GOLDSMITHS

Beyond the Rulebook:

What the Virtual Assets Coordination Order Means for Digital-Asset Operators

www.goldsmithsllp.com

INTRODUCTION

The coming into force of the Investments and Securities Act 2025, which repealed the Investments and Securities Act 2007, marked significant changes to the regulatory framework applicable to virtual and digital assets in Nigeria. Virtual and digital assets are now recognized as securities, and the businesses involved in activities relating to such assets falls within the regulatory purview of the Securities and Exchange Commission (SEC). The implications of this reclassification for issuers, exchanges and the wider public have been discussed in previous articles. It has, however, become clear that this is only one aspect of the evolving regulatory framework applicable to digital-asset businesses in Nigeria. Three separate regulatory tracks, an executive coordination order, an increase in the capital requirements prescribed by the SEC, and a bill currently before the Senate have, over the past eighteen months, further shaped the regulatory framework applicable to digital asset businesses in Nigeria.

A SINGLE INSTRUCTION: WORKING FROM THE SAME PLAYBOOK

On 17 July 2026, the Nigerian president signed the Executive Order on Virtual Assets Coordination 2026, which took effect immediately. Rather than establishing a new regulator, the Order provides for greater coordination, among the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC) and the newly constituted Nigeria Revenue Service in relation to the licensing, supervision and enforcement of virtual asset activities through a Virtual Asset Council, chaired by the CBN, with a Virtual Asset Office established within the CBN to serve as its secretariat. The Order is intended to address regulatory gaps that may be exploited by fraudsters and unlicensed platforms and to strengthen measures relating to money laundering, terrorism financing and tax compliance, without imposing an additional licensing requirement on operators beyond the requirements under the Investments and Securities Act 2025 and the SEC's applicable rules. For operators, the Order further emphasises the need for regulatory compliance across the various applicable regulatory frameworks, particularly as increased information sharing among the CBN, SEC and tax authorities may result in inconsistencies in regulatory filings, banking records and anti-money laundering monitoring being identified and acted upon.

Two further workstreams under the Council remain relevant to the evolving regulatory framework.

a. The Central Bank of Nigeria has now opened applications for Cohort 2 of its Regulatory Sandbox Programme between (12–31 August 2026). The programme includes a dedicated Virtual Asset Service Provider (VASP) track that enables eligible operators to test virtual-asset, stablecoin, custody, wallet and related payment solutions under regulatory supervision before full deployment. Participation does not constitute a licence or authorisation to operate outside the approved testing parameters.

b. In parallel, the Nigeria Revenue Service has issued detailed Guidelines on the Taxation of Virtual Assets 2026. The guidelines establish a clear administrative framework intended to facilitate voluntary compliance and provide greater visibility into revenue derived from digital asset activities.

Operators developing product roadmaps for the next financial year should take both developments into account. While the sandbox and tax guidelines provide greater clarity than previously available, further regulatory guidance and refinements are still expected.

THE REVISED MINIMUM CAPITAL REQUIREMENTS FOR DIGITAL-ASSET OPERATORS

The January 2026 Circular preceded the above Order. In January 2026, SEC issued Circular No. 26-1, which revised the minimum capital requirements applicable to participants in the capital market and significantly increased the capital requirements applicable to digital-asset operators. Digital Asset Exchanges and custodians are now required to maintain a minimum capital of ₦2 billion, representing an increase from the previous threshold of ₦500 million. Digital Asset Offering Platforms are required to maintain a minimum capital of ₦1 billion, while ancillary virtual asset service providers are required to maintain a minimum capital of ₦300 million. Affected operators have until 30 June 2027 to comply with the new capital requirements. The revised capital requirements are intended to strengthen the financial capacity of firms involved in activities relating to digital assets and enhance the protection of client assets.

However, the increased capital requirements may also have implications for smaller and domestically capitalised operators, particularly in relation to their ability to meet the new thresholds within the prescribed timeframe. As such, digital-asset operators that remain subject to the previous ₦500 million capital threshold will need to assess their current capital position and take the necessary steps to comply with the revised requirements by 30 June 2027.

BANKING ACCESS AND SEC LICENSING REQUIREMENTS

None of the above developments changes the regulatory position that has applied since December 2023, under which digital-asset businesses are required to obtain a SEC licence before accessing banking services in Nigeria. The CBN's Guidelines on the Operation of Bank Accounts for Virtual Assets Service Providers, which reversed the CBN's earlier prohibition on banks servicing crypto businesses, permit banks to open designated accounts only for SEC-licensed operators and subject to conditions including dedicated settlement accounts, transaction limits and enhanced customer due diligence. Such operators also remain subject to the applicable anti-money laundering requirements. The coordination mandate of the Virtual Asset Council further strengthens this regulatory framework, particularly as banks may be required to ensure that the SEC licensing and capital requirements of digital-asset operators remain valid and up to date.

THE VIRTUAL ASSET SERVICE PROVIDERS REGULATION BILL 2026

The Executive Order is not the only regulatory development. About a month before it was signed, the Virtual Asset Service Providers Regulation Bill 2026 advanced to its second reading at the Nigerian Senate. The draft Bill proposes to establish licensing, reporting and compliance obligations for exchanges, wallet providers and other digital-asset platforms through legislation, rather than relying solely on an executive order. The Bill is intended to provide a stronger statutory framework for addressing the risks associated with unregulated digital-asset activities in Nigeria. The Bill has been referred to the Senate Committee on Capital Market for further consideration. The extent to which its provisions may complement or operate alongside the existing regulatory framework remains to be seen.

CONCLUSION

The fast evolving regulatory framework applicable to digital-asset businesses in Nigeria requires operators to consider SEC licensing, CBN banking requirements and the new coordination framework as interconnected compliance obligations. Operators should ensure compliance with the revised minimum capital requirements and maintain consistency in their SEC licensing, banking, anti-money laundering and know-your-customer obligations. They should also continue to monitor developments relating to the proposed regulatory sandbox and tax framework. The application of the Nigeria Tax Act 2025 to gains derived from digital and virtual assets further highlights the need for operators to consider their tax obligations alongside their other regulatory requirements.

For further information or to see our other service offerings, please visit www.goldsmithsllp.com or contact:

Shola Adekunle
Senior Associate
+234) 0201 291 7913
shola@goldsmithsllp.com

Uzoamaka Ugoh
Senior Associate
(+234) 0201 291 7913
uzoamaka@goldsmithsllp.com