework.

In line with its mandate under the CBN Act and the Banks and Other Financial Institutions Act (BOFIA) to promote a sound, safe, and stable financial system, the CBN developed the new Guidelines, which supersede all other CBN Guidelines on agent banking and agent banking relationship.⁴ Further, it represents the most comprehensive regulatory overhaul since the introduction of agent banking in 2013.⁵



1 Aderonke Alex-Adedipe and Mark Imonite, ‘Regulatory Update: Key Legal and Compliance Changes in the CBN Guidelines for the Operations of Agent Banking in Nigeria’ (Pavestones Legal, 14 October 2025) <https://www.mondaq.com/nigeria/financial-services/1691250/regulatory-update-key-legal-and-compliance-changes-in-the-cbn-guidelines-for-the-operations-of-agent-banking-in-nigeria> accessed 15 October 2025.

2 Temitayo Jaiyeola, ‘Nigeria’s 2 Million Banking Agents Must Choose Between Moniepoint, Opay, PalmPay by April 2026’ (TechCabal, 7 October 2025) <https://techcabal.com/2025/10/07/cbn-bans-agents-owning-multiple-moniepoint-opay-palmpay-terminals/> accessed 16 October 2025.

3 Central Bank of Nigeria, Guidelines for the Operations of Agent Banking in Nigeria (issued 6 October 2025) paragraph 1.0.

4 Section 1.1. of the Guidelines

5 Supra note 2

5 Section 1.0. of the Guidelines

The new Guidelines aim to set minimum standards for agent banking operations, strengthen consumer protection, promote responsible market conduct, and enhance the efficiency of financial service delivery. They apply to all financial institutions licensed by the CBN to carry out agent banking⁶ and identify the participants in the ecosystem: the Principal (licensed financial institution); (ii) the Super-Agent (a company licensed to recruit, aggregate and manage agents)⁷; and the Agent (an individual or organization providing approved financial services) etc.

This paper analyses the key provisions of the Guidelines and their implications for financial institutions and agents.

ANALYSIS OF KEY PROVISIONS OF THE GUIDELINES

1. Mode and Conditions for Appointment of Agents⁸

Under the Guidelines, agents may be appointed either directly or indirectly. A direct appointment occurs when a licensed financial institution, referred to as the Principal, engages the agent itself. An indirect appointment, on the other hand, takes place when a Super-Agent duly licensed by the Central Bank of Nigeria (“CBN”) appoints agents on behalf of the Principal. The Guidelines place no limit on the number of agents a Principal may appoint, provided that all appointments meet the regulatory requirements and the prescribed due diligence processes of the CBN.

Before anyone can act as an agent, certain eligibility conditions must be satisfied. An individual agent must be at least 18 years old and of sound mind, while a non-individual agent must demonstrate the capacity to perform the permitted activities and provide all mandatory information required under Section 8 of the Guidelines. Such information includes:

- a.** Name and particulars of the proposed agent;
- b.** Certificate of incorporation or business name registration with the Corporate Affairs Commission (CAC);
- c.** Physical address of the agent’s location;
- d.** Evidence of funds available for agent operations;
- e.** Tax clearance certificate for the past three years; and
- f.** Particulars and BVN of directors (for non-individual agents), as well as disclosure of any prior agent banking relationships.

⁶ Section 3.2 of the Guidelines

⁷ Section 2.1, 2.2, 2.3 and 2.4 of the Guidelines

⁸ Section 7 of the Guidelines

The Guidelines also specify persons who are disqualified from acting as agents. These include individuals with non-performing loans in any financial institution, persons declared bankrupt, those convicted of offences involving fraud, dishonesty, or felony, and anyone whose BVN is blacklisted or listed on a watchlist.⁹

2. Classification and Responsibilities of Agents

The Guidelines divided agents into two categories that is individual and non-individual agent. An individual agent refers to a person who is contracted by a principal to perform permissible agent banking activities. A non-individual agent, on the other hand, is an incorporated entity or business enterprise that engages in commercial activities and has been appointed to provide agent banking services on behalf of a Principal.¹⁰

Agents, regardless of their classification, have key responsibilities under the Guidelines and are required to safeguard all data and information obtained in the course of their operations and to submit such information promptly to the Principal at agreed intervals. Agents must also ensure the safety and proper use of platforms or devices provided by the Principal, maintain accurate records of all transactions, and uphold strict confidentiality and data privacy standards. These obligations are designed to promote trust, security, and accountability in the agent banking system.¹¹

3. Classification of Agent Banking Relationship

The Guidelines define an agent banking relationship as a formal arrangement between a Principal and an Agent, established through a duly executed agent banking agreement, under which the Agent is authorized to provide specified banking services on behalf of the Principal.¹² The Guidelines further outline the structure and conditions governing such relationships. Notably, each Agent is required to maintain an exclusive relationship with only one Principal and one Super-Agent at any given time. This means an Agent cannot simultaneously serve multiple Principals or Super-Agents.

However, a Super-Agent may be contracted by more than one Principal. In such cases, the Super-Agent must execute a separate agency agreement with each Principal to clearly define the scope of engagement and responsibilities.¹³

Additionally, before entering any agent banking relationship, every Principal or Super-Agent must obtain the approval of its Board of Directors. This ensures proper governance oversight and compliance with the regulatory framework set out by the Central Bank of Nigeria (CBN).¹⁴

⁹ Section 7.2 of the Guidelines

¹⁰ Section 6.0 of the Guidelines

¹¹ Section 9.2 of the Guidelines

¹² Section 4.1 of the Guidelines

¹³ Section 4.4 of the Guidelines

4. Permissible and Non- Permissible Agent Banking

The guideline provides for permissible and non-permissible agent banking activities. Thus, the agents are permitted to provide basic financial services such as cash deposits and withdrawals within approved limits, bill payments, local funds transfers, balance inquiries, and mini bank statements via SMS or email. They may also assist customers with account opening forms, cheque book requests, and collection of bank correspondence on behalf of licensed financial institutions. However, certain activities are strictly prohibited, including Super Agents performing agent banking activities, agents engaging in full banking operations such as account opening, loan underwriting, investments or forex services, delegating their functions to others, or using automated machines as agents. The CBN may also declare other activities non-permissible as it deems fit.

5. Due Diligence and Risk Assessment by Principal¹⁵

Before appointing any agent, Principals or Super Agents must carry out thorough due diligence to ensure the suitability and integrity of the proposed agent. This process includes verifying the agent's background, credit history, and criminal record, as well as confirming the legitimacy of their source of funds. The principal is empowered to set transactional limits in line with that already stipulated in section 11 of the Guidelines.

6. Stakeholders in Agent Banking

The Guidelines identify three key stakeholders in the agent banking ecosystem: the Principal (banks and other licensed financial institutions), Super-Agents, and Agents (point-of-service operators). Each stakeholder has clearly defined roles and responsibilities aimed at ensuring the integrity, efficiency, and security of agent banking operations.¹⁶

The Principal, usually a licensed financial institution, bears full responsibility for the actions and omissions of its agents, even when such actions are not expressly authorized, as long as they relate to agent banking activities. The Principal must carry out enhanced due diligence before onboarding any agent, obtain necessary CBN approvals, and put in place policies for agent selection, monitoring, and supervision.

It must also ensure all POS terminals are card-neutral, provide a code of conduct to agents, and comply with anti-money laundering and data protection regulations. Other duties include setting transaction limits, conducting audits, maintaining consumer protection and dispute resolution mechanisms, and ensuring all agent locations meet safety and branding standards. Principals must also report agent relocations or closures to the CBN, submit regular returns, and ensure transactions are properly recorded and transmitted to the Nigeria Inter-Bank Settlement System (NIBSS).¹⁷

¹⁴ Section 4.6 of the Guidelines

¹⁵ Sections 8.2 and 8.3 of the Guidelines

¹⁶ Section 9 of the Guidelines

Agents, on the other hand, are responsible for securely handling customer data, maintaining transaction records, and protecting the devices used for banking operations. They must comply with transaction limits and follow the Principal's Code of Conduct and operational guidelines. Agents are also expected to ensure privacy during transactions, maintain proper business locations, and promptly report any suspicious activity or security incidents to their Principal.

Super Agents act as intermediaries between Principals and individual agents. Their primary duties include recruiting, aggregating, and supervising agents on behalf of Principals. They must monitor agents in real time using appropriate technology, conduct regular field visits and transaction reviews, and ensure proper branding of agent locations. Super Agents are also responsible for training agents on new products, pricing models, and compliance with anti-money laundering and counter-terrorism financing regulations. In addition, they must maintain and share a list of blacklisted or watch-listed agents involved in regulatory breaches or financial crimes.

Payment Terminal Service Aggregators (PTSAs)¹⁸ manage the technical infrastructure for agent banking. They are responsible for registering all POS terminals deployed to agents, enabling geo-location tracking, and integrating their systems with the CBN's Automated Regulatory Data Solutions (CARDS) for unique agent identification. PTSAs must also submit monthly transaction and registration reports to the CBN and ensure that terminals are properly monitored and compliant with CBN requirements.

CBN serves as the primary regulator and overseer of agent banking activities in the country. Its responsibilities include licensing and supervising financial institutions authorized to conduct agent banking, as well as issuing and updating guidelines and related regulations to ensure proper governance of the system. The CBN also monitors the activities of Principals and Super Agents to ensure compliance and supports the integration of PTSA, Terminal Management Systems (TMS) with the CBN's Automated Regulatory Data Solutions (CARDS) platform for effective oversight. In addition to these duties, the CBN has the authority to impose sanctions for any breaches of the Agent Banking Guidelines and maintains unrestricted access to the systems, documents, and premises of Principals and Super Agents for inspections, whether scheduled or unannounced. While Principals are primarily responsible for supervising their agents, the CBN retains the right to directly regulate, inspect, or request information from any agent or stakeholder involved in agent banking operations whenever it deems necessary.



7. Conditions for Agent Banking Operation

For agent banking operations to be validly conducted, certain conditions must be strictly complied with. These include maintaining dedicated agent accounts, publishing the list and locations of all agents on the principal's website,¹⁹ implementing robust consumer protection measures, and ensuring full compliance with Anti-Money Laundering, Counter Financing of Terrorism, and Counter Proliferation Financing (AML/CFT/CPF) requirements. Additionally, agents are prohibited from relocating or transferring their operations without the express approval of the principal. They must also comply with data and network security standards, and maintain the minimum Information and Communication Technology (ICT) requirements, among others.

8. Relocation²⁰

This marks one of the key introductions under the Guidelines. Principals are now required to publish an updated list of all their agents on their official websites²¹. Furthermore, no agent is permitted to relocate, transfer, or close its agent banking premises without prior notice to, and approval from, the principal. Any agent intending to relocate must submit a formal application at least thirty (30) days in advance, or within such period as may be agreed in the agent banking agreement. During the notice period, a relocation notice must be prominently displayed at the agent's business premises to inform clients. This development represents a pivotal shift in the regulation and supervision of agent banking operations in Nigeria.

9. Transaction Limits

The Guidelines also introduce clear transaction limits to curb misuse and enhance financial control. A customer is not permitted to carry out transactions exceeding ₦100,000 (**One Hundred Thousand Naira**) in a single day or ₦500,000 (**Five Hundred Thousand Naira**) in a week, while an agent is restricted to a maximum daily cash-out limit of ₦1,200,000.²² Principals are responsible for ensuring strict compliance with these limits.²³ This provision marks a major shift from previous practice, where no specific transaction caps existed for agent banking operations.

10. Principal's Returns to the CBN

Under the Guidelines, every Principal is required to submit monthly returns on its agent banking operations to the Central Bank of Nigeria (CBN). These returns must be rendered no later than the 10th day of the following month and must be duly signed by both the Managing Director/Chief Executive Officer (MD/CEO) and the Chief Compliance Officer of the institution. Failure to submit the required returns within the stipulated timeframe will be treated as a regulatory infraction, attracting appropriate sanctions in line with the CBN's supervisory powers. Timely and accurate reporting is therefore essential to maintain transparency and ensure effective monitoring of agent banking activities.

¹⁹ Section 10.1 of the Guidelines

²⁰ Section 10.3 of the Guidelines

²¹ Section 10.2 of the Guidelines

²² Section 11.0 (ii and iii) of the Guidelines



11. Sanctions and penalties²⁴

The CBN has the authority to impose sanctions and penalties on any Principal that violates the provisions of the Guidelines. These sanctions may include prohibiting the onboarding of new agents, suspending or removing the Principal's board, management, or officers, and blacklisting offending entities and their directors. The industry has been given a six-month window to comply with the new regulations. This development is expected to reshape Nigeria's financial services distribution network and affect millions of daily cash transactions across both urban and rural areas.²⁵

Conclusion

The Guidelines mark a major step toward improving oversight, security, and consumer protection in the financial system and introduce clearer responsibilities for Principals, stricter compliance requirements, and practical measures such as transaction limits and relocation controls. If properly implemented, these Guidelines will enhance trust, reduce fraud, and strengthen financial inclusion across the country, ensuring that agent banking continues to serve as a safe and reliable channel for delivering financial services to Nigerians.

²³ Section 9 (ix) of the Guidelines

²⁴ Section 14.0 of the Guidelines

²⁵ Supra note 2

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