

Fintech Regulation in Focus: An Analysis of the CBN's 2026 Fintech Report



On the 2nd of February 2026, the Central Bank of Nigeria (“CBN”) released its report titled “Shaping the Future of Fintech in Nigeria: Innovation, Inclusion and Integrity,” offering a consolidated review of the evolution, structure and regulatory direction of Nigeria’s fintech ecosystem. The report provides the CBN’s perspective on the growth trajectory of digital financial services, the role of fintech in advancing financial inclusion and the regulatory considerations necessary to sustain innovation while safeguarding financial system stability and consumer protection.

In light of the significance of the report for financial institutions, fintech operators and investors, our Firm is issuing this brief update to highlight the key themes, regulatory signals and potential implications for market participants. This note provides a concise analysis of the report’s core observations and the areas where stakeholders should anticipate closer supervisory focus, policy refinement and evolving compliance expectations.

Fintech Regulation in Focus: An Analysis of the CBN's 2026 Fintech Report

1. Overview

Nigeria has firmly established itself as one of Africa's most advanced and influential fintech ecosystems. Early regulatory foresight, a mature real-time payments infrastructure, and a fast-growing innovation community have combined to place Nigeria at the forefront of digital financial services on the continent.

Building on this foundation, On the 2nd of February, 2026, the Central Bank of Nigeria ("CBN") published its *Fintech Report – Shaping the Future of Fintech in Nigeria: Innovation, Inclusion, and Integrity* marking a strategic shift and positioning Nigeria not only as a leading adopter of fintech, but as a jurisdiction capable of shaping regulatory norms, trust frameworks and innovation pathways for emerging and high-growth markets globally. Click to read the full report [here](#)

Grounded in extensive stakeholder consultations, a nationwide fintech survey, a closed-door workshop in June 2025 and the October 2025 CBN Fintech Roundtable, the report provides a rare, system-wide view of Nigeria's fintech landscape. It identifies structural constraints, surfaces industry priorities and articulates policy pathways for the next phase of growth.

For founders, financial institutions, investors and international partners, the message is clear. Nigeria's fintech opportunity remains compelling, but future growth will be increasingly defined by regulatory coordination, infrastructure readiness and demonstrable system integrity.

In this next phase, regulatory engagement and compliance discipline are no longer peripheral considerations; they are central determinants of scale, valuation and sustainability.

2. Leadership Through Innovation: Nigeria's Fintech Advantage

Nigeria's fintech leadership is neither accidental nor recent. A defining milestone was reached more than a decade ago when Nigeria implemented a nationwide, real-time interoperable payments infrastructure, making instant interbank transfers a standard feature of everyday economic activity well ahead of many peer jurisdictions, including several advanced economies.

That early investment has yielded enduring dividends. Through sustained collaboration between the CBN, the Nigeria Inter-Bank Settlement System (NIBSS) and the wider payments ecosystem, Nigeria's instant payments system has evolved into one of the most mature and resilient real-time payment platforms globally. Its scale is now a defining feature of the economy rather than a niche innovation.

Key indicators underscore this maturity:

- a. Over a quarter of all electronic transactions are processed via real-time payment channels.
- b. Transaction volumes reached nearly 11 billion in 2024, more than double 2022 levels.
- c. The system aligns with the Payments System Vision 2025, which targets near-universal electronic payments by 2030.

From a legal and commercial perspective, this scale has two important implications. First, Nigeria represents a high-growth market where infrastructure risk, often a concern in emerging economies, has been materially mitigated in core payments.

Second, Nigeria increasingly functions as a reference jurisdiction. Its regulatory responses to scale, resilience, fraud management and interoperability are now relevant not only domestically, but to policymakers and regulators across Africa and other emerging markets grappling with similar challenges.

3. Innovation and Integrity: A Non-Negotiable Pairing

The CBN's Fintech Report is notable for its candour. It does not shy away from Nigeria's longstanding reputational challenges linked to digital fraud and financial crime. Instead, it frames integrity as a strategic pillar rather than a defensive afterthought.

While fraud remains a real and evolving risk, the report highlights credible and measurable progress. Enhanced Anti-Money Laundering (AML) supervision, strengthened Know-Your-Customer (KYC) frameworks, and coordinated enforcement actions have closed significant compliance gaps across the ecosystem. Nigeria's recent exit from the Financial Action Task Force (FATF) grey list represents a particularly important inflection point, restoring international confidence, reducing friction in correspondent banking relationships and improving cross-border transaction efficiency.

For regulated businesses, the regulatory signal is unambiguous. Innovation must advance in tandem with governance. Compliance is no longer viewed merely as a regulatory obligation, but as a source of competitive differentiation. Reputation, once treated as an externality, is now recognised as a strategic asset that directly affects market access, partnership viability and investment flows.

This reframing has material legal consequences. Boards, founders, and investors must now treat AML, consumer protection, and data governance as core enterprise risks, fully integrated into product design, expansion strategy, and capital planning.



4. What the Market Is Saying: Key Fintech Survey Insights

One of the report's most valuable contributions is its empirical grounding. The nationwide fintech survey, drawing primarily from operators, offers a granular view of ecosystem momentum alongside persistent friction points.

Several themes are particularly salient for commercial decision-making:

- a. **Cross-border ambition is now mainstream.**
Over 60% of respondents plan regional expansion, reflecting both domestic market saturation in certain segments and the strategic importance of scale. There is strong support for regulatory passporting frameworks across Africa, particularly through phased or bilateral arrangements.
- b. **Real-time payments and AI are core growth engines.**
Artificial intelligence is already widely deployed for fraud detection, onboarding, customer service and credit scoring. Meanwhile, Nigeria's real-time payments infrastructure remains a central competitive advantage, particularly for embedded finance and platform-based business models.

c. Infrastructure gaps remain binding constraints.

Limited access to digital identity systems, broadband gaps, incomplete data-sharing frameworks and weak open-data infrastructure continue to constrain scale—particularly in inclusive finance and credit innovation.

d. Compliance costs are materially constraining innovation.

Nearly 90% of respondents report that AML, cybersecurity and risk-management costs significantly limit innovation capacity. More than one-third report product launch timelines exceeding 12 months due to regulatory bottlenecks.

e. Regulatory perceptions are finely balanced.

The ecosystem is evenly split between those who view regulation as enabling and those who see it as restrictive—often citing licensing delays, inconsistent interpretation and limited coordination across agencies.

f. Appetite for engagement is strong.

Three-quarters of respondents favour structured, high-trust engagement forums with regulators and all expressed willingness to participate in sandboxes and policy pilots.

Taken together, these insights reinforce a central conclusion: Nigeria's fintech challenge is no longer one of entrepreneurial energy or market demand, but of institutional efficiency and regulatory execution.

5. The Regulator's Perspective: Balancing Innovation and Stability

From the CBN's perspective, fintech has moved decisively from experimentation to systemic importance. Digital platforms now underpin payments, credit access, remittances and commerce for millions of Nigerians. With that integration comes heightened responsibility.

The modern central bank's mandate has expanded well beyond monetary policy. In a digital economy, the CBN must simultaneously promote inclusion, safeguard consumers, deter financial crime and preserve systemic stability—often in the context of business models that scale faster than traditional supervisory tools were designed to accommodate.

The report identifies four persistent regulatory challenges:

- a. The regulator–regulatee disconnect, driven by episodic engagement and reactive communication.
- b. Regulatory overlap and coordination gaps, inherent in fintech's cross-sectoral nature.
- c. Supervisory capacity strain, particularly in relation to data-intensive and algorithm-driven models.
- d. Reputational risk, which transcends jurisdictional boundaries in an interconnected digital system.

Encouragingly, the CBN's approach reflects a shift from gatekeeping to stewardship, embracing risk-based supervision, early engagement and technology-enabled oversight. Regulation, in this framing, is not an obstacle to innovation but a strategic asset that enhances trust, attracts capital and levels the playing field.

6. Strategic Anchors for Nigeria's Fintech Future

The Report distils stakeholder feedback into three strategic anchors that will define Nigeria's next phase of fintech development.

- a. **Innovation-Friendly Regulation:** This does not imply lighter regulation, but clearer, faster, and more predictable regulation. Streamlined approvals, consistent supervisory interpretation, and the deployment of SupTech are central to reducing time-to-market and compliance friction.

b. Financial Inclusion Through Digital

Infrastructure: Fintech remains Nigeria’s most scalable inclusion tool. However, identity access, interoperability, and last-mile infrastructure must be addressed if inclusion is to translate into sustainable participation in formal finance.

c. System Integrity and Reputation: Modern consumer protection, robust AML supervision, and proactive communication of enforcement outcomes are essential to sustaining trust—both domestically and internationally.

7. Policy Pathways and Priority Initiatives

To operationalise these anchors, the Report proposes a set of pragmatic initiatives with direct legal and commercial relevance. These include a formal CBN–Fintech Engagement Forum to institutionalise dialogue and co-creation, as well as a Single Regulatory Window to streamline multi-agency licensing and supervision.

The Report also proposes expanded regulatory sandboxes and live-market pilots, including in areas such as AI, embedded finance and cross-border payments. In addition, it introduces the concept of Compliance-as-a-Service and shared fraud-intelligence utilities to reduce duplication and cost across the ecosystem.

Further, the Report contemplates the establishment of a Fintech Credit Guarantee Scheme to de-risk MSME lending and unlock domestic capital, alongside accelerated open banking and open finance implementation. It also proposes pilot regional regulatory passporting arrangements, beginning with bilateral or sub-regional frameworks.

For practitioners, these proposals signal where regulatory reform is likely to concentrate, and where early engagement can shape outcomes.

8. Key Takeaways

For individuals and organisations operating in or engaging with Nigeria’s fintech ecosystem, several implications are immediate:

- a. Regulatory engagement is now a competitive advantage, not a compliance afterthought.
- b. Cross-border strategies will increasingly depend on regulatory alignment and passporting, not just commercial traction.
- c. Compliance costs and timelines must be built into valuation and investment models.
- d. Integrity: AML, consumer protection, and data governance are now central to sustainability, partnerships, and exit opportunities.

Legal advisers will play an increasingly strategic role, not only interpreting rules, but helping clients navigate regulatory relationships, structure scalable compliance and align innovation with supervisory expectations.

9. Conclusion

The CBN’s Fintech Report marks a decisive moment for Nigeria’s digital finance ecosystem. The country has already achieved what many emerging markets aspire to: scale, adoption and innovation density. The challenge now is consolidation, embedding trust, improving institutional efficiency and executing reforms with discipline.

If Nigeria succeeds in balancing innovation, infrastructure, and integrity, and in institutionalising high-trust collaboration between regulators and industry, it has the potential to move beyond continental leadership. It can become a global reference point for how emerging markets regulate fintech at scale.

For businesses and investors, the opportunity remains substantial. But success in Nigeria's next fintech chapter will depend less on speed alone, and more on foresight, governance and informed legal guidance in an evolving regulatory landscape.

About Us:

THTS Practice is a full-service Nigerian law firm providing bespoke corporate, commercial, dispute resolution and regulatory advisory services to businesses, investors and high-net-worth individuals.

Our boardroom-focused approach combines technical legal depth with commercial insight to support clients across complex transactions, regulatory compliance and strategic business decisions.

THTS Practice advises across multiple sectors and is positioned as a trusted legal partner to growth-oriented and sophisticated enterprises.

www.thtspractice.com

This newsletter is provided for general information purposes only and does not constitute legal or professional advice. The contents are not intended to be a comprehensive statement of the law and should not be relied upon as a substitute for obtaining specific legal advice tailored to particular facts and circumstances.

While every effort has been made to ensure the accuracy of the information as at the date of publication, no representation or warranty (express or implied) is given as to its completeness, reliability or suitability for any purpose. Readers are advised to seek appropriate professional advice before taking or refraining from taking any action based on the information contained herein.

The Firm shall not be liable for any loss or damage (including without limitation, indirect or consequential loss) arising from reliance on this newsletter. Receipt of this publication does not create a solicitor-client relationship between the Firm and any reader.