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REGULATORY UPDATE

NIGERIA MOVES TOWARDS COORDINATED VIRTUAL ASSET REGULATION

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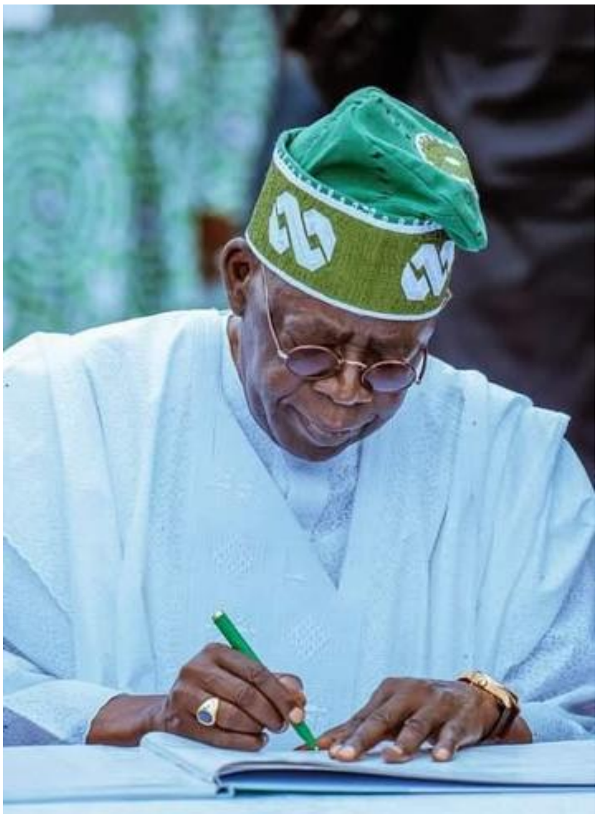

On 17th July 2026, President Bola Ahmed Tinubu signed the Presidential Executive Order on Virtual Assets Coordination, 2026 (the "Executive Order"), marking a significant development in Nigeria's evolving regulatory framework for virtual assets.

The Executive Order introduces a coordinated approach to the regulation of virtual assets and digital asset activities in Nigeria. Rather than creating a new standalone regulator, it seeks to strengthen cooperation amongst existing regulatory authorities while preserving their respective statutory mandates. This development is particularly relevant to virtual asset service providers, digital asset exchanges, custodians, token issuers, payment service providers, investors and other participants in Nigeria's digital asset ecosystem.

Background

Nigeria's virtual assets regulatory landscape has evolved significantly over the past few years. Notable developments include:

- the issuance of the Securities and Exchange Commission's ("SEC") Rules on Issuance, Offering Platforms and Custody of Digital Assets;
- the Central Bank of Nigeria's ("CBN") Guidelines on Operations of Bank Accounts for Virtual Asset Service Providers;
- the introduction of the SEC's Accelerated Regulatory Incubation Programme ("ARIP"); and
- the enactment of the Investments and Securities Act, 2025 (ISA 2025), which formally recognises digital and virtual assets as securities.

While these developments established the legal and regulatory foundations for the supervision of virtual asset activities, uncertainty remained regarding the respective roles of the various regulators, particularly where virtual asset activities crisscross capital markets regulation, banking, payment systems, taxation, and other related areas.

The Executive Order seeks to address this by introducing a formal framework for regulatory coordination whilst preserving the statutory mandates of the existing regulators.

Key Highlights of the Executive Order

The reported key features of the Executive Order include:

- the establishment of a Virtual Asset Council, chaired by the Governor of the CBN, with the Director-General of the SEC and the Chairman of the Nigeria Revenue Service (NRS) serving as Vice-Chairs;

- the establishment of a Virtual Asset Office within the CBN to coordinate regulatory cooperation and implementation;

- confirmation that the Executive Order does not establish a new regulator but instead provides a mechanism for coordination amongst existing regulators;

- a functional allocation of regulatory responsibilities under which:

    - the SEC will continue to regulate virtual assets that constitute securities and investment products; and

    - the CBN will oversee payment, settlement, custody and other non-security virtual asset activities within its statutory mandate;

- the establishment of a dedicated CBN regulatory sandbox for virtual asset and blockchain-based innovation;

- the development of a virtual assets tax policy by the NRS; and

- a requirement for the Virtual Asset Council to issue a Harmonised Implementation Framework within 30 days, together with the publication of a broader Virtual Assets White Paper by the Federal Government of Nigeria.

How Does This Compare with the Existing Regulatory Position?

Although the official text of the Executive Order has not yet been published, it appears to build upon, rather than replace, Nigeria's existing regulatory framework.

The position may be summarised as follows:

Existing Position	Position under the Executive Order
The SEC regulates digital and virtual assets that constitute securities under ISA 2025 and the SEC's Digital Assets Rules.	The SEC is expected to continue regulating virtual and digital assets that constitute securities and investment products.
The CBN regulates banking relationships with Virtual Asset Service Providers through the Guidelines on Operations of Bank Accounts for Virtual Asset Service Providers, 2023.	The CBN is expected to assume a broader coordinating role in relation to payment, settlement, custody and other non-security virtual asset activities within its statutory mandate.
The SEC, CBN and other regulators exercise their statutory powers independently.	The Virtual Asset Council introduces a formal mechanism for inter-agency coordination.
There is no formal framework for resolving regulatory overlap amongst financial sector regulators.	The Harmonised Implementation Framework is expected to provide coordinated supervisory guidance and greater regulatory consistency.
Nigeria does not currently have a dedicated virtual assets tax framework.	The NRS is expected to develop a dedicated tax policy for virtual assets.

Looking Ahead

The Executive Order represents another important milestone in shaping the Nigerian virtual assets regulatory space. Its practical impact, however, will depend largely on the implementation measures that follow, particularly the Harmonised Implementation Framework and any accompanying guidance issued by the relevant regulators.

At the time of writing, the official text of the Executive Order has not yet been publicly released. Once published, a detailed review of its provisions will be necessary to assess its implications for virtual asset service providers, digital asset exchanges, custodians, token issuers, payment service providers and other participants in Nigeria's digital asset ecosystem.

We will continue to monitor developments and provide further updates as additional information becomes available.
