The EFInA Explainer Series

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CBN's 2025 Agent Banking Operational Guidelines
Misconceptions and Realities

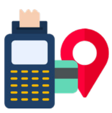
Welcome to Agent Banking 3.0: What Really Changed?

The Central Bank of Nigeria (CBN) has issued a consolidated rulebook for agent banking. It replaces earlier rules (2013 agent banking guideline, the 2015 super-agent framework, and the 2023 agent banking guideline exposure draft) to reflect today's realities and strengthen consumer protection, risk management, and data/reporting requirements. It applies to all CBN-licensed deposit-taking institutions— commercial banks, Payment Service Banks (PSBs), Microfinance Institutions (MFIs), Mobile Money Operators (MMOs), etc that operate agent banking services. The aim is simple: safer services, better conduct, more inclusion

Key Changes at a Glance

Exclusivity— The One Principal Rule: An agent can work for only one principal (bank, mobile money operator or payment service bank) and belong to only one super-agent network at a time. However, an agent may only switch principals after 12 months if he/she is not satisfied with the quality of service or terms of the principal-agent relationship.

Dedicated Agent Account: All agent transactions must flow through an official (dedicated) account/wallet with the principal.



Geo-Fencing of PoS Devices and Location Discipline: All PoS terminals must be geo-tagged and geo-fenced to their registered premises. This means that all terminals will be pinned to GPS coordinates, which will be used to ring-fence the device to that location within a radius of 10 meters. Relocation of any PoS terminal will require prior notice/approval.

Customer Cash-In and Cash-Out Limits: The amount that a customer can cash-in (deposit) or cash-out (withdraw) at an agent location is set at a maximum of ₦100,000 daily or ₦500,000 weekly.

Agent Transaction Limits: An agent is only allowed to process cash-out transactions up to ₦1.2 million per day.

Real-Time Rails, Instant Reversals: Transactions must be processed in real-time. All failed debits must be reversed within 24 hours. In addition, the principal (banks, MMOs, etc.) must resolve agent-related issues (complaints) within seven working days from when they were first lodged.

Two-Factor Authentication (2FA) Requirement: At least, two-factor authentication must be enforced for every transaction. This means that when the agent initiates the transaction, the system triggers 2FA and sends a code to you via SMS or email. You must enter this code, in addition to your card PIN, before the transaction can be approved; otherwise, the transaction will be declined. This is meant to ensure that fraudsters who stole your card and PIN cannot use them for transactions since the code is an additional security requirement.

Payment Terminal Service Aggregators (PTSA) Role: Register PoS terminals, geo-locate devices, integrate with CBN's Central Account Reconciliation and Data System (CARDS), and submit monthly reports.

First, Let's Define Some Key Words

1. **Principal:** This is a duly licensed deposit-taking financial institution (FI), authorised to carry out agent banking activities as permitted by the licence issued to it by the Central Bank of Nigeria. This is the business or organisation that owns the services (deposits, withdrawals, account balance checks, transfers, etc) that the agent is providing to you.
2. **Super Agent:** This is an entity licensed by the CBN to carry out only permissible activities, such as recruiting, aggregating, and managing agents— either on its own or on behalf of a principal.
3. **Agent:** This is an eligible individual or business entity allowed to carry out agent banking services or activities. The word 'allowed' means that the agent has a valid contract (agreement) with the super-agent (on behalf of the principal) or directly with the principal. Agents are of two types:
   a. *Individual Agent*: A person contracted (directly or indirectly) to carry out agent banking activities that are allowed and contained in the agreement between the agent and the super-agent or principal. An individual agent cannot own another individual agent.
   b. *Non-Individual Agent*: This is a business entity registered with the Corporate Affairs Commission (CAC) but also has a contract with the principal or super agent to carry out agent banking services that are allowed in that contract.

What This Really Means

For Agents (PoS Operators/Shops)

- Select one principal, stick with it, and keep your shop location fixed. There will no longer be a mix of PoS terminals from different banks/Fintechs in one shop.
- Use only the dedicated agent account. You are not allowed to route transactions through personal accounts. Violators will be blacklisted/have their contracts terminated.
- Keep your PoS device at your registered location. Each device (PoS terminal) will be geo-fenced, which means an agent cannot move about with the PoS. Moving your shop requires at least a 30-day prior written notice to your principal /approval and public notice to customers.
- You must adhere to transaction caps, issue receipts, keep records, and report suspicious activities quickly.
- Attend mandatory training. There will be more training on Know Your Customer (KYC), fraud prevention, reconciliation, and liquidity management at least twice a year.

- You are required to vividly display at your location or premises: (1) the name and logo of the Principal; (2) the letter of appointment as an agent; (3) the various agent banking services you provide; (4) a notice that states that services shall be provided subject to the availability of funds; (5) relevant charges or fees; and (6) the Principal's dedicated telephone number(s) and the name, telephone numbers and location of the Principal's branch to which the you report your agent activities.

For Principals (Banks, PSBs, MFIs, MMOs)

- Accept full responsibility for agent conduct. You will be liable for unauthorised actions linked to agent services. The principal must set limits, monitor, and audit agent activities.
- Ensure card-neutral PoS acceptance. All cards must be accepted on your devices, and fair pricing must be available for all customers.
- Principals must publish agent lists and send daily agent reports to NIBSS/CBN.
- Integrate technology for real-time transactions, instant reversals, receipts showing agent name and GPS location, including the enforcement of two-factor authentication (2FA).
- Strengthen consumer protection by resolving agent related complaints within 7 working days. Also, you must set up contact centres and redress mechanisms.
- Furnish your agents with your name, dedicated telephone numbers, and the location of your branch to which your agents report their activities.

For Super-Agents

Recruit and manage agents, monitor agent activities in real time, provide routine training, keep blacklist/watch-list, and ensure agents comply with branding/location requirements.

For Consumers

- Know your daily cash-in (deposit) and cash-out (withdrawal) limits: As a customer, you can only deposit or withdraw a maximum of ₦100,000 a day or ₦500,000 a week through agent banking. This is to both discourage the use of cash and also curb fraud.
- Demand receipts for all transactions and check that transaction alerts show the agent's name and GPS location.
- If there is a problem like a failed transaction, and it is not reversed within 24 hours, you must lodge a complaint with the agent or call the principal's number displayed at the agent location. The regulation mandates the agent to resolve your complaint in not more than 7 working days from when the dispute or complaint was lodged or reported.
- Understand your rights and duties as explained below:

Your Rights	Your Duties
Receive a receipt for every transaction	Obey the rules that apply to you as contained in the guidelines.
Immediate reversal of failed transactions	Use only verified agents
Complaint resolution within 7 working days	Report suspicious activity
Transparent pricing	Demand official ID or branding
	Only transact with agents operating from a shop

Misconceptions and Realities

S/N	Misconceptions	Realities
1.	 *"All agents must switch principals immediately"*	The new rules came into force effective October 6, 2025. However, geo-tagging and geo-fencing implementation commenced on October 20, 2025, while the exclusivity requirement (which means the use of one principal ONLY) is set to commence on April 1, 2026.
2.	 *"Agents can still run multiple terminals if they hide it".*	Exclusivity rules, geo-fencing, dedicated accounts, and daily reporting will make violations easily detectable. Non-compliant agents will have their contract terminated. Also, they will not be able to do agent banking business for a period of time because the CBN will send their names to all principals. so as not to register them as agents.
3.	 *"CBN slashed agent volumes; business will die"*	Customer limits (₦100,000/day) and agent cash-out cap (₦1.2 million/day) are designed to curb fraud and cash leakages, not to shut down businesses.
4.	 *"Geo-fencing is just talk. Nigeria makes policies of this nature that are never realistic".*	The requirement is explicit; devices must be geo-locked. PTSAs must facilitate this and link Terminal Management Systems (TMS) to the CBN's CARDS platform. Branding requirements and published agent lists make enforcement easier.
5.	Complaints will drag on forever	Principals must resolve agent-related complaints within 7 working days. Failed debits must be reversed immediately through real-time rails. Hold your bank or fintech accountable to these timelines.

Benefits of the Geo-Tagging Component of the Policy

- **Increased Trust in Financial Services:** There will be real-time processing of transactions,, instant reversals, mandatory receipts, 2 Factor Authentication, better redress mechanisms, fewer disputes, and quicker fixes.
- **Enhanced Safety:** Strengthened Know Your Agent (KYA) and Know Your Customer (KYC) due diligence, Anti-Money Laundering/Counter-Financing of Terrorism (AML/CFT) measures, combined with geo-fencing of devices which will make it harder for fraudsters to take PoS devices from the agent/merchant location to commit fraud elsewhere.
- **Greater Accountability and Orderliness:** There will be more orderliness as the roles of the principals (banks, mobile money operators, payment services banks), super-agents, agents, and the payment terminal service providers are now clearly defined. This clarity improves accountability across the ecosystem.
- **Better Service Quality through Exclusivity:** The exclusivity requirement means that principals and agents will be more responsible in delivering financial services.
- Clear branding helps customers identify which service provider an agent represents, enabling easier quality assessment and accountability.
- **Easier Supervision and Consumer Awareness:** Published agent lists will provide transparency about which provider an agent represents, and where they are located.
- Customers can easily find verified agent locations, and regulators can supervise more effectively.
- **Focus on Inclusion:** Agent banking remains a priority channel for reaching underbanked communities. These guidelines are about improving the system, not shutting it down.

Potential Impact on Last-Mile Financial Inclusion and Resilience

- Some agents will require re-onboarding or changes to their operational setup. Agents that are not compliant will be sanctioned and will be out of business.
- Implementing the policy will likely result in service disruptions and the temporary closure of agents' businesses until the principals replace non-compliant PoS terminals. This will lead to shortfalls in agent income.
- ~~Terminal replacement will increase business costs. Some agents have already paid for their PoS terminals, some of which are non-native compliant versions that the current policy phases out.~~
- In the medium term, there will be fewer failed transactions, better reversals, and clearer responsibility, which will lead to higher customer confidence, more digital usage, steadier agent cash flow, and lower fraud losses.
- With dedicated accounts and real-time rails, agents will better manage liquidity. Customers will also waste less time and money chasing reversals.

What You Should Know and Do

Agent banking is here to stay, but it must now operate under clearly defined rules communicated in the CBN guidelines in order to protect everyone. The new CBN guidelines are not meant to frustrate agents or customers; they are to make the system cleaner, safer, and more trusted.

Here’s what you should keep in mind:

- ### For Agents:

a. You now work under a one-principal, one-network rule. Select your network and stay compliant.
b. Use only the dedicated agent account for all agent transactions, not personal accounts.
c. Keep your PoS device in your registered shop location and make sure it’s geo-fenced.
d. Attend your principal’s mandatory training sessions and always issue receipts.
e. Respect daily limits (₦100,000 per customer, ₦500,000 weekly). Your total daily cash-out cap is ₦1.2 million.

- **For Customers:**

a. Know your limits and always ask for receipts with the agent's name and location shown.
b. If your transaction fails, it should be reversed immediately or resolved within 7 working days. If not resolved, call the telephone numbers of the agent principal or visit the branch address that is displayed at the agent's location.
c. Only use branded, registered agents. Do not give cash to anyone operating from an unverified shop.
d. Always report suspicious or fraudulent activity to your bank, call the principal's telephone numbers, or visit the branch address displayed at the agent's location

- **For Everyone**

The CBN is demonstrating a commitment and regulatory responsibility to build trust and fairness in the market. The more you comply, the stronger the ecosystem becomes. A safe and honest agent network means fewer failed transactions, quicker reversals, and better financial access for all. So, everyone must follow the rules, demand accountability, and play their part in keeping agent banking secure, trusted, and inclusive. Remember that this is an ecosystem clean-up. The guidelines are meant to reduce fraud, protect agents, and build trust so that more Nigerians can access safe financial services at the last mile. It is about *Less Wahala. More Confidence. More Inclusion.*

The EFInA Explainer Series is an advocacy tool that highlights transformative developments in Nigeria's financial services ecosystem, spanning policies, regulations, and innovations in financial products and services. Designed to educate and inform the public in an accessible format, the series draws on our vast knowledge, expertise, and network to clarify misconceptions and promote informed understanding and decision-making.

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