



REGULATORY UPDATE

**APPROVAL OF
THE NATIONAL
BLOCKCHAIN
POLICY FOR
NIGERIA**

In a press statement, published on 3rd May 2023 and titled "Federal Government Approves National Blockchain Policy for Nigeria", the Federal Ministry of Communications and Digital Economy ("Ministry") announced that the Nigerian government has approved a National Blockchain Policy for Nigeria ("Policy"). The Ministry indicated that the Policy is aimed at establishing a blockchain-based economy that will facilitate secure transactions, data sharing, and value exchange among individuals, businesses, and the government.

The Policy is expected to enhance innovation, trust, growth, and prosperity for those in the public and private sectors of the Nigerian economy.

The National Information Technology Development Agency is an agency under the supervision of the Ministry and has been charged with responsibility for coordinating the Policy. The Ministry also confirmed in the statement that a multi-sectoral Steering Committee has been established to oversee the Policy's implementation in the country. To ensure a broad-based approach in the implementation, the members of the Steering Committee represent agencies that are critical to the use of blockchain technology such as the Central Bank of Nigeria, National Information Technology Development Agency, the National Universities Commission, the Securities and Exchange Commission, and the Nigerian Communications Commission. These agencies have been directed to develop a framework for the deployment of blockchain technology in various sectors of the economy.

The statement urged federal and state government institutions as well as private sector individuals to take advantage of blockchain technology in providing their products and services in various sectors including the education, health, security, agriculture, and finance.

Subject to reviewing the Policy, we expect its immediate impact to be to demystify blockchain infrastructure which has been seen as analogous with cryptocurrency and been treated with some suspicion by government institutions. The many use cases of blockchain technology should mean that its adoption in relation to things like title registration will create efficiencies and minimise fraud and manipulation. It is also expected that it may open the door towards the gradual acceptance by regulators of dealings in cryptocurrencies. As the implementation of the policy progresses, it is our expectation that industry players in the Nigerian blockchain space will be able to leverage the infrastructure to provide innovative products and services in various sectors such as education, health, security, agriculture and finance. We expect that this will spur growth and renew investor confidence in the Nigerian economy.

Please see a link to the statement below:

<https://twitter.com/FMoCDENigeria/status/1653846759779475458?s=20>

The Policy document itself is not publicly available yet for our review. We will provide further updates as things develop and once the Policy is published.

UUBO has an active Fintech team and is available to respond to your enquiries. Any questions on this or other enquiries can be directed to your usual UUBO contact or to fintech@uubo.org

This update has been provided by Joseph Eimunjeze, Pamela Onah and Precious David Onyebuchi of the Fintech team at Udo Udoma & Belo-Osagie. For more information about our Fintech practice group offerings, please visit our website at www.uubo.org or email us at uubo@uubo.org.

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