

Report

Cross-border digital payments and identity in Nigeria under the AfCFTA



ODI Global

Prachi Agarwal, Max Mendez-Parra, Sand Mba Kalu, Lola Aworanti- Ekugo and Ayobami Olajide

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Key messages

Nigeria processed an extraordinary 22 billion digital transactions in six months in 2024, proving that it has untapped potential that can be extended across African borders.

Only 561 Nigerian firms hold a globally recognised business identity. Establishing corporate identity thus represents a massive opportunity to unlock seamless AfCFTA-wide trade.

Most businesses face system glitches (84%) and regular delays in payments from other African countries (80%). This shows the extent to which cross-border transactions often get stuck.

Nigeria already leads participation in the Pan-African Payments and Settlement System. It can turn this into real trade gains by resolving identity and regulatory bottlenecks.

Nigeria can accelerate Africa's digital trade by championing harmonised standards, shared identity systems and simpler SME-friendly payment rules across AfCFTA countries.



AFR|BORDER



ODI Global
4 Millbank
London SW1P 3JA
United Kingdom

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About the authors

Prachi Agarwal

Prachi Agarwal is Research Fellow in the International Economic Development Group, ODI Global. She conducts research on regional integration, global value chains and digital trade, with a focus on women in trade.

Max Mendez-Parra

Max Mendez-Parra is Principal Research Fellow at ODI Global and leads the SITA programme.

Sand Mba Kalu

Sand Mba Kalu is Executive Director at Africa International Trade & Commerce Research in Abuja.

Lola Aworanti-Ekugo

Lola Aworanti-Ekugo is Founder of AfriBorder in Lagos.

Ayobami Olajide

Ayobami Olajide is Research and Advisory Lead at Kickoff Africa in Lagos.

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Abbreviations and acronyms

AEI	African Entity Identifier
AfCFTA	African Continental Free Trade Area
AML	anti-money laundering
API	application programming interface
AU	African Union
B2B	business-to-business
BCEAO	Banque centrale des États de l'Afrique de l'ouest (Central Bank of West African States)
BIS	Bank for International Settlements
BVN	bank verification number
CAC	Corporate Affairs Commission
CAMA	Companies and Allied Matters Act
CBDC	central bank digital currency
CBN	Central Bank of Nigeria
CFT	countering the financing of terrorism
COMESA	Common Market for Eastern and Southern Africa
DTP	Digital Trade Protocol
EAC	East African Community
ECOWAS	Economic Community of West African States
EFCC	Economic and Financial Crime Commission
EPSS	ECOWAS Payments and Settlement System
FATF	Financial Action Task Force
FCDO	Foreign, Commonwealth & Development Office
FIRS	Federal Inland Revenue Service
FMCIDE	Federal Ministry of Communications, Innovation and Digital Economy
FMITI	Federal Ministry of Industry, Trade and Investment
GAID	General Application and Implementation Directive
GDP	gross domestic product
GLEIF	Global Legal Entity Identifier Foundation

iCRP	intelligent Company Registration Portal
ID	identity
IMF	International Monetary Fund
IMO	International Organization for Migration
IMTO	international money transfer operator
IPR	intellectual property rights
ISO	International Organization for Standardization
KYB	know your business
KYC	know your customer
LEI	Legal Entity Identifier
MMO	mobile money operator
MRA	mutual recognition arrangement
MSMEs	micro, small and medium-sized enterprises
NACS	National automated clearing system
NCA	Nigerian Communications Act
NCC	Nigerian Communications Commission
NDPA	Nigeria Data Protection Act
NDPC	Nigeria Data Protection Commission
NDPR	Nigeria Data Protection Regulation
NEPS	National E-Commerce Policy and Strategy
NFIS	National Financial Inclusion Strategy
NFIU	Nigeria Financial Intelligence Unit
NgDX	Nigeria Data Exchange
NIBSS	Nigeria Inter-Bank Settlement System
NIMC	National Identity Management Commission
NIN	national identification number
NIP	NIBSS Instant Payment
NITDA	National Information Technology Development Agency
OECD	Organisation for Economic Co-operation and Development
PAPSS	Pan-African Payments and Settlement System
PIN	personal identification number
PSB	payment service bank
PSP	payment service provider

PSV	Payments System Vision
RTGS	Real-Time Gross Settlement
SADC	Southern African Development Community
SAM	System for Award Management
SCUML	Special Control Unit against Money Laundering
SIM	subscriber identity module
SITA	Supporting Investment & Trade in Africa
SMEs	small and medium-sized enterprises
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TIN	tax identification number
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
US	United States
WAEMU	West African Economic and Monetary Union
WAMA	West African Monetary Agency
WTO	World Trade Organization
WURI	West Africa Unique Identification for Regional Integration and Inclusion

Executive summary

Introduction

Nigeria's digital economy has expanded rapidly, underpinned by growth in digital payments, digital identity systems and evolving data governance frameworks. These systems now serve as foundational digital public infrastructure essential for enabling secure, efficient and scalable digital trade. This report examines Nigeria's digital payments and identity ecosystems in relation to the **African Continental Free Trade Area (AfCFTA) Digital Trade Protocol (DTP)**, which identifies payment interoperability, ID assurance, cross-border data governance and fintech oversight as core enablers of digital trade. Drawing on desk research, two stakeholder roundtables (Abuja and Lagos), and a survey of ecosystem actors, the report identifies key structural gaps, opportunities and reforms needed to strengthen Nigeria's readiness for AfCFTA-aligned cross-border digital trade.

Ongoing efforts under the AfCFTA

The African Union has recognised Nigeria as an AfCFTA Digital Trade Co-Champion, signalling its role in shaping continental DTP implementation. Domestic reforms – including real-time payments infrastructure, digital identity expansion, e-commerce policy, data governance improvements and major broadband investments – demonstrate strong ambition. However, despite progress in retail digital payments and individual ID systems, cross-border business to business (B2B) payments and corporate digital ID remain underdeveloped. These gaps restrict Nigeria's

ability to operationalise AfCFTA provisions on interoperability, automated verification, digital trade standards and seamless cross border payments.

Regional and multilateral frameworks

The AfCFTA DTP establishes continental rules for digital payments, digital ID, digital infrastructure, data governance, cybersecurity, online consumer protection and intellectual property – aimed at transforming a fragmented African digital environment into an integrated continental market.

Complementing this are **Economic Community of West African States (ECOWAS) frameworks**, including:

- ECOWAS Payments and Settlement System (EPSS)
- West Africa Unique Identification for Regional Integration and Inclusion
- ECOWAS Supplementary Act on Personal Data Protection and
- regional cybersecurity strategies.

At the multilateral level, World Trade Organization rules relevant to digital trade emerge from agreements on services, electronic commerce and intellectual property. These help shape global norms, with the AfCFTA offering Africa a practical pathway to continental implementation.

Africa-wide landscape

Africa's cross border digital payments market is expanding thanks to fintech innovation, mobile

money adoption and platforms such as the Pan-African Payments and Settlement System (PAPSS), the Southern African Development Community Real-Time Gross Settlement system, Common Market for Eastern and Southern Africa systems and East African Community regional payment platforms. With 1.1 billion mobile money accounts in 2024, Africa accounts for 66% of global mobile money activity. Nonetheless, high costs and fragmented regulatory standards hinder seamless cross-border payments.

Digital ID is progressing continent-wide, with most countries adopting biometric national IDs, but cross-border authentication remains limited by fraud risks, inconsistent standards and lack of interoperable trust frameworks. These gaps constrain the scalability of AfCFTA-enabled trade.

Nigeria's ecosystem

Nigeria's domestic digital payments ecosystem is high-volume and real-time, serving consumers, small and medium-sized enterprises (SMEs), businesses and government. Nigeria leads Africa in PAPSS onboarding (22 banks), yet cross-border volumes remain low owing to verification bottlenecks, compliance delays and uneven adoption across Africa.

Private sector

Banks, fintechs, mobile money operators, switching companies, card schemes and digital ID providers form a dynamic innovation layer. They rely on interoperable identity systems, harmonised payment messaging and consistent regulation to support B2B cross-border trade. Survey evidence shows heavy dependence on application programming interface (API)-driven systems but frequent integration failures (84% of respondents report disruptions).

Public sector

Institutions such as the Central Bank of Nigeria, the Corporate Affairs Commission (CAC), the National Identity Management Commission (NIMC), the National Information Technology Development Agency, the Nigerian Communications Commission, the Nigeria Data Protection Commission, the Federal Inland Revenue Service (FIRS), the Economic and Financial Crime Commission (EFCC), the Nigeria Financial Intelligence Unit and trade-enabling authorities collectively shape Nigeria's digital trade ecosystem. However, fragmented or overlapping mandates and limited structured coordination undermine interoperability, slow verification processes and raise transaction costs.

Identity

Individual ID systems (national identification number [NIN], BVN [bank verification number], BVN–NIN linkage) have scaled nationally but corporate ID remains fragmented, across entities including CAC (registration), FIRS (tax filing), the Special Control Unit against Money Laundering (SCUML), D-U-N-S, the System for Award Management (SAM), the Nigeria Inter-Bank Settlement System (NIBSS) (BVN) and other registries. Integration remains incomplete, and globally recognised identifiers like the Legal Entity Identifier (LEI) have extremely low adoption (561 active identifiers across millions of firms). This limits automated cross-border know-your-business (KYB) compliance processes and verification for AfCFTA trade.

Drivers and policy

Growth is fuelled by real-time payments (NIBSS Instant Payment [NIP]), agent networks, the

National Payment Stack, fintech innovation, regulatory reforms (Payments System Vision, PAPSS facilitation, international money transfer operator guidelines) and rising consumer adoption. Strong individual ID and data protection frameworks (Nigeria Data Protection Act [NDPA] 2023, General Application and Implementation Directive [GAID]) position Nigeria as regionally advanced, but corporate ID verification remains a binding constraint.

Challenges and opportunities

Challenges

- **Fragmented ID systems:** Multiple corporate identifiers across agencies (CAC, FIRS, NIMC, SCUML) limit straight-through processing and cross-border recognition.
- **Verification delays:** Compliance – not the payment rails – is the biggest source of cross-border failure. Banks report recurring delays tied to ID and document checks.
- **Low adoption of cross-border IDs:** There is almost no SME uptake of the LEI and the African Entity Identifier (AEI), which undermines automated KYB and cross-border payment processing.
- **High costs and bottlenecks:** SMEs face high remittance costs (8.29%), FX constraints, manual documentation and repeated verification steps. In the survey, 80% of businesses reported cross-border payment delays.

- **Limited governance coordination:** No central coordinating body exists to align ID, payments and cross-border digital trade strategy under the AfCFTA.

Opportunities

- **Pan-African payment leadership:** Nigeria's real-time domestic rails and fintech ecosystem position it to anchor continental payment integration via PAPSS and other systems.
- **Identity-enabled compliance:** Linking the NIN, the BVN, CAC and regional ID frameworks strengthens KYB, reduces fraud risks and lowers manual verification burdens.
- **SME inclusion:** Micro, small and medium-sized enterprises (96% of firms) benefit from digital wallets, mobile money and PAPSS corridors that can reduce reliance on informal channels.
- **API interoperability:** Widespread adoption of API-based accounting and treasury systems supports automated cross-border compliance, provided standards are harmonised.

Implications for the AfCFTA

Nigeria's challenge is not infrastructure gaps but misalignment across ID, payments and governance. With 71% of firms unfamiliar with the AfCFTA DTP, demand for interoperable solutions remains low. Without harmonised assurance frameworks and cross-border payment connectivity, domestic progress will not translate into continental scale.

Recommendations

Domestic

- **Corporate ID integration:** Connect the CAC, NIMC, FIRS, the EFCC and financial institutions to enable reusable, consent-based corporate credentials and reduce repeated KYB checks
- **Scale PAPSS and SME payments:** Improve automation, expand PAPSS access for fintechs, review low transaction thresholds, simplify FX processes and support risk-based verification.
- **Enhance interoperability:** Align API standards, assurance frameworks and data-sharing protocols with recognised international standards; leverage identifiers like the AEI where relevant.
- **Support SMEs:** Provide simplified cross-border onboarding guidance, strengthen consumer and data protection enforcement and expand awareness through trade associations.

Continental

- **Mutual recognition of digital identities:** Promote frameworks that reduce duplication and enable faster cross-border verification while ensuring privacy and secure data exchange.
- **Payment connectivity:** Expand direct access to continental rails, reduce reliance on correspondent banking and provide clear operational guidance for SMEs providing payment services.
- **Regulatory passporting:** Establish passporting arrangements with AfCFTA partners to harmonise oversight and accelerate cross-border payment integration.
- **Cross-border data flows:** Use the NDPA and GAID to negotiate data adequacy arrangements enabling lawful, automated KYB, verification and payment processing across African markets.

1 Introduction

The digital revolution has fundamentally reshaped how businesses exchange value, establish trust and share information across borders. At the heart of this transformation are digital payments, digital identity (ID) systems and data governance frameworks. These now constitute core components of the foundational infrastructure of digital trade, enabling transactions to occur securely, efficiently and at scale (UNCTAD, 2021; World Bank, 2025). As a result, governments and international organisations are increasingly recognising digital trade as a strategic driver of economic growth, competitiveness, inclusivity and regional integration (IMF et al., 2023; World Bank, 2025).

Digital payments provide the mechanisms for fast, transparent and efficient value transfer (Galicia Rabadan and Natarajan, 2025). Digital IDs enables individuals and firms to authenticate themselves reliably, reducing fraud, protecting rights, increasing transparency and simplifying compliance processes such as know your customer (KYC) and know your business (KYB) (White et al., 2019; BIS, 2023). Meanwhile, data governance ensures the information powering these systems is handled securely, lawfully and in ways that support cross-border use.

The relationship between digital payments and digital IDs is strongly associated with the trust underlying the digital economy ecosystem. A digital ID system is a critical enabler of the payment system in terms of the confidence it gives users on who is making but also, fundamentally, who is receiving payments. It can provide a baseline level of security regarding the authenticity of digital transactions and operators.

Moreover, the ID system as linked to digital payments enables a level of reversibility of operations in the case of lack of delivery or other disputes between operators. This increases confidence in the conduct of operations, leading to an overall increase in digital transactions by reducing, if not eliminating, some of the associated risks.

These functions are closely linked to the goals of the African Continental Free Trade Area (AfCFTA) Digital Trade Protocol (DTP), adopted in February 2024 and expanded with detailed annexes in 2025 (AU, 2024). The DTP identifies payment interoperability, ID assurance, cross-border data governance and fintech oversight as essential foundations for digital trade across Africa. Implementation of the DTP will depend not only on continental frameworks but also on the readiness of key national systems.

For Nigeria, these developments carry particular significance. As one of Africa's largest economies and a leading hub in fintech innovation, Nigeria will strongly influence how effectively continental digital trade becomes operational through its domestic systems and their alignment with the DTP.

This report begins by assessing Nigeria's current digital ecosystem (Section 2). It follows this in Section 3 by identifying the relevant AfCFTA provisions, supplemented by those mentioned under the Economic Community of West African States (ECOWAS) and the World Trade Organization (WTO). Section 4 reviews the current African landscape of digital payments and digital ID. Section 5 looks at Nigeria's digital ecosystem and policy landscape. Both Section 4 and Section 5 are based on desk-

based research and a stakeholder mapping conducted in Nigeria through meetings and interviews. Using this in-depth assessment, and complementary survey-based analysis, Section 6 highlights some opportunities and technical challenges that Nigerian business and policy-

makers continue to face. Finally, Section 7 offers recommendations for domestic reforms that could help in implementing the AfCFTA DTP, to strengthen digital payments, ID and governance across Nigeria with the end of achieving greater continental trade that is inclusive and sustainable.

2 Ongoing efforts under the AfCFTA by Nigeria in digital trade

Nigeria occupies a strategic position within Africa's emerging digital trade ecosystem. Despite recent macroeconomic pressures, the country remains one of the continent's most digitally dynamic environments, supported by a strong entrepreneurial and technological talent base, an expanding fintech sector and growing digital infrastructure. This role was formally recognised in February 2025 when the African Union (AU) designated Nigeria as an AfCFTA Digital Trade Co-Champion (AU, 2023; Onanuga, 2025), reflecting expectations that the country will play a leading role in driving implementation of the DTP.

2.1 Scale

Nigeria's digital economy has grown rapidly over the past decade, shaped by regulatory reforms and strong private sector innovation, as well as significant investments in telecoms infrastructure, fintech platforms and real-time payment systems. These developments have created the operational and technical foundations necessary for the large-scale adoption of digital payments. The results are visible in the numbers. In the first half of 2024, Nigeria processed approximately 22 billion electronic transactions, valued at ₦1,558 trillion, reflecting the scale and maturity of its domestic real-time digital payment infrastructure (CBN, 2024a). This transaction volume underscores Nigeria's technical capacity to support high-frequency, high-value digital payments at a national scale.

However, most of this growth has occurred in domestic retail and platform-based payments, not in business-to-business (B2B) or cross-border settlements. Even though Nigeria's technical capabilities are strong, the systems and standards required for seamless regional B2B integration, such as harmonised messaging standards, interoperable KYB frameworks and cross-border ID assurance, are still evolving.

Digital ID follows a similar pattern. Individual ID systems have expanded rapidly, with over 118 million national identification numbers (NINs) enrolled as of March 2025, rising to over 121 million figures as of 30 June 2025, and 66 million bank verification numbers (BVNs) issued (Akintaro, 2025; NIBSS, 2025a; NIMC; 2025). The mandatory BVN–NIN linkage directive from the Central Bank of Nigeria (CBN) for certain categories of account-holders in December 2023 has strengthened domestic KYC assurance for individuals (CBN, 2023). However, corporate digital ID remains a major gap. Corporate Affairs Commission (CAC) systems are yet to be fully integrated with other business registries, although efforts are underway to increase CAC–NIBSS integration, and adoption of regional identifiers such as the Legal Entity Identifier (LEI) remains limited. These gaps limit Nigeria's ability to support automated, cross-border KYB, and slow processes such as supplier verification, onboarding and cross-border trade finance.

2.2 Trade potential

Nigeria's digital transformation agenda is increasingly focused on building a robust, interoperable digital ecosystem that aligns with the AfCFTA DTP. Anchored in the country's demographic scale, rapid digital adoption and expanding entrepreneurial base, this agenda is further reinforced by its growing technological capabilities, positioning Nigeria to benefit significantly from AfCFTA-enabled digital trade (Agarwal et al., 2025). With the largest concentration of fintech firms and small and medium-sized enterprises (SMEs) on the continent, alongside accelerating uptake of digital commerce solutions, Nigeria possesses the structural foundations to emerge as a central node in Africa's digital economy.

At the policy level, the Government of Nigeria, through the National Technology Development Agency (NITDA), has articulated a clear strategic direction through the National Digital Economy Policy and Strategy 2020–2030, (NITDA, 2019). This framework provides a comprehensive roadmap for digital transformation that aligns with Nigeria's national digital priorities and with continental trade integration objectives under the AfCFTA. Complementing this digital economy framework, the Federal Executive Council has approved a series of reforms aimed at strengthening Nigeria's intellectual property regime and digital trade architecture, signalling high-level political commitment to a more competitive digital economy (FMITI, 2025). In parallel, the deployment of key digital platforms – including the proposed National Single Window; the eNaira digital currency; the Federal Government landmark infrastructure investment decision to commit approximately \$2 billion to lay 90,000 km of fibreoptic cable and build 7,000 telecom towers, starting in the fourth quarter of

2025 (Okamgba, 2025); and an AfCFTA Market Intelligence Tool – reflects ongoing efforts to streamline customs processes, enhance trade transparency and provide exporters with data-driven insights critical for market access and competitiveness (Okamgba, 2025; BIS, 2022).

Despite these efforts, Nigeria faces substantial structural constraints in digital trade, such as fragmented cross-border payment infrastructure and uneven digitalisation in trade-enabling systems. These have limited the country's ability to support scalable B2B transactions. These systemic gaps contribute to continued reliance on manual and paper-based verification processes in trade finance and supply chain operations, increasing costs, delays and operational risk (UNCTAD, 2021). Moreover, data governance frameworks – a critical enabler of cross-border KYC, KYB and digital payments – are still evolving. Mutual recognition arrangements (MRAs) remain limited and regulatory standards are uneven across African jurisdictions.

As a consequence, Nigeria's relatively advanced domestic digital infrastructure and innovation capacity have not yet translated into a strong and sustained continental digital trade position. Logistics and fulfilment remain major constraints to digital trade in Africa and Nigeria, driven by high transport costs, weak infrastructure and fragmented regulatory frameworks (Mohammed, 2023). Insights from stakeholder consultations further underscore these challenges. Effective implementation of the AfCFTA – particularly through the reduction of non-tariff barriers, streamlined procedures, investment in both physical and digital infrastructure, and policy harmonisation – can significantly improve logistics efficiency, lower transaction costs, strengthen consumer trust, expand market access and increase digital trade.

While the country has the scale, talent and technological foundations required to take up leadership under the AfCFTA, it continues to lack the deeply interconnected payment, ID and data systems necessary to fully capture these opportunities at the corporate level. Addressing these gaps is essential, particularly given projections that effective AfCFTA implementation could increase Nigeria's gross domestic product (GDP) by up to 12.8% and expand exports by nearly 60% (Agarwal et al., 2025).

2.3 Governance

Nigeria's engagement with digital trade governance under the AfCFTA has increasingly focused on preparations for ratifying the AfCFTA DTP, the development of a national digital trade strategy and investment in digital infrastructure and skills development, including the 3 Million Technical Talent programme (Agarwal et al., 2025).

The Federal Ministry of Industry, Trade and Investment (FMITI) has released a report highlighting key milestones in Nigeria's AfCFTA journey (FMITI, 2026). Notable achievements include the establishment of the Central Coordination Committee, publication of the Provisional Schedule of Tariff Concessions and the mapping of over 200 digital services firms across 17 sectors. Nigeria has also launched a Market Intelligence Tool for select African markets, convened the first Regional Digital Market Access and Regulators' Roundtable, established a Regional Digital Trade Regulators' Working Group and ratified the AfCFTA DTP.

These initiatives signal a policy intent to align Nigeria's domestic digital transformation agenda with emerging continental trade trends and to position the digital economy as a driver of competitiveness and inclusive growth.

However, the absence of structured institutional governance coordination and regulatory coherence for B2B cross-border payments and digital ID across federal agencies and regulatory authorities has led to overlapping mandates, inconsistent compliance requirements and increased transaction and regulatory costs for businesses operating at scale. These governance gaps are most evident across the core pillars underpinning digital trade, digital payments, ID management, corporate registration, taxation, data protection and cybersecurity, where responsibilities are dispersed among institutions such as the **Central Bank of Nigeria (CBN)**, the **Nigeria Inter-Bank Settlement System (NIBSS)**, the **National Identity Management Commission (NIMC)**, the **Corporate Affairs Commission (CAC)**, the **Nigeria Data Protection Commission (NDPC)**, the **Nigerian Communications Commission (NCC)**, the **Federal Inland Revenue Service (FIRS)** and law enforcement and financial intelligence bodies including the **Economic and Financial Crimes Commission (EFCC)** and the **Nigeria Financial Intelligence Unit (NFIU)**. While each institution has made measurable progress within its statutory mandate, formalised and enforceable cross-agency coordination mechanisms, particularly for data-sharing, joint supervision and system interoperability, remain limited, constraining overall ecosystem efficiency (OECD, 2021; Jikenghan et al., 2025; WTO and World Bank, 2025).

In practice, this governance arrangement functions reasonably well for siloed, domestic processes, but it becomes a structural bottleneck where interoperability, real-time data exchange or integrated regulatory workflows are required for cross-border transactions. A salient example is the automation of KYB processes, which depends on coordinated access to corporate registration data

(CAC), bank verification numbers (BVN), national ID records (NIN), tax ID systems (via the tax identification number – TIN) and law enforcement databases. At present, these systems largely operate in parallel rather than as an integrated digital public infrastructure layer, limiting end-to-end automation, increasing verification costs and slowing transaction processing for firms engaged in digital commerce and cross-border payments (OECD, 2021; BIS, 2022; IMF et al., 2023; Indien, 2025; World Bank, 2025).

Furthermore, governance of cross-border payments and digital ID recognition under the AfCFTA DTP will require harmonised assurance

frameworks, interoperable identity and payment systems, shared data and messaging standards, and coordinated supervisory and oversight arrangements across jurisdictions. Without first addressing domestic coordination gaps and institutional fragmentation, Nigeria risks under-leveraging its relatively advanced digital payments and ID infrastructure and facing constraints in fully participating in and shaping AfCFTA-enabled digital trade. Strengthening domestic digital governance coherence is therefore not only a national reform priority but also a necessary precondition for Nigeria’s credibility and competitiveness within the emerging continental digital trade architecture.

3 Relevant regional provisions and initiatives

The limitations identified in Nigeria’s domestic digital trade ecosystem assume heightened significance in a regional and cross-border context, where participation in digitally enabled trade increasingly depends on the ability of national payment, ID and data governance systems to interoperate beyond domestic boundaries in accordance with shared rules, technical standards and oversight frameworks. It is therefore important to situate Nigeria’s B2B digital payment, and its ID provisions and initiatives, within the broader regional, continental and multilateral trade and governance regimes to which they are designed to connect. In this regard, ECOWAS, the AfCFTA and the WTO constitute the principal institutional frameworks shaping Nigeria’s trade architecture. Collectively, they encompass legal, regulatory and policy provisions that directly and indirectly influence the development, governance and interoperability of cross-border digital payments and digital ID systems in Nigeria and across the continent.

3.1 African Continental Free Trade Area

The AfCFTA DTP has created a blueprint for Africa to navigate digital trade. Digital payments and identity are key themes in the DTP. The DTP covers market access and treatment of digital products, facilitating digital trade (payments, IDs, digital infrastructure), data governance (cross-border data transfers), business and consumer trust (cybersecurity, online consumer protection), inclusion, emerging technologies and innovation, and more. The AfCFTA’s Protocol on Intellectual

Property Rights (IPR) also tackles major challenges around intellectual property, which are critical in the digital economy.

We discuss the following provisions: digital payments and electronic transactions (3.1.1); digital identities (3.1.2); digital infrastructure (3.1.3); data governance and cross-border data transfers (3.1.4); cybersecurity and online consumer protection (3.1.5); and intellectual property, technology and innovation. These provisions play an essential role in turning Africa’s divided digital environment into a single, integrated economic area.

3.1.1 Digital payments and electronic transactions

Digital payments are experiencing significant growth both across Africa and globally, with the digital payments economy projected to reach \$1.5 trillion by 2030 (Mastercard, 2025). The DTP is particularly pertinent as it addresses the foundational aspect of commerce – that is, payments. It sets forth provisions related to e-commerce, including measures for countries to publish and harmonise payment regulations and licensing requirements, adopt common standards, implement cross-border electronic KYC procedures, enable open application programming interfaces (APIs) and enhance settlement systems.

The DTP also emphasises the importance of non-discrimination between financial and non-financial institutions, promoting inclusivity for

mobile money platforms, e-wallets and real-time transfers to support seamless trade. Additionally, it covers trust and acceptance in electronic documentation, transactions, invoicing and electronic transferable records – all aimed at facilitating efficient digital trade across borders. As global commerce continues to shift towards digital platforms and e-commerce, the DTP seeks to promote affordable, secure, real-time and inclusive cross-border payment and settlement systems.

Furthermore, the DTP recognises that effective logistics and last-mile delivery are essential for the success of e-commerce. It therefore includes provisions to enhance the regulatory environment for logistics and related freight services across African markets, further supporting seamless intra-continental trade.

3.1.2 Digital identities

Digital identities are crucial for facilitating seamless trade. Trust forms the basis of transactions between countries. The DTP recommends that member states implement or sustain digital identity systems according to their laws and develop an annex on digital identities to support mutual recognition and interoperability of these systems.

According to projections from the McKinsey Global Institute, nations that introduce strong digital identification systems could generate economic benefits worth 3% to 13% of their GDP by 2030 (White et al., 2019).

The DTP also encourages collaborative creation and sharing of knowledge and expertise to promote best practices in policy-making, regulation, security standards, implementation and user adoption.

3.1.3 Data governance and cross-border data flows

Data governance and cross-border data flows are especially important in the payments sector, as moving data between countries is crucial for enabling digital trade. This process underpins the cross-border payments system (Financial Stability Board, 2024).

The DTP seeks to establish a framework across the continent to guide the electronic transfer of data – particularly personal data – when it is intended solely for digital trade. The goal is to ensure compliance with national regulations for protection and responsible use. Additionally, the DTP encourages collaboration on data-sharing initiatives among researchers, academics, industry professionals and other stakeholders. It also supports regulatory sandboxes and joint efforts to develop policies and standards for data mobility and emphasises consumer data portability.

By harmonising data standards, governance, policies and enforcement across member states, the DTP aims to simplify processes and foster greater cooperation throughout African markets.

3.1.4 Cybersecurity and online consumer protection

As digital platforms and systems expand, new security challenges arise, increasing the demand for robust protection and greater consumer trust. Nigeria reflects the global surge in cybersecurity because of rapid growth in its digital economy, digital payments and online platforms (Aladenusi, 2025). SMEs, which play a key role in commerce, are particularly vulnerable, given their limited resources faced with the need for sophisticated cybersecurity measures. The DTP introduces measures designed to fight cybercrime, focusing

on capacity-building, secure digital infrastructure, customer data protection best practices and collaboration between member states and stakeholders to raise awareness.

Protecting consumers participating in digital trade is essential for minimising misleading and fraudulent commercial activities and upholding consumer protection laws. Safeguarding consumers' rights – including the ability to return unsafe, defective or unfit goods and to request a full refund or replacement within a reasonable period – is vital when transactions occur. The DTP seeks to enforce consumer protection laws across borders, thereby fostering greater trust and encouraging increased consumer engagement in the digital economy.

3.2 Intellectual property, technology and innovation

Intellectual property represents a critical factor in enabling Africa to commercialise innovation and achieve scale across the continent. The DTP provides a legal framework for establishing a unified system for IPR protection within Africa. This framework encourages member states to leverage their areas of comparative advantage, prioritise innovation and inclusive growth, and safeguard both digital and cultural assets indigenous to Africa. This is particularly important given Africa's youthful population and the surge of innovations in the payments sector. The framework also facilitates investment in the sector in alignment with the AfCFTA Protocol on Investment.

Furthermore, the AfCFTA's IPR provisions have an expanded scope aimed at promoting a harmonised system of protection throughout the continent. This initiative seeks to deepen the culture of IPR in Africa and ensure the DTP

effectively protects and advances innovation for economic development. In addition, the DTP addresses context-specific issues such as traditional knowledge, access to genetic resources and technology transfer (G. Elias, 2022).

While the DTP has been widely circulated, its domestication remains limited and inconsistent across member states. This uneven implementation reflects differences in national laws, regulatory capacity and technological development. To fully realise its benefits within Africa, and advance wider continental integration, it is crucial to speed up and standardise its implementation across all member states.

3.3 Economic Community of West African States

ECOWAS as a region holds the promise of deepened regional integration, under the principles of creating a unified economic region that facilitates the free movement of goods, services, people and capital, thereby fostering greater trade and investment opportunities throughout West Africa. The ECOWAS Trade Liberalisation Scheme serves as the regional trade framework, designed to facilitate the free movement of goods among member states. While this framework focuses primarily on trade in physical goods, it also has the potential to drive increased demand for cross-border payment systems, ID verification solutions, trade finance services and digital documentation throughout the region.

This subsection examines key ECOWAS-level provisions and initiatives relevant to cross-border digital payments and digital ID – namely, the West African Monetary Agency (WAMA) (3.2.1), the ECOWAS Payments and Settlement System (EPSS) (3.2.2), the West Africa Unique

Identification for Regional Integration and Inclusion (WURI) programme (3.2.3), the ECOWAS Supplementary Act on Personal Data Protection (3.2.4) and the ECOWAS Regional Cybersecurity and Cybercrime Strategy (3.2.5). These frameworks illustrate areas of progress in regional policy coordination and regulatory development in digital payments, digital ID, data protection and cybersecurity across ECOWAS member states, and provide important institutional foundations for advancing interoperable and secure digital trade within the subregion.

3.3.1 West African Monetary Agency

WAMA is an autonomous and specialised institution established by ECOWAS in 1996. Its principal objective is to facilitate the creation of a single ECOWAS currency and central bank, and a regional payment and settlement system for West Africa. This initiative aims to address issues related to cross-border transactions within the region, where the US dollar is frequently used as the base currency. Ultimately, WAMA envisions a unified monetary framework for West Africa, enhancing economic integration and efficiency. The agency operates under the oversight of the Committee of Governors of ECOWAS Central Banks.

3.3.2 ECOWAS Payments and Settlement System

EPSS is a regional initiative aimed at harmonising payment infrastructure through the development of a unified instant payment and settlement system across West Africa, to enable faster, more affordable and more secure cross-border transactions among ECOWAS member states. The EPSS has the potential to streamline payment processes, reduce transaction costs and enhance transparency in remittance transfers (UN, 2024).

Related to this is the Central Bank of West African States (BCEAO, Banque centrale des États de l'Afrique de l'ouest) payments system interoperability project, which oversees eight West African countries under the West African Economic and Monetary Union (WAEMU): Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo. BCEAO has recently launched the regional Interoperable Instant Payments System, connecting all licensed financial institutions in WAEMU – including banks, fintechs, microfinance institutions and mobile money operators (MMOs) – through a unified platform (Financial Afrik, 2025).

3.3.3 West Africa Unique Identification for Regional Integration and Inclusion programme

The WURI programme is a regional initiative designed to establish digital identities for ECOWAS citizens. Member states of ECOWAS and the Commission itself are currently executing a multiphase programme with the overarching objective of increasing the number of individuals in participating countries who possess government-recognised, unique IDs that facilitate access to various services (World Bank, 2021).

3.3.4 ECOWAS Supplementary Act 2010

Also known as Supplementary Act A/SA.1/01/10, this serves as a key regional law intended to unify data privacy standards across all 15 ECOWAS member states. It addresses how personal data is collected, processed, transmitted, stored and used. It also places limits on the sending of personal data to countries outside ECOWAS unless those nations guarantee sufficient privacy and fundamental rights protection.

Under this Act, each member state must create national laws to protect personal data, establish independent data protection authorities and ensure data processing upholds individuals' privacy rights.

3.3.5 ECOWAS Regional Cybersecurity and Cybercrime Strategy 2021

The ECOWAS Regional Cybersecurity and Cybercrime Strategy aims to strengthen cybersecurity measures by establishing dedicated authorities and prioritising key areas such as critical infrastructure protection, skills development and capacity-building. Cybersecurity continues to be a top priority for all member regions, particularly in supporting digital trade. Member states within ECOWAS, along with the Commission, are encouraged to enhance cooperation through data-sharing and the exchange of cybersecurity information.

Additionally, the Regional Cybersecurity Coordination Centre serves as a central hub aimed at supporting and encouraging unified cybersecurity efforts and mutual aid throughout the region. This initiative aligns with the ECOWAS Regional Cybersecurity and Cybercrime Strategy (Onje, 2025).

Although ECOWAS has the outlook of a supranational community, it currently lacks the full institutional and legal enforcement architecture required to ensure the uniform application of its laws across all member states. As a result, there remains significant scope for accelerating the implementation of regional initiatives in order to achieve more tangible outcomes. As a subregional bloc within the broader AfCFTA framework, ECOWAS also presents a strategic advantage as a testing ground for advancing continental integration through pilot initiatives

on interoperability and regulatory harmonisation. However, without substantial institutional and governance reforms, the effectiveness and enforceability of ECOWAS-led initiatives across member states will remain constrained.

3.4 World Trade Organization

The WTO serves as the main multilateral body overseeing global trade regulations among its 164 member countries, through binding agreements and a system for resolving disputes. While the WTO acknowledges the increasing significance of the digital economy, it does not yet offer a single, all-encompassing agreement focused specifically on digital trade – including areas like digital payments and digital identity. Currently, rules governing digital trade within the WTO framework stem from a mix of existing agreements and ongoing initiatives.

The original **General Agreement on Tariffs and Trade** remains in effect as the primary framework regulating trade in physical goods. However, digital payments and digital ID are largely addressed within the parameters of the **General Agreement on Trade in Services**, which oversees cross-border financial transactions, telecommunications and data-driven services. Furthermore, the **Agreement on Trade-Related Aspects of Intellectual Property Rights** provides protection and enforcement for IPR, including those pertaining to software, copyrights, trademarks and patents related to digital technologies.

The **Joint Statement Initiative on Electronic Commerce** provides a foundational framework for establishing international regulations governing digital trade. It aims to facilitate seamless cross-border digital transactions, including the use of electronic signatures and

invoices, while underscoring enhancements in trust, online consumer protection and cybersecurity. In parallel, the longstanding and frequently debated **Moratorium on Customs Duties on Electronic Transmissions** remains a critical pillar in preserving duty-free digital flows and the **Technical Barriers to Trade Agreement** and the **Sanitary and Phytosanitary Agreement** are increasingly pertinent to areas such as cybersecurity standards, digital authentication and electronic certification systems.

Collectively, these instruments offer guidance that is evolving (albeit at an incremental pace) on regulating digital payments and digital ID at the multilateral level, with enforcement ultimately dependent on the WTO's dispute settlement mechanism. The WTO's system represents an improvement over the earlier broad General Agreement on Tariffs and Trade framework, particularly in terms of accessibility, as evidenced by

the growing involvement of developing countries (Muriithi, 2022). Nevertheless, the effectiveness of enforcement has been hindered by difficulties in appealing through the Appellate Body, mainly because of the US blocking new appointments.

Amid ongoing reforms at the WTO, it is essential for all regional entities, including ECOWAS and the AfCFTA, to constructively engage with the multilateral system in shaping the future governance of digital trade. The AfCFTA offers an unprecedented opportunity to translate global and regional trade principles into a practical, continent-wide implementation springboard or platform, drawing on the scale and diversity of its 54 member states. However, the extent to which these frameworks deliver tangible outcomes ultimately depends on how they are operationalised within Africa's payment systems, ID infrastructures and broader regulatory and supervisory ecosystems.

4 Current African landscape

Africa's ecosystem for cross-border digital payments and digital ID is growing rapidly, led by fintech innovation and regional collaboration. Yet gaps in regulation, interoperability and ID verification persist. Systematic investment in digital public infrastructure and linking payment systems with verifiable digital ID remains key to realising the AfCFTA's vision of a connected, trusted and inclusive digital economy.

4.1 Digital payments

Africa's cross-border payments market is expanding gradually, supported by ongoing regulatory reforms, improvement of payment

infrastructure and the widespread use of mobile money solutions (Fintechnews Africa, 2025). This upward movement is expected to continue, as Africa's cross-border payments market is currently valued at \$329 billion, with a projected 12% compound annual growth rate, and is expected to reach \$1 trillion in 2035 (Oui Capital, 2025).

The market is fuelled by MMOs, banks and fintechs offering regional payment solutions. One of the major illustrative examples of how mobile money, identity and regulatory coordination can combine to enable inclusive, interoperable digital payments at scale is M-Pesa.

Box 1 M-pesa: a pan-African mobile money platform

Countries: Originally launched in Kenya in 2007, M-Pesa has since grown and expanded across eight African countries: Democratic Republic of Congo, Egypt, Ghana, Kenya, Lesotho, Mozambique, Ethiopia and Tanzania. It now operates as a cross-border mobile money transaction platform

Services: M-Pesa is Africa's leading and most successful mobile money service, with more than 660,000 active agents operating across the eight countries, connecting more than 60 million customers and 5 million businesses. M-Pesa provides payments across the continent for both the banked and the unbanked, thanks to its safety and unmatched convenience. It also provides financial services to millions of people who have mobile phones but do not have bank accounts or have only limited access to banking services.

Key strengths and areas of replicability:

Identity & inclusion

- simple ID system using mobile numbers with tiered KYC, enabling onboarding for unbanked populations
- deep market penetration into rural, peri-urban and low-income populations.

Interoperability & infrastructure

- seamless interoperability with banks, mobile networks and merchants
- Africa's largest agent network (660,000+ agents), providing last-mile access and support.

Efficiency & trust

- low-cost, fast and reliable transactions suitable for small-value, high-frequency payments
- robust security architecture (PIN authentication, SIM registration, device-level authentication, fraud management).

Regulatory & business integration

- collaborative regulatory partnership with Kenya's central bank
- integration with SMEs, which dominate cross-border trade.

Source: Authors' elaboration

Furthermore, leading players such as Onafriq, Flutterwave, Chipper Cash, Interswitch and Wema Bank, among others, are connecting multiple markets through API-driven interoperability. Meanwhile, regional payment systems like the East African Community (EAC) the East African Payment and Settlement System, the Common Market for Eastern and Southern Africa (COMESA) Regional Payment and Settlement System, the Pan-African Payment and Settlement System (PAPSS), the Southern African Development Community (SADC) Real-Time Gross Settlement (RTGS) system, the West African Monetary Zone's West African Monetary Institute and Smart Africa, among others, are aligning digital regulations and enabling cross-border data flows, accelerating integration into global digital value chains and promoting real-time settlements in local currencies.

In 2024, Africa recorded 1.1 billion mobile money accounts, a 19% increase on 2023, with transactions equalling \$1.1 trillion, representing 66% of global mobile money activity. East Africa had the largest share in Africa, with 459 million registered mobile money accounts and 52 billion transactions (Raithatha and Storchi, 2025).

Beyond mobile money volumes, Africa's remittance market is at a critical moment, as digital payment channels expand and migration patterns evolve. This shift is formalising previously informal transfers by offering faster, cheaper and more efficient alternatives to traditional bank-based systems, driven by growth in mobile money, fintech innovation and ongoing regulatory reforms (Oui Capital, 2025).

These fintech innovations are revolutionising cross-border payments in Africa, with blockchain technology and cryptocurrencies increasingly being used to facilitate payments and enhance

the transparency of trade. In sub-Saharan Africa, the use of cryptocurrency for payments has been growing steadily. According to Chainalysis (2023), Nigeria's volume of cryptocurrency transactions increased by 9% year on year, reaching \$56.7 billion between July 2022 and June 2023, driven largely by cross-border payments.

Fintech innovations have reduced remittance costs to an average of 3.5% for digital-first channels, compared to traditional 8% to 12% bank fees, enabling faster, minute-level transfers that boost intra-African trade, especially among SMEs. However, overall remittance costs across Africa remain high, averaging 7.8% in 2022 and 7.9% in 2023 (Chandra et al., 2023), still the world's highest, driven by regulatory fragmentation and limited interoperability between traditional and digital payment systems.

Reducing these costs and expanding access to formal digital channels depends not only on payment infrastructure but also on trusted, interoperable digital ID systems that can verify users across borders while lowering compliance burdens.

4.2 Digital identity

Digital ID is emerging as a critical enabler of trusted and inclusive financial systems. Nearly 85% of African countries have national ID systems with digital capabilities, and over 70% collect biometric data for authentication purposes (UNECA, 2023). For example, Nigeria's NIN enrolment exceeded 118 million in early 2025 (Edemumoh, 2025), and Sierra Leone reached 93% coverage (Macdonald, 2025).

Despite progress in individual countries, significant ID coverage gaps persist across the continent, limiting cross-border authentication. ID fraud remains significant, with biometric fraud reaching

a record quarterly average of 16% in 2024 (Agwu, 2025), further constraining the reliability of digital ID for regional use. Continental frameworks like the AU Digital ID Framework and Smart Africa Trust Alliance seek to address these issues through

shared standards. Furthermore, policy efforts, including the AU Digital Transformation Strategy 2020–2030 and the AfCFTA DTP, aim to harmonise payment and identity standards across the ECOWAS, EAC and SADC regions.

5 Digital payments and identity ecosystem in Nigeria

5.1 Growth and size of the ecosystem

Nigeria's position within the African digital payments and ID landscape is defined not only by policy ambition but also by measurable transaction activity, infrastructure deployment and adoption rates. The following subsections examine the quantitative evidence of ecosystem scale, the actors driving its evolution and the regulatory frameworks shaping both domestic operations and cross-border integration.

Over the past two decades, Nigeria's digital payments ecosystem has evolved into a critical component of the country's economic and commercial infrastructure, shaped by regulatory reforms, fintech innovation and rising digital adoption. The ecosystem supports everyday consumer transactions, business operations and government payments through an expanding range of solutions: SME merchant platforms, mobile money, API-driven financial services and emerging B2B systems that digitise invoicing, supplier payments and corporate treasury functions. This diverse solution landscape has driven the ecosystem's transition from growth phase to a quadrillion-naira market, underpinned by robust public infrastructure, including NIBSS Instant Payment (NIP) and a rapidly expanding agent banking network. Alongside domestic activity, cross-border flows, particularly remittances, have increasingly integrated into formal digital channels, including international money transfer operator (IMTO) rails and bank processing systems.

In particular, the mobile money transaction volume grew from 1.93 billion in 2022 to 7.18 billion in the first half of 2024, representing 272% growth (CBN,

2024c). The mobile money transaction value grew from ₦32 trillion to ₦78 trillion within the same period. Mobile app transfers – now the preferred channel for retail users – reached a transaction value of ₦159.4 trillion in the first half of 2024 (ibid.), while the point-of-sale transaction value reached ₦10.45 trillion in Q1 2025 (Diala, 2025).

Personal remittances rose to \$20.93 billion in 2024, up 8.9% year on year (CBN, 2025a). Furthermore, IMTO inflows increased to \$4.73 billion in 2024, up 43.5% from \$3.30 billion in 2023, reflecting stronger engagement from the Nigerian diaspora (ibid.). CBN reported a record monthly remittance inflow of \$553 million in July 2024 (CBN, 2024a).

Intra-African cross-border payments through PAPSS are expanding, with a CBN policy announced on 28 April 2025 reducing documentary burdens for low-value PAPSS transactions (basic KYC/anti-money laundering [AML] only) up to \$2,000/month (individuals) and \$5,000/month (corporates), while encouraging banks to originate PAPSS transactions (Afreximbank, 2025). Afrximbank's PAPSS policy brief notes 16 countries, 14 payment switches and 150+ commercial banks connected, including 22 banks in Nigeria (ibid.). Nigeria leads in participation, followed by Ghana, with 19 banks (Akintaro, 2025b).

The Nigerian digital payments ecosystem thus demonstrates immense scale and breadth of usage across both domestic and emerging cross-border corridors. The figures highlight the

frequency, volume and geographic breadth of digital payment adoption in Nigeria, underscoring the country's technical capacity to support high-frequency, high-value digital payments at a national scale.

This growth has been shaped by interaction among public sector institutions, private sector innovation and an evolving regulatory environment, to collectively form Nigeria's digital payments ecosystem. However, as later sections of this report reveal, most of the growth has occurred in domestic retail and platform-based payments, not in B2B or cross-border settlements. Even though Nigeria's technical capabilities are strong, the systems and standards required for seamless regional B2B integration, such as harmonised messaging standards, interoperable KYB frameworks and cross-border ID assurance, are still evolving.

5.2 Private sector players

Nigeria's private sector is driving cross-border digital payments and ID verification, both domestically and across Africa. The scale of transactions, as discussed in the previous section, demonstrates the technical maturity of the ecosystem and the need for coordinated, interoperable systems to support cross-border B2B trade.

The application and innovation layer comprises commercial banks, fintech payment service providers (PSPs), switching companies, MMOs, card schemes and emerging B2B platforms. These actors deliver services such as corporate treasury solutions, SME payment gateways, wallet services, merchant acceptance, payroll, invoice management and instant transfers. Operating at the interface of demand and infrastructure, they

often navigate friction points where corporate ID verification, cross-border settlement or regulatory compliance intersect.

Commercial banks including First Bank, Zenith Bank, GTCO and Access Bank expand regional networks and digital wallets to support cross-border trade. Fintech firms such as Flutterwave, Paystack, OPay, Moniepoint and Remita drive innovation with low-cost APIs for intra-African transactions. Mobile network operators like MTN extend financial access to underbanked populations via mobile money, while infrastructure providers such as NIBSS and Interswitch ensure secure, interoperable networks. Emerging tech players like Zone Payment Network use blockchain to enhance transparency and scalability.

PAPSS integration has strengthened cross-border payment capabilities, with Nigeria leading the continent at 22 commercial banks onboarded (Akintaro, 2025b). The system is pivotal for implementing AfCFTA and enabling seamless intra-African trade.

Regulatory frameworks further support growth. The CBN's Payment System Vision (PSV) milestones aim to deepen e-payments, improve financial inclusion, enhance infrastructure and interoperability, and drive innovation. Rising cross-border trade has also increased the focus on trust, KYC and fraud prevention, prompting collaborations with digital ID management firms such as VerifyMe, SmileID and Dojah.

With a dynamic private sector, enabling regulations and emerging cross-border platforms, Nigeria is positioned to continue leading the evolution of digital payments and identity systems across Africa.

Table 1 presents the key private sector players and their roles within this ecosystem.

Table 1 Private sector actors in Nigeria and their roles

Sector segments	Key players	Core roles/functions
Banks and financial institutions	First Bank, Zenith Bank, Ecobank, UBA, GTCO, Access Bank, microfinance banks	Transfers and payments, international transfers, trade finance, foreign currency accounts, correspondent banking, settlement services
Fintechs/PSPs	Flutterwave, Paystack, PalmPay, OPay, Moniepoint, Remita, eTranzact	Payment gateways, merchant payments, digital remittances, multi-currency processing, merchant payment facilitation
Payment infrastructure providers (switching and processing)	NIBSS, Interswitch	Switching, settlement systems, interoperability services, real-time payment infrastructure. Enables regional acceptance of cards and digital transfers
Telecoms/MMOs/ payment service banks (PSBs)	MTN MoMo PSB, Airtel SmartCash PSB	Mobile money wallets, agent banking, domestic and cross-border transfers, merchant payments. Aims to drive financial inclusion by extending financial access to underserved areas; support to mobile-based cross-border remittances
Digital ID providers	SmileID, VerifyMe, YouVerify, Dojah, Regfyl	Authentication, KYC verification, digital onboarding, biometric ID, compliance tools
E-commerce platforms	Jumia, Konga, Ananse	Online marketplaces, logistics integration, international merchant settlement
Emerging technology (blockchain, cryptocurrency, stablecoins)	Zone Payment Network, KOYN	Alternative infrastructure for processing international transactions – blockchain, cryptocurrency and stablecoins
Payment networks and card schemes	Mastercard, Visa, AfriGo, Verve	Multi-currency card payments, remittance corridors, merchant acceptance
Technology and infrastructure support	Microsoft, Google, AWS	Cloud computing, artificial intelligence, cybersecurity, authentication, data analytics

Source: Authors' elaboration based on stakeholder consultations

Sector segments	Key players	Core roles/functions
Industry associations/ coordination bodies	CeBIH, Fintech Association of Nigeria, WABA	Industry governance, coordination, standard-setting, advocacy

Source: Authors' elaboration based on stakeholder consultations

5.3 Public sector players

Nigeria's cross-border digital payments and identity ecosystem operates through a network of public institutions/stakeholders, each playing a distinct yet interdependent role to ensure secure interoperable and inclusive financial transactions within the broader AfCFTA framework. The ecosystem spans multiple layers, from policy and regulatory oversight to identity provisioning, infrastructure operation and enforcement.

Table 2 classifies the institutions according to their principal functions and indicates the overall roles they perform in facilitating cross-border digital payment and digital ID integration in Nigeria.

Table 2 Functional classification of public sector stakeholders

Functional category	Key institutions/stakeholders	Core roles/functions
1. Policy and regulatory oversight	<ul style="list-style-type: none"> ● Central Bank of Nigeria ● Federal Ministry of Communication, Innovation and Digital Economy ● Federal Ministry of Industry, Trade and Investment ● Federal Ministry of Finance ● Nigerian National Assembly ● Nigeria Communications Commission ● Nigeria Information Technology Development Agency ● Federal Ministry of Agriculture ● Federal Ministry of Marine and Blue Economy ● Federal Ministry of Interior ● Nigeria Ports Authority 	Transfers and payments, international transfers, trade finance, foreign currency accounts, correspondent banking, settlement services

Source: Authors' elaboration based on stakeholder consultations

Functional category	Key institutions/stakeholders	Core roles/functions
2. Identity and data governance	<ul style="list-style-type: none"> ● National Identity Management Commission ● Nigeria Data Protection Commission ● Nigeria Information Technology Development Authority ● Corporate Affairs Commission ● Independent National Electoral Commission ● Federal Road Safety Corps ● Nigeria Immigration Service ● National Population Commission 	Manage and authenticate citizen identities; maintain national databases, ensure data privacy and enable trusted digital ID systems that facilitate financial access and cross-border verification
3. Infrastructure and financial system operations	<ul style="list-style-type: none"> ● Nigeria Inter-Bank Settlement System ● Nigeria Deposit Insurance Corporation ● Nigeria Export-Import Bank ● Nigerian Security and Civil Defence Corps ● Small and Medium Enterprises Development Agency of Nigeria ● Federal Inland Revenue Service ● Standards Organisation of Nigeria 	Operate and maintain financial infrastructure, payment rails and institutional databases that facilitate domestic and cross-border transactions, business registration and tax compliance
4. Trade facilitation and cross-border integration	<ul style="list-style-type: none"> ● Nigerian Office of Trade Negotiations ● Nigeria Port Authority ● Nigeria Customs Service ● Africa International Trade & Commerce Research ● Nigeria Export Promotion Council ● State Ministries of Trade and/or Commerce 	Promote and regulate cross-border trade, product certification and market access; align national trade systems with AfCFTA protocols and coordinate export facilitation
5. Consumer protection, compliance and enforcement	<ul style="list-style-type: none"> ● Economic and Financial Crimes Commission ● Nigeria Financial Intelligence Unit ● Federal Competition and Consumer Protection Commission ● Trademarks, Patents and Designs Registry ● Nigeria Copyright Commission 	Responsible for enforcing compliance with financial, consumer and competition laws; combat fraud, money laundering and data abuse, as well as protect consumers within the digital trade ecosystem

Source: Authors' elaboration based on stakeholder consultations

Nigerian regulators have established policies on payments and digital IDs, with key ministries overseeing crucial and independent agencies. The Federal Ministry of Communications, Innovation and Digital Economy (FMCIDE) oversees the growth, policy-making and regulation of communications, innovation and the digital economy. It oversees organisations such as NITDA, NCC and Galaxy Backbone.

FMITI develops policies to boost industrial trade and diversify Nigeria's economy through promoting trade and investment. It oversees agencies like the Nigeria Export Promotion Council and works with groups such as the Nigeria AfCFTA Coordination Office. The Federal Ministry of Interior is responsible for citizenship, immigration, border management and national ID matters, positioning it as a key institution in Nigeria's civil registration and ID verification processes. It oversees NIMC and the Nigeria Immigration Service and collaborates closely with the National Population Commission on issues related to identity and civil registration.

The Federal Ministry of Finance and the CBN maintain a collaborative relationship while operating independently; the CBN exercises autonomy in formulating monetary policy, whereas the Federal Ministry of Finance is responsible for fiscal policy management. The CBN serves as the primary regulator for financial services and payments, overseeing sector operations through comprehensive licensing and compliance frameworks. Its regulatory functions are supported by agencies including FIRS, the Federal Competition and Consumer Protection Commission, CAC, NDPC, NFIU, EFCC and the Independent Corrupt Practices and Other Related Offences Commission.

These ministries and agencies work in conjunction with the Federal Ministry of Information and National Orientation to ensure the public is informed about government policies and programmes. Collectively, they constitute the core governance framework shaping digital identity, trade facilitation and cross-border payment readiness.

The following section outlines the current policy landscape governing domestic and cross-border digital payments and identity in Nigeria.

5.4 Identity infrastructure and progress on corporate identity

Nigeria has made substantial progress in establishing digital IDs for individuals, supported by large-scale enrolment in the NIN system, widespread use of the BVN and the mandatory BVN–NIN linkage. Together, these measures have significantly strengthened domestic KYC assurance and enabled broad access to digital financial services.

Corporate digital ID, however, has not followed the same trajectory. While CAC has advanced the digitisation of business registration through the launch of the intelligent Company Registration Portal (iCRP) in 2025 (Sunday, 2025) and introduced API-based access for selected intermediaries in partnership with NIBSS, corporate ID data remains fragmented across registries. Integration with complementary systems such as tax, payments and ID and with sectoral regulators is limited, and verification

processes frequently revert to manual or semi-manual workflows. Adoption of globally recognised identifiers such as the LEI remains extremely low relative to the size of Nigeria's corporate base.

This asymmetry between strong individual ID systems and weak corporate ID infrastructure represents a binding constraint on Nigeria's digital trade ambitions. It limits the automation of KYB processes, increases compliance and onboarding costs for PSPs and slows cross-border B2B transactions, supplier verification and trade finance. As AfCFTA implementation advances, strengthening corporate digital ID will be essential to translating Nigeria's domestic digital scale into effective cross-border trade execution.

5.5 Drivers of ecosystem development

Overall, the growth of Nigeria's digital payments ecosystem has been driven by several factors:

- **Infrastructure and technology:** Nigeria's real-time payments infrastructure, anchored by NIP, agent banking networks and expanding payment switches, which provides the backbone for high-volume digital transactions. The introduction of the National Payment Stack in June 2025 further strengthens this foundation by standardising messaging, enabling interoperability and supporting scalable, real-time payments across banks and payment service providers (Ekeghe, 2025).
- **Fintech innovation:** MMOs, PSPs and emerging B2B platforms enabling faster, lower-cost transactions. A vibrant private sector has driven rapid innovation, making digital payments faster, more accessible and more cost-effective.

- **Regulatory reforms:** Policies such as the PSV, PAPSS facilitation and IMTO guidelines that encourage formal adoption (CBN, 2024b; Afreximbank, 2025). The revised IMTO Guidelines (CBN, 2024a) and the CBN directive reducing documentary burdens for low-value PAPSS transactions (CBN, 2025b) have created an enabling environment for formal digital adoption.
- **Consumer adoption trends:** Increased mobile app transfers, point-of-sale usage and integration of cross-border remittances into formal digital channels.

Collectively, the indicators presented in this section suggest a fast-expanding digital payments and ID landscape, with strong adoption in retail and SME segments and growing momentum in B2B services. However, B2B trade finance, cross-border payments and corporate verification remain underdeveloped relative to retail payments, indicating areas where structural improvements and deeper interoperability could unlock significant economic value. This growth has been shaped by the interaction of public sector institutions, private sector innovation and an evolving regulatory environment, which together form Nigeria's digital payments and ID ecosystem – the subject of analysis in the following sections.

5.6 Policy landscape

The **National Digital Economy Policy and Strategy**, established in 2019, serves as a comprehensive roadmap developed by the FMCIDE to leverage digital technologies in advancing economic growth, job creation and the improvement of government services, aligning with the vision for a 'Digital Nigeria.' This policy outlines long-term objectives and sets specific targets related to broadband

penetration, digital literacy and skills development, and increased adoption of digital services, as well as the promotion of digital innovation and entrepreneurship.

The **National Digital Economy and E-Governance Act 2024**, established by NITDA, provides a comprehensive framework for the regulation of Nigeria's digital operations. The legislation governs electronic transactions, contracts and signatures – including those issued beyond Nigeria's borders. Furthermore, it establishes robust standards for ID verification, online authentication and consumer protection in digital engagements, thereby facilitating secure interactions among banks, fintech companies and government platforms.

The **Nigeria Data Protection Regulation (NDPR)**, introduced in 2019 under NITDA, was established as Nigeria's first significant framework for protecting individuals' personal data in an increasingly digital economy. As payments and identity systems depend on secure cross-border exchanges of personal information, the NDPR defines standards for collecting, storing, sharing and transferring data. This regulation aims to build trust in Nigeria's digital ID ecosystem and ensure organisations managing personal data adhere to strict privacy and security protocols.

The **Nigeria Data Protection Act (NDPA) 2023** is the new, overarching law that replaces the earlier

NDPR. It expands the scope of data protection, mandating a regulated gateway for cross-border data transfers and establishing the NDPC to enforce the law. Data protection regulations further secure ID-linked transactions. Further to the NDPA, the NDPC released its operational rulebook, providing crucial guidance, clarifying key provisions (e.g. on cross-border transfers, data protection officer roles), setting new compliance requirements (registration, training, data protection impact assessments) and establishing concrete obligations for data controllers and processors, making the NDPA enforceable.

The **National Identity Management Commission (NIMC Act)**, enacted in 2007, established NIMC as the authority to oversee Nigeria's modern ID system. The Act empowers NIMC to register all eligible citizens and legal residents, collect their personal and biometric information, assign a unique NIN to each individual and issue a general multipurpose ID card.

The **national identification number (NIN)** functions as a single, permanent identifier utilised across various government and private sector systems, such as banking, fintech, telecom registration, immigration documentation and access to public services. By mandating a unified ID framework and harmonising multiple existing databases, the NIMC Act (2007) plays a critical role in enabling secure digital transactions, ensuring verification and authentication, and minimising digital ID fraud. It further mandates

the registration of citizens and legal residents, issuance of the NIN and maintenance of a unified ID database. The mandatory BVN–NIN linkage (2023) strengthens domestic KYC, enabling verification across banking, fintech and government services.

The **Corporate Affairs Commission (CAC)** serves as the principal authority for company registration in Nigeria. It is responsible for registering companies and limited liability partnerships and issuing unique registration numbers that constitute the legal ID of these entities.

The CAC acts as the implementing authority for the **Companies and Allied Matters Act**

2020 (CAMA), which modernized Nigerian company law to reflect the evolving landscape of digital business. CAMA introduced provisions for electronic registration and filing, electronic transfer of shares and virtual meetings for private companies (KPMG Nigeria, 2020).

These advancements provide the foundational legal and ID framework for companies to operate legally in digital spaces and across international borders. However, the integration of CAC systems with the broader digital trade infrastructure remains a work in progress, as previously noted, and adoption of the LEI is limited, with only 561 active LEIs against over 3 million registered entities in Nigeria.

Box 2 The Legal Entity Identifier gap

Despite advances and a comprehensive regulatory and technical landscape, adoption of global standard corporate IDs remains very low; the LEI remains a ‘high-end’ gap in Nigeria’s corporate ID infrastructure. As of September 2025, Nigeria has approximately 561 LEIs (541 active), registered via the Central Securities Clearing System, the country’s designated Local Operating Unit (GLEIF, 2025). These codes are almost exclusively held by major banks and capital market firms; virtually no SMEs have an LEI. Similarly, newer regional IDs have seen negligible uptake, especially among SMEs.

Survey data from our study reveals the magnitude of this gap: 0% of business respondents reported having or using the African Entity Identifier (AEI), confirming that the corporate digital ID ecosystem remains overwhelmingly domestic in focus.

This presents a major technical and strategic gap that must be closed if Nigeria is to facilitate seamless AfCFTA trade, as cross-border B2B payments fail at the ID verification layer, not necessarily the payment rail. The instant settlement speed of PAPSS is negated because corporate ID verification remains a manual process owing to banks lacking API access to foreign corporate registries.

The **Payments System Vision (PSV)**, established by the CBN, began as PSV 2020 – an ambitious five-year roadmap aimed at expanding electronic payment adoption and modernising the national

payments infrastructure. The initiative emphasised innovation, financial inclusion and alignment with global standards, culminating in PSV 2025. Over time, the focus has expanded from domestic

initiatives such as implementation of the BVN to the launch of PSV 2028 in September 2025. This latest phase will place greater emphasis on digital ID, emerging technologies, cross-border payments and integration of a central bank digital currency (CBDC). The overarching objective is to establish a more inclusive, innovative and globally competitive digital financial system for Nigeria.

Therefore, the PSV (2020 – 2025 – 2028) guides payment modernisation, financial inclusion and digital ID integration, with PSV 2028 emphasising cross-border payments, emerging tech and CBDC.

The CBN Mobile Money Regulatory Framework (2021) defines the regulatory requirements for MMOs in Nigeria, supporting secure, efficient and compliant mobile payment systems. In accordance with this framework, MMOs must obtain a licence from the CBN, observe KYC and AML protocols and follow data protection as well as cybersecurity standards.

While MMOs are prohibited from holding foreign currency deposits directly, they may facilitate transactions involving foreign currencies through authorised partner banks or PSPs. The framework enhances the robustness of domestic mobile wallets and payment platforms, establishing a reliable basis for potential interoperability with regional and international payment networks (CBN, 2021).

The CBN's 2014 **Guidelines on International Money Transfer Services (CBN, 2014)**, **Guidelines on International Mobile Money Remittance Services (CBN, 2015)** and **Revised Guidelines on International Money Transfer Services (CBN, 2024b)** together form the regulatory framework under which international payments operate in Nigeria. While the previous regimes permitted a broader operational scope,

enabling entities like MTN MoMo PSB to facilitate both inbound and outbound transfers, the 2024 guidelines introduce a significant strategic shift. IMTOs are now restricted exclusively to inbound transfers, mandating that all outbound international remittances be processed through commercial banks or authorised dealer institutions. This transition reflects a prudential policy shift that narrows the operational mandate for IMTOs while centralising outbound currency flows within the formal banking sector.

The **National Financial Inclusion Strategy (NFIS)** was developed by the CBN in 2012, in collaboration with various stakeholders, to serve as the country's primary policy framework for broadening access to financial services. The NFIS established specific targets for reducing financial exclusion across products such as payments, savings, credit, insurance and pensions, and outlined concrete actions for regulators, banks, MMOs and other relevant parties.

Subsequently, the CBN and its partners released an updated version in 2018 to align with evolving market conditions and the increasing prominence of digital financial services. The revised strategy places greater emphasis on agency banking, mobile money solutions, tiered KYC processes linked to national identifiers and enhanced consumer protection. Its overarching goal is to further reduce financial exclusion and leverage inclusive finance as a catalyst for poverty alleviation and broad-based economic growth in Nigeria.

The **National E-Commerce Policy and Strategy (NEPS) 2023–2027** was formulated through a collaborative initiative between the FMITI and NITDA. Its purpose is to establish a definitive roadmap for the advancement of Nigeria's e-commerce ecosystem. NEPS outlines an

aspiration for Nigeria to rank among the top 15 global e-commerce markets and to be listed as one of the top 10 investment destinations for online trade by 2027. It also targets the creation of approximately 2.5 million direct and indirect jobs and aims to double the sector's contribution to GDP (NIDTA, 2025).

NEPS 2023 is designed to facilitate a secure and efficient environment for Nigerian enterprises, particularly micro, small and medium-sized enterprises (MSMEs), enabling them to conduct online transactions both domestically and internationally. It also seeks to enhance consumer confidence in purchasing goods and services via the internet. Through its comprehensive framework, NEPS supports the growth and scalability of Nigeria's e-commerce industry, positioning the country to become a significant participant in the global e-commerce sector by 2027.

Together with the NFIS (2018), NEPS works towards increasing financial inclusion in Nigeria.

The **Nigerian Communications Act (NCA)** was enacted in July 2003 and provides the principal legal framework for the regulation of Nigeria's telecommunications sector. The Act established and empowered the NCC as the independent national regulatory authority responsible for licensing, regulation, market competition, consumer protection and the enforcement of quality-of-service standards within the communications industry (Federal Republic of Nigeria, 2003). Under the NCA, the NCC regulates Nigeria's telecoms infrastructure, including mobile and broadband networks that serve as the foundational connectivity backbone for digital ID platforms, electronic payments and cross-border financial transactions.

The **Nigerian National Broadband Plan 2020–2025**, developed by the FMCIDE, is a five-year roadmap to boost high-speed internet access across Nigeria. The plan sets bold goals: minimum speeds of 25 Mbps in cities and 10 Mbps in rural areas, with broadband coverage reaching at least 90% of Nigerians by 2025, all at an affordable rate of no more than ₦390 per GB. It links broadband expansion to broader national objectives such as reducing poverty, creating jobs, promoting digital literacy and expanding Nigeria's digital economy.

By working to make reliable broadband both widespread and affordable, the plan lays the foundation for essential digital services –including online ID verification, e-government platforms, ecommerce and digital payments – which all require stable, fast internet connections to operate smoothly.

The **Cybercrimes (Prohibition, Prevention, etc.) Act 2015** serves as a foundational component of Nigeria's legal framework addressing cybercrime in connection with digital transactions, both within the country and internationally. The legislation criminalises various cyber-related offences, including ID theft, fraud, unauthorised data access and the illicit use of electronic devices, prescribing stringent penalties such as fines and imprisonment.

The 2024 amendment to the Act further enhances these provisions and broadens their application. Notably, it establishes a 0.5% cybersecurity levy on certain electronic transactions conducted by telecommunication companies, financial institutions and other relevant entities, which is to be remitted to the National Cybersecurity Fund. This measure has sparked debate concerning its legal validity and the potential impact on citizens (Afrewise, 2024).

The **Foreign Exchange (Monitoring & Miscellaneous Provisions) Act** was passed into law in 1995. It is designed to regulate and monitor foreign exchange transactions within Nigeria. Its main purpose is to establish an Autonomous Foreign Exchange Market and to ensure all foreign exchange transactions are properly documented, monitored and supervised by the CBN. Foreign exchange is a key component of cross-border trade, including trade under the AfCFTA. As digital trade under the AfCFTA grows, transactions will require effective management of foreign exchange.

The **Nigeria Financial Intelligence Unit (NFIU)** was created in 2004 as part of the EFCC. In 2018, the National Assembly passed the NFIU (Establishment) Act, which made the NFIU independent and domiciled it with the CBN. Under the Act, the agency is legally tasked with monitoring and analysing suspicious financial flows – whether domestic or cross-border, by enforcing AML and countering the financing of terrorism (CFT) measures and related crimes. These regulations are vital for creating a transparent and safe digital trade environment, which supports regional efforts like the AfCFTA.

The **CBN AML/CFT/Counter Proliferation Financing Regulations 2022** require all financial institutions engaged in cross-border digital

payments to implement robust customer due diligence, ID verification and transparency regarding beneficial ownership. The regulations adopt a risk-based approach to KYC and AML procedures, mandate timely reporting of suspicious and significant transactions to the NFIU and encourage the use of automated monitoring systems to detect illicit financial activity. These measures are designed to comply with international Financial Action Task Force (FATF) standards and are implemented in a manner consistent with Nigerian data protection requirements.

The **CBN's Open Banking Regulations** establish a framework for secure API-based data-sharing within the domestic financial ecosystem. They require that data exchange between banks, fintechs and third-party providers be conducted through secure, standardised APIs, supported by encryption and strong authentication protocols. Access to customer financial data is strictly conditional upon explicit, documented and revocable customer consent. Participation in the Open Banking ecosystem is limited to duly licensed and registered CBN-regulated institutions that have demonstrated the requisite technical capacity, financial stability and regulatory compliance to handle sensitive financial and customer authentication data. The framework is presently domestic in scope but

constitutes an important foundation stone for future regional financial integration, innovation and interoperability across multiple African countries.

The financial services industry in Nigeria is one of the most regulated sectors of the economy, overseen by multiple regulators to ensure stability, transparency and consumer protection. Regulations and policies in this sector underscore Nigeria's commitment to advancing digital payments and trade, strengthening the digital economy and fostering innovation to support sustainable economic growth and development within the country and across the African continent.

5.7 Observations and gaps

One of the key gaps identified is the persistently low adoption of globally recognised standards for corporate ID verification in Nigeria. This challenge is compounded by a fragmented corporate verification infrastructure and a complex regulatory environment, which together delay, and in some cases prevent, real-time cross-border transactions at scale. Evidence from our survey of Nigerian businesses and PSPs indicates that 100% of respondents had experienced at least one compliance-related transaction delay or blockage within the previous 12 months, with 50% reporting such incidents rarely and the remaining 50% sometimes. These findings demonstrate that regulatory complexity is not merely a theoretical concern but a recurring operational constraint, underscoring the urgent need to harmonise domestic compliance frameworks with continental efficiency and interoperability objectives.

6 Challenges and opportunities

Trade in the digital era depends on trust engineered through verifiable credentials. For B2B transactions, this trust layer is provided by digital IDs, which underpin risk management, compliance and the legal certainty needed for payments to scale. Payment infrastructure may provide the ‘rails’ but IDs and an effective governance system make up the mechanism that determines whether following these rails can be used at full efficiency or whether their use remains constrained by manual or semi-automated processes. Nigeria’s fragmented corporate digital ID system slows payment processing, which leads to delays, compounds governance friction and engenders weak coordination that undermines different phases of the transaction. In practical terms, without interoperable corporate ID, Nigerian businesses cannot be reliably verified by partners in Ghana, Kenya or South Africa without resort to manual processes, making the AfCFTA’s vision of seamless continental trade challenging to realise.

6.1 Challenges related to B2B digital payments and corporate digital identity

Nigeria’s digital trade infrastructure faces interconnected challenges related to IDs, payments and institutional coordination that create systemic barriers to B2B transactions under the AfCFTA framework. Unlike the coordinated approach that underpins the individual ID infrastructure (with NIMC as the clear lead agency for the NIN), corporate digital ID exists in a complex regulatory space where

multiple agencies hold different pieces of the puzzle without being able to achieve the scale or interoperability necessary for automated verification in cross-border transactions. Payment infrastructure faces a similar paradox: despite robust domestic capabilities, cross-border B2B payments encounter systemic barriers at technical, operational and cost levels. These challenges are compounded by limited formalised coordination mechanisms across regulatory agencies, ID providers, payment systems and enforcement bodies whose mandates intersect in digital trade facilitation.

6.1.1 Institutional silos, fragmented registries and disconnected systems

Digital identity

Corporate digital ID in Nigeria remains structurally fragmented, with business identity data dispersed across multiple registries and limited real-time interoperability for third-party verification. The CAC Registration Certificate number continues to function primarily as a static legal identifier rather than a dynamic, machine-verifiable credential suitable for automated compliance and cross-border financial transactions. The launch of the CAC’s iCRP in July 2025 marked a notable institutional advance, introducing artificial intelligence-enabled name reservation, faster incorporation timelines and mandatory linkage of company records to recognised national digital identifiers, including the NIN (Sunday, 2025).

However, licensed financial institutions still lack standardised, open API access to conduct real-time cross-verification of directors and beneficial owners across the CAC and NIMC databases. Although the NIBSS–CAC API, introduced in May 2025, represents an important step towards real-time business data

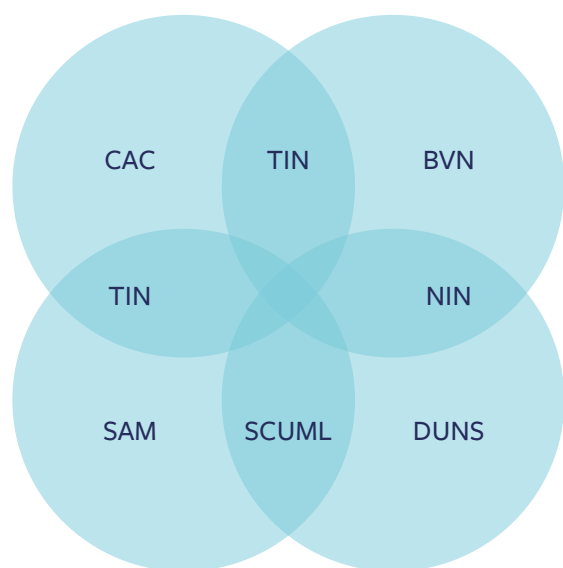
verification (NIBSS, 2025), its availability remains restricted to a limited set of approved intermediaries or ‘super agents.’ This access for verification still entails some bottlenecks, which constrains straight-through processing and reinforces systemic frictions in Nigeria’s corporate ID architecture, undermining its readiness for scalable, interoperable cross-border digital trade and payment systems.

Box 3 The noodle bowl of corporate ID in Nigeria

Figure 1 illustrates the corporate ID landscape for Nigerian businesses. Businesses in Nigeria typically hold – or are linked to – multiple, overlapping corporate and individual identifiers, each administered by a different institution.

Every business must obtain a Registration Certificate from CAC for legal existence, a tax identification number (TIN) from FIRS for tax compliance and a Special Control Unit against Money Laundering (SCUML) certificate from the EFCC for designated sectors. NIMC’s national identity number (NIN) verifies directors and signatories. For specific business (local and international) operations, some firms also require a D-U-N-S number from Dun & Bradstreet, and those providing services to the US government a System for Award Management (SAM) number. Banks apply additional onboarding mechanisms requiring the BVN within the NIBSS ecosystem.

While these identifiers serve legitimate regulatory and commercial purposes, their interoperability is limited, requiring banks and other actors to conduct repetitive, manual or semi-automated KYB checks, increasing costs and creating friction for continental interoperability.

Figure 1 The overlap of corporate identifiers

Source: Authors' elaboration based on stakeholder consultations

Regulatory frameworks add further complexity. The NDPA 2023 and the NDPC's General Application and Implementation Directive (GAID), issued in March 2025 and enforceable from September 2025, establish advanced consent-based data governance requirements. These frameworks position Nigeria ahead of many African jurisdictions in data protection and create a foundation for cross-border data adequacy arrangements. However, when verification processes span multiple registries that are not fully integrated, compliance with consent requirements becomes more complex and resource intensive. Our survey evidence confirms this friction: all respondents had experienced compliance-related transaction delays at least once in the previous 12 months, highlighting the need to streamline compliance processes.

Digital payments

Payment system disconnection creates friction at multiple levels. The CBN mandated

all licensed operators to migrate to the ISO 20022, a global messaging standard for financial transactions, by 31 October 2025. Similarly, the Society for Worldwide Interbank Financial Telecommunication (SWIFT) retired legacy message formats in November 2025, ending the regime of parallel messaging standards. While Nigerian commercial banks are expected to have completed migration, uneven implementation among downstream participants, including non-bank fintechs and smaller PSPs, risks creating parallel systems that could drive up costs and complexity.

Cross-border B2B payments fail not at the payment rail itself but at the ID verification layer. Financial institutions need API access to corporate registries (both domestic and foreign), and, with Nigerian corporate credentials lacking cross-border recognition mechanisms, this technical fragmentation compounds the structural disconnection discussed in this section. Without automated ID verification embedded in payment workflows, the instant settlement capacity offered by platforms like PAPSS cannot function effectively as designed. Manual corporate ID verification processes therefore negate the efficiency gains that modern payment infrastructure is built to deliver.

Governance and institutional coordination

No central body coordinates digital trade policy and strategy for cross-border transactions in Nigeria. Existing platforms, including the Nigeria AfCFTA Coordination Office, have not articulated clear mandates/positions related to cross-border interoperability, digital ID recognition frameworks, standards harmonisation or data-sharing protocols with other African jurisdictions. This coordination gap means Nigeria lacks a standardised approach to negotiating MRAs for corporate credentials, harmonising cross-border

payment standards or establishing data adequacy arrangements that would enable automated verification across borders. Fragmentation at the international interface reflects the absence of institutional mechanisms to align domestic systems with continental digital trade requirements.

6.1.2 Limited cross-border representation and participation

Digital identity

Nigeria's participation in the global LEI system remains limited despite the presence of a domestic issuance framework. The Central Securities Clearing System serves as Nigeria's accredited Local Operating Unit for LEI issuance, while several non-local providers also offer LEI

registration to Nigeria-based firms. However, adoption among Nigerian businesses is very low, significantly constraining the practical impact of this infrastructure. As of September 2025, Nigeria had approximately 561 LEIs, of which 541 were active (GLEIF, 2025). These identifiers are held almost exclusively by large commercial banks and capital market institutions, with negligible uptake among SMEs. Similarly, the AEI, developed by Afreximbank for use on its MANSA platform, has recorded minimal adoption; none of the survey respondents reported holding or using the AEI as an identifier. Overall, Nigeria's corporate digital ID landscape remains predominantly domestic in orientation, with limited integration into continental or global business ID frameworks.

Box 4 Survey finding: CAC registration is universally held and cited as the most important ID for business operations in Nigeria.

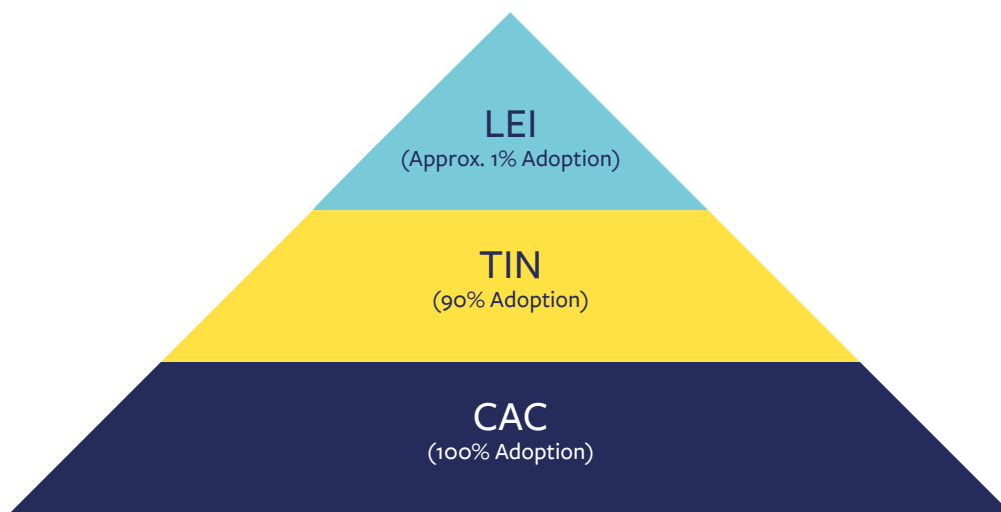
The CAC's central role is confirmed by business users, who also experience its limitations. Survey responses confirm that businesses regard CAC registration as the single most important corporate ID for operations.

However, the status of this as a static administrative identifier, rather than a dynamic credential, is likely to limit or has no effect on its operational utility in cross-border transactions. High adoption of the TIN reflects the requirement for domestic financial and statutory compliance

Survey finding: Adoption of IDs designed for cross-border recognition, such as the LEI, is very low among Nigerian businesses.

This lack of cross-border ID utility is evident in low adoption rates. Our survey data reveals negligible uptake of standard identifiers like the LEI, confirming that the corporate ID ecosystem remains overwhelmingly domestic in focus. This presents a major technical and strategic gap that must be closed if Nigeria is to facilitate seamless AfCFTA trade.

Source: Authors' elaboration based on qualitative data collection

Figure 2 High domestic identity adoption masking low cross-border readiness

Source: Authors' elaboration based on qualitative data collection

Domestic credentials like the NIN and the BVN provide strong domestic assurance but currently lack cross-border equivalence mapping. The country is actively engaged in ongoing continental digital ID initiatives, including the Smart Africa Trust Alliance anchored by Smart Africa Alliance (ITSNigeria, 2023), whose aim is to facilitate cross-border ID mapping. As a member of ECOWAS, the country is part also of regional efforts to implement the ECOWAS National Biometric Identity Card and, at the continental level, the AU adopted the AU Interoperability Framework for Digital ID in December 2023 (Digital Policy Alert, 2023). This framework functions as a voluntary continental framework rather than a binding regulation. Nigeria is also developing its Nigeria Data Exchange (NgDX) and recently announced a multipurpose digital ID card, expected to kick off/launch in October 2025. This card was designed to better align with international interoperability standards. However, these cross-border credential recognition mechanisms are not yet

operational. Without functioning interoperable verification protocols, businesses still must undergo separate onboarding processes in other jurisdictions, creating operational barriers for cross-border trade participation, particularly for SMEs.

Digital payments

Over 20 Nigerian banks are technically connected to PAPSS, through the CBN, representing the highest country participation on the continent (Akintaro, 2025b). Yet actual transaction volumes remain low relative to this capacity, based on survey findings from stakeholders. Slow adoption of PAPSS by other state parties represents a challenge to full-scale implementation in Nigeria. The CBN's April 2025 directive reducing documentary burdens for low-value PAPSS transactions indicates that attention is being paid to adoption barriers, which include low awareness in the private sector, interoperability issues linked to differing regulatory and standards frameworks among African countries, and operational risks.

Governance and institutional coordination

Cross-border trust frameworks and assurance mechanisms remain inconsistent, and this is compounded by the lack of a coordinating and monitoring body to drive institutional coordination (discussed earlier in this section). The DTP requires harmonised assurance frameworks, shared metadata standards and coordinated supervisory mechanisms across jurisdictions. Low adoption of continental corporate identifiers in Nigeria, with 0% AEI adoption among surveyed businesses and minimal LEI uptake, reflects the institutional coordination gap that needs to be filled to drive cross-border corporate ID harmonised assurance frameworks – essential for automated verification and payment processing – at the continental level. If internal coordination gaps are not addressed, Nigeria faces constraints in leveraging its domestic digital strengths for AfCFTA participation.

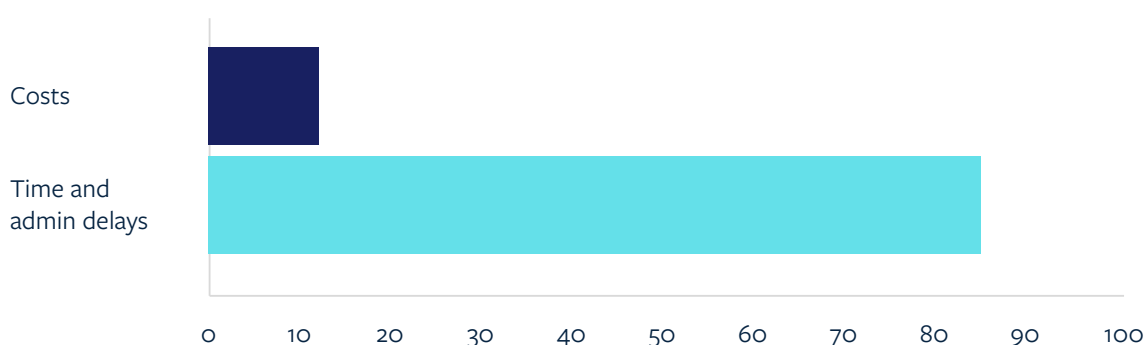
6.1.3 Operational realities: costs and frictions

Digital identity

The fragmented identity ecosystem manifests in tangible operational burdens. When asked to identify their biggest pain point in managing corporate digital IDs, 86% of surveyed businesses cited time and administrative delays (Figure 3).

This operational friction reflects the cumulative effect of maintaining multiple unintegrated identifiers, navigating separate verification processes across agencies and repeating documentation requirements for each regulatory interaction. Corporate ID gaps also undermine automated payment reconciliation and risk management. The ISO 20022 standard was created to address these issues, among others. But without verifiable corporate digital identifiers, which can be easily embedded in payment messages, banks cannot automate sanctions screening, beneficial ownership verification or invoice matching, forcing manual intervention at each transaction stage.

Figure 3 Identity pain points for businesses

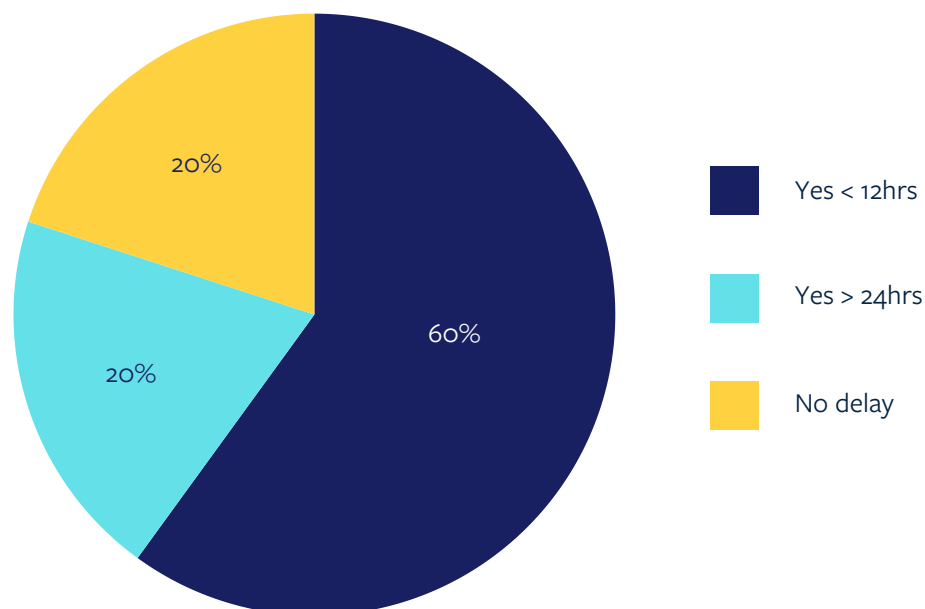


Source: Authors' elaboration based on qualitative data collection

Digital payments

Nigeria's cross-border payment environment remains burdened by high transaction costs and structural regulatory frictions. Average remittance costs of 8.29% significantly exceed the UN Sustainable Development Goal target of 3.0% and remain above the global average of 6.4% (UN, 2024; IOM, n.d.). Beyond pricing, existing regulatory frameworks constrain direct participation in continental payment infrastructure. CBN guidelines on IMTOs restrict their operations to inbound flows, while foreign exchange access constraints and manual documentation requirements introduce additional layers of cost, uncertainty and delay (CBN, 2024b). As a result, many banks and fintechs continue to rely on correspondent banking relationships or IMTO channels rather than direct continental settlement platforms, lengthening processing times and inflating transaction costs.

Survey evidence underscores the operational impact of these frictions: 80% of firms reported recurring delays in receiving payments from other African countries, with 60% experiencing delays of up to 12 hours and 20% facing delays exceeding 24 hours (Figure 4). Moreover, all respondents reported at least one compliance-related transaction delay within the previous 12 months, confirming that regulatory and operational barriers, rather than technical payment capacity, remain the dominant constraint on efficient cross-border payments.

Figure 4 Cross-border payment delays: evidence from Nigerian businesses

Source: Authors' elaboration based on stakeholder consultations

Governance and institutional coordination

The complexity and cost of cross-border payments fall disproportionately on SMEs. Unlike large corporations, SMEs cannot afford regulatory technology (RegTech) solutions, dedicated compliance infrastructure or specialised expertise needed to navigate the fragmented regulatory environment. This has the potential to force SMEs away from formal business structures into informality. The onus is therefore on the national coordinating body for digital trade, which Nigeria currently lacks, to ensure SMEs are not disadvantaged within this context. SMEs face the same verification requirements and compliance obligations as larger firms but do not have the resources to manage them efficiently, creating a structural disadvantage in accessing formal continental trade opportunities.

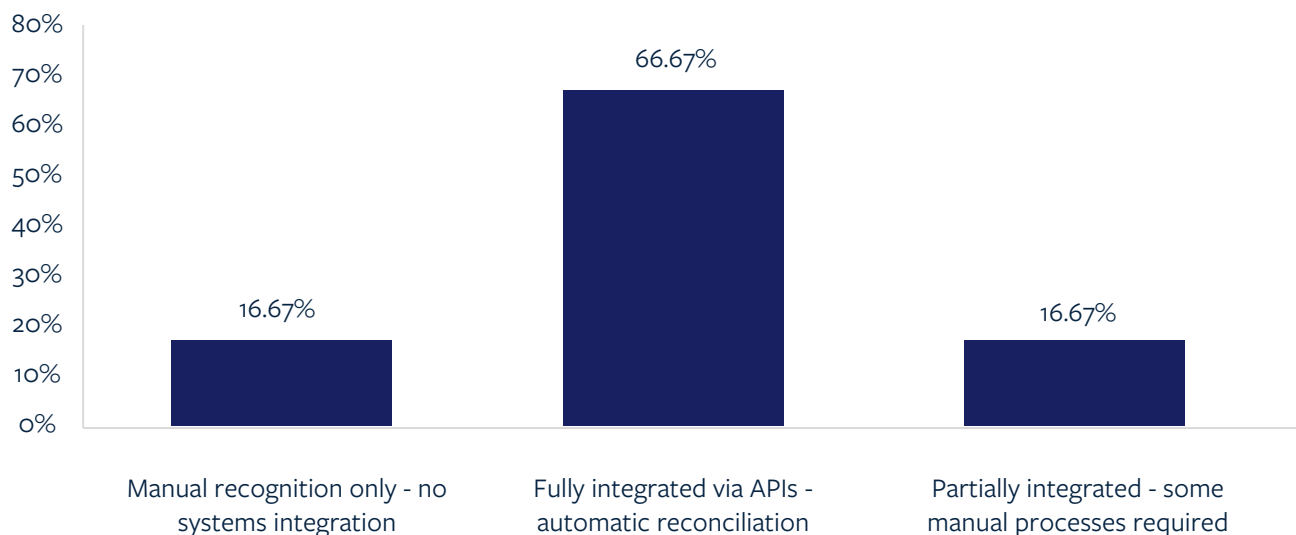
6.2 Opportunities related to B2B digital payments and corporate digital identity

Nigeria's strength in digital payments, anchored by high-volume domestic infrastructure and widespread fintech adoption, provides a foundation for continental B2B trade leadership. The country's payment rails process millions of transactions daily, demonstrating operational capacity at a scale few African economies can match. This is complemented by the evolving digital ID landscaping through the NIN, the BVN and the CAC's iCRP, alongside governance frameworks including the NDPA and the CBN's AML/CFT regulations that align with international standards. Where challenges arise from fragmentation, opportunities emerge from consolidation and interoperability. Nigeria's combination of scale, technical depth

and innovation capacity positions it to translate domestic digital strengths into cross-border trade advantages under the AfCFTA framework.

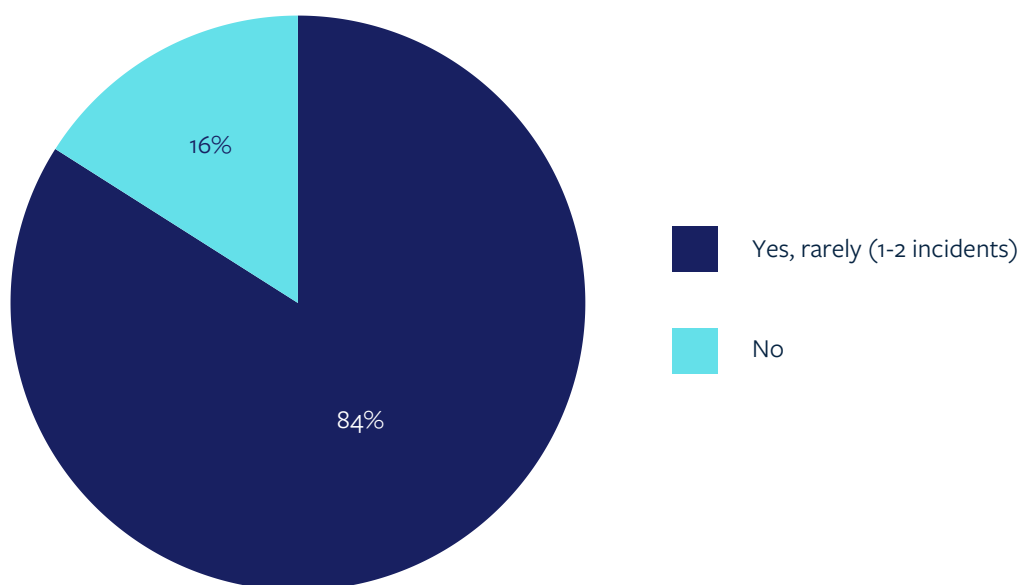
Furthermore, the survey conducted for this study found that businesses were indeed connecting to their payment providers via API-enabled platforms (e.g. Treasury and enterprise resource planning systems) (Figure 5), presenting an opportunity for fintech solutions that combine robust APIs with automated reconciliation, compliance checks and enterprise resource planning integration, for cross-border trade. However, over 80% of respondents also reported experiencing integration-related causing disruptions to payments within the previous 12 months (Figure 6), separately highlighting the importance of enforcing quality standards in digital service delivery.

Figure 5 How well does your accounting/enterprise resource planning system integrate with your payment providers?



Source: Authors' elaboration based on stakeholder consultations

Figure 6 Have you experienced API failures or integration issues that have disrupted payments in the past 12 months?



Source: Authors' elaboration based on stakeholder consultations

6.2.1 Pan-African interoperable cross-border payment rails

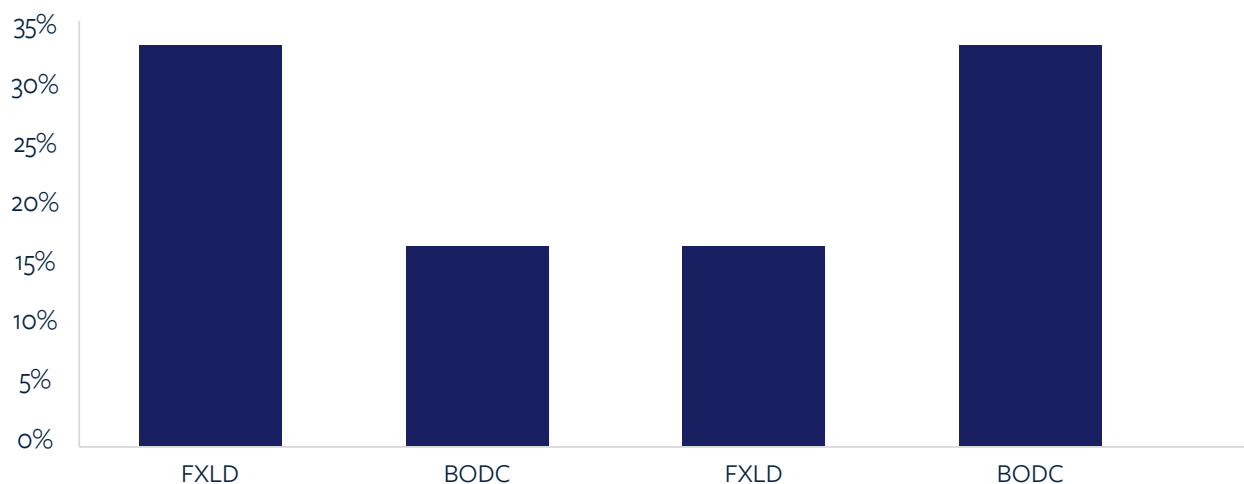
Nigeria's domestic payment infrastructure provides a strong foundation for participation in pan-African payment networks. Core rails – the NIBSS, RTGS and NACS – already support high-volume and high-value transactions, while broad individual ID coverage through the NIN and the BVN provides a foundational trust layer. Continental platforms such as PAPSS, alongside private cross-border payment solutions, offer the potential to reduce settlement delays, transaction costs and dependence on correspondent banking for intra-African trade. Nigeria's combination of payment scale, fintech depth and regional trade linkages positions it to function as a major node within emerging continental payment flows.

6.2.2 Cross-border digital payment, identity security and compliance

Nigeria's digital payments and ID architecture provides a basis for stronger trust and compliance in cross-border B2B transactions. A robust foundational ID layer, supported by CAMA 2020, beneficial ownership requirements and AML/CFT regulations, can enable more automated and reliable KYC and KYB processes when effectively

integrated. Our survey findings highlight that businesses face complex and inconsistent KYC, beneficial ownership and compliance requirements across African corridors: foreign exchange allocation limits/delays (FXLD), beneficial ownership disclosure complications (BODC), data residency and cross-border data transfer rules (DRCTR) and complex KYC/customer onboarding requirements (CKYC) (Figure 7). The AML/CFT requirements account for more than half of the most regulatory pain points Nigerian businesses face, directly increasing costs and transaction delays.

Figure 7 Regulatory challenges affecting payments



Source: Authors' elaboration based on stakeholder consultations

Nigeria's existing identity and payments architecture presents a significant opportunity to improve fraud prevention, sanctions screening and beneficial ownership transparency by enabling stronger linkages between the NIN, the BVN, CAC corporate records and emerging continental trust layers such as the AEI and PAPSS.

6.2.3 Reducing financial exclusion

The challenges for SMEs highlighted in the previous section also create opportunities. Nigeria's MSMEs account for approximately 96% of firms, contribute roughly half of GDP and employ over 84% of the workforce (Adegboyega, 2025), with an estimated 90% operating informally (Tunji, 2024). This scale of

informality creates significant scope for digitally enabled inclusion in regional trade. Mobile money, digital wallets, instant payment systems and PAPSS-enabled settlement provide scalable mechanisms for facilitating small-value cross-border transactions, formalising trade flows, improving data visibility and expanding access to financial services. Persistently high remittance and cross-border payment costs shape the operating environment for MSMEs, informal traders and diaspora-linked trade flows. Interoperable digital payment systems present an opportunity to reduce transaction frictions at scale, with evidence showing that access to affordable and reliable payment mechanisms is a key differentiator for MSME participation in cross-border trade (WTO, 2018; Adesina et al., 2025).

6.2.4 Digital identity-enabled KYB and cross-border compliance

Nigeria's evolving digital ID framework presents an opportunity to streamline KYB and cross-border compliance processes. The CAC Company Registration Portal's built-in artificial intelligence-powered features make registration and verification seamless. This includes real-time name checks to ensure businesses meet compliance and enables trusted digital verification for firms engaging in cross-border trade. Integrating digital ID with payment systems would reduce onboarding friction, improve trust and facilitate faster access to trade finance and regional markets.

6.3 Synthesis and implications for AfCFTA DTP implementation

Nigeria's readiness to implement the AfCFTA DTP domestically is constrained less by gaps in digital infrastructure than by misalignment across corporate ID, payment and governance systems.

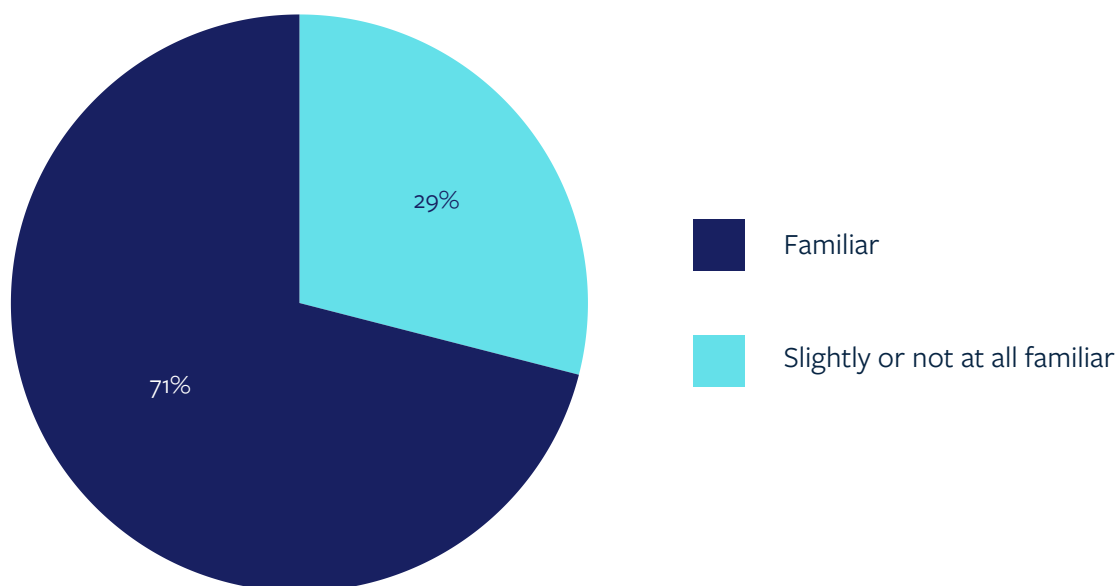
For corporate digital ID, the implications are obvious:

- Transacting parties receive PDF documents rather than cryptographically signed, machine-verifiable attestations, undermining the drive towards paperless trade.
- Differing data protection regimes complicate lawful sharing of corporate ID attributes across borders.
- Different attribute vocabularies and API schemas create integration failures.
- Access to KYC utilities remains largely confined to large corporates, limiting SME participation.

Together, these constraints reduce trust, slow verification and undermine the scalable, interoperable digital ID layer required for effective AfCFTA-enabled cross-border trade.

For B2B payments, the experience and reality are the same: cross-border payment breaks down at points of interaction rather than at the level of individual systems. Advanced payment rails lose their efficiency when corporate IDs cannot be verified across borders in real time. Identity systems deliver limited value where payments remain subject to manual reconciliation, foreign exchange constraints and regulatory complexity. In Nigeria's case, these frictions reflect fragmentation across registries, payment corridors and institutional mandates, introducing delay, cost and uncertainty into cross-border digital trade.

A critical awareness gap compounds these challenges. Our survey findings reveal that 71% of Nigerian businesses are only slightly or not at all familiar with the AfCFTA's digital trade provisions (Figure 8). This lack of awareness means the market is not proactively demanding the interoperable ID solutions the DTP requires, creating a cycle in which policy ambition outpaces private sector readiness.

Figure 8 Low awareness of the AfCFTA DTP

Source: Authors' elaboration based on qualitative data collection

The binding constraint lies in aligning ID assurance, payment interoperability and institutional coordination so that existing capabilities translate into reliable, inclusive and scalable cross-border trade outcomes. Nigeria's AfCFTA digital trade potential depends on coherence across systems rather than the expansion of such systems. Much of the required digital infrastructure is already in place; what remains is to connect these systems in ways that enable seamless cross-border transactions.

7 Policy recommendations

Nigeria's digital payments and ID ecosystem already reflects substantial policy effort and institutional investment. The challenge identified in this report is not the absence of systems, but the degree to which existing capabilities are coordinated, interoperable and consistently applied in cross-border contexts under the AfCFTA DTP.

The recommendations below, therefore, focus on strengthening alignment across ID, payments and governance, improving usability for businesses, particularly SMEs, and enhancing Nigeria's ability to translate domestic digital infrastructure into effective participation in continental digital trade. They are framed as policy-level actions that build on current initiatives rather than proposing parallel or duplicative structures.

7.1 Domestic reforms

Nigeria has achieved strong domestic coverage in digital payments and individual ID; however, persistent fragmentation across corporate ID systems, payment processes and regulatory oversight continues to introduce delay, cost and uncertainty into cross-border transactions. Domestic reforms should therefore focus on strengthening integration, reducing duplication and improving the reuse of verified information across public and private systems, with particular attention to the constraints facing SMEs.

7.1.1 Strengthen corporate digital identity

Accelerate the integration and reuse of corporate digital credentials across

government agencies and financial institutions to reduce repeated verification and manual/semi-automated KYB processes.

Currently, businesses are required to submit the same corporate information multiple times to different institutions, despite the existence of verified data within official registries. This results in unnecessary delays, higher compliance costs and limited scalability for digital trade.

Improved coordination among the CAC, NIMC, FIRS, NIBSS, EFCC and regulated financial institutions would allow for the reuse of verified corporate information across services, subject to consent and data protection requirements. Rather than introducing new identifiers, reforms should focus on enabling existing corporate data to function as reusable digital credentials across the trade, financial and regulatory ecosystem.

Strengthening corporate digital ID in this way would lower onboarding costs, reduce administrative friction and enable more efficient participation in digital and cross-border trade, particularly for SMEs, which are the least able to absorb significant compliance costs.

7.1.2 Scaling PAPSS and efficient SME cross-border payments

Improve efficiency and accessibility of cross-border digital payments for SMEs by strengthening automation and reducing unnecessary administrative friction.

Although domestic payment systems are advanced, cross-border transactions remain

slow and costly, as a result of manual verification, reconciliation delays and complex FX processes that disproportionately affect smaller firms.

Policy efforts should prioritise scaling the effective use of PAPSS by deepening integration, expanding direct access to licensed fintechs and reviewing existing transaction thresholds, which currently stand at \$2,000 for individuals and \$5,000 for corporates. Stakeholder consultations indicate that these limits are too restrictive for routine trade and services payments, particularly for SMEs engaged in intra-African commerce. In parallel, Nigeria should strengthen the integration of PAPSS with domestic payment systems and corporate ID and compliance frameworks, enabling greater automation in verification, settlement and reconciliation processes.

Over the medium term, Nigeria should also cautiously consider regional monetary convergence initiatives, including accelerating the proposed ECOWAS single currency agenda as a pilot pathway towards deeper continental monetary integration, which would help mitigate exchange rate volatility in cross-border transactions. At the operational level, adopting proportionate, risk-based verification models would better align compliance requirements with transaction risk, easing the burden on legitimate SME activity. Complementary reforms to simplify foreign exchange access and documentation requirements for compliant trade transactions would further lower barriers to formal participation.

In the long term, develop a digital currency infrastructure to support pan-African trade by enabling the digitisation of national currencies within a secure, interoperable platform fully backed by fiat deposits held at regulated pan-African commercial banks. Leveraging blockchain

technology, such an infrastructure could enable real-time currency exchange, programmable settlement and more efficient cross-border payments for corporates, MSMEs and remittance providers. This approach aligns with emerging global developments, including Project Agora of the Bank for International Settlements (BIS), undertaken in partnership with seven central banks and the Institute of International Finance. This explores the use of tokenisation and smart contracts to address legal, regulatory and operational inefficiencies in cross-border payments by integrating tokenised commercial bank deposits with tokenised central bank money on a programmable financial platform (Hoven et al., 2025).

These measures would reduce transaction costs, shorten settlement times and expand SME access to formal cross-border digital payment channels, thereby supporting higher volumes of intra-African trade.

7.1.3 Accelerate interoperability and coordination initiatives

Strengthen coordination across relevant public agencies and regulated private actors to accelerate interoperability within the digital trade infrastructure.

Limited API connectivity, fragmented corporate and individual identifiers and inconsistent assurance frameworks slow cross-border integration and increase operational friction. Harmonising ID assurance approaches and aligning them with widely recognised international frameworks – such as the W3C Verifiable Credentials or ISO/IEC Levels of Assurance – provides a common reference for interoperability without prescribing specific technical solutions. Where relevant, platform-specific identifiers like

the AEI on Afreximbank's MANSAs platform may be leveraged to support automated verification and trade facilitation.

Enhanced coordination and harmonised assurance frameworks will reduce operational friction, improve trust and allow digital trade processes to scale more effectively across both domestic and continental corridors. Perhaps definition of a national coordination mechanism to drive digital trade implementation in Nigeria would be beneficial.

7.1.4 SME inclusion and capacity-building

MSMEs account for approximately 96% of Nigerian firms, contribute about half of GDP and employ over 84% of the workforce, yet they remain disproportionately excluded from formal cross-border digital trade. This exclusion is driven less by gaps in digital public infrastructure and more by high compliance costs, limited awareness of platforms and regulatory obligations, and operational complexity – burdens that large firms can absorb but SMEs cannot. Evidence from stakeholder consultations and survey data indicates that cost, complexity and regulatory uncertainty are the primary deterrents to SME participation, reinforcing informality despite its lack of legal protection and access to trade finance.

Addressing these constraints requires targeted SME support mechanisms, stronger consumer and trader protection enforcement, and practical awareness and capacity-building initiatives aligned with SMEs' operational realities. The following recommendations therefore focus on increasing SME confidence, compliance readiness and formal participation in cross-border digital trade.

Digital trade support for SMEs

Develop targeted support initiatives to reduce barriers that prevent SMEs from engaging effectively in formal cross-border digital trade.

There is a need to provide practical guidance on digital trade processes, simplified onboarding for platforms such as PAPSS and advisory services tailored to SMEs. This will help smaller enterprises improve readiness, navigate compliance, operational complexity and platform usage. Coordinated awareness and capacity-building campaigns across trade promotion agencies, business associations and financial sector actors can inform SMEs about their rights, obligations and opportunities under the AfCFTA DTP. These measures will serve to increase formal participation, reduce reliance on informal channels and better prepare SMEs for continental digital trade opportunities.

**Strengthen trust and consumer protection
Improve enforcement of consumer protection standards and increase awareness of data privacy and cybersecurity practices to strengthen SME confidence in digital trade participation.**

Strengthening the enforcement of digital consumer protection and increasing awareness of data privacy and cybersecurity practices can boost SME (and overall) confidence in cross-border digital trade. Active monitoring, dispute resolution mechanisms and visible regulatory action against fraudulent actors, combined with practical guidance on secure digital practices, will reduce exposure to fraud and cyber risk while encouraging formal digital trade participation.

7.2 Continental alignment

To fully leverage Nigeria's domestic digital trade capacity, cross-border systems must be aligned. This requires mutual recognition of digital credentials, stronger connectivity between domestic and continental payment platforms and coordinated assurance frameworks. The recommendations below focus on translating Nigeria's scale, infrastructure and technical sophistication into reliable, inclusive and scalable AfCFTA digital trade outcomes.

7.2.1 Cross-border identity recognition

Actively promote the development of mutual recognition frameworks for digital ID and corporate credentials to minimise duplication and enable faster, more reliable cross-border verification.

Such efforts should prioritise alignment and interoperability over uniformity, combining mutual recognition with the progressive adoption and harmonisation of technical standards that allow national systems to evolve while remaining functionally compatible. Advancing cross-border ID recognition would accelerate onboarding processes, reduce administrative and compliance burdens and strengthen trust among trading partners. A well-designed framework should also safeguard data privacy, portability, secure cross-border data exchange and data sovereignty, ensuring trusted data flows support digital ID verification, payment system interoperability and fully digitised, end-to-end cross-border trade processes.

7.3 Implement a single window anchored on digital identity

Prioritise the comprehensive implementation of an integrated digital single window that automates border and trade processes and is supported by secure, interoperable digital ID systems for traders, logistics providers and regulatory authorities.

Adopting a coordinated, whole-of-government strategy, encompassing customs, ports, immigration, standards agencies and the private sector, will enhance efficiency, transparency and risk management, and facilitate Nigeria's participation in regional and global digital trade networks.

7.3.1 Strengthen cross-border payment connectivity

Enable seamless direct cross-border payments by connecting domestic payment systems and providers directly to continental platforms.

The CBN guidelines on international money transfers (CBN, 2024b) limit IMTOs to inbound payment money transfers only. In essence, the regulations restrict emerging digital payment solutions from directly accessing the continental payment infrastructure. While PAPSS provides real-time, local currency settlement capacity, many banks and fintechs continue to rely on correspondent (or agent) banks or IMTOs, adding cost, delay and operational friction.

There are obvious upsides to this policy, from the regulator's point of view. However, by establishing mechanisms for licensed payment service

providers to access continental rails directly, with automated verification linked to corporate IDs and compliance data, Nigeria can ultimately lower transaction costs by reducing reliance on intermediaries and accelerating settlement. Simplifying onboarding and providing clear operational guidance will allow SMEs and other participants to transact efficiently and securely.

These measures have the potential to expand transaction volumes through continental platforms, increase the predictability of settlements and broaden participation in AfCFTA digital trade.

7.3.2 Introduce regulatory passporting for cross-border payments

Replicate an advanced model of regulatory passporting frameworks for PSPs, starting with strategic AfCFTA member states, to reduce market fragmentation and accelerate cross-border payments integration.

The fintech passporting framework established between Ghana and Rwanda, supported by the Global Finance and Technology Network and PAPSS, provides a practical model that enables firms licensed in one jurisdiction to operate in another with reduced regulatory duplication. Nigeria should establish similar passporting arrangements focused on payments and digital financial services, supported by clear supervisory cooperation, shared compliance standards and streamlined company registration processes. This would lower entry barriers, encourage innovation in cross-border payments, strengthen PAPSS utilisation and enhance Nigeria's role as a regional hub for AfCFTA-aligned digital finance.

7.3.3 Establish legal frameworks for cross-border data flows

Leverage Nigeria's advanced data protection framework to negotiate data adequacy arrangements with key AfCFTA trading partners, enabling lawful cross-border transfer of ID and payment data necessary for digital trade.

The AfCFTA DTP mandates free cross-border data flows between participating member states, while allowing for legitimate public policy exceptions. However, for practical purposes, the legal frameworks at the national level vary widely in their scope, coverage and maturity, creating a layer of uncertainty in digital trade with regard to data protection and governance. This uncertainty creates hesitation among financial institutions, delays cross-border KYB processes and increases compliance costs.

Nigeria's NDPA 2023 and GAID provide a robust foundation for data protection, positioning the country ahead of many African jurisdictions. Bilateral or multilateral data adequacy arrangements, recognising reciprocal data protection standards and establishing clear legal gateways for cross-border data flows, would reduce regulatory uncertainty while maintaining strong privacy safeguards. Such arrangements would enable automated KYB across borders, support PAPSS transaction processing and position Nigeria as a high-trust jurisdiction for digital trade data processing.

These efforts would complement mutual recognition of digital credentials (7.2.1) by providing the legal infrastructure necessary for cross-border ID and payment data to flow securely and lawfully, supporting reliable and scalable digital trade outcomes.

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Appendix 1 Survey methodology

This annex describes the research design, data collection processes, sampling strategy, analytical approach, and quality assurance measures adopted for this study on digital payments and digital identity and governance in Nigeria under the AfCFTA DTP.

1. Study design

The study employed a mixed-methods design that combined qualitative stakeholder consultations with quantitative survey-based data collection. This approach ensured triangulation between policy perspectives, operational realities and user experiences across Nigeria's digital payments, identity, and data governance ecosystem.

2. Stakeholder fact-finding missions

Two fact-finding roundtables were conducted prior to survey deployment to inform instrument design and contextual understanding.

- The Abuja Roundtable (9 September 2025) focused on the public sector and regulatory stakeholders, including the Office of the Vice President, FMITI, FMCIDE, CBN, NIMC, NDPC, NITDA, NCC, the Federal Competition and Consumer Protection Commission, NIBSS, Nigeria AfCFTA Coordination Office and the United Nations Development Programme.
- The Lagos Roundtable (11 September 2025) focused on private sector ecosystem actors, including banks, fintechs, telecoms, identity providers, e-commerce platforms, industry associations, and global partners.

3. Survey instrument development

The survey instrument was developed based on insights from the fact-finding missions and a structured literature review. It covered cross-border digital payments, corporate digital identity, interoperability, data governance, and AfCFTA readiness.

The survey instrument was finalised and approved on 8 October 2025.

It was uploaded to the designated data collection platform immediately thereafter.

Invitations were disseminated via targeted email outreach and stakeholder networks, building on roundtable participation and institutional contacts.

3.1. Sampling strategy and sample size

A purposive and snowball sampling approach was adopted, targeting a minimum of 100 respondents across public and private sector institutions directly involved in Nigeria's digital trade ecosystem; however, 108 respondents participated in the survey.

3.2. Data collection timeline

- Survey launch: 13 October 2025
- Survey close: 7 November 2025

4. Ethical considerations and quality assurance

Participation was voluntary, confidentiality was maintained and data-handling complied with good practice standards. Methodological triangulation enhanced validity and reliability.

5. Post-collection activities

Following data cleaning and analysis, report drafting and validation processes were initiated to ensure policy relevance and stakeholder buy-in.



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ODI Global

4 Millbank
London SW1P 3JA, UK
+44 (0)20 7922 0300
info@odi.org

www.linkedin.com/showcase/odi-trade-and-economic-development
