



CAC Warns Unregistered POS Operators as 60-Day Registration Deadline Ends

Description

The Corporate Affairs Commission (CAC) has once again sounded a warning to Point of Sale (POS) operators across Nigeria as the 60-day window for mandatory business registration has expired.

The registration deadline, which was initially announced on July 7, 2024, officially came to an end on September 5, 2024.

CAC's Enforcement Plan

The CAC stated that it is collaborating with law enforcement agencies and other relevant stakeholders to create a strong enforcement strategy.

This plan will target POS operators who have failed to comply with the registration requirement.

The measures could include shutting down unregistered businesses and imposing more severe legal consequences on those continuing to operate illegally.

Low Compliance Among POS Operators

The Commission expressed concern over the low level of compliance among POS operators, especially considering the number of such businesses in operation throughout the country.

Despite the deadline extension, many operators have failed to register their businesses.

However, the CAC praised operators who have already complied, acknowledging their responsible approach to formalizing their business operations.

Legal Action for Defaulters

The CAC emphasised its commitment to cracking down on non-compliant operators, stating:

- “The Commission will enforce sanctions, including potential business shutdowns and legal consequences, for those who refuse to comply.”

The CAC suspects that some unregistered POS operators may be involved in suspicious activities or have other reasons for avoiding registration.

Registration Mandate for Fintech-Related POS Operators

The registration requirement affects POS agents working for major Nigerian fintech companies such as OPay, Palmpay, and Moniepoint.

In May 2024, the CAC mandated these operators to register by July 7, 2024, as part of its broader strategy to regulate the industry.

Hussaini Magaji, the Registrar-General of the CAC, explained that this requirement aligns with Section 863, Subsection 1 of the Companies and Allied Matters Act (CAMA) 2020 and the 2013 CBN guidelines on agent banking.

Magaji also noted that the registration effort is designed to protect fintech businesses, safeguard customer interests, strengthen the Nigerian economy, and combat fraud in the financial industry.

Deadline Extension and Final Warning

In response to feedback from operators, particularly those in remote areas facing network challenges, the CAC extended the registration deadline by 60 days—from July 7, 2024, to September 5, 2024.

Now that the extension has ended, the CAC urges all unregistered POS operators to act quickly to avoid severe penalties.

Conclusion

As the 60-day extension for POS business registration expires, the CAC is preparing to take decisive action against operators who remain unregistered.

POS operators across Nigeria are advised to comply immediately to avoid business shutdowns and potential legal consequences.

This enforcement move is part of the CAC's ongoing efforts to regulate the industry, ensure legal compliance, and protect consumers and businesses in Nigeria's financial sector.

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