

THE NIGERIAN FINTECH REGULATORY BILL 2025:

**A REFORM THAT RISKS
DEEPENING REGULATORY
OVERLAPS**



Nigeria’s fintech ecosystem is one of Africa’s most vibrant, driving financial inclusion, job creation, cross-border payments, digital lending, and blockchain innovation. The Nigerian Fintech Regulatory Commission Bill 2025 (“the Bill”), which has passed the second reading at the house, is sponsored by Honourable Fuad Kayode Laguda, an All Progressives Congress (APC) lawmaker representing Surulere I Federal Constituency of Lagos State. The Bill seeks to create a new agency that would be responsible for the licensing, regulation and supervision of fintech activities across the country.

However, a detailed review of its

provisions shows that, rather than reducing fragmentation, the Bill may deepen regulatory overlap, conflict with existing legal frameworks, expand bureaucracy, and risk creating a costly new layer of compliance for operators. Critical regulatory mandates are currently being exercised by: Central Bank of Nigeria (CBN); Securities and Exchange Commission (SEC); Nigeria Data Protection Commission (NDPC); National Information Technology Development Agency (NITDA); Federal Competition and Consumer Protection Commission (FCCPC); and Nigerian Communications Commission (NCC) are replicated or displaced without amending or repealing their enabling statutes.



...the distinction between “**banking**” and “**fintech**” is becoming increasingly blurred, as fintech companies now perform many functions traditionally associated with banks...

Section 3 establishes the Nigerian Fintech Regulatory Commission (NFRC) with broad authority to license, regulate, supervise and enforce compliance across “all fintech services, facilities and equipment.” This directly overlaps with the mandates of:

- CBN in ensuring a sound financial system, supervision and regulation of banks and other financial institutions as provided in Section 2(D) and Section 47 of Central Bank Act 2007 and Section 3 of BOFIA 2020;
- SEC in regulatory oversight to supervise entities that operate in securities investments and digital assets in Nigeria, as provided in Section 357, Investment and Securities Act 2025;
- FCCPC in authority to make regulations over fintech’s, especially digital lenders, through its subsidiary legislation of the Interim Regulatory/Registration Framework and Guidelines for Digital Lending 2022 and Digital, Electronic, Online or Non Traditional Consumer Lending Regulations (DEON) 2025;
- NITDA and NDPC in data and digital infrastructure protection; and
- NCC in infrastructure, interconnection and equipment standards.

Section 4 further assigns wide-ranging functions to the NFRC, including standards-setting, equipment approvals, technical specifications, interconnection, infrastructure sharing, dispute resolution, fee-fixing, quality of service, spectrum-like administration, and international representation. These functions currently fall under pre-existing regulators, raising the likelihood of regulatory friction.

The Bill also creates the National Fintech Management Council (NFM Council), chaired by the Minister of Finance, with membership comprising representatives of:

- Central Bank of Nigeria (CBN)
- Securities and Exchange Commission (SEC)
- Nigeria Data Protection Commission (NDPC)
- National Information Technology Development Agency (NITDA)
- Nigerian Communications Commission (NCC)
- Federal Inland Revenue Service (FIRS)
- Ministry of Science and Technology
- Ministry of Communications
- National Office for Technology Acquisition and Promotion (NOTAP)
- Nigerian Fintech Regulatory Commission (NFRC) as Secretary
- Fintech Association of Nigeria (FAN) as Liaison Officer

With the Minister of Finance at the top, the National Fintech Management Council as coordinating body and the Nigerian Fintech Regulatory Commission as operational regulator, the bill introduces three layers of oversight. It

gives policy control to the Minister¹ and includes other existing regulators in the Council structure,² thereby making NFRC as another layer of bureaucracy rather than resolving fragmentation. Also, the Council retains existing regulators as active participants; this makes room for the NFRC not to eliminate overlap, rather institutionalizes overlapping authority and diffusing accountability.

Section 31 requires all fintech operators to obtain an NFRC license, even if they already hold licenses from the Central Bank of Nigeria (CBN) or Securities and Exchange Commission (SEC). This introduces dual licensing fees, dual compliance audits, and potentially conflicting supervisory standards. Section 3, Banks and Other Financial Institutions Act (BOFIA) 2020 gives the CBN exclusive jurisdiction powers to license banks and other financial institutions, the NFRC Bill, without amending BOFIA 2020, creates legal inconsistencies that could place fintech firms in a contradictory compliance cycle.



¹ Section 23-25 of the Bill.

² Section 26-30 of the Bill.

NFRC is further empowered to modify license conditions,³ prohibit assignment without approval,⁴ and suspend or revoke licenses on widely framed grounds including “public interest”.⁵ This discretion reduces regulatory certainty and may discourage investment.

Section 90 grants NFRC exclusive authority over fintech-related competition matters, usurping the statutory powers of the Federal Competition and Consumer Protection Commission (FCCPC) which invalidates any legislation that attempts to remove FCCPC’s jurisdiction⁶ over all matters relating to competition and consumer protection. The provision of the Bill tries to usurp FCCPC’s powers implicitly, making it likely unconstitutional and void for inconsistency and if implemented, would likely create two competing competition regimes.⁷

The Bill also empowers NFRC to issue consumer codes, hear complaints, and regulate tariff rates, notwithstanding existing frameworks established by: Central Bank of Nigeria (CBN); Federal Competition and Consumer Protection Commission (FCCPC); Nigeria Data Protection Commission (NDPC). Fintech’s would now be subject to three overlapping consumer regimes, leading to conflicting directives and increased compliance costs.

Considering that the distinction between “banking” and “fintech” is becoming increasingly blurred, as

fintech companies now perform many functions traditionally associated with banks, while banks are progressively adopting fintech models. Interestingly, some fintech companies belong to existing banks and technically for instance, a fintech subsidiary of a bank may face uncertainties as to obtaining licenses from CBN and NFRC and what agency has the supervisory authority.

With the passage of this Bill, a fundamental question emerges: Is Nigeria choosing to move forward or creating an environment that stifles the promotion of ease of doing business, particularly in the fintech sector? At a time when countries are simplifying regulatory frameworks to attract capital, innovation and healthy competition, Nigeria risks moving in the opposite direction by expanding bureaucracy and complicating compliance for operators who already engage with substantial regulatory scrutiny.

Overall, the Bill introduced a new regulator (NFRC), a new coordinating body (NFM Council), ministerial control, heavy licensing burdens, competing competition authorities, overlapping consumer and data obligations rather than creating clarity. Unless the Bill is accompanied by sweeping amendments to or repealing relevant provisions in the existing laws, the structure would produce overlaps, bureaucracy, and uncertainty; discouraging innovation and investment.

3 Sections 34–37 of the Bill.

4 Sections 38 of the Bill.

5 Sections 45 of the Bill.

6 Section 104 of FCCPA, 2018

7 Sections 91-93 & 95 of the Bill.

RECOMMENDATIONS

1. Adopt a Fintech One-Stop-Shop (FOSS) similar to the One-Stop Investment Centre (OSIC) at the Nigerian Investment Promotion Commission;
2. If a single fintech regulator is truly intended, the Bill must expressly amend or repeal overlapping provisions in existing laws, such as, BOFIA, FCCPA, ISA, NITDA Act and NCC Act, to ensure legal certainty; or
3. Rather than creating an entirely new bureaucracy, the CBN's fintech regulatory capacity can be strengthened by establishing a specialized department or bureau within the CBN to handle digital finance. This approach would ensure consistency, avoid duplication, and retain clear accountability.



CONCLUSION

The Nigerian Fintech Regulatory Commission Bill 2025 is well-intentioned but structurally flawed. Rather than simplifying oversight, it risks deepening regulatory overlaps that could constrain innovation and investment, increase compliance costs, elevate investor risks and weaken the ease of doing business in Nigeria. It represents duplicity rather than simplification.

Nigeria's fintech future depends not on creating more regulators but on designing smarter, adoptive regulatory frameworks that evolve with technology while ensuring financial stability and consumer protection. Adopting the recommended approaches can deliver clarity, coherence and innovation friendly regulation for one of Africa's most dynamic fintech markets.

AUTHORS



Julna Nimpar

MANAGING ASSOCIATE

Public Sector & Regulatory, Corporate & Compliance Services,
Energy & Natural Resources

T: +234 201 700 257 0 Ext 117

E: jnimpar@alp.company



Aderonke Gboroye

ASSOCIATE

Corporate Commercial, Commercial Litigation & Dispute Resolution

T: +234 201 700 257 0 Ext 128

E: agboroye@alp.company

CONTACT US:

📍 Lagos

15 Military Street, Onikan, Lagos

☎ +234 201 700 2570-9

📍 Abuja

3 Lobito Crescent, Wuse 2, Abuja

☎ +234 209 700 2570-9

🌐 www.alp.company

✉ alp@alp.company

🌐 [ALP NG & Co](#)

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✕ [ALPNigeria](#)