



FREQUENTLY ASKED QUESTIONS
THE LEGALITY OF
TRADING IN
CRYPTOCURRENCY
IN NIGERIA

CHIEF ROTIMI WILLIAMS CHAMBERS'



What is eNaira?

eNaira is a Central Bank digital currency (CBDC) issued by the Central Bank of Nigeria as legal tender. It is the digital form of the Naira.

What is an eNaira wallet?

Also referred to as a 'speed wallet', this presents digital storage for the eNaira. The wallet is held and managed on a distributed ledger and is required for accessing, holding and using eNaira.

Is eNaira a cryptocurrency?

eNaira is not a cryptocurrency. The eNaira is legal tender backed by law, the full sovereignty of Nigeria, and

issued by the Central Bank of Nigeria, while cryptocurrencies are private digital currencies, not backed by law, underlying assets or by the sovereignty of any nation. As such, they are not legal tender.

What makes eNaira different from the money in my bank account?

eNaira is the digital form of the Naira and is a direct liability of the Central Bank of Nigeria, while the customer deposits are direct liabilities of the banks and other financial institutions.

In a typical transaction, what is the difference between an online bank transaction and an eNaira transaction?

In short, there are specific intermediaries for the typical online bank transactions, while there are none for eNaira transactions.

What is the primary role of the CBN with respect to eNaira?

In line with section 2 of the CBN Act 2007, the CBN is the issuing authority of all forms of Naira, which is legal tender. The Central Bank is also responsible for determining the attendant technical, regulatory and operational standards to guide financial institutions.

Will eNaira replace cash?

It will not replace cash; rather it will be circulated alongside the fiat Naira. The eNaira will complement physical Naira as a less costly, more efficient, generally accepted, safe and trusted means of payment.

Is eNaira safe?

eNaira is safe and is secured through cryptographic techniques for the prevention of counterfeiting, cloning, double-spending and other forms of attack.

As an eNaira holder, am I assured of data privacy?

Yes. Similar to the privacy enjoyed by current online banking users, the eNaira system has been designed to ensure data and user privacy. There are also various operational policies and procedures in place to protect the identity and privacy of the user.

Who can access eNaira?

Much like with fiat Naira, any individual or business can have access to eNaira provided they have met the requirements for onboarding.

What is the exchange rate between eNaira and physical Naira?

The eNaira will have the same value as the physical Naira. As such, it will be exchanged in one-to-one terms.

How do I access eNaira?

Customers will be able to access eNaira via the eNaira Speed Wallets, which can be obtained from stores such as the Google Play and Apple App stores.

How are eNaira wallets created?

Smartphone users can download the eNaira app (termed 'Speed Wallet') from either the Google Play store or the Apple App store and then complete the registration process,

while feature phone users can utilise USSD codes and follow the registration instructions.

How do I get eNaira into my eNaira wallet?

There are a number of ways to do this:

- Direct transfer from your bank account
- Transfer from another wallet, be it individual or merchant
- Cash payment through an agent or a bank.

How do I connect my eNaira wallet to my bank account?

The eNaira Speed Wallet app allows customers to identify a bank of their choice, connect to their bank accounts and perform transactions.

How do I create a merchant eNaira wallet for my business?

To create an eNaira wallet as a merchant/corporate entity, you will be required to follow three steps:

- Visit an app store (e.g., Google Play or Apple App) to download the eNaira Speed Wallet
- Register by providing your Taxpayer Identification Number (TIN) and identify a bank of your choice for validation



- Upon successful validation of a merchant's details by a preferred bank, the merchant's bank will create a wallet and offer relevant advice.

- **Daily transaction limit (NGN):**
No limit
- **Daily cumulative balance (NGN):**
No limit.

What are the different tiers of eNaira wallets that I can open as a merchant?

Merchants/corporate entities can open a merchant wallet with full KYC requirements for opening a merchant/corporate account. The stipulated limits on the wallet are as follows:

- **Category:** Account holders
- **Requirements:** BVN, TIN and bank confirmation

Is the eNaira Speed Wallet safe?

Yes. The eNaira system uses a two-factor authentication system in addition to cryptographic encryption to ensure the safety of customers' wallets and eNaira holdings.

How do I escalate eNaira inquires and issues from banks and other financial institutions to the CBN?

Here, the following can be used:

- eNaira@cbn.gov.ng
- 0800myeNaira

For inquiries, please contact info@frawilliams.com.

Authors



Zevbokun Alade Williams
Managing Partner



Cyril Anichukwueze
Senior Associate



Titofunmi Joseph Taoreed
Junior Associate