



## REGULATORY UPDATE

# HIGHLIGHTS OF THE GUIDELINES, LETTERS, CIRCULARS AND NOTIFICATIONS ISSUED IN SEPTEMBER 2025

LAGOS | ABUJA | CALABAR

**Dear Esteemed Client,**

The Central Bank of Nigeria (“CBN”), the National Pension Commission (“PenCom”), the Nigerian Immigration Service (“NIS”), the Federal Inland Revenue Service (“FIRS”), the Federal Competition and Consumer Protection Commission (“FCCPC”), the Small and Medium Enterprises Development Agency of Nigeria (“SMEDAN”), and the Federal Airports Authority of Nigeria (“FAAN”) issued a series of Press Releases, Circulars, Directives, and Guidelines in September 2025, containing information and directives for the Financial Services sector, Immigration, Tax, Consumer Protection, Aviation, and the general public. We hope that you find the information useful in your operations.

**CBN ESTABLISHES COMPLIANCE DEPARTMENT TO STRENGTHEN NIGERIA’S REGULATORY LANDSCAPE**



The CBN issued a circular announcing the establishment of a Compliance Department and the reassignment of oversight responsibilities for non-prudential and risk areas to the Department. The Department will assume responsibility for the oversight of non-prudential risk areas, including Financial Crime Supervision, Market Conduct Supervision, Enterprise Security Supervision, and Corporate Governance and ESG Supervision. Henceforth, all regulatory reports, correspondence and related enquiries concerning the matters under the Department’s oversight should be directed to the Director, Compliance Department through the established communication channels. Financial institutions will receive direct communication from the Department regarding specific points of contact and submission procedures.

For more information, please refer [here](#):

**CBN MANDATES NEW SUCCESSION AND ANNOUNCEMENT TIMELINES FOR DSIB MD/CEOs**

The CBN issued a directive to all Domestic Systemically Important Banks (“DSIBs”) regarding the succession plans for their Managing Directors and Chief Executive Officers (“MD/CEOs”). In line with good corporate governance practice, each DSIB is required to ensure that it obtains regulatory approval for the appointment of a successor MD/CEO not later than six months to the expiration of the tenor of the incumbent MD/CEO and publicly announce the appointment of the successor MD/CEO not later than three months to the planned exit of the incumbent MD/CEO.

For more information, please refer [here](#):

**PENCOM ISSUES CIRCULAR ON SHARED SERVICES ARRANGEMENTS FOR PENSION FUND OPERATORS**

The PenCom issued a Circular to provide comprehensive guidance on Centralised or Shared Services Arrangements (“CSSA”) between Licensed Pension Fund Operators (“LPFOs”) and their related parties, such as Parent, Holding, Group Entities, or other related Subsidiary Companies. LPFOs are now mandated to establish a Policy in line with Section 11.4.7.12 of the Nigerian Code of Corporate Governance 2018 to guide these CSSAs and ensure that the CSSAs

are conducted at arm's length with competitive pricing that accurately reflects the services rendered. The areas of CSSA that LPFOs can enter with their Parent, Holding, Group Entities or other related Subsidiaries include human resource services, information security and other ICT services, marketing and communications services, company secretarial and legal advisory services, administration/facilities services, procurement processes and any other services as may be approved by PenCom. Non-compliance with the requirements of the Circular will attract appropriate sanctions in line with the Framework for the Regime of Sanctions issued by the PenCom.

For more information, please refer [here](#):

**PENCOM ISSUES CIRCULAR ON SECURITIES LENDING AND REPURCHASE TRANSACTIONS BY PENSION FUND ADMINISTRATORS**



The PenCom issued a Circular prescribing a framework for Securities Lending and Repurchase Transactions (“Repo”) by Licensed Pension Fund Administrators (“PFAs”) to enhance portfolio returns through prudent and responsible securities lending and Repo, provide a standardised risk controlled framework for Repo operations in the pension industry and safeguard pension fund assets through robust governance, disclosure, and transparency requirements. PFAs must obtain Board approval for a Securities Lending and develop a Repo Policy, which should be reviewed annually. They must also submit the Board-approved Securities Lending and Repo Policies to Pencom within 90

days of issuance of this Circular. Repos are now restricted to highly liquid government securities as collateral for providing cash under a repurchase (revised Repo) arrangement. Furthermore, any reinvestment of cash collateral must be in short-term, high-quality and liquid instruments with a maximum maturity period of 90 days and a Weighted Average Maturity not exceeding 60 days.

For more information, please refer [here](#):

**PENCOM INTRODUCES FEE STRUCTURE FOR APPROVED PENSION AGENTS (“APAs”)**

The PenCom issued a Circular announcing the fee structure for Approved Pension Agents (“APAs”). This development is part of PenCom's strategy to expand pension coverage and promote financial inclusion by leveraging APAs as strategic partners for the enrolment of eligible persons in the Personal Pension Plan (“PPP”). The fee structure is designed to be performance-based, incentivising APAs to onboard new PPP participants, ensure regular contribution payments, and facilitate contingency withdrawals, with payment strictly tied to achieving specific key performance indicators. Furthermore, APAs are eligible for a long-term benefit in the form of an annuitized performance bonus of up to 40% of the Management Based Fees on all contributions they mobilise, provided they meet agreed performance standards.

For more information, please refer [here](#):

**PENCOM REVISES THE MINIMUM CAPITAL REQUIREMENTS FOR PENSION FUND ADMINISTRATORS AND PENSION FUND CUSTODIANS**

The PenCom issued a Circular announcing a significant review of the minimum capital requirements for all PFAs and Pension Fund Custodians (“PFCs”) to enhance the financial

stability, operational resilience, improve service delivery and long-term viability of PFAs and PFCs. The revised minimum capital requirement of PFAs will now be measured as the Shareholders' Fund unimpaired by losses, less the Statutory Reserve Fund, while that of PFCs shall be based on the Shareholders' Fund unimpaired by losses. PFAs with AUM below ₦500 billion must maintain a minimum capital of ₦20 billion, while those with AUM of ₦500 billion and above require ₦20 billion plus 1% of the AUM exceeding ₦500 billion. Special Purpose PFAs (NPF Pensions Ltd and Nigerian University Pension Management Company Ltd) must have a minimum capital of ₦30 billion and ₦20 billion, respectively. PFCs, on the other hand, must maintain a minimum of ₦25 billion plus 0.1% of the Assets Under Custody ("AUC"). Any company seeking to obtain a new PFA license must now maintain a minimum capital of ₦20 billion, while potential PFC licensees must now maintain a minimum capital of ₦25 billion. Stakeholders are required to comply with this new directive on or before 31<sup>st</sup> December 2026.

For more information, please refer [here](#):

### **PENCOM ISSUES NEW RULES FOR COUNTERPARTIES TO PENSION FUNDS TRANSACTIONS IN GOVERNMENT SECURITIES**

The PenCom issued a Circular mandating PFAs to conduct all transactions in government securities exclusively with Primary Dealer Market Makers ("PDMMs") and other Authorised Dealers licensed by the CBN. While PFAs are advised not to transact with brokers or intermediaries that do not maintain a CBN settlement account, any such arrangement must be formalised through a PenCom-approved Service Level Agreement that ensures transparent fee disclosures. Crucially, all trades are subject to daily mark-to-market ('MTM') confirmation and rate reasonability checks, and PFAs must provide satisfactory justification for any transaction that is executed

at a price that deviates from prevailing MTM rates. Non-compliance with these transparency and trading standards will result in severe sanctions, including a mandatory requirement for the concerned PFA to refund the affected Retirement Savings Accounts with no less than 300% of the identified price differential.

For more information, please refer [here](#):

### **PENCOM ISSUES GUIDELINES ON FOREIGN CURRENCY PENSION CONTRIBUTIONS**

The PenCom issued new Guidelines establishing the regulatory framework for Licensed Pension Fund Operators ("LPFOs") to accept, manage, and invest foreign currency contributions under the Contributory Pension Scheme ("CPS"). Under the new regime, eligible contributors living in diaspora must open a Non-Resident Nigerian Ordinary Account ("NRNOA") in line with CBN requirements and remit pension contributions from their NRNOA to the PFA's foreign currency collection account with the PFC while eligible contributors resident in Nigeria shall open a Domiciliary Account with the collecting bank of the PFC appointed by the PFA and remit pension contributions from their Domiciliary Accounts to the PFA's foreign currency collection account with the PFC. Investment of these funds will be in line with Section 85 of the Pension Reform Act, Regulations and Guidelines issued by PenCom to ensure safety and fair returns.

For more information, please refer [here](#):

### **NIS INTRODUCES AN UPWARD REVIEW OF PASSPORT FEES FOR DOMESTIC APPLICANTS**

The NIS announced an upward review of fees for the Nigerian Standard Passport, effective September 1, 2025. Based on the upward review, a 32-page passport with 5-year validity will now cost ₦100,000, while the 64-page passport with 10-year validity will now cost ₦200,000. It is

important to note that the application fees for Nigerians in the diaspora applying for passports remain unchanged at \$150 for the 32-page booklet and \$230 for the 64-page booklet.

For more information, please refer [here](#):

**FIRS MANDATES WITHHOLDING TAX (WHT) ON INTEREST FROM SHORT-TERM SECURITIES**



The FIRS issued a public notice reaffirming the deduction of WHT from all interest earned on investments in various short-term securities. This directive is rooted in the statutory powers provided by Sections 78(1) & 81(1) of the Companies Income Tax Act (“CITA”), as amended, and the Withholding Regulations 2024. The directive covers interest payments on a wide array of short-term instruments, including treasury bills, promissory notes, corporate bonds, bills of exchange, financial papers and government bonds. Payers of this interest income are required to deduct WHT at the applicable statutory rate on the date the payment is made and remit it to the relevant tax authority no later than the 21<sup>st</sup> day of the month following the deduction.

For more information, please refer [here](#):

**FCCPC ISSUES REGULATIONS TO COMBAT DIGITAL LENDING ABUSES**

The FCCPC issued the Digital, Electronic, Online, or Non-Traditional Consumer Lending Regulations 2025 (DEON Consumer Lending

Regulations) to tackle widespread abuses in digital lending. This regulatory framework is a direct response to unauthorised and predatory practices, such as excessive interest rates and the use of unethical debt recovery methods. The move is designed to bring order, transparency, and consumer protection to the rapidly growing online lending space. Digital lenders are now mandated to immediately align their operations with the new standards and registration requirements to ensure consumer safety and the ethical growth of the FinTech ecosystem.

For more information, please refer [here](#):

**SMEDAN TO PARTNER WITH CAC ON FREE BUSINESS REGISTRATION FOR MICRO, SMALL AND MEDIUM ENTERPRISES (“MSMES”)**

The SMEDAN has partnered with the CAC to provide free business registration for 250,000 Micro, Small, and Medium Enterprises (“MSMEs”) across the country. This initiative, which is a key part of the President’s Renewed Hope Agenda, is designed to remove the ₦11,000 cost of registration, thereby eliminating a major barrier for entrepreneurs. For MSMEs, this effort is a pathway toward formalisation, improved credibility, and access to government interventions and opportunities to scale in both local and international markets.

For more information, please refer [here](#):

**FAAN LAUNCHES OPERATION GO CASHLESS FOR CONTACTLESS TOLL COLLECTION**

The FAAN launched 'Operation Go Cashless' at the Murtala Muhammed International Airport, Lagos, and the Nnamdi Azikiwe International Airport, Abuja. Developed in partnership with Paystack, this policy mandates that all payments at major revenue points, including airport access gates, car parks, and VIP/protocol lounges, will transition to secure, contactless, and cashless

systems, effectively phasing out cash collection at these locations. The initiative is a strategic effort to align Nigerian airports with global digital payment trends, aimed at eliminating revenue leakages, tripling FAAN's revenue, and ensuring greater transparency, efficiency, and accountability across airport operations and passenger experience. To aid the transition, FAAN has deployed brand ambassadors to assist users, and travellers can obtain a FAAN Go Cashless Card at access gates, which can be activated and funded online.

For more information, please refer [here](#):

## CONTACTS



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