

**REGULATORY FRAMEWORK
FOR LICENSING SUPER-AGENTS
IN NIGERIA**

FRAMEWORK FOR LICENSING SUPER-AGENTS

1.0 APPLICATION AND APPROVAL REQUIREMENTS

Any institution that wishes to be licensed as a Super-Agent shall submit an application for approval to the CBN. The application shall be submitted to the Director, Banking & Payments System Department, Central Bank of Nigeria, Abuja.

All applicants shall supply information to the CBN as may be required from time to time.

2.0 MINIMUM REQUIREMENTS FOR A SUPER-AGENT

A Super-Agent shall be licensed by the CBN under the following requirements:

- a. Must be a company with an existing business, operational for at least 12 months
- b. Must be registered with the Corporate Affairs Commission (CAC)
- c. Must have a minimum Shareholders' Fund, unimpaired by losses of N50million
- d. Must obtain a reference letter from a Financial Institution (FI) as part of its documentation for licence
- e. Must have a minimum of 50 agents

3.0 DOCUMENTARY REQUIREMENTS

All applications for Super-Agent licence shall be accompanied with the following:

- i. Board Approval
- ii. Certificate of Incorporation
- iii. The company's profile and functional contact e-mails, telephone numbers, office and postal addresses
- iv. Memorandum & Articles of Association
- v. Shareholding structure of the Company
- vi. Forms C02 (Return on Allotment of shares) and C07 (Particulars of Directors)
- vii. CVs of Board and Management of the Company
- viii. Organogram of the Company
- ix. Feasibility Report
- x. Information Technology Policy of the Company
- xi. Enterprise Risk Management Framework
- xii. Contingency and Disaster Recovery Plan (Business Continuity Programme)

- xiii. A document that shall outline the strategy of the shared agent network including current and potential engagements, geographical spread and benefits to be derived
- xiv. Qualifying criteria for engaging agents e.g.
 - a. Outreach
 - b. Competence
 - c. Integrity
 - d. Others
- xv. Draft Service Level Agreements (SLAs) with sub-agents and FI Agent Banking Contract
- xvi. Risk management, internal control, operational procedures and any other policy and procedures relevant to the management of an agent banking arrangement.
- xvii. Procedures for KYC and AML/CFT compliance
- xviii. Fraud detection plan and standard of care
- xix. Consumer protection policy and procedure

4.0 RESPONSIBILITIES OF SUPER-AGENTS

The Super-Agents shall:

- i. Be responsible for monitoring and supervising the activities of the agents.
- ii. Have information on the volume and value of transactions carried out for each type of service by each agent. (which should be made available to the Principal)
- iii. Monitor effective compliance with set limits and establish other prudential measures in each case.
- iv. Take all other measures, including onsite visits, to ensure that agents operate strictly within the requirements of the law, guidelines and the contract.
- v. Notwithstanding the responsibility by the Super-Agent (SA) to monitor and supervise their agents, the CBN may at any time request for any information or carry out inspection as it deems necessary.

5.0 RENEWAL OF ENGAGEMENT

Operating license of Super Agents shall be renewed every two (2) years, subject to satisfactory performance.

6.0 PLATFORM AND INTEROPERABILITY

This section describes the various platforms, which shall be used for the provision of mobile money services:

a. Platform

- i. NIBSS shall provide the switching infrastructure to enable inter-scheme Cash-In-Cash-Out (CICO) at all agent locations

- ii. The Super-agents' platform shall be for the management and monitoring of the activities of their agents only, and shall not hold electronic money value, whereas, the FI shall provide and operate the mobile money platform and hold electronic money value
- iii. All MMO platforms shall at all times be upgraded to the latest technology (inclusive of mandatory integration to NIBSS), tested and active to ensure interoperability between MMOs
- iv. CICO services for Inter-scheme payments shall be a basic function at all agent locations, other add-on services may be provided. All MMO platforms shall facilitate inter-scheme CICO services

b. Interoperability

- i. Super-Agent's platform shall be enabled to communicate with all its agents and shall have visibility of its agents' transactions through integration with NIBSS.

7.0 FEE SHARING FORMULA FOR INTER-SCHEME TRANSACTIONS

The major parties to the sharing formula for the interchange fee (inter-scheme CICO) are; NIBSS, Issuer, Acquirer, Agent and Super-Agent and the following fees shall apply.

- i. Minimum Interchange fee for inter-scheme Cash-Out transactions shall be N50. However, the FI could charge up to a maximum of N100. The additional N50 is to give the FI room to further incentivize its agents
- ii. Cash-In transactions shall be free to the customer for intra-scheme payments to encourage usage and savings.
- iii. The minimum interchange fee for inter-scheme Cash-In transactions shall be N35. The issuer will cover the interchange cost.
- iv. The maximum balance that can be held by an agent shall be N1,000,000, subject to categorization and risk profiling of the agent by the FI

7.1 FEE SHARING STRUCTURE TABLE

Service	NIBSS	Issuer	Acquirer	Super-Agent	Agent	Total
Cash-In	N1	N4	N5	N5	N20	N35
Cash-Out	N1	N9	N10	N10	N20	N50

The CBN shall review this interchange fee from time to time, as may be deemed necessary.

8.0 BRANDING AND ADVERTISEMENT

a. Branding

- i. A common logo (attached as Appendix1) shall be adopted by all agents. To ensure standardization of the logo's features and to clarify the terms of use, branding policy has been defined in Appendix 2.
- ii. The Super-Agent number assigned by the CBN during licensing shall be conspicuously displayed at its outlets.
- iii. Customers shall be provided a channel (web, SMS, USSD short-code, etc.) to validate the Agent Number and address.

b. Advertisement

- i. All advertisement shall carry the mobile money logo and made conspicuous at branded agent outlets.
- ii. Advertisement of mobile money products shall be the responsibility of the FI in conjunction with the Super Agents.
- iii. Primary brand of agent outlet shall remain the responsibility of the super-agent/agent, provided the CBN approved logo is conspicuously displayed.
- iv. Super-Agents could advertise their primary business as well as the availability of mobile money services

9.0 DISPUTE RESOLUTION

- i. For over-the-counter (OTC) transactions, the period for holding funds not withdrawn by a receiving customer shall be 30 days. Thereafter, it shall be reversed to the sender or notifications sent to the sender where the transaction does not emanate from a wallet. The receiving customer shall be notified of the expiry date for the transaction.
- ii. FIs shall be responsible for setting up dispute resolution mechanism for their agents to facilitate resolution of customers' complaints.
- iii. The FI shall treat and resolve any customer related issues within 48 hours. Non-compliance shall be subject to penalty as may be prescribed by CBN from time to time
- iv. A Super-Agent shall facilitate the resolution of customer related issues
- v. Disputes from transactions apart from OTC, shall be handled by the agents, in conjunction with the mobile money operators. Agents shall handle the OTC transactions disputes.

10.0 SUBMISSION OF STATUTORY RETURNS

A Super-Agent shall, at the end of every month and not later than the 10th day of the following month, submit to the CBN, data and other information on agent operations including:

- i. Nature, value and volume of transactions;
- ii. Incidents of fraud, theft or robbery; and
- iii. Nature and number of customer complaints and remedial measures taken.

11.0 ANNUAL REPORTING

A Super-Agent shall include in its annual reports and accounts, in the prescribed form, all activities of its agent operations.

12.0 POWERS OF THE CBN OVER SUPER-AGENTS

CBN shall:

- i. Request for information from agents at any time as the CBN may deem necessary;
- ii. Carry out spot or scheduled inspection of the books and premises of the agent;
- iii. Direct an agent to take such actions or desist from such conduct as the CBN may find necessary;
- iv. Direct the termination of the agency contract as the CBN may find necessary;
- v. Direct the FI to take such actions against or on behalf of the agent as the CBN may find appropriate;
- vi. Direct the FI to take such remedial action arising from the conduct of an agent as it may deem fit.

13.0 REMEDIAL MEASURES

If an FI or its agent fails to comply with these Guidelines, the CBN may take any corrective action against the FI or the agent as appropriate.

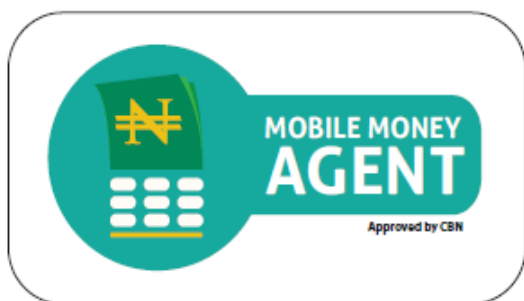
14.0 SANCTIONS

The CBN shall impose appropriate sanctions for any contravention by Super Agents. This includes but not limited to:

- i. Prohibition from engaging in any further agent banking business;
- ii. Prohibition from contracting new agents;
- iii. Revocation of agent banking approval;
- iv. Termination of agent banking contract;
- v. Withholding Corporate approvals;
- vi. Financial Penalties.



Unified Mobile Money Agent Identity guidelines.



■ C=0 M=0 Y=100 K=90	■ C=87 M=24 Y=84 K=9	■ C=75 M=0 Y=100 K=0
■ C=78 M=9 Y=46 K=9	■ C=75 M=0 Y=100 K=0	

- It is highly recommended that the above logo options be printed upon stickers with white and black backgrounds pending distribution to end users.
- This is to ensure consistency across board, and develop the identity as a brand on its own.
- The general font for the logotype is Aller (Regular)