GOLDSMITHS

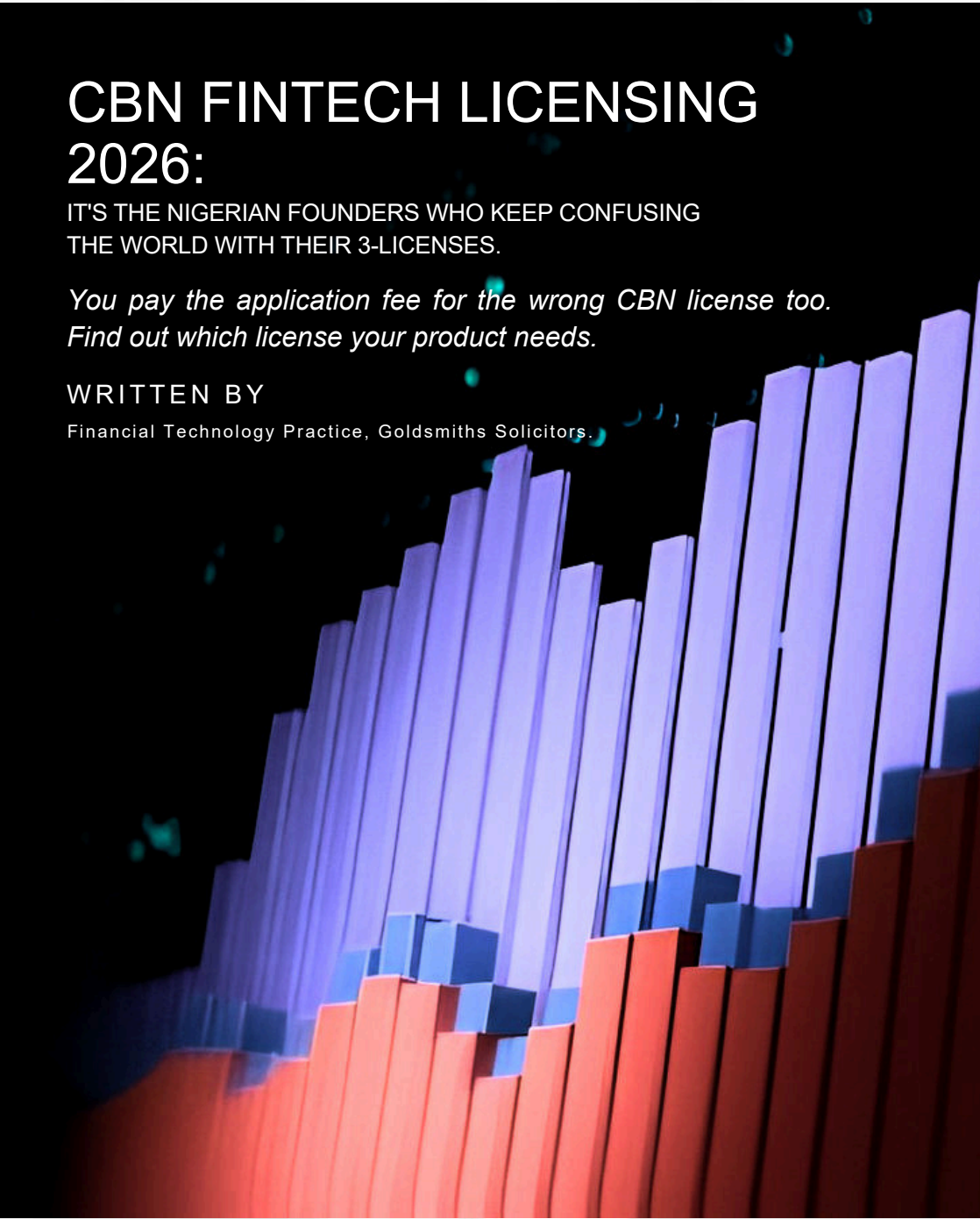
CBN FINTECH LICENSING 2026:

IT'S THE NIGERIAN FOUNDERS WHO KEEP CONFUSING THE WORLD WITH THEIR 3-LICENSES.

You pay the application fee for the wrong CBN license too. Find out which license your product needs.

WRITTEN BY

Financial Technology Practice, Goldsmiths Solicitors.



Most FinTech founders are aware they need a Central Bank of Nigeria license. But very few know which one to apply for - and the difference between applying for the wrong license and the right one is huge. A rejected application, wasted time, and regulatory exposure - and sometimes even a breach of existing commitments to clients and investors - are all examples of wasted time and regulatory exposure.

And in 2026, the revised payments framework makes the distinctions between license categories easier to understand and the consequences of operating in the wrong category more severe. Here are the three most commonly confused license categories for Nigerian FinTechs and the key questions to ask when choosing one.

License Category 1: Mobile Money Operator (MMO)

FinTechs that sell mobile wallet services and e-money directly to end users need a mobile money operator license. In an MMO, customers load money onto their wallets, which are held in trust by the MMO and are returned on demand.

Key characteristics:

- You are providing direct financial services to consumers.
- You hold customer funds temporarily or in trust.
- Your product involves issuing or redeeming e-money.
- You are responsible for full KYC and anti-money laundering obligations for your end users.

Currently, the minimum capital requirements for Tier 1 MMO licenses is N2 billion. This makes the MMO licence unobtainable for most early-stage FinTechs and many opt for the PSSP route instead - though their product technically needs an MMO licence.

License Category 2: Payment Solution Service Provider (PSSP)

So a Payment Solution Service Provider (PSSP) is an independent payment Solution Provider.

Those who provide payment infrastructure, gateway, and processing services mainly to merchants require a payment service provider license. And a PSSP does that without storing customer money the way an MMO does.

Key characteristics:

- KeepsThe key difference between an MMO and a PSSP is that you are providing financial services to end consumers (MMO) versus payment infrastructure to businesses (PS).
- Your KYC and AML obligations are for your merchant clients, not for the end consumers making payments through your platform.

There are many Nigerian FinTechs that have product features that have quietly moved them into the MMO territory without needing a license change.

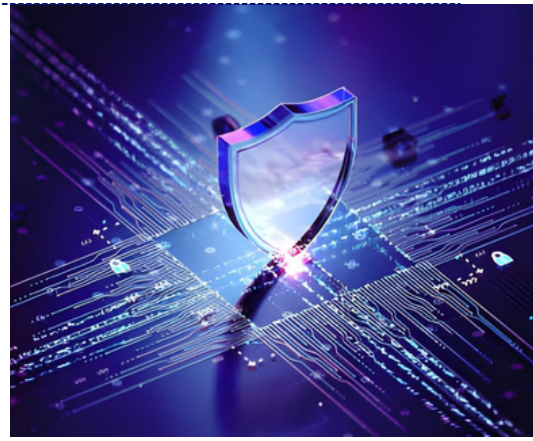
LICENSE CATEGORY 3: SUPER AGENT

A Super Agent license applies to aggregators that recruit, train, and manage individual banking agents for a principal - usually a bank or a government agency that operates large Agent banking networks. This is because the Super Agent does not hold the primary financial services license. It operates on the basis of its principal license.

Key characteristics:

- You are creating a network of individual agents.
- You and your agents deal with licensed principals.
- You are responsible for due diligence and monitoring of your agent network in 2026.

Now, Super Agents are better able to vet each agent they hire.



CHOOSING THE RIGHT LICENSE

The three questions that determine which license is appropriate are:

- Who is your customer? If you are delivering financial products to end consumers - wallets, e-money, digital banking - you are probably in MMO territory. Serving merchants/businesses with payment infrastructure: gateways/switches/processing - you are more likely in PSSP territory; serving agents/sub-agents with payment infrastructure: gateways/switches/ processing - you are more likely in SA territory.

- If the money is sitting with you and it becomes a liability to the customer, then you need an MMO license or partner with a licensed MMO.

- Are you the main service provider or an intermediary? MMOs and PSSPs serve as primary service providers with direct regulatory obligations. Intermediaries who work for a principal are called Super Agents.

Some Nigerian FinTechs offer products that go beyond their original intent and add features that change the regulatory classification of the business. An MMO licence might now be needed for something that started as a PSSP-covered payment gateway with wallet functionality. Operating a product that needs an MMO license under a PSSP license is a regulatory breach, even if the CBN has not yet identified it.

Applying for the wrong CBN licence costs you more than the application itself. You lose your business. The correct license is the one that matches what your product does - not the easiest or cheapest to obtain.

Please note that the contents of this article are for general guidance on the Subject Matter. It is NOT legal advice.
For further information or to see our other service offerings, please visit www.goldsmithsllp.com or contact:

Colin Egemonye

Partner
T: (+234) 0201 291 7913
E: colin@goldsmithsllp.com

Shola Adekunle

Senior Associate
T: (+234) 0201 291 7913
E: shola@goldsmithsllp.com

Uzoamaka Ugoh

Senior Associate
T: (+234) 0201 291 7913
E: uzoamaka@goldsmithsllp.com