



BANKING AND PAYMENTS SYSTEM DEPARTMENT

CENTRAL BANK OF NIGERIA

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BPS/DIR/GEN/CIR/05/006

To: All Deposit Money Banks, Mobile Money Operators and Switches

EXPOSURE DRAFT ON THE LICENSING FRAMEWORK FOR SUPER-AGENTS

The Central Bank of Nigeria (CBN), in furtherance of its mandate for the development of the electronic payments system in Nigeria, hereby releases the Exposure Draft on the Licensing Framework for Super-Agents, for your review and comments.

Kindly forward your inputs on or before December 12, 2014 to the Director, Banking & Payments System Department and pspo@cbn.gov.ng.

Thank you for your usual cooperation.

A handwritten signature in black ink, appearing to read 'Dipo Fatokun'.

Dipo Fatokun

Director, Banking & Payments System Department

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 an FI as part of its documentation for licence request
- 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, postal address and telephone numbers
- iv. Memorandum & Articles of Association
- v. Shareholding structure of the Consortium
- vi. Forms C02 (Return on Allotment of shares) and C07 (Particulars of Directors)
- vii. CV's of Board and Management of the Company
- viii. Organogram of the company
- ix. Feasibility Study for the agent network
- x. Information Technology Policy of the Company including:
 - a. Privacy Policy
 - b. Information Ownership/Disclosure/Loss Policy
 - c. Backup and Restore Policy
 - d. Network Security Policy

- e. Encryption Policy
 - f. Confidential Data Policy
 - g. Password Policy
 - h. Third Party Connection Policy
 - i. Incidence Response Policy
 - j. Physical Security Policy
- 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. 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. Proposal for KYC and AML/CFT compliance.

4.0 INFORMATION REQUIREMENTS FOR SUPER-AGENT STRUCTURE

The Super-Agent structure shall contain among others, the following information:

- i. Name(s) of agent(s).
- ii. Location(s) of activities.
- iii. Terms of engagement, itemizing all commercial activities the agent is currently engaged in and all proposed responsibilities.
- iv. Signed declaration by agents.

5.0 RENEWAL OF ENGAGEMENT

Licensed companies shall renew all agent agreements biennially (every two years), except otherwise required.

6.0 PLATFORM AND INTEROPERABILITY

a. Platform

- I. NIBSS shall provide the switching infrastructure to enable inter-scheme 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 must be up to date (inclusive of mandatory integration to NIBSS), tested and active to ensure interoperability between MMOs. All licensed MMOs shall ensure that their platforms are upgraded as needed, tested and active within 30 days from the release of this document
- IV. CICO services for Inter-scheme payments shall be a basic function at all agent locations. All MMO platforms shall facilitate inter-scheme CICO services

b. Interoperability

- I. A Super-Agent's platform shall be enabled to communicate with all its agents and have visibility of their mobile money transactions on the FI's platform
- II. The FIs shall grant access to the Super-Agent to enable them have access to real-time information of its agents
- III. A Super-Agent's platform shall integrate with that of NIBSS

c. 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. Notifications sent to the receiving customer shall indicate 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 72 hours
- IV. A Super-Agent shall facilitate the resolution of customer related issues
- V. Other disputes from transactions apart from OTC, shall be handled by the mobile money operators.

7.0 STANDARDIZATION OF FEES AND CHARGES

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.

- a. 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
- b. Cash-In transactions shall be free to the customer for intra-scheme payments to encourage usage and savings.
- c. The minimum interchange fee for inter-scheme Cash-In transactions shall be N35. The issuer will cover the interchange cost.
- d. 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

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

8.0 BRANDING AND ADVERTISEMENT

a. Branding

A common logo (attached as Appendix1) shall be adopted by all agents.

- I. 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 agent number assigned by the CBN during licensing, shall be conspicuously displayed at its outlet
- III. To verify the authenticity of the agent, customers shall be provided a channel (web, SMS, USSD short-code, etc.).

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.

- III. Primary brand of agent outlet shall remain the responsibility of the super-agent/agent, provided the logo is conspicuously displayed.
- IV. Super-Agents could advertise their primary business as well as the availability of mobile money services

9.0 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.

10. ANNUAL REPORTING

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

10.0 POWERS OF THE CBN OVER AGENTS

CBN, it shall have power to:

- 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.

11.0 REMEDIAL MEASURES

If 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.

12.0 SANCTIONS

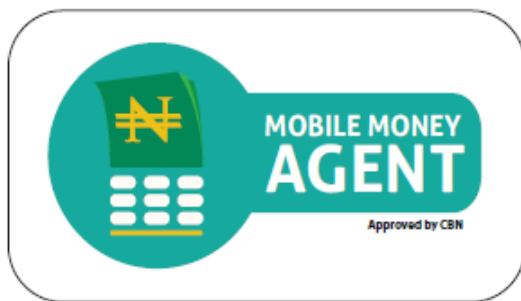
In addition to the use of remedial measures, the CBN may take any or all of the following sanctions against an FI, its board of directors, officers or agents:

- 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.

Appendix I



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)