DIGITAL TRANSFORMATION AND CORPORATE REGULATION IN NIGERIA: LEGAL CHALLENGES OF FINTECH, CRYPTOCURRENCY, AND VIRTUAL CORPORATE TRANSACTIONS[*]*

Abstract
The most profound transformation of the African digital economy has been driven by Nigeria. By virtue of having over 142 million active subscribers on the internet, the existence of over 3,360 startup fintech, and e-payments transactions valued at 3.1 quadrillion Naira (approximated as USD 2.03 Trillion as of 2024), Nigeria can arguably be stated to be home to the most dynamic digital financial market on the African continent. The rapid pace of this digital transformation has unearthed a myriad of regulatory and legal issues, some of which the established legal and corporate law regime, being hinged on physically established commercial relationships, may not adequately or holistically address. This paper conducts a doctrinal and comparative legal analysis of the most prominent legal issues emanating from the intersection of three areas of digital transformation in Nigeria namely; regulation of fintech and digital payment systems; the framework of governance of crypto currency, virtual assets and other blockchain-based financial products; and the regulation of virtual corporate transactions such as virtual contracts and general meetings, digital signatures and online dispute resolution. Against a backdrop of new legislation including the Investment and Securities Act 2025, the Nigeria Data Protection Act 2023 and its General Application and Implementation Directive 2025, Business Facilitation (Miscellaneous Provisions) Act 2022, the National Digital Economy and E-Governance Act 2024, FCCPC Digital, Electronic, Online or Non-Traditional Consumer Lending Regulations 2025 as well as other substantial regulatory enforcement activities like the Binance prosecution and a USD 220 million fine issued to Meta, the paper identifies five cross cutting legal challenges namely: regulatory fragmentation and overlaps, lack of adequate consumer protection in digital financial transactions; challenges of data governance in the digital space; the ambiguity of digital assets as legal subjects; and authentication and evidentiary issues in the context of virtual corporate governance. The paper ends with reform proposals that will ensure a coherent and adaptable legal structure for the success of Nigeria's digital economy dreams.

Keywords: Fintech and Cryptocurrency, Digital Transformation, Virtual Transactions, Consumer Protection, Corporate Regulation, Nigeria

1. Introduction

The Nigerian digital economy has seen an unprecedented pace of change and scale. It now has the largest internet market in Africa and as of 26 January 2025, the country has 142.02 million internet subscribers. Its fintech ecosystem, which saw over 3,360 startups in 2024, has recorded the greatest number of VC investments in Africa despite the adverse macroeconomic conditions such as inflation reaching a 30-year high of 34.8% in December 2024 and the naira losing about 70% of its value against the US dollar due to exchange rate liberalization. In 2024, the Nigerian economy experienced a record ₦18 trillion in POS transaction value, which increased by 69% from the previous year, and ₦3.1 quadrillion in total e-payment transaction value, demonstrating the level of digital financial penetration in the economy.[1] However, the speed of this change has always been faster than the pace of the law and regulations that attempt to regulate it. Nigeria's corporate law architecture was built around the concept of identifiable, physically-located actors transacting with one another and leaving behind conventional, documentary records. The digital financial ecosystem is defined by anonymity, decentralization, cross-border transactions, algorithmic decision-making, and speed of transactions that preempt or foreclose ex-post regulatory review. There are a lot of regulatory interventions that came and went over the period of 2023 to 2025; the Nigeria Data Protection Act 2023,[2] the Investment and Securities Act 2025 that made digital assets legally securities,[3] the Business Facilitation (Miscellaneous Provisions) Act 2022, under which all companies are now allowed to hold virtual general meetings,[4] the National Digital Economy and E-Governance Act 2024, which gives legal recognition to electronic transactions,[5] the FCCPC Digital, Electronic, Online or Non-Traditional Consumer Lending Regulations 2025,[6] and no fewer than 14 major policy changes by the CBN in 2025 alone. While these are truly an advance in legislation, they also add to jurisdictional, enforcement, and compliance issues that could stifle the innovation economy they intended to foster. This article examines the key challenges facing the law in Nigeria from the perspective of digital transformation in three key areas. Section 2 discusses the regulatory landscape for fintech and its structural shortcomings.[7] In Section 3, the law's development regarding cryptocurrency and virtual assets is examined.[8] Section 4 deals with the legal issues of

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[1] Nigerian Communications Commission (NCC); Industry Statistics Report, Abuja, NCC, 2025, available at Nigerian Communications Commission; Nigeria Inter-Bank Settlement System (NIBSS); Electronic Payment Factsheet, Lagos, NIBSS, 2025; and Federal Ministry of Communications, Innovation and Digital Economy; Nigeria Digital Economy Report, Abuja, FMoCIDE, 2025.

[2] Nigeria Data Protection Act 2023, signed into law 12 June 2023 by President Bola Ahmed Tinubu.

[3] Investment and Securities Act 2025, signed into law by President Bola Ahmed Tinubu in March 2025, superseding the Investment and Securities Act 2007.

[4] Business Facilitation (Miscellaneous Provisions) Act 2022 (BFA), amending Section 240(2) of CAMA 2020 to permit all companies to hold meetings electronically.

[5] National Digital Economy and E-Governance Act 2024, Federal Ministry of Communications, Innovation, and Digital Economy, July 2024.

[6] Ibid.

[7] Section 2

[8] Section 3

virtual corporate transactions.[9] Section 5 highlights five cross-cutting legal challenges that are relevant to all three domains.[10] Reform proposals are provided in Section 6 and 7.[11]

2. The Fintech Regulatory Landscape: Growth, Oversight, and Structural Tensions

The Multi-Regulator Architecture

The Nigerian regulation of fintech rests on a very large number of regulators with overlapping duties creating systemic compliance complexity. The CBN Act 2007 and BOFIA 2020 entrust the Central Bank of Nigeria (CBN) with primary duty for monetary policy, banking supervision and payment systems regulation. The ISA 2025 is overseen by the Securities and Exchange Commission (SEC). Digital lending and consumer protection is regulated by the Federal Competition and Consumer Protection Act 2019, administered by the Federal Competition and Consumer Protection Commission (FCCPC). The Nigeria Data Protection Commission (NDPC) is responsible for the enforcement of data governance requirements of the NDPA 2023. Telecommunications is a sector regulated by the Nigerian Communications Commission (NCC), which mobile finance relies on. Insurtech is regulated by the National Insurance Commission (NAICOM). The Corporate Affairs Commission (CAC) registers and oversees the governance of companies. Digital tax is managed by the Federal Inland Revenue Service (FIRS).[12]

The implication of such a structure is that a financial technology firm that offers payment services, digital lending, and investment products, will be simultaneously supervised by the CBN, SEC, FCCPC, NDPC and the NCC, all of which have different licensing requirements, reporting obligations, capital regulations, and enforcement authority.[13] This has been termed a structural barrier to innovation, compliance burden, an opportunity for regulatory arbitrage, and a source of legal uncertainty for operators who may not always be able to tell which of the instructions issued by the various regulators is theirs.[14]

The Nigerian Fintech Regulatory Commission (NFRC) Bill 2025 passed its second reading in the House of Representatives with the aim of forming a single regulator for all fintech. It has, however, garnered a lot of criticisms for the fact that it would increase and not solve the problem of fragmentation: Section 31 calls for all fintech operators to be licensed by the NFRC, despite already having CBN or SEC licences, and would impose dual licensing fees, dual compliance audits and potentially divergent supervisory standards. Under BOFIA 2020,[15] the CBN has exclusive powers to issue licences to banks and other financial institutions, and the NFRC Bill, aside from the changes in BOFIA, introduces inconsistencies that may lead to a vicious cycle of compliance for Fintech companies.[16]

Digital Payments and the Open Banking Revolution

There has been a significant shift in the structure of the payment environment in Nigeria with an important legal dimension. Nigeria became the first African country to implement Open Banking with the official approval in April 2025 by the Central Bank of Nigeria. The framework requires all banks to have standardized APIs but only approved and supervised banks will have access to the data. This has created a split market where the licensed incumbents enjoy a structural competitive advantage over the unlicensed innovators, which raises the question of whether Open Banking will align with the FCCPC's competition mandate, and the bigger picture of financial inclusion. The September 2024 circular issued by CBN, which requires all payments via the POS to go through a set of two Payment Terminal Service Aggregators (PTSAs), namely NIBSS and Unified Payment Services Limited, also concentrates market power, which could be subject to the competition law review.[17]

The National Digital Economy and E-Governance Act 2024 has introduced a clear legal framework for electronic payments, ensuring electronic contracts, electronic signatures and electronic records are fully recognized. Section 9 of the Act provides that the admissibility of electronic records and electronic signatures shall not be denied in a legal proceeding solely on the basis of the absence of such records or signatures in an electronic format. This addresses an important evidentiary issue regarding digital financial transactions that had previously made electronic records and signatures suspect in a legal proceeding.[18] However, some criticisms have been raised regarding the technical standards provisions of the Act, which are

[9] Section 4
[10] Section 5
[11] Section 6 and Section 7
[12] Global Legal Insights, 'Fintech Laws and Regulations 2025: Nigeria' (GLI, September 2025) <globallegalinsights.com> accessed 11 May 2026; GELIAS, 'Fintech 6th Edition 2024: Nigeria' (GELIAS, 2024) <gelias.com> accessed 11 May 2026.
[13] Osilike, Obiomachukwu, Technology and Regulatory Compliance in Nigeria's Financial Sector: Challenges and Opportunities (August 19, 2025). Available at SSRN: https://ssrn.com/abstract=5507899 or http://dx.doi.org/10.2139/ssrn.5507899
[14] Ibid.
[15] Section 3 of BOFIA, 2020
[16] Mondaq, 'The Nigerian Fintech Regulatory Bill 2025: A Reform That Risks Deepening Regulatory Overlaps' (Mondaq, December 2025) <mondaq.com> accessed 11 May 2026.
[17] Udo Udoma & Belo-Osagie**.** *Nigeria's FinTech regulatory framework: 2025 review and outlook for 2026*. UUBO Publications
[18] Section 9 of National Digital Economy and E-Governance Act 2024

deemed to be ambiguous, and implementation issues, which could render the progressive provisions of the law a piece of paper for a large population of Nigerians.[19]

Digital Lending: Consumer Protection Deficits and the DEON Regulations

Perhaps the most litigious area of Nigeria's fintech ecosystem has been digital lending. The growing number of predatory mobile lending apps, which are able to use borrowers' phone contacts, photos and private messages as debt recovery tools, and the use of 'shaming' tactics which infringe on dignity and privacy, led to an unusually specific response from the regulator. The regulations by the FCCPC, Digital, Electronic, Online or Non-Traditional Consumer Lending Regulations 2025 (DEON), which was made effective on 21 July 2025, were in place to replace the Interim Guidelines, 2022.[20] The new regulations replace the Interim Guidelines, 2022, with a comprehensive framework that includes the prohibition on access to contact list, mandatory disclosure of interest rate in plain English, compulsory FCCPC registration (application fee - ₦100 million and approval fee - ₦1,000 million) and penalties ranging from ₦50 million to ₦100 million or even 1% of annual turnover for contravention, as well as directors disqualification for possible non-compliance from holding positions on financial sector boards for up to 5 years.[21]

By May 2025, 362 digital lenders were fully approved by FCCPC while 42 obtained conditional approval. While digital lending is subject to FCCPC digital lending regulations, CBN consumer protection requirements apply to CBN-regulated entities, NDPA 2023 data protection requirements apply (particularly with respect to access to the personal data of borrowers without lawful basis), state-level rules on money lending apply variable requirements depending on whether the digital lending platform extends its activities across state boarders – which would amount to digital lending – a definitional question which the DEON Regulations have not, as yet, satisfactorily addressed for multi-state digital platforms.[22]

AI-Driven Financial Services and Algorithmic Accountability

With 29% of the surveyed fintech companies leveraging AI in content creation, and the Federal Ministry of Communications, Innovation, and Digital Economy (FMICID) recently introducing the AI Fund with Google to fast-track the adoption of AI in fintech, the current regulatory framework has legal gaps that need to be addressed. Machine algorithms that determine eligibility for credit, which rely on alternative data to guide credit decision-making for millions of borrowers without specific statutory obligation to accountability for their algorithms create significant due process issues. In August 2024, the National Centre for Artificial Intelligence and Robotics (NCAIR) released a draft National AI Strategy, while the House of Representatives approved an AI regulation Bill in December 2024, neither of which has so far created any legally binding obligations for the use of AI in fintech decision-making.[23] Meanwhile, the CBN, NDPC, SEC, and FCCPC have started to express informal expectations that algorithms will be fair, meaning the models will be validated and tested for bias; will be explainable, allowing customers to understand decisions that impact their ability to obtain credit; will have AML and fraud detection systems and will be subject to consistent risk-scoring methodologies; and will have audit trails that allow supervisors to scrutinize. These expectations are substantively reasonable, but not legally binding as laws or regulations – therefore it leaves fintech operators in a situation of normative uncertainty, which is legally undesirable and impractical.

3. Cryptocurrency, Virtual Assets, and Blockchain: From Prohibition to Regulated Legitimacy

The Turbulent Regulatory Journey

Nigeria's policy shift on cryptocurrencies has been a fascinating journey of de facto tolerance, to explicit ban and back to a cautious formalization within 10 years. The CBN took a step towards regulating cryptocurrency in February 2021, instructing financial institutions to shut down the accounts of cryptocurrency service providers, effectively banning banks from operating as such and leading to an increase in peer-to-peer (P2P) crypto trading, making Nigeria the largest P2P cryptocurrency market by volume in the world. The CBN made a reversal in the same month, allowing banks to open Virtual Asset Service Provider (VASP) accounts, which are licensed by the SEC. The Investment and Securities Act 2025 was signed into law by President Bola Ahmed Tinubu in March 2025, which gives the SEC jurisdiction over cryptocurrencies and digital assets.[24] The path from the 2021 ban to ISA 2025 was marked by a pivotal moment in Nigerian crypto regulation- the Binance crisis in 2024. The federal government launched a legal battle against Binance officials, accusing them of failing to comply with AML requirements, currency speculation which has contributed to the depreciation of the naira and tax evasion for failure to pay VAT and corporate income tax.[25] In April 2024, the Economic and Financial Crimes Commission (EFCC) obtained a court order to freeze 105 bank accounts with nine fintech firms in relation to alleged

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[19] Ibid.

[20] Aluko & Oyebode, *The FCCPC Digital, Electronic, Online and Non-Traditional Consumer Lending Regulations 2025*. Aluko & Oyebode Regulatory Insights.2025.

[21] FCCPC DEON Regulations 2025 (n 5); Nigeria Data Protection News and Advisory, 'Understanding the DEON Regulations in 2026' (February 2026) <nigeriadataprotection.com> accessed 11 May 2026.

[22] Rauf, Fasilat, Digital Lending under Scrutiny: FCCPC'S 2025 Regulations and what Digital Lenders Must Know (September 17, 2025). Available at SSRN: https://ssrn.com/abstract=5502899 or http://dx.doi.org/10.2139/ssrn.5502899

[23] Digital Policy Alert, 'DPA Digital Digest: Nigeria [2025 Edition]' (DPA, 2025) <digitalpolicyalert.org> accessed 11 May 2026.

[24] Olaniwun Ajayi LP (The Estero), 'Understanding the Nigerian Digital and Virtual Assets Landscape: Key Changes' (February 2025) <olaniwunajayi.net> accessed 11 May 2026.

[25] Ibid.

unauthorized foreign exchange trading, money laundering and terrorism financing, which is part of a larger investigation into 1,146 bank accounts suspected of forex market manipulation via crypto platforms. Binance later pulled its Naira services from Nigeria. As of mid-2016, the case against Binance is still pending, and its verdict could impact the taxation of all digital asset businesses in Nigeria.[26]

The Investment and Securities Act 2025: A Watershed Instrument

The ISA 2025 is the most important legislative move in the regulation of digital assets in Nigeria. Through its classification of digital assets as securities and commodities, the Act will clarify and place digital assets firmly under the SEC's regulatory frame, a gap that has plagued the cryptocurrency industry for ten years. Under Section 26, no person shall conduct any securities exchange without being registered by the SEC (a term defined broadly, under Section 27, to include any place, physical or electronic, where securities, commodities or digital assets are matched or arranged for matching of buyers and sellers, or for the execution of securities transactions), and individuals who operate a securities exchange without being registered under Section 26 may face operational closure, monetary sanctions, and prosecution of the company's directors.[27]

The Accelerated Regulatory Incubation Program (ARIP), launched by the SEC in June 2024, serves as the regulatory 'sandbox' under their supervision for VASPs and other crypto startups to operate and test their business models as the Commission continues to draft its digital asset regulations. The SEC's recent Exposure Draft on Amendments to its Digital Assets rules, which includes increased fees and capitalization, the introduction of a new VASP category and increased investor protection, indicate a more stringent regulatory landscape.[28] The Africa Stablecoin Consortium announced the release of a new naira-pegged stablecoin in February 2025, cNGN, which is regulated by the Securities and Exchange Commission (SEC) and not regulated by the Central Bank of Nigeria (CBN), as a major breakthrough from the private sector compared to the CBN's own central bank digital currency (e-Naira).[29]

Legal Indeterminacy and Unresolved Questions

Although the ISA 2025 is an important step forward, several key legal issues are yet to be resolved. The existing law does not have any clear answers on the legal nature of specific categories of crypto assets, such as a stablecoin with investment-like characteristics falling under the jurisdiction of the SEC versus the jurisdiction of the CBN's monetary policy; the treatment of non-fungible tokens (NFTs) as intellectual property versus digital assets versus investment contracts; and the treatment of decentralized finance (DeFi) protocols as existing under the SEC's securities regulations or CBN's monetary policy regulations where there is no identifiable owner to regulate. According to the ISA 2025, digital assets are a combination of a security and commodity, which may result in a degree of overlap in jurisdictions that will need to be sorted out via judicial channels.[30]

A lack of a specific resolution or insolvency process for digital asset companies adds to the legal confusion. The current regulatory regime for crypto companies in Nigeria is based on CAMA 2020 and the Insolvency Regulations 2022 made by the CAC, which are general corporate laws, not specifically tailored to the nature of digital asset companies — such as the treatment of customer crypto assets held by crypto companies in insolvency, treatment of private keys, valuation of digital asset portfolios, and recognition of smart contract obligations, in winding-up procedures.[31] In February 2023, Nigeria was placed on the grey list by the FATF after the Commission found that the country's AML/CFT framework was deficient. This added to the compliance obligations of smaller crypto firms. Nigeria, as of October 2024, has received FATF approval of its fourth progress report since being greylisted, indicating progress in meaningful reform, but at times operational burdens, such as the travel rule obligations for cross-border transfers of VASPs, the increased due diligence requirements on and off-ramp points with self-hosted wallets, and the detailed suspicious transaction reporting, serve to disadvantage startups in the crypto space.[32]

Blockchain beyond Cryptocurrency

Blockchain's legal battles in Nigeria do not stop at the cryptocurrency markets. In May 2023, the National Information Technology Development Agency (NITDA) published a National Blockchain Adoption Strategy and a National Blockchain Policy that outline the potential of blockchain in revolutionizing land registration, supply chain management, and public procurement, as well as in governance. The country's Federal Ministry of Communications, Innovation and Digital

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[26] Olaniwun Ajayi LP (The Estero), 'Understanding the Nigerian Digital and Virtual Assets Landscape: Key Changes' (February 2025) <olaniwunajayi.net> accessed 11 May 2026.

[27] ISA 2025, ss 26 and 27 (prohibition on unlicensed securities exchanges, broad definition including digital platforms); Kabbiz Legal, 'What Crypto Operators Must Know to Stay Legal in Nigeria' (May 2025) <kabbizlegal.com> accessed 11 May 2026.

[28] Technext, 'A Detailed Review of the Newly Unveiled 2024 National Digital Economy and E-Governance Act' (July 2024) <technext24.com> accessed 11 May 2026.

[29] Technext, 'How CBN's Policies Reshaped the Nigerian Fintech Landscape in 2025' (December 2025) <technext24.com> accessed 11 May 2026.

[30] SEC, Accelerated Regulatory Incubation Program (ARIP) Framework, June 2024; Chambers and Partners, 'Blockchain 2025: Nigeria' (Chambers, August 2025) <practiceguides.chambers.com> accessed 11 May 2026.

[31] Chambers and Partners, 'Blockchain 2025: Nigeria' (n 17) (on insolvency of digital asset firms under CAMA 2020 and Insolvency Regulations 2022).

[32] Chambers and Partners, 'Fintech 2025: Nigeria' (Chambers, March 2025) <practiceguides.chambers.com> accessed 11 May 2026 (FATF grey list, travel rule, self-hosted wallet obligations).

Economy has issued a detailed White Paper for the National Blockchain Policy for the year 2025. However, the legal aspects of blockchain-based land registration (that will have to coordinate with the Land Use Act 1978), supply chain tokenization (coordinating with the Sale of Goods Act and other relevant sector laws) are yet to be developed, as is the public procurement law (the Public Procurement Act 2007). Perhaps the most notable regulatory gap in the Nigerian digital economy law landscape is the Smart Contract legal framework which is what determines when a self-executing blockchain-based contract gives rise to binding legal obligations, how the terms of its purposes are interpreted by courts and what remedies are available when it malfunctions.[33]

4. Virtual Corporate Transactions: Electronic Contracts, Digital Governance, and the Authentication Challenge

Legislative Evolution: From CAMA 2020 to BFA 2022 and the NDEE Act 2024

Nigeria's corporate law framework has undergone significant, if still incomplete, adaptation to the requirements of virtual corporate transactions. The Companies and Allied Matters Act 2020 represented a major modernization, introducing electronic share certificates (Section 171), relaxed requirements for private company meetings, and provisions for simplified registration processes. The Business Facilitation (Miscellaneous Provisions) Act 2022 (BFA) extended electronic meeting rights to all companies — removing the word 'private' from Section 240(2) of CAMA[34] — enabling public companies to hold general meetings via digital platforms, a change that MTN Nigeria, GTCO, and Access Holdings have already operationalized through hybrid AGMs with electronic voting and virtual participation.[35]

The National Digital Economy and E-Governance Act 2024 provides the broadest statutory foundation for electronic transactions in Nigerian law. Its key provisions establish: the legal validity of electronic contracts (Part II, Section 11 — 'a declaration of intent or other statement shall not be denied legal effect, validity or enforceability on the ground that it is in the form of an electronic communication'); legal recognition for electronic signatures and timestamps (Part III, Section 19); the admissibility of electronic records in legal and judicial proceedings (Section 9); and consumer protection rights in electronic commerce including a right to cancel contracts before processing.[36] These provisions, read together with CAMA 2020 and the BFA 2022, create a nominally comprehensive legal framework for virtual corporate transactions, though significant implementation gaps remain.

Virtual General Meetings: Governance Challenges and Legal Risks

There are legal and governance challenges posed by the application of VGMs by Nigerian public companies that are not resolved by the enabling legislation. In particular, the issue of management control (the idea that company management might be able to manage the virtual meeting process to limit shareholder participation, manipulate the electronic voting system or omit topics from the agenda that might cause problems for them which would be harder to avoid at a physical meeting) is given no specific legal remedy in current Nigerian law. Authentication issues are presented by the concept of electronic proxy voting and participation: how does a company confirm that an electronic proxy was sent by the actual shareholder and not a third party? When is a vote truly an electronic vote for the purpose of meeting quorum? By whom, and how, should disputes regarding the conduct of virtual meetings be resolved? There are consumer and constitutional issues raised by the digital divide that have been left unaddressed. Rural, elderly, poor, or low-income shareholders who have no reliable access to the internet, may be disenfranchised by the move to virtual meetings in a way that raises issue of fairness of treatment and potentially, in the context of constitutionally guaranteed equal access to justice and fair hearing, issues of constitutionality. Neither the CAC nor the NGX has so far issued the specific regulatory guidance on security, stability, interoperability and shareholder protection needed for legal soundness and practical inclusiveness of virtual governance.[37]

Electronic Contracts and the Authentication Problem

Although the enforceability of electronic contracts under Nigerian law has been clarified by the NDEE Act 2024, the authentication - that is to say the determination that an electronic signature was made by the party it claims to represent - is uncertain at law. While the Act gives a broad definition to electronic signatures 'as data in electronic form which is attached to or logically associated with other data in electronic form, and which is used by the signatory to sign,' it mandates a 'security procedure'. This security procedure can be legislatively prescribed, or may be arrived at by contract, or by mutual adoption. The difficult problem, however, is the absence in the Act of any clear stipulation as to which security procedures satisfy the legally required standard. Whether a particular electronic signature process, in a given case, satisfies the legally necessary standards for enforceability will only be resolved through litigation before a court, where its authenticity will be

[33] Ibid.

[34] Section 240(2) of CAMA, 2020.

[35] EY, 'Nigeria: Highlights of the Business Facilitation (Miscellaneous Provisions) Act' (EY, 2023) <ey.com> accessed 11 May 2026; Mondaq, 'From Four Walls to No Walls: Nigeria's Public Companies Go Virtual' (Mondaq, September 2025) <mondaq.com> accessed 11 May 2026.

[36] National Digital Economy and E-Governance Act 2024 (n 4); Technext, 'A Detailed Review of the Newly Unveiled 2024 National Digital Economy and E-Governance Act' (Technext, July 2024) <technext24.com> accessed 11 May 2026. See also; Section 37

[37] Tunde & Adisa Legal Practitioners, 'From Four Walls to No Walls: Nigeria's Public Companies Go Virtual' (August 2025) <tundeadisa.com> accessed 11 May 2026; ICLG, 'Corporate Governance Laws and Regulations Report 2024-2025: Nigeria' (ICLG, 2024) <iclg.com> accessed 11 May 2026.

adjudicated.[38] To this must be added the fact that Nigerian courts have no significant experience in dealing with sophisticated electronic evidence litigation. The Evidence Act 2011 has a requirement that computer-generated evidence will only be admissible in court if a certificate showing that the computer was in good working order when the evidence was generated is produced. In the age of cloud computing and distributed ledgers/block chain-based ledgers, the demands placed upon such a certificate may be impossible to meet. The continued progress by the CAC to become fully operational in dealing with digital company incorporation and filing through its on-line services is an issue that throws up practical electronic authentication challenges the resolution of which at law can only be expected to proceed with the accuracy and certainty that business requires, based on a satisfactory framework in the existing law.[39]

Online Dispute Resolution for Digital Transactions

In an environment where electronic transactions are rapidly eclipsing traditional paper-based commercial activities, one critically important question for legal system will arise in connection with effective methods of dispute resolution. NDEE Act provides Nigerian courts the legal basis on the use of the laws that permit digital evidence. However, judicial capacity has been in shortage of: judge's knowledge on the digitally-forensics skills, the cryptocurrency valuations and interpretations on smart contracts, the laws that were formulated during paper era of litigation, as well as enforcement regulations that are for defendants whom can be readily traced and the tangible properties. While the Arbitration and Mediation Act 2023 has brought the Nigerian arbitration in pace, it offers insufficient grounds for Online Arbitrations in electronic transactions. There is no guidelines in relation to the digital dispute of money including methods to assess cryptocurrencies, the rules for interpreting the smart contracts, the way to deal with anonymous or semi-anonymous actors, and the appropriate means for enforcement.[40]

5. Cross-Cutting Legal Challenges

Regulatory Fragmentation and Jurisdictional Overlap

Regulatory fragmentation is the structural problem of the Nigerian digital economy law space. The reality for fintech firms with multi-product businesses in areas such as payments, lending, investments, insurance and crypto, is being regulated by more than 10 regulators concurrently. Each has its own specific licence requirements, capital obligations, reporting requirements, and culture of enforcement. The GLI Fintech 2025 report identifies four key manifestations of the regulatory fragmentation in the Nigerian landscape; the problem of multi-regulator oversight causing cost and ambiguity; the difficult compliance burdens in digital asset regulation posing high barriers to entry; increased consumer protection and data governance mandates of the NDPA 2023 causing undue burdens to AI-driven fintech models; and, the stricter AML/CFT regimes increasing governance costs making such compliance too burdensome to scale for early-stage startups lacking a compliance culture.[41] The double licensing mandated in the NFRC Bill 2025 (if not licensed by the CBN and SEC, firms may be required to have an additional license from the proposed Commission) would likely aggravate the already acute fragmentation, rather than alleviate it. Legislative action needed at this juncture calls for consolidation and rationalization of the mandates of the existing regulators, a feat likely to be politically challenging in view of the institutional stakes of established regulators.[42]

Data Governance and Privacy in Digital Financial Services

The NDPA 2023 - Nigeria's primary data protection statute, signed into law on 12 June 2023 and supplemented by the NDPC's General Application and Implementation Directive (GAID) issued on 20 March 2025 (effective September 2025) - imposes comprehensive obligations on fintech companies as Data Controllers and Processors of Major Importance (DCPMIs). Entities processing personal data of more than 200 individuals within a six-month period, operating in financial services, or handling data of strategic economic significance are classified as DCPMIs, triggering registration requirements, annual compliance audit obligations, and penalties of up to ₦10 million or 2% of annual gross revenue for non-compliance. [43] The NDPA's practical implications for digital financial services are extensive. Digital lenders are prohibited from accessing borrowers' contacts, photos, or private messages - a prohibition directly targeting the predatory data practices that made Nigerian loan apps internationally notorious. AI-driven credit scoring systems using alternative data sources must establish a lawful basis for processing under the NDPA, document data protection impact assessments, and provide meaningful explanations to applicants denied credit. [44] The Federal High Court's November 2024 decision in *Frank Ijege v. NDPC*,[45] which invalidated certain provisions of the NDPC's DCPMI Guidance Notice as exceeding the Commission's statutory authority, demonstrates that the boundaries of the NDPA's regulatory reach are themselves contested and that

[38] Ibid.

[39] FCCPC, Digital, Electronic, Online or Non-Traditional Consumer Lending Regulations 2025 (DEON Regulations), enacted 21 July 2025.

[40] Ibid.

[41] Legal 500, 'Nigeria: Fintech — Country Comparative Guides' (Legal 500, 2026) <legal500.com> accessed 11 May 2026.

[42] Ibid.

[43] ICLG, 'Data Protection Laws and Regulations Report 2025-2026: Nigeria' (ICLG, July 2025) <iclg.com> accessed 11 May 2026; NDPA 2023, s 65 (DCPMI); NDPC GAID 2025 (issued 20 March 2025, effective September 2025).

[44] Pavestones Legal, 'Key Regulatory Considerations for Operating a Money Lending Business in Nigeria' (June 2024) <pavestoneslegal.com> accessed 11 May 2026; Legal 500 (n 24) (AI credit scoring and explainability).

[45] *Frank Ijege v Nigeria Data Protection Commission* (Suit No. FHC/KD/CS/34/2024)

fintech companies face legal uncertainty not merely about compliance obligations but about which regulatory requirements are themselves legally valid.

The USD 220 million fine imposed on Meta/WhatsApp by the NDPC in collaboration with the FCCPC in July 2024 - for exploitative data sharing practices, obnoxious business conduct, and failure to obtain explicit consent for data sharing between WhatsApp and Facebook - signals the willingness of Nigerian regulators to impose landmark penalties on major digital platforms. [27] This enforcement posture, combined with the NDPA's extraterritorial reach to any entity processing the data of persons in Nigeria regardless of where the entity is incorporated, creates significant compliance obligations for foreign fintech companies entering the Nigerian market.[46]

Consumer Protection in the Digital Financial Ecosystem

Consumer protection has become the liveliest aspect of Nigeria's digital financial regulation space. The loan app abuse-loan app operators harvesting call data to hound and shame borrowers that exposed Nigeria to significant international embarrassment-initiated DEON Regulation 2025, the broadest consumer protection regulatory regime for digital financial services in Africa. But DEON Regulation 2025 targets solely the most egregious consumer detriments; a vast array of unjust digital financial practices (e.g. inscrutable algorithmic pricing, discriminatory credit scoring, predatory data monetization, deceptive investment promotion) demands more structured consumer rights protections.[47]

The FCCPC's October 2024, FATF-complied, inquiry into AML shortcomings at fintech companies, its clampdown on offending digital lenders, and the imposition of a 220 million naira fine against WhatsApp evidence that capacity and willingness exist. Better statutory frameworks are now needed for this capacity. The friction between FCCPA's consumer protection and competition functions and CBN's mandate for financial stability-demonstrated by the current dispute over whether FCCPA consumer complaint powers include banking transactions already subject to the BOFIA is a burning legal question that has direct and adverse consequences for the millions of Nigerian customers who access financial services from entities subject to competing jurisdictions.[48]

Anti-Money Laundering, Terrorism Financing, and Crypto Enforcement

Under the MLA (2022) and TFA (2022) and the revised SEC regime, implemented pursuant to the ISA 2025, all entities involved in the facilitation of crypto-fiat exchange, transfer, custody, brokering or token issuance, are classified as regulated financial intermediaries. This means that they are subject to customer due diligence, monitoring and suspicious transaction reporting requirements and since 2026, to more operative FATF travel rule requirements for cross-border transactions.[49] The prosecution of Binance stands as Nigeria's most high-profile crypto enforcement proceeding. The charges against Binance-including complicity in the erosion of the Naira's value, violations of money laundering and tax legislation, failure to obtain recognition as a securities exchange under the ISA-raise a series of questions which will define the future regulatory parameters for foreign crypto operations in Nigeria: To what degree of market penetration in Nigeria would a foreign crypto platform need to engage to become locally registered? How should a tax jurisdiction determine the income tax liability of a decentralized exchange without a legal entity in Nigeria? To what extent are crypto platforms responsible for the macroeconomic repercussions from their customers' currency trading? None of these questions have been definitively answered by statute or case law.[50]

Cross-Border Enforcement and Jurisdictional Complexity

The borderless nature of digital financial services means that a Nigerian consumer trading on an offshore crypto-exchange, with a digital wallet hosted on servers in different territories, dealing in a crypto-currency with no territory, poses enforcement challenges that are beyond the reach of the Nigerian law designed on the principle of territorial sovereignty. The CBN's new International Money Transfer Operator (IMTO) Guidelines of January 2024 requiring foreign IMTOs to have a minimum operational capital of USD 1 million and banning outbound IMTO transfers are a territorial reach attempt by regulatory authorities to assert territoriality on cross-border financial transactions, a concept difficult to enforce against digital platforms outside Nigerian territory.[51] FATF grey listing, with its financial and reputational implications for Nigerian financial entities, again points to the international aspect of Nigeria's digital finance governance dilemma: domestic regulations are not sufficient unless coupled with the necessary mutual recognition agreements, information-sharing agreements and enforcement cooperation mechanisms that are critical to regulate international digital finance effectively.

[46] Global Legal Insights, 'Fintech Laws and Regulations 2025: Nigeria' (GLI, September 2025) <globallegalinsights.com> accessed 11 May 2026.

[47] IBA, 'Updated: An Overview of Nigeria's Dynamic Cryptocurrency Regulatory Landscape' (IBA, 2024) <ibanet.org> accessed 11 May 2026.

[48] Mondaq, 'The BOFIA, The FCCPA and the Battle for Supremacy: Does the FCCPA Apply to Consumer Complaints Arising from Banking Transactions?' (Mondaq, 2024) <mondaq.com> accessed 11 May 2026.

[49] Legal 500 (n 24) (AML/CFT under MLP (PP)A 2022, TPA 2022, ISA 2025; travel rule operationalization as of 2026).

[50] Digital Policy Alert (n 14) (Digital Trade Protocol to the AfCFTA, adopted February 2024); Udo Udoma & Belo-Osagie, 'What the Investment and Securities Act 2025 Means for Digital Assets in Nigeria' (UUBO, May 2025) <uubo.org> accessed 11 May 2026.

[51] Chambers and Partners, 'Fintech 2025: Nigeria' (n 19) (CBN IMTO Guidelines January 2024); Mondaq, 'An Overview of Nigeria's Regulatory Landscape for Fintech in 2024 and Outlook for 2025' (n 13).

The NDPA's extraterritorial clause (which imposes Nigerian data protection law on any company processing the personal data of Nigerian residents) reflects this attempt and difficulty to exercise jurisdiction on global digital platforms.[52]

6. Reform Proposals: Towards a Coherent Digital Economy Legal Architecture

Regulatory Consolidation through a Coordinated Fintech Supervision Model

The case for regulatory consolidation is compelling, but the NFRC Bill's approach of creating an additional regulatory layer is the wrong solution. The preferable model is the establishment of a statutory Fintech Coordination Council - chaired by the CBN Governor with mandatory membership from the SEC Director-General, FCCPC Executive Vice-Chairman, NDPC National Commissioner, NCC Chairman, and CAC Registrar-General - with binding authority to resolve jurisdictional disputes between regulators, issue coordinated compliance guidance applicable across all relevant agencies, develop a unified licensing portal enabling fintech companies to satisfy all registration requirements through a single interface, and publish an annual Regulatory Map clarifying which agency has primary jurisdiction over each fintech activity. This model, adapted from Singapore's Financial Sector Technology and Innovation framework, preserves specialized regulatory expertise while eliminating the duplication and contradiction that characterize the current architecture.[53]

A Dedicated Digital Assets Act

The ISA 2025's classification of digital assets as securities is a necessary starting point but insufficient as a comprehensive governance framework. Nigeria requires a dedicated Digital Assets Act that: establishes a clear taxonomy distinguishing payment tokens, utility tokens, security tokens, stablecoins, and decentralized finance instruments; provides legal rules for smart contract formation, interpretation, and enforceability; creates a bespoke insolvency and resolution regime for digital asset firms addressing the management of customer digital holdings in insolvency, the treatment of private keys, and the valuation of digital asset portfolios; develops a safe harbour framework for DeFi protocols that facilitates innovation while preserving systemic risk protections; and aligns Nigerian digital asset law with the FATF's updated virtual asset guidance and the emerging African Union digital finance governance architecture under the African Continental Free Trade Area's Digital Trade Protocol.[54]

A Comprehensive Consumer Digital Rights Framework

The DEON Regulations 2025 address the most egregious consumer harms in digital lending, but Nigeria needs a broader Consumer Digital Rights Act that establishes: a right to explanation when automated systems make significant credit or financial service decisions; prohibitions on algorithmic discrimination in financial services based on protected characteristics; maximum permissible fees for digital financial products expressed as effective annual percentage rates that include all charges; mandatory consumer data portability enabling individuals to transfer their financial data between competing providers; a digital financial ombudsman with jurisdiction over all digital financial service complaints regardless of which regulator licenses the service provider; and minimum standards for customer authentication and liability allocation in cases of digital financial fraud.[55]

Strengthening Virtual Corporate Governance

The legal framework for virtual corporate governance requires regulatory supplementation of the statutory provisions of CAMA, BFA, and the NDEE Act. The CAC should issue binding Guidance on Virtual General Meetings establishing: minimum technical standards for virtual meeting platforms, including identity verification, anti-manipulation safeguards, and accessibility requirements for shareholders with disabilities or limited digital access; rules for electronic proxy voting that satisfy shareholder authentication requirements; procedures for challenging the validity of resolutions passed at virtual meetings; and mandatory physical backup options for meetings involving fundamental corporate decisions such as mergers, capital reductions, and constitutional amendments. The Evidence Act 2011 should be amended to provide clear rules for the admissibility of blockchain-based records, cloud-hosted electronic documents, and AI-generated corporate records.

International Engagement and Mutual Recognition Arrangements

Nigeria's digital economy law reform must extend beyond domestic legislation. The country should actively pursue bilateral and multilateral mutual recognition arrangements for VASP supervision with major crypto jurisdictions, enabling Nigerian-licensed VASPs to operate in partner markets and subjecting foreign VASPs to equivalent Nigerian requirements without duplicative licensing. Nigeria's engagement with the FATF mutual evaluation process should be accompanied by diplomatic efforts to exit grey list status through demonstrated AML/CFT reform, unlocking the competitiveness benefits that full FATF compliance confers. Under the African Continental Free Trade Area's Digital Trade Protocol - adopted in February

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[52] Ibid

[53] West Africa Trade Hub, 'Crypto Legal in Nigeria? SEC Stance, Regulations, and 2025 Outlook' (2025) <westafricatradehub.com> accessed 11 May 2026.

[54] Digital Policy Alert (n 14) (Digital Trade Protocol to the AfCFTA, adopted February 2024); Udo Udoma & Belo-Osagie, 'What the Investment and Securities Act 2025 Means for Digital Assets in Nigeria' (UUBO, May 2025) <uubo.org> accessed 11 May 2026.

[55] West Africa Trade Hub, 'Crypto Legal in Nigeria? SEC Stance, Regulations, and 2025 Outlook' (2025) <westafricatradehub.com> accessed 11 May 2026.

2024 - Nigeria should champion the development of continental harmonized standards for digital asset regulation, data protection, and electronic contract recognition that reduce the compliance costs facing pan-African fintech operators.[56]

7. Conclusion

The digital economy is booming in Nigeria, and so are the corresponding legal challenges. While it is important to celebrate the Nigerian laws, which are considered as great leaps toward bringing certainty into a previously unregulated space of the digital economy (Investment and Securities Act 2025, the NDPA 2023, BFA 2022, DEON Regulations 2025, NDEE Act 2024), the Nigerian experience since the crypto ban shows that, while the legal landscape now appears well regulated, substantial governance failures persist. For example, regulatory fragmentation and numerous disparate laws are costly for innovative startups to comply with. The non-existence of a specific legislation for digital assets and relevant governing institutions poses complex questions about DeFi, crypto insolvency and smart contract enforceability. The proposed legislation for consumer protection of digital assets under an AI-driven financial environment remains unenforced, and rules on virtual corporate governance need supporting regulations to be effectively implemented. Cross-border enforcement is still weak, leading to legal ambiguity, loss of investor confidence and exposure of several Nigerian consumers to the whims of the black market. The suggestions herein harmonized regulation, a singular legislation on digital assets and consumer rights, regulations on virtual corporate governance, international collaboration and others-are daunting, but necessary if Nigeria wants to lead the African digital economy. A solid legal framework that accommodates every facet of the digital world will be essential. Beyond legislation and regulation, Nigeria needs investment in technical regulatory capacity, knowledgeable legal professionals and public digital infrastructure that can ensure access to the benefits of legal frameworks for all Nigerian consumers. This is what lawmakers, regulatory bodies, and legal professionals in the country have to contend with for the foreseeable future.

[56] Udo Udoma & Belo-Osagie, 'Nigeria Fintech 2024 Review and Outlook for 2025' (UUBO, March 2025) <uubo.org> accessed 11 May 2026.