REGULATORY & FINTECH ADVISORY

Nigeria's Crypto Rulebook Is Changing: What SEC's New Proposed Rules Mean for Digital Asset Businesses

The Commission's draft rules quietly retire a license category many operators were building toward, while also maintaining six already existing categories.

On **20th August 2026**, the Securities and Exchange Commission ("SEC" or "the Commission") published, for public comment, its Proposed Rules on Digital and Virtual Asset Operations, Custody and Markets. Comments closed on **3rd September 2026**. Once finalised, this instrument will become the single rulebook for anyone offering crypto or digital-asset-related services to people in Nigeria, ranging from trading apps and wallets to custodians, token issuers, and platforms tokenising real estate or other real-world assets.

For the growing number of Nigerian fintechs, exchanges, and crypto-adjacent businesses that have spent the past year positioning themselves for a licence, this draft matters more than most regulatory proposals. It quietly removes a category several operators believed was related to their business objectives, replaces it with a leaner structure, and sets out, in far more operational detail than before, exactly what a licensed digital asset business will be expected to do.

This article walks through what the proposed rules actually say, in plain terms: the categories on offer, what applies to every operator regardless of category, and the practical questions a founder or compliance lead should be asking right now.

A NOTE ON STATUS

This is still a proposed rule, not one in force. Until the SEC formally issues a final version, the existing framework—the **2022 Rules on Issuance, Offering Platform, and Custody of Digital Assets** (as amended) and the **January 2026 Capital Circular**—remains the operative law. Everything below describes the draft as published for comment, and figures or provisions may still change before the Rules take effect.

01 The Headline Change: One Category Quietly Disappears

Over the past two years, informal SEC guidance and a string of amendment circulars led many market participants—including businesses already operating through partnerships with licensed banks and payment providers—to believe that a "Digital Asset Intermediary" (DAI) licence was the natural route into the market for trading and intermediation platforms. Some commentary went further, referencing as many as seven distinct VASP licensing categories in total.

The Proposed Rules tell a different story. They recognise exactly **six categories**, and neither "Digital Asset Intermediary" nor the related "Ancillary VASP" category (introduced by the January 2026 Capital Circular) appears anywhere in them. The Rules also close with a supersession clause stating that, once they take effect, they will replace every prior SEC rule, guideline, and circular on digital and virtual asset regulation, which would include the instruments that created the DAI category in the first place.

> ***If the Commission finalises this draft substantially as written, DAI will cease to exist as a registration category, and any business currently building an application around that label will need to re-target it.***

02 The Six Categories Under the Proposed Rules

The Proposed Rules organise the market into six registration categories, each with its own minimum capital requirement and its own dedicated Part of the Rules:

VASP

VASP — Virtual Asset Service Provider

The residual, catch-all category: order execution/routing, on/off-ramp services, non-custodial wallets, staking, lending, yield products, advisory.

MIN. CAPITAL **₦200,000,000**

DAC

DAC — Digital Asset Custodian

Holding, safekeeping, or controlling digital assets or private keys on behalf of others.

MIN. CAPITAL **₦2,000,000,000**

DAPO

DAPO — Digital Asset Platform Operator

Umbrella registration for issuance, tokenisation, minting, redemption and lifecycle-management infrastructure.

MIN. CAPITAL **₦500,000,000**

DAOP

DAOP — Digital Asset Offering Platform

Primary issuance and offering platforms: onboarding, due diligence, escrow of subscriptions, allocations.

MIN. CAPITAL **₦500,000,000**

RATOP — Real-World Asset Tokenisation Platform

Tokenising real-world assets, including property, commodities, and receivables with legal title verification.

MIN. CAPITAL **₦500,000,000**

DAX — Digital Asset Exchange

Secondary trading venues: order books, quote-based execution, instant conversion, and (with approval) OTC/P2P/AMM models.

MIN. CAPITAL **₦2,000,000,000**

Of these six, **VASP** is the closest match to what many operators previously understood as "DAI." Both are designed as broad, residual categories for businesses providing digital asset services to clients, as distinct from the more specialised infrastructure categories such as exchanges, custodians, or offering platforms. For a typical crypto trading, brokerage, or intermediation business, VASP is likely to be the natural landing point under the new framework.

03 What Applies to Every Licensed Operator, Regardless of Category

Before getting into category-specific detail, it's worth flagging what the Proposed Rules require of every regulated entity, no matter which of the six categories it registers under. This cross-cutting layer is arguably the most operationally significant part of the draft, because it applies even to businesses that think of themselves as only lightly regulated.

- Who the Rules Reach

The Rules apply on two bases at once: an **activity basis** (covering digital asset issuance, tokenisation, trading, custody, transfer, settlement, and advisory services that amount to investment or securities business in Nigeria) and a **targeting basis** (covering anyone operating in Nigeria, serving Nigerian residents, or targeting the Nigerian market, whether directly or through digital channels).

That targeting limb is broad enough to reach a business that hasn't yet obtained any licence but is already serving Nigerian users, including through informal partnerships with licensed banks or payment providers. In other words, "we're not licensed yet" is not, on its own, a reason the Rules wouldn't apply once they come into force.

- Baseline Registration Requirements

Every applicant, regardless of category, will need to:

- Be incorporated in Nigeria (absent specific Commission approval otherwise)
- Maintain a registered office in Nigeria
- Have its CEO or equivalent principal officer resident in Nigeria
- Have its sponsored individuals resident in Nigeria
- File sworn fit-and-proper declarations for directors, partners, and key officers
- Maintain a governance and risk framework proportionate to its size and risk profile

- The ARIP Gateway

Most applicants will go through the **Accelerated Regulatory Incubation Programme (ARIP)**: an initial assessment filed through the Commission's portal, a possible approval-in-principle valid for two years, and then a formal registration application. This mirrors the process the SEC has already been running informally. However, the Proposed Rules would formalise it as a binding procedure rather than administrative guidance.

A narrow set of applicants including existing capital market operators adding a digital asset function, foreign VASPs already registered in an IOSCO-member jurisdiction, or subsidiaries of licensed financial institutions may bypass ARIP and go straight to formal registration. Most new entrants, however, should expect to go through the full ARIP process.

- Multi-Function Registration

The Rules expressly allow a business to register for more than one function—for example, VASP and DAC together—without needing to set up an entirely separate corporate group for each. But this isn't a single blended licence. Each function still requires its own registration, its own capital, and its own demonstration of compliance capacity, with proper segregation maintained between functions. The Commission can also require a function (custody, in particular) to sit in a legally separate entity where it considers that necessary for investor protection.

- General Conduct, Marketing, and Outsourcing

A common conduct standard applies across every category: honesty and fairness to clients, conflict-of-interest management, clear disclosure of fees and risks, proportionate governance and cybersecurity arrangements, and insurance or fidelity-bond cover against operational failure, cyber breach, or fraud.

- ❖ **Marketing and influencer promotion:** any advertising of an unregistered product is prohibited, guaranteed-return claims are barred except in narrow, disclosed circumstances, and any paid influencer or affiliate promotion of a digital asset offering must be clearly disclosed and recorded. Businesses that lean on influencer marketing or referral schemes to grow their Nigerian user base should build these disclosure obligations into their marketing compliance from day one.

- ❖ **Outsourcing:** a regulated entity may outsource functions, but the board remains accountable, a written outsourcing agreement is mandatory, and offshore outsourcing must not impair the Commission's access to data. This is especially relevant for businesses that currently rely on partnerships with licensed banks or payment service providers for the fiat leg of their operations.

- ❖ **Material changes and incidents:** prior Commission approval is required before any material change to ownership, business model, or technology architecture, and a cyber incident, system failure, or data breach must be reported to the Commission within **24 hours**, with a full incident report within **48 hours**.

- ❖ **Regulatory data access:** this is one of the more demanding provisions in the entire draft. The Commission may require API-based or other electronic access to a regulated entity's operational, transactional, wallet, custody, and compliance data, including on an emergency basis. Entities must also be able to trace domestic versus cross-border digital asset flows and apply risk-based controls on transfers involving self-hosted wallets or high-risk jurisdictions.

04 A Closer Look: Virtual Asset Service Provider (VASP)

Because VASP is likely to be the entry point for most trading, brokerage, and intermediation businesses under the new framework, it's worth examining in more detail than the other categories.

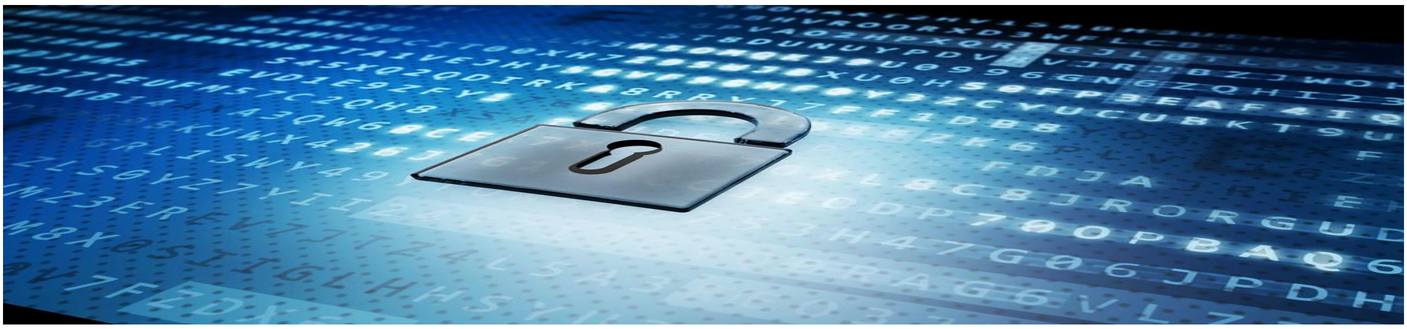
- What a VASP Can Do

VASP registration is for anyone providing or facilitating virtual asset services for others, other than services that require separate registration as a DAX, DAC, DAPO, DAOP, or RATOP. The Rules list the following as authorised VASP activities:

- Order execution or order routing
- Transfer and settlement
- On-ramp and off-ramp services
- Non-custodial wallet interface or access services
- Staking or validator-related services
- Digital asset lending, borrowing, or credit intermediation
- Yield-generating or reward-bearing arrangements
- Portfolio management, investment advisory, or robo-advisory services
- Placement and distribution services

> ***A VASP may only carry out the specific service(s) it is registered for. It cannot quietly expand into a new activity (say, adding a staking product to a trading app) without notifying the Commission of that material change first.***

- The Custody Trigger



One of the more consequential distinctions in the Rules is between custodial and non-custodial wallet services. If a platform holds, controls, or can access client digital assets or keys—the typical model for a retail trading or brokerage app that lets users buy and simply "hold" assets on the platform—that almost certainly triggers custodial classification. Once that happens, the business must either register separately as a Digital Asset Custodian or route custody through a third-party custodian that is.

This is a decision worth resolving at the architecture stage, not after launch. A platform that assumed it only needed a VASP registration but is in fact holding client assets between trades may find itself needing a second registration it hadn't budgeted or planned for.

- On-Ramp and Off-Ramp: Where Bank Partnerships Fit In

Fiat on-ramp and off-ramp services must run through licensed financial institutions, approved payment service providers, or authorised fiat gateway providers, with client funds kept segregated from the platform's own funds. The Rules also clarify something many operators have long assumed informally: a bank or payment processor facilitating fiat flows for a digital asset business does not itself need to register as a VASP, provided it isn't itself conducting a virtual asset service.

The flip side of that clarification matters just as much: the digital asset business itself does need registration once it is conducting virtual asset services, even while it continues to rely on a licensed bank or PSP for the fiat leg. A partnership with a licensed bank is not, by itself, a substitute for the platform's own registration.

- Yield, Staking, Lending, and Advisory Add-Ons

Any yield-generating arrangement, lending or borrowing product, staking service, or portfolio advisory offering requires its own layer of Commission authorisation on top of base VASP registration, plus full disclosure of how returns are generated and whether client assets are pooled. Two common Nigerian retail crypto platforms that fall squarely into this category are "save and earn" and staking products. These features need to be flagged at the application stage because adding them later requires a formal material-change notification.

- VASP Costs at a Glance

ITEM	AMOUNT
Minimum paid-up capital	**₦200,000,000**
Registration fee	**₦15,000,000**
Processing fee	**₦100,000**
Application fee	**₦300,000**
ARIP initial assessment fee	**₦200,000**

ITEM	AMOUNT
ARIP application fee	**₦2,000,000**

05 The Other Categories, in Brief

- Digital Asset Custodian (DAC)

A DAC must keep at least **80%** of client digital assets in cold storage, meet internationally recognised standards for cryptographic key management, and undergo independent annual audits. Client assets must be fully segregated from the custodian's own assets and protected from the custodian's creditors in an insolvency.

Structurally, this is the category with the biggest design implication for a combined trading-and-custody business. The default rule is that custody must sit in a separate legal entity from trading, brokerage, or dealing functions. A single company that both executes trades and holds client assets is unlikely to be approved without a specific structural carve-out. Minimum capital is **₦2,000,000,000**.

- Digital Asset Exchange (DAX)

DAX is for platforms running their own order book or matching engine, rather than routing client orders to third-party venues. It comes with the most extensive rulebook of any category: market surveillance requirements to detect wash trading and manipulation, mandatory circuit breakers, and Commission pre-approval for each asset listed or delisted.

Notably, a DAX is allowed a narrow custody exception: it may run hot wallets incidental to its own trading (deposits, trades, withdrawals on that exchange only), without needing a full separate custodian registration. But it cannot expand that into third-party or institutional custody services. Minimum capital is **₦2,000,000,000**, with the highest registration fee of any category at **₦30,000,000**.

- Digital Asset Platform Operator (DAPO) and Digital Asset Offering Platform (DAOP)

DAPO is a new umbrella registration covering issuance, tokenisation, minting, and lifecycle-management infrastructure. DAOP is a specific function under that umbrella, dealing with primary issuance and fundraising offerings, pre-admission due diligence on issuers, escrow of subscription funds, and ongoing reporting to the Commission.

Any offering routed through a DAOP is also subject to investor protection limits: retail investors are capped at **₦1,000,000** per issuer and **₦10,000,000** in aggregate across digital asset offerings in any 12-month period, with a 5-business-day cooling-off right.

Issuers are capped at raising up to **20 times** their shareholders' funds in any 12-month period. Both DAPO and DAOP carry a minimum capital requirement of **₦500,000,000**.

- Real-World Asset Tokenisation Platform (RATOP)

RATOP is an entirely new category for platforms tokenising real-world assets ranging from property, commodities, receivables, and infrastructure revenue streams. Every project on a RATOP must carry an independent legal opinion confirming valid title in the underlying asset, refreshed annually. Tokenised assets must also be classified as liquid, less liquid, or illiquid, as being represented on a blockchain does not, by itself, make an asset liquid. Minimum capital is **₦500,000,000**.

06 Stablecoins Get Their Own Regime

If a platform's operations involve stablecoins for settlement, as an on/off-ramp bridge, or as a yield product, this is one of the more heavily regulated corners of the draft. Stablecoins are split into **four tiers** (Naira-backed, foreign-currency-backed, commodity-backed, and crypto-backed), each with its own minimum reserve ratio, and algorithmic or reserve-less stablecoins are prohibited outright.

A particularly practical point for the Nigerian market: foreign-issued stablecoins such as USDT or USDC cannot be listed, custodied, settled, or used by a Nigerian regulated entity unless the Commission has separately recognised them. A foreign issuer **must** appoint a local representative and meet Nigerian disclosure and reserve requirements. Given how common USDT/USDC-based settlement is in the Nigerian peer-to-peer crypto corridor, any business built around that model should not assume it can continue unchanged once the Rules take effect.

07 If You're Already Operating Through a Partnership Arrangement

A significant number of Nigerian digital asset businesses currently operate by partnering with CBN-licensed banks or payment providers, without holding a SEC licence themselves. The Proposed Rules do not contain any general grandfathering provision for this kind of arrangement. The one transitional clause in the draft is narrow and specific to existing exchanges with in-house custody units, and it doesn't extend to businesses that haven't yet filed any application.

Practically, this means the Commission's general conduct, outsourcing, and disclosure obligations could apply to a partnership-based business once the Rules come into force, even before it has completed formal registration, particularly given how broadly the Rules define who they "target." This is not the same as saying such a business is currently in breach of anything. There is no rule stating that. It does, however, underline why moving toward formal registration sooner, rather than treating an existing partnership arrangement as a stable long-term position, is the more prudent path once the framework is finalised.

08 Practical Takeaways for Founders and Compliance Teams

- If your application strategy has been built around a "DAI" licence, revisit it now. VASP is the closest and most likely successor category.
- Work out early whether your platform will hold client digital assets between transactions. That single design choice determines whether you need a custody registration alongside your primary licence.

- ➢ Review any existing partnership or agency agreements with banks and payment providers against the Rules' outsourcing and on-ramp/off-ramp provisions, so they convert cleanly into a compliant arrangement once you're registered.
- ➢ Confirm that your CEO or principal officer and your other sponsored individuals, meet the Nigerian residency requirement.
- ➢ If staking, yield, lending, advisory, or token-issuance features are on your roadmap, flag them at the application stage rather than adding them later without notifying the Commission.
- ➢ If stablecoins feature anywhere in your settlement flow, confirm the relevant stablecoin's recognition status with the Commission before assuming business as usual.
- ➢ Keep watching out for the Commission's final published Rules, as figures and provisions in an exposure draft can and do change before an instrument takes effect.

FREQUENTLY ASKED QUESTIONS

FAQs

A

Are the Proposed Rules already in force?

No. Until the SEC issues a final version, the existing frameworks—the 2022 Rules on Issuance, Offering Platform, and Custody of Digital Assets (as amended) and the January 2026 Capital Circular—remain the operative law.

B

What happened to the "Digital Asset Intermediary" (DAI) licence?

It doesn't appear anywhere in the draft. The Proposed Rules recognise six categories, and a supersession clause would replace every prior SEC rule, guideline, and circular, including the ones that created the DAI category. If finalised as written, DAI would cease to exist as a registration option.

C

If I was building toward a DAI licence, what should I apply for instead?

VASP (Virtual Asset Service Provider) is the closest match. It's designed as the same kind of broad, residual category for client-facing digital asset services that DAI was meant to be.

D

What are the six new registration categories?

VASP, Digital Asset Custodian (DAC), Digital Asset Platform Operator (DAPO), Digital Asset Offering Platform (DAOP), Real-World Asset Tokenization Platform (RATOP), and Digital Asset Exchange (DAX).

E

My platform lets users hold assets after they buy. Does that trigger a custody licence?

Yes. If a platform holds, controls, or can access client assets or keys between transactions, that typically triggers custodial classification, requiring either a separate DAC registration or routing custody through a registered third-party custodian.

F

Are USDT and USDC still usable under the new Rules?

Not automatically. Foreign-issued stablecoins can't be listed, custodied, settled, or used by a regulated entity unless the SEC has separately recognised them, which requires the issuer to appoint a local representative and meet Nigerian disclosure and reserve requirements.

Conclusion: A Fast-Moving Space

The direction of travel is clear even if some details are still being finalized: Nigeria's digital asset market is heading toward a more structured, more heavily supervised regime, with clearer categories, but also materially more detailed conduct, disclosure, and technology obligations than operators have faced to date. Businesses that get ahead of this—by mapping their current model against the categories above and resolving key architecture questions (custody, stablecoin use, marketing practices) early—will be far better placed than those waiting for the final text to start planning.

AUTHORS:

Airefeta Akhigbe-Agge

Legal Associate

Email: efe@classic-attorneys.com

Rahmat Popoola
Legal Associate
Email: rahmat@classic-attorneys.com

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