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Central Bank of Nigeria

Press Release

Central Bank of Nigeria Announces Revised Documentation Requirements for PAPSS Transactions in Nigeria

The Central Bank of Nigeria (CBN) is pleased to announce a significant review of the documentation requirements for transactions conducted through the Pan-African Payment & Settlement System (PAPSS) in Nigeria. This initiative is part of CBN's ongoing commitment to foster seamless intra-African trade, financial inclusion, and operational efficiency for Nigerians engaging in cross-border payments within Africa.

Launched by Afreximbank in partnership with the African Union and the African Continental Free Trade Area (AfCFTA) Secretariat in January 2022, PAPSS serves as a centralized payment and settlement platform that enables instant, secure, and efficient cross-border transactions throughout Africa. By facilitating payments in local currencies, PAPSS minimizes reliance on third-party currencies, reduces transaction costs, and supports the rapid expansion of trade under the AfCFTA.

In a recent circular referenced TED/FEM/PUB/FPC/001/006 issued on April 28, 2025, CBN outlined the key changes to the documentation requirements associated with PAPSS transactions. The following key changes take effect immediately:

Simplified Documentation for Low-Value Transactions: Customers may now use basic KYC and AML documents provided to their Authorized Dealer Banks (ADB) for low-value transactions (USD2,000 and USD 5,000 equivalent in Naira for Individuals and corporate, respectively). For transactions above the thresholds, all documentation as stipulated in the CBN Foreign Exchange Manual and related circulars remain mandatory.

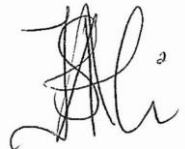
Responsibility of Applicants: Applicants are responsible for ensuring all regulatory documents are available to facilitate the clearance of goods, as required by relevant government agencies.

Foreign Exchange Sourcing: Authorized Dealer Banks may now source foreign exchange for PAPSS settlements through the Nigerian Foreign Exchange Market (without recourse to the CBN).

Export Proceeds: All export proceeds repatriated via PAPSS shall be certified by the relevant processing banks.

The Central Bank of Nigeria urges all banks to adopt PAPSS and commence originating transactions in line with this new policy. In addition, CBN encourages exporters, importers, and individuals to familiarise themselves with the new requirements and leverage PAPSS for cross-border transactions within Africa.

For further details, please refer to the official circular on the CBN website (<https://www.cbn.gov.ng>).

A handwritten signature in black ink, appearing to be 'H. Ali', with a stylized flourish at the end.

Hakama Sidi Ali (Mrs.)
Ag. Director, Corporate Communications

April 28, 2025