



TOPE ADEBAYO LP



TECH BRIEF

by TALP

Your weekly insight on technology law



BREAKING INTO FINTECH: Understanding the Key Licence Requirements and Limitations

TALP's Fintech Series 1

Introduction

In Nigeria's increasingly scrutinized and regulated fintech landscape, having a license is no longer enough; it is about understanding what that license permits.

Earlier this year, Paystack reportedly paid a N250 million fine for allegedly offering services via its Zap product outside the scope of its CBN license. That's not just a compliance slip, it is a strategic setback. Fines like this rattle investor confidence, delay product timelines, and, in some cases, trigger deeper regulatory scrutiny. Yet, many early-stage founders treat licensing as a bureaucratic box to check, rather than a strategic lens through which to shape their product, pricing, and partnership choices. That's a risky blind spot.

This Tech Brief distills the key fintech license categories in Nigeria, what they allow, what they restrict, and what founders often get wrong. It's not a substitute for legal advice, but it is a good starting point for building with regulatory intention.

Payment Solution Services Licence (PSS) and Switching & Processing License Categories

| | Super - Agent License | Payment Terminal Service Provider (PTSP) License | Payment Solution Service Provider (PSSP) License | Payment Solution Service (PSS) License | Switching & Processing License |
|-----------------------------|---|---|---|---|---|
| Minimum Capital Requirement | N50 million | N100 million | N100 million | N250 million | N2 billion |
| Application Fee | N100,000 | N100,000 | N100,000 | N100,000 | N100,000 |
| Licensing Fee | N1 million | N1 million | N1 million | N1 million | N1 million |
| Permissible Activities | <ul style="list-style-type: none">Cash deposits, withdrawals and loan repaymentsBills and salary payment, and Naira transfersRequest for confirmation of balanceMini statements, and chequebook servicesCollecting and submitting account opening documentsProviding agent mobile payments or banking services | <ul style="list-style-type: none">POS terminal deployment and servicesPOS terminal ownershipPayment terminal application and developmentMerchant/agent training, and support | <ul style="list-style-type: none">Payment processing gateway and portalsPayment solution/ app developmentMerchant service aggregation and collections | All activities PTSP, PSSP and Super Agents are permitted to engage in | <ul style="list-style-type: none">Switching servicesCard processingTransaction clearing and settlement agent servicesNon-bank acquiring servicesAll activities PTSP, PSSP and Super Agents are permitted to engage in |
| Non-permissible Activities | Activities not authorised by law | Activities not authorised by law | Activities not authorised by law | Activities not authorised by law | Activities not authorised by law |

Other Key License Categories

| | International Money Transfer Operator License (IMTO) | Payment Service Bank License | Mobile Money Operator License |
|-----------------------------|--|---|---|
| Minimum Capital Requirement | US\$1 million or its equivalent in naira | N5 billion | N2 billion |
| Application Fee | N10 million | N500,000 | N100,000 |
| Licensing/ Annual Renewal | N10 million | N2 million | N1 million |
| Geographic Limitation | N/A | Operate mostly in rural and unbanked locations with no less than 25% financial services touch points in rural areas as defined by CBN | N/A |
| Permissible Activities | Inbound Person-to-Person (P2P), Business-to-Person (B2P), and Business-to-Business (B2B) international money transfers | <ul style="list-style-type: none"> Accept deposit Process payment and remittance Sell foreign currencies from inbound cross border personal remittances to authorised forex dealers Issue debit and prepaid cards in its own name Offer e-wallet and financial advisory services Invest in FGN and CBN securities | <ul style="list-style-type: none"> Wallet management E-money issuing Pool account management Non-bank acquiring Card acquiring Agent recruitment and management |
| Non-permissible Activities | <ul style="list-style-type: none"> Outbound transactions Purchasing foreign currency from the domestic foreign exchange market for settlement Any other activity not explicitly authorised by law | <ul style="list-style-type: none"> Offer loans, advances and guarantees Accept foreign currency deposit Conduct or facilitate forex transactions Underwrite insurance Accept closed scheme electronic value (e.g. airtime) as deposits or payments Establish subsidiaries except as permitted by law and/or with CBN's approval Engage in any activity not prescribed by law | <ul style="list-style-type: none"> Offer loans, advances, and guarantees Accept foreign currency deposit Conduct or facilitate forex transactions Underwrite insurance Accept closed scheme electronic value (e.g. airtime) as deposits or payments Establish subsidiaries Engage in any activity not permitted by law Engage in any activity not prescribed by law |

The fees and minimum financial requirements quoted in the table are subject to review by the CBN.

Conclusion

This Tech Brief is designed to serve as a tactical reference, especially for founders navigating licensing decisions while building and fundraising. You can download a copy [here](#) for easy reference.

If you are unsure whether your roadmap aligns with your license, now is the time for a regulatory audit. The cost of a wrong assumption is higher than ever.

This article is part of our ongoing series on fintech compliance in Nigeria. Subscribe for more insights on building legally resilient digital financial services. In our next edition, we will go beyond what the law says to what compliance looks like in practice, including common blind spots and how to stay on the right side of the CBN as you scale.