

Finance Regulatory Updates

APRIL 2026

This month, we review recent regulatory developments and policy updates issued by the Central Bank of Nigeria (the “**CBN**”) and the Securities and Exchange Commission (the “**SEC**”) 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.

CBN REGULATORY UPDATES

Exposure Draft of the Guidelines for the Operations of the Mediation and Dispute Resolution Panel for Secured Transactions in Movable Assets

By a circular dated 9 April 2026, the CBN invited banks, other financial institutions, financial regulators, non-bank financial institutions, law firms, professional bodies, the organised private sector and the general public to submit comments and inputs on the Draft Guidelines for the Operations of the Mediation and Dispute Resolution Panel (MDRP) for Secured Transactions in Movable Assets (the “Draft Guidelines”).

The Draft Guidelines are issued pursuant to the Secured Transactions in Movable Assets Act, 2017 (STMA Act), which establishes the MDRP as the first recourse mechanism for mediation and settlement of civil disputes arising between a creditor and a grantor in the course of implementing the STMA Act. The STMA Act further empowers the Governor of the CBN to issue guidelines setting out the modalities for the functioning of the MDRP.

Please read [here](#) for a detailed analysis of the Draft Guidelines.

In addition to the points raised in our earlier flashnote, it is important to note that:

- a. The Draft Guidelines provide that appeals against MDRP awards lie to the Court of Appeal, but only after a High Court has reviewed and set aside the award on limited grounds. This two-step appellate pathway is structurally unusual for a process framed as mediation, and the Draft Guidelines do not expressly reconcile this with the Arbitration and Mediation Act 2023, which they themselves acknowledge must not be contravened.

b. The Draft Guidelines contemplate three sources of funding for the MDRP being CBN statutory subvention, administrative fees charged to disputing parties, and receipts from donations and contributions from governmental and non-governmental agencies. The inclusion of third-party donations as a revenue stream for a dispute resolution body raises questions about institutional independence that the guidelines do not address.

Stakeholders are invited to submit comments to ncr@cbn.gov.ng not later than 9 October 2026.

CBN Introduces the Nigerian Overnight Financing Rate

By a press release dated 17 April 2026, the CBN, in collaboration with the Financial Markets Dealers Association, announced the introduction of the Nigerian Overnight Financing Rate (NOFR) as Nigeria's official overnight risk-free interest rate benchmark.

The NOFR places Nigeria alongside other jurisdictions that operate similar overnight risk-free rates, including the SOFR (United States), SONIA (United Kingdom), €STR (Eurozone) and TONA (Japan), and complements African benchmarks such as JIBAR (South Africa).

Key features of the NOFR include:

- a. Rate basis:** It reflects the cost of overnight secured funding in the Nigerian interbank market, based on actual transactions, not estimates or bank submissions.
- b. Calculation methodology:** Computed as a volume-weighted trimmed mean, excluding the lowest and highest 10% of transaction volumes. This approach mirrors the SOFR and SONIA and directly addresses the manipulation risk associated with panel-based benchmarks such as the LIBOR.
- c. Distinct from the MPR:** A market-based reference rate, distinct from the CBN's Monetary Policy Rate (MPR). It does not set retail savings or consumer loan rates, which remain determined by individual institutions based on their funding costs, credit risk and operating expenses.
- d. Methodology review:** The CBN will review the NOFR methodology at least annually.

The practical implications for financial market participants include:

- Certain corporate, structured and syndicated loans may reference the NOFR directly or indirectly. Parties to existing and future facilities should review whether their documentation adequately addresses NOFR referencing, fallback provisions and benchmark replacement mechanics.
- NOFR may be used for pricing, valuation, discounting and risk management of Naira denominated instruments.

- NOFR will not determine loan margins or total borrowing costs, which remain subject to negotiated credit risk, tenor and contractual terms.

Following a stakeholder engagement session held on 27 February 2026, and receipt of the required regulatory approvals, the NOFR has now been formally adopted and is in use, with the CBN acting as the administrator of the benchmark. The CBN has not yet issued transitional guidance on legacy facilities referencing existing benchmarks, and this remains an area to monitor.

Exposure Draft of the Revised Guide to Charges by Banks and Other Financial Institutions

By a circular dated 21 April 2026, the CBN released an Exposure Draft of the Revised Guide to Charges by Banks and Other Financial Institutions in Nigeria (the “Draft Revised Guide”), inviting stakeholders to submit comments on or before 8 May 2026.

The Draft Revised Guide is intended to replace the Guide to Charges by Banks, Other Financial and Non-Bank Financial Institutions, which became effective on 1 January 2020 (the “2020 Guide”). It reflects the CBN’s policy objective of promoting transparency, consumer protection, financial inclusion and alignment with evolving market practices.

The key revisions are summarised in the table below:

S/N	Provision	2020 Guide	Draft Revised Guide
1	Scope of Application	Applies to all banks, other financial institutions (OFIs), and non-bank financial institutions regulated by the CBN. Does not provide for a consolidated list of cover institution categories.	Applies to all banks and other OFIs by licensed and/or regulated by the CBN Explicit lists out the categories of institutions covered to include: Commercial Banks, Merchant Banks, Payment Service Banks, Non-Interest Banks, Microfinance Banks (MFBs), Finance Companies, Primary Mortgage Banks (PMBs), Development Finance Institutions (DFIs), Credit Guarantee Companies, Mobile Money Operators (MMOs), and others designated by CBN
2	Accountability and Responsibility	The Executive Compliance Officer (ECO) is responsible for monitoring compliance and is liable for breaches.	The ECO for banks or the Managing Director/Chief Executive Officer for other regulated institutions is responsible for compliance. While the Chief Compliance Officer (CCO) is expressly mandated to monitor strict compliance.

S/N	Provision	2020 Guide	Draft Revised Guide
		The Head of Information Technology (IT) is responsible for rendering monthly reports of all failed transactions on e-channels that originate or terminates in his bank, to the Director, Payments System Management and Consumer Protection Departments of the CBN.	The CCO and Head of IT are jointly responsible for rendering monthly reports electronically of all failed transactions on e-channels that originate or terminates in the institution, to psocd@cbn.gov.ng and CPDReturns@cbn.gov.ng
3	Interest on Deposits / Borrowings	Applies mainly to banks and OFIs, with interest floors (e.g. minimum 30% of Monetary Policy Rate (MPR) on savings).	Broader and more granular. Explicitly introduces wallet-based products MMOs such as regular wallets and savings wallets, with defined income-sharing rules. Borrowings are clearly separated (e.g. Finance Companies only), and applicability is tied strictly to licence-permitted activities.
4	Lending Rates and Fees	Interest rates and fees are negotiable, anchored to MPR, but disclosure is mostly interest-rate-focused. Fees are itemised separately, and Annual Percentage Rate (APR) treatment is less central.	Strongly APR-centric, all lending rates and fees must be quoted as a single APR. Clear differentiation by institution type (Banks, MFBs, PMBs, DFIs). Penal rates, grace periods, and notification timelines are more standardised.
5	Account Service Charges	Focuses on traditional account services. Current Account Maintenance Fee (CAMF) allowed up to ₦1 (One Naira) per mile, with fewer forward-looking reforms. Limited differentiation by institution beyond banks/MFBs/PMBs.	Retains CAMF but introduces progressive reduction and phase-out (e.g. lower caps leading to zero). Expands coverage to electronic statements, third-party statement delivery, and harmonises rules across more institution types, including clearer consumer-protection logic.

S/N	Provision	2020 Guide	Draft Revised Guide
6	Commission on Bonds, Guarantees & Indemnities	Commissions are negotiable subject to caps, largely bank-centric. Differentiation between banks and DFIs is less explicit, and guidance notes are lighter.	Scope is more explicitly limited to Banks and DFIs where applicable. Caps are clarified (often annualised), prorating is recognised, and the section is reinforced by Guidance Notes that explain chargeable dates, contingent liability treatment, and risk crystallisation.
7	Foreign Exchange Commission / Charges	Foreign Exchange (FX) charges are largely bank-centric, with commissions and fees prescribed by or linked to CBN advisories. No strong differentiation by institution role.	More role-specific: FX charges apply only to Authorised Financial Institutions/Dealers. Messaging costs, commissions, offshore charges, and cost-recovery elements are more clearly separated and aligned with current FX operations.
8	Trade-Related Charges	Covers bills for collection, letters of credit, and trade documents, mainly from a traditional banking perspective, with less explicit linkage to authorised-dealer status.	Explicitly limits applicability to Authorised Dealers, Banks, and DFIs as appropriate. Introduces clearer rules on e-forms, prorating, confirmation lines, refinancing charges, and enhanced Guidance Notes.
9	Electronic Banking	Focus on basic e-banking charges (tokens, transfers, bills payment). Charges are mostly itemised, and MMO-specific treatment is limited.	Broader and more harmonised. Differentiates charges by institution type (Banks, MFBs, MMOs), introduces clearer token pricing rules, refined transfer bands, and explicit consumer-protection alignment (e.g. One Time Password channels).
10	Cards	Debit and credit card charges exist but are less differentiated by card type. Maintenance fees and issuance charges are allowed within general caps.	Stronger consumer focus: clearer distinction between basic, premium, virtual, prepaid, and foreign-currency cards, eliminated naira card maintenance fees, and harmonised rules across channels.

S/N	Provision	2020 Guide	Draft Revised Guide
			The issuance and replacement fee for regular debit and credit cards increases from ₦1,000 to ₦1,500. Naira-denominated card maintenance fees are abolished entirely. Virtual cards are now explicitly free of charge. Premium cards remain negotiable.
11	Automated Teller Machine (ATM) Transaction Fees	ATM fees are relatively simple, with on-us free withdrawal and capped not-on-us charges after a threshold.	More granular: distinguishes on-site vs off-site ATMs, introduces disclosed surcharges payable to deployers, and aligns fees with modern ATM infrastructure and transparency rules.
12	Domestic Transaction Fees	Covers drafts, cash handling, standing orders, direct debit, and bulk payments, with institution-specific variations less explicit.	Expands scope and clarity: clearer differentiation across banks, MFBs, and other OFIs, inclusion of Treasury Single Account e-collection, merchant service charges, web-acquiring charges, and stricter rules on who bears each charge.
13	Mobile Money Transactions	Mobile money has a stand-alone section, but pricing is simpler and focused on agent-initiated vs customer-initiated transactions.	Significantly refined: integrates mobile money more closely with Electronic Funds Transfer logic, introduces clearer agent vs principal distinctions, embedded surcharges, disclosure at device level, and tighter harmonisation with ATM and transfer pricing.
14	Electronic Fund Transfers	Sub-₦5,000 subject to a maximum of ₦10. The ₦5,001-₦50,000 band attracts a flat fee of ₦25.	Sub-₦5,000 transfers are now free. The ₦5,001-₦50,000 band attracts a flat ₦10. Transfers above ₦50,000 remain at ₦50.
15	Bulk Payments	Per beneficiary cap fixed at ₦15.	Increases to ₦25 for banks and ₦50 for other financial institutions.

S/N	Provision	2020 Guide	Draft Revised Guide
16	Miscellaneous	Miscellaneous charges exist but are largely institution-driven, with fewer structural consumer-protection guardrails.	Expanded and tightened: clearer rules on verification fees, advisory fees (linked to proof of service), document charges, cash deposit/withdrawal rules, and integration with Guidance Notes and consumer-protection standards.

In addition to the above, the following are new changes proposed to be introduced by the Draft Revised Guide:

- a. **Minimum Disclosure Requirements for Offer Letters:** The Draft Revised Guide prescribes detailed mandatory disclosure requirements for offer letters covering consumer loans, mortgage loans, overdrafts and contingent liabilities, including variable rate notification timelines, early liquidation terms, grace periods and conditions precedent to drawdown.
- b. **Deferred Charges:** Non-credit charges may only be applied to the extent of the available account balance. Any excess must be deferred until the account is funded and no interest may accrue on deferred charges.

SEC REGULATORY UPDATE

Proposed New Rules for Public Offering of Securities by Free Trade Zone Entities

By an exposure draft issued on 14 April 2026, the SEC proposed new rules governing the public offering of securities by Free Trade Zone Entities (FTZEs) (**the “Proposed Rules”**). The Proposed Rules are issued pursuant to section 95(1)(f) of the Investments and Securities Act, 2025 and are intended to provide a clear regulatory framework for FTZEs seeking to access Nigeria’s capital market.

Scope and Applicability

Under the Proposed Rules:

- the Rules apply exclusively to the offering and issuance of shares by FTZEs licensed by a recognised Free Trade Zone Authority;
- companies or businesses operating outside a free trade zone, notwithstanding that they may be licensed by a Free Trade Zone Authority, are expressly excluded; and
- no shares of a FTZE may be offered to the public without the prior approval of the SEC in accordance with the Proposed Rules.

Eligibility Requirements

A FTZE seeking to undertake a public offering of its shares must:

- be duly licensed by a Free Trade Zone Authority established under an enabling law, including the Nigerian Export Processing Zone Authority or the Oil and Gas Free Zone Authority;
- have a minimum of three (3) years' operating track record immediately preceding the application, with at least two (2) years of engagement in an independent activity within a free trade zone;
- maintain a senior management team with sufficient competence and relevant industry experience; and
- have a minimum paid-up share capital of not less than ₦7, 500,000, 000.00 (Seven Billion Five Hundred Million Naira).

Conditions for Securities Issuance

Where eligible, an FTZE may issue its securities pursuant to the Proposed Rules provided that:

- the FTZE becomes subject to applicable Nigerian tax laws and regulations; and
- the FTZE complies with the SEC's continuous disclosure, periodic reporting and other regulatory obligations.

Registration and Disclosure Requirements

In addition to the SEC's standard disclosure requirements for public offerings, an FTZE is required to submit the following as part of its registration application:

- evidence of registration or licensing by a Free Trade Zone Authority;
- certified or verified constitutional documents (including memorandum and articles of association);
- certified statement of minimum paid-up capital and current shareholding structure;
- details of the current board composition, verified by the relevant Free Trade Zone Authority;
- a "No Objection" letter issued by the applicable Free Trade Zone Authority approving the offering and listing; and
- a mandatory declaration that the securities to be offered will be listed on a registered securities exchange in Nigeria.

Given that FTZEs typically operate under tax incentive frameworks conferred by the Nigeria Export Processing Zones Act and related legislation, the requirement that an FTZE “becomes subject to applicable Nigerian tax laws and regulations” as a precondition to capital market access may create friction with those existing tax incentives. It is not clear from the Proposed Rules whether this condition is intended to override or operate alongside FTZ-specific tax exemptions, or whether it applies only to taxes not already covered by the relevant FTZ enabling legislation. This ambiguity is likely to be material for any FTZE evaluating a public offering, and the SEC’s intent in this regard should be clarified in the final rules.

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