



CENTRAL BANK OF NIGERIA

REGULATION FOR BILL PAYMENTS IN NIGERIA, 2018

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Contents

1.0 Preamble.....	3
2.0 Objectives	3
3.0 Scope	3
4.0 Stakeholders.....	3
5.0 Eligibility Criteria	4
5.1 Payment Service Providers	4
5.2 Billers.....	4
5.3 Payer's Bank.....	5
5.4 Biller's Bank.....	5
5.5 Operational Procedure	5
6.0 Dispute Resolution System (DRS).....	6
7.0 Settlement.....	6
8.0 Customer Support	7

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1.0 Preamble

In the exercise of the powers conferred on the Central Bank of Nigeria (CBN) under Sections 2(d), 33 (1) (b) and 47(2) of the CBN Act 2007 to promote sound financial system in Nigeria, issue guidelines and facilitate the development of an efficient and effective payments system in Nigeria, the CBN hereby issues this Regulation for Bill Payments in Nigeria, 2017.

2.0 Objectives

The objectives of this Regulation are:

- 2.1 To document the minimum standards that must be complied with for the processing of bill payment transactions.
- 2.2 To identify stakeholders in Bill Payment system space
- 2.3 To ensure achievement of the vision of a 'nationally utilized and international recognized' payments system in Nigeria.
- 2.4 To ensure adequate protection for the stakeholders in the Bill Payment system space.

3.0 Scope

This Regulation covers Bill Payments on various payment channels and any payment platform that seeks to integrate the payment side of commercial activity and merchant aggregators in Nigeria. The payment methods include Cheques, Cards, Direct Debit, Instant Payments, and Automated Clearing House, etc.

4.0 Stakeholders

The following are the stakeholders in Bill Payments:

- 4.1. Payer – the individual or corporate entity making a bill payment

- 4.2. Biller – a registered entity/merchant that receives funds from the payer as consideration for the provision of service or product.
- 4.3. Payer's bank – the bank where the payer maintains the account that is debited to make the bill payment.
- 4.4. Biller's bank – the bank where the Biller maintains the account designated to receive proceeds of payment made by the payer.
- 4.5. Payments Service Provider (PSP) – a person licensed by the Central Bank of Nigeria to provide services involving direct interactions with the payment, settlement and clearing systems and payment system arrangements, as the Bank may authorize from time to time and may include a bank, Mobile Money Operators or Other Financial Institution that is connected directly to a Biller without any service intermediary.

5.0 Eligibility Criteria

Any person or entity desirous of operating a bill payment platform shall apply to the CBN for a license or be integrated to a duly licensed PSP.

5.1 *Payment Service Providers*

- 5.1.2. All Inter-Bank transactions initiated and authorized on the bill payment platform shall be cleared via the Nigeria Clearing System and settled via Real Time Gross Settlement System (RTGS).
- 5.1.3. Each component payment method implemented on the platform shall be in accordance with the rules issued by Central Bank of Nigeria to guide the conduct of market activities for relevant payment channels.

5.2 *Billers*

- 5.2.1. A Biller shall be a customer of a bank/PSP that will receive the proceeds of bill payments from Payers.
- 5.2.2. The Bank/PSP shall confirm the legal capacity of the Biller before on-boarding the biller.
- 5.2.3. After approval of the Biller's application, the Biller's bank / Payment

Service provider shall register the Biller on the platform capturing the following details at a minimum:

- a. Corporate entity – Bank Account Number; Registered name; RC Number/ Business Registration Number as assigned by the Corporate Affairs Commission; Address; Official Contact email address; Contact Telephone Number; Service/Product Codes.
- b. Individual merchants – BVN; Verified operating address; Contact Telephone Number; Bank Account Number

5.3 Payer's Bank

- 5.3.1 Payer's bank shall be a member of the clearing system or integrated with a Payment Service Provider that accept Direct Debit for processing.
- 5.3.2 The Payer's bank shall comply with the authentication protocol as prescribed by the Electronic Payments Guidelines, where the mandate is in electronic form.

5.4 Biller's Bank

- 5.4.1. Biller's bank shall be a member of the clearing system or integrated with Payment Service Providers that accept Direct Debit for processing.
- 5.4.2. The Biller's bank shall hold an account for the Biller to receive proceeds of payments
- 5.4.3. It is the responsibility of the Biller's bank to give information, advice and guidance on all aspects of the Scheme to the Biller; where applicable.

5.5 Operational Procedure

- 5.5.1. There shall be a Service Level Agreement (SLA) executed between the platform provider and the Biller, as a condition for on-boarding.
- 5.5.2. The SLA shall provide the terms for engagement, roles and responsibilities of the parties, minimum service delivery commitments, obligations of the parties and penalties, as applicable

- 5.5.3. SLAs shall be reviewed periodically to ensure alignment with industry/regulatory changes, or appropriate provisions made to take cognizance of mandatory changes that may come into play after implementation.
- 5.5.4. The minimum commitments to service availability shall be defined and incorporated in the Dispute Resolution System (DRS) and SLA, and properly communicated to the users of the service.
- 5.5.5. Transaction status upon completion shall be sent by the Biller to the Payer.
- 5.5.6. A procedure shall be in place for change management and shall include major releases, maintenance calendars and conditions for emergency upgrades and notification process.

6.0 Dispute Resolution System (DRS)

- 6.1. Payments shall be final and irrevocable and be consistent with the provision of the circular on the Statement of Payments Finality.
- 6.2. All requests for refunds/recalls shall be via a dispute resolution system or other supplementary rules that guide the operations of the relevant payment method.
- 6.3. Service Providers shall make an automated dispute resolution platform available to facilitate seamless resolution of complaints
- 6.4. Disputes arising from Bills Payment transactions shall be resolved amicably amongst the parties in line with the provisions of the guidelines on Operations of Electronic Payment Channels in Nigeria.

7.0 Settlement

Each platform shall be able to receive payment for multiple billers, clear transactions and settle such transactions through existing settlement mechanisms.

8.0 Customer Support

Billers/PSP shall provide helpdesk services to the Billers and Payers by the Biller's bank/PSP as applicable; via advised channels, to aid resolution of service issues. The helpdesk availability should be such that it coincides with service availability, and access should be on multi-channel basis (phone, email, web etc.)

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