

Finance Regulatory Updates

August 2025

In this edition, we highlight recent directives issued by the Central Bank of Nigeria (the “CBN”) with significant impact on institutions in the financial services sector.

We provide a concise overview of the key updates and their practical implications for stakeholders.

Allocation of Terminal and Refineries to Pre-shipment Inspection Agents

On 28 March 2025, the CBN released a circular announcing a comprehensive review of terminal allocations for oil and gas inspectors. This directive restructured the distribution of terminals among Pre-shipment Inspection Agents (PIAs) and introduced new oversight responsibilities for Monitoring and Evaluation Agents (MEAs).

Building on the March directive, the CBN issued another circular dated 4 August 2025, designating the following PIAs to specific oil & gas terminals/refineries:

PIAs	Terminal
Dakee Engineering & Const. Ltd (Gas)	Bonny River Terminal (BRT)
Candid Oil Ltd.	Port Harcourt Refinery
Offshore Bulk Inspection Company Ltd.	Warri Refinery

Practically, Authorised Dealers will need to update their trade and foreign currency documentation checklists to ensure that only certificates issued by the allocated PIA are accepted for the listed terminals. They will also need to review all letters of credit and other trade finance instruments to reference the correct PIA. Exporters and commodity traders must also engage only the designated PIAs for these terminals to avoid the rejection of export documents by the Authorised Dealers.

Migration to ISO20022 Standard for Payment Messaging and Mandatory Geo-tagging of Payment Terminals

By a circular dated 25 August 2025, the CBN reaffirmed its commitment to modernising the payment infrastructure in the financial services sector by mandating the full migration to the ISO 20022 messaging standard and introducing compulsory geo-tagging requirements for payment terminals.

For context, in 2020, the CBN issued two circulars directing financial institutions to commence migration to ISO 20022 in line with timelines provided by the Society for Worldwide Interbank Financial Telecommunication (SWIFT). The ISO 20022 went live in November 2022 and has since run concurrently with the legacy SWIFT Message Type (SWIFT MT) platform.

With SWIFT MT scheduled to be decommissioned globally by November 2025, the CBN has now instructed financial institutions to ensure strict compliance with ISO 20022, including the full and accurate population of all mandatory data fields, while simultaneously embedding geolocation information into payment messages through the geo-tagging of point-of-sale terminals.

ISO 20022 Migration Requirements:

All financial institutions and payment service providers must ensure that:

- i. all domestic and international payment transaction messages conform to ISO 20022 standards, aligned with CBN and SWIFT specifications;
- ii. they accurately populate key fields including payer/payee identifiers, merchant/agent identifiers and transaction metadata; and
- iii. full migration and operational compliance is achieved not later than 31 October 2025.

Geo-tagging of Payment Terminals

To enhance transaction traceability and location-based monitoring, the following standards are now mandatory:

- i. all terminals (existing and new), must feature native geolocation services with double-frequency GPS receivers;
- ii. terminals must be registered with a Payment Terminal Service Aggregator (PTSA);
- iii. point of sale terminals and applications must be certified by the National Central Switch to meet national standards;
- iv. terminals must implement the National Central Switch Software Development Kit (SDK) for geolocation and geofencing;
- v. the minimum operating system is Android v10;
- vi. SDK must be activated at the registered business/service location;
- vii. merchant activity is restricted to a 10-meter radius from the registered location;
- viii. geolocation data must be captured at transaction initiation and embedded in the message payload;
- ix. terminals not routed through licensed PTSAs are prohibited from transacting;
- x. all terminals must strictly adhere to approved Merchant Service Category codes; and
- xi. existing terminals must be geo-tagged within sixty (60) days of the circular (being the end of October 2025), whilst new terminals must be geo-tagged prior to certification and activation.

For banks, mobile money operators, switches, acquirers and payments solution service providers, they will need to immediately upgrade their systems to support ISO 20022 schemes, capture new mandatory fields, and adjust their anti-money laundering/fraud-detection tools to integrate location data. Merchants and agents must now operate terminals strictly at registered locations as the device mobility is now restricted. Financial institutions relying on mobile or roaming agents will need to restructure such operations.

On a general note, data protection and compliance teams must treat location as a mandatory transaction data field. This means updating privacy notices to inform customers, and ensuring robust security measures to prevent misuse or leakage of geo-data.

Compliance validation exercises are scheduled to begin 20 October 2025.

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