



How to obtain a Foreign Exchange Dealer License in Nigeria (2026 CBN Guide)

Description

If you want to **legally buy and sell foreign currency to end users in Nigeria**, the practical pathway is to obtain a **Bureau de Change (BDC) license** from the **Central Bank of Nigeria (CBN)**, and then, if you intend to participate as a “dealer” in the Nigerian Foreign Exchange Market (NFEM), also secure **authorised dealership status** from the CBN’s Trade & Exchange Department. Banks (“Authorised Dealer Banks”) hold this status by virtue of their banking license; for non-banks, the CBN’s BDC framework is the formal route into retail FX dealing.

Below you will find: the **license types, minimum capital and fees, every document you must file**, and the **exact three-stage process CBN uses** (Approval-in-Principle → Provisional Approval → Final License). We also cover how a BDC becomes an **authorised dealer in the NFEM**, ongoing operational rules (EFEMS, FX Code, TRMS, NIBSS/BVN), timelines, and **FAQ/misconceptions**.

What “Foreign Exchange Dealer” means in Nigeria, who licenses whom?

- **Authorised Dealer Banks (ADB):** Deposit money banks licensed by CBN. They are default participants (“dealers”) in the interbank FX market and EFEMS. This is not a

separate stand-alone “FX dealer license”; it is inherent in the bank license and related CBN market rules.

- **Bureau de Change (BDC):** A company **licensed by CBN to carry on retail foreign-exchange business only** (sell PTA/BTA, medical, school fees, etc.). BDCs can also **apply to the CBN Trade & Exchange Department** for an **authorised dealership license** to participate in the NFEM as a dealer—**after** obtaining the BDC license.

In short: if you are not a bank, the realistic route to becoming a “foreign exchange dealer” is to **get a BDC license** and then **obtain authorised dealership status** for NFEM participation.

License categories and what each one lets you do

CBN recognises two BDC tiers:

- **Tier 1 BDC** — Operates nationwide; may open branches and appoint franchisees (with CBN approval). Must ensure minimum distances between locations and oversee franchisees.
- **Tier 2 BDC** — Operates in **one** state (or the FCT) and may open **up to five** branches in that state (with CBN approval). **No franchisees** allowed.

Permissible activities include buying FX from permitted sources (tourists, diaspora returnees, domiciliary account holders, IMTOs, hotels authorised to buy FX, and; if licensed as a dealer, via the NFEM) and selling FX for PTA/BTA, school fees, medical bills, and certain professional fees, subject to documentation and TRMS processing. **Non-permissible activities** include street trading, taking deposits or granting loans, international outward transfers, derivatives/speculative trading, dealing in crypto, and more.

Minimum capital and statutory fees (CBN official figures)

CBN's **approved** guidelines (effective **June 3, 2024**) set the following **financial requirements** for BDC licensing. Amounts below are exactly as specified by CBN. [Central Bank of Nigeria](#)

Financial requirement	Tier 1 BDC	Tier 2 BDC
Minimum capital	₦2,000,000,000	₦500,000,000
Non-refundable application fee	₦1,000,000	₦250,000
Non-refundable license fee	₦5,000,000	₦2,000,000

ICA (Ibe Chido & Associates)

CBN notes these financial requirements **may vary at the Bank's discretion**. All capital deposits are subject to **verification by CBN**. Fees must be paid via **RTGS to a designated CBN account** at the point the Bank instructs you.

Exactly how to obtain a Foreign Exchange (BDC) license: CBN's three-stage process

CBN processes BDC applications in **two main stages**, but the **final license** stage itself has **two sub-stages**; practically, you will go through **three checkpoints**:

1. **Approval-in-Principle (AIP)** → 2) **Provisional Approval** → 3) **Final License**.

1) Approval-in-Principle (AIP)

- **Address your application** to the **Governor, CBN**.
- **Do not incorporate** the company at CAC **until** the CBN has issued an **AIP in writing** (you will take that AIP letter to CAC for registration).

- Your application must contain all items in **Appendix 1** (see “Document checklist” below).
- CBN will scrutinise your objects (MEMART), fit-and-proper status of directors/senior management, **source of capital** (no cash funding; proper documentation), and reasonableness of your business plan/projections.
- If satisfied (including verification of capital contributions), **CBN issues AIP. AIP is not permission to start business.**

2) Provisional Approval (first part of final licensing)

- **Deadline: Within 6 months** after AIP, apply for **Provisional Approval** to the **Director, Financial Policy & Regulation Department (FPRD), CBN, Abuja**, attaching all items in **Appendix 5** (see checklist).
- CBN conducts a **pre-licensing inspection**, reviewing physical & IT infrastructure, original documents, shareholder registers/certificates, security and insurance arrangements, and meeting the proposed board/management.
- If satisfactory, CBN grants **Provisional Approval** so you can complete system integrations and other readiness tasks.

3) Final License (second part)

- **Within 60 days** of Provisional Approval, apply for the **Final License** with all items in **Appendix 6** (see checklist).
- Before final license, you must have completed critical **IT integrations** (CBN Extranet/returns systems; **FIFX, FinA, CARP, TRMS, FIRS TIN Verification**; and **NIBSS-BVN** connectivity) and obtained:

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- **Operational Code** from the **Director, Trade & Exchange Department** (TED), and
 - **NFIU confirmation** that you are set on its platform to render AML/CFT/CPF returns.
- After CBN's approval decision, you will **pay the non-refundable license fee via RTGS**; CBN then issues the **Final License**.
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The document checklists

Below are **condensed** versions of the **official appendices**. Use them to compile your file and avoid delays.

A) AIP checklist — Appendix 1 (before CAC incorporation)

- Letter of application for AIP.
- Evidence of **valid name reservation** at CAC.
- **List of proposed shareholders** with emails, addresses, bankers, and **BVNs (for individuals) / TINs (for corporates)**, plus % **shareholding**.
- **Evidence of capital contributed** by each prospective shareholder, satisfactory and verifiable.
- **Notarised irrevocable capital refund mandate**.
- **Evidence of payment of non-refundable application fee** via **RTGS** to CBN.

- **List of proposed directors** with emails/addresses/bankers/**BVNs**.
- **Related companies/businesses** of shareholders/directors (nature of relation; shareholding).
- **Draft MEMART** using CBN's standard template (Appendix 2).
- **Detailed business plan/feasibility study** (objectives, market need & survey, products/services, ownership table, sources of equity, **5-year projections & assumptions**, branch expansion plan for Tier 1, **IT requirements/applications**).

B) Provisional Approval checklist: Appendix 5 (within 6 months of AIP)

- Application letter to **Director, FPRD**.
- **CTC of Certificate of Incorporation** (now you can incorporate with AIP in hand).
- **CTC of MEMART** and **CAC Status Report**.
- **Evidence of stamp duty** on share capital.
- **Shareholders' Register & share certificates**.
- **Evidence of head office location** (owned/rented).
- Evidence of any **approved changes** in board/shareholding since AIP.
- **Executed shareholders' agreement**.

- **Senior management list** (HoDs+): detailed signed CVs, offers/acceptances, IDs, tax clearance, BVNs.
- **Undertaking** by shareholders to keep the BDC **adequately capitalised**.
- **Office equipment** provided.
- **ICT infrastructure** proof that:
 - Meets CBN minimum specs;
 - Can **verify BVN/TIN/passport/air tickets** via APIs (NIBSS, NIS, IATA);
 - Can **screen for AML/CFT/CPF** risks;
 - Can monitor & file **suspicious transaction reports** and render **CBN returns**.
- **Service Level Agreement(s)** with vendors.
- **Commencement plan** with timelines.
- **Logo/brand identity**.
- **Board undertaking** to comply with all CBN BDC regulations.

C) Final License checklist: Appendix 6 (within 60 days of Provisional Approval)

- Written **confirmation from CBN ITD** of successful integration with CBN platforms.

- Written **confirmation from NIBSS** of seamless **BVN validation** integration.
- Written **TED confirmation** that an **operational code** has been issued.
- Written **NFIU confirmation** that your entity is live and able to render returns.
- **Insurance cover** evidence.
- **Contingency Funding Plan**.
- **Business Continuity Plan**.
- **SLA** with your CNIB **for prepaid card issuance** to customers.
- **Minutes of pre-commencement board meeting**.
- **Opening statement of affairs**.
- **Board attestation** of readiness to commence operations.
- Any other document CBN may require.

From BDC to “Authorised Dealer”: joining the market you plan to trade in

The guidelines are explicit: **to participate in the Nigerian Foreign Exchange Market (NFEM) as a dealer, a BDC shall apply to the Director, Trade & Exchange Department (TED) of the CBN for an authorised dealership license**. Make this application **after** you have your BDC license and system integrations. This step lets you purchase FX from/sell into the formal market under current market-structure rules (e.g.,

EFEMS).

Why this matters: EFEMS (the **Electronic Foreign Exchange Matching System**) is the CBN-mandated platform for interbank FX matching; **Authorised Dealer Banks** are default participants and **all dealers must comply** with the FX Code and Market Operating Guidelines. As a BDC seeking dealer status in NFEM, you will be expected to adhere to the **FX Code** and any operating rules for market participants.

Operational guardrails you must plan for (post-licensing)

- **TRMS (Trade Monitoring System):** All PTA/BTA and eligible invisible-payment sales run through TRMS forms (e-Form A).
- **Payment modalities:** For PTA/BTA, at least **75%** must be transferred to a **prepaid card**; only up to **25%** can be cash (with an exception for $\leq$ USD500). Purchases above USD500 from customers must be **paid to their Naira account** (non-resident customers may be issued a **prepaid NGN card**).
- **Integrations: CBN Extranet & returns, FIFX, FinA, CARP, TRMS, FIRS TIN verification, and NIBSS-BVN.** These are **mandatory before final license**.
- **Record-keeping & returns:** Render daily/periodic returns via **FIFX**; maintain electronic receipts and auditable transaction trails (with BVN/TIN, KYC, timestamps). Display license and required notices at every location.
- **EFEMS/FX Code compliance:** If participating in the dealer segment, ensure **compliance with the FX Code** and any EFEMS circulars/guidelines.

Step-by-step application roadmap (action plan)

1. **Decide your tier** (Tier 1 nationwide, Tier 2 single state). Build your capital plan accordingly.
2. **Reserve company name** at CAC (for AIP file only; don't incorporate yet). Draft **MEMART** from CBN's Appendix 2 template.
3. **Raise and document capital** (no cash; verifiable banking trails). Prepare **notarised capital refund mandate**.
4. **Assemble your AIP pack** (Appendix 1) including a strong **5-year plan**, projected branches (Tier 1), and **IT blueprint**. Pay the **application fee via RTGS** to CBN and include the payment evidence. Submit your **AIP letter to the Governor, CBN**.
5. After **AIP, incorporate** at CAC using the AIP letter; complete board & shareholding setup.
6. **Within 6 months**, apply to **FPRD** for **Provisional Approval** with **Appendix 5** documents. Get your **office and IT infrastructure** in place (security, fire/insurance, AML screening, BVN/TIN/passport/air-ticket verifications). Prepare for the **CBN pre-licensing inspection**.
7. After Provisional Approval, **complete integrations** with **CBN** and **NIBSS**, obtain **TED operational code**, secure **NFIU confirmation**, BCP, contingency funding plan, SLA with your banker for **prepaid cards**, and other Appendix 6 items.
8. **Within 60 days**, file for **Final License**, **pay the license fee via RTGS** when instructed, and receive your **BDC license**.
9. If you want to **deal in the NFEM**, **apply to TED** for **authorised dealership license** (post-BDC license). Plan for EFEMS participation and FX Code alignment.

Costs & timelines at a glance

Core financials (from CBN):

- **Tier 1:** ₦2.0bn minimum capital; ₦1.0m application fee; ₦5.0m license fee.
- **Tier 2:** ₦500m minimum capital; ₦250k application fee; ₦2.0m license fee.

Processing cadence (from CBN):

- AIP → **apply for Provisional Approval within 6 months.**
- Provisional Approval → **apply for Final License within 60 days.**
(Actual CBN review durations are not guaranteed; meet the **applicant-side deadlines** and be integration-ready.)

Who can (and can't) own a BDC

CBN lists **non-eligible promoters**, entities and persons who **cannot** own BDC equity directly or indirectly (e.g., commercial/merchant/non-interest/payment service banks, OFIs, IMTOs, serving staff of regulators/regulated firms, governments/public officers, NGOs, co-ops, academic/religious institutions, non-Nigerian natural persons, non-resident non-regulated companies, telecom providers, sanctioned individuals, and anyone who already owns shares in another BDC). **Ensure your cap table complies** before filing.

What a compliant BDC can actually do (and how it sells to end-users)

- **Eligible purposes:** PTA, BTA, medical bills, school fees, professional exams/annual subscriptions; repurchase of unused Naira from non-residents (with original receipt).

Many of these flows require **TRMS (e-Form A)** and are subject to **amount/frequency caps** set by CBN. For PTA/BTA, **up to 25% in cash** and **≥75% to a prepaid card**; ≤USD500 may be cash-settled in certain cases.

- **Sourcing FX:** From customers (diaspora, residents with FX inflows, tourists), from **IMTOs, authorised hotels**, and; **if you hold authorised dealership license**, from the **NFEM**. Sellers of **≥USD10,000** must **declare the source** and comply with AML/CFT/CPF and FX rules.
- **Market infrastructure:** If you step into dealer territory (NFEM/EFEMS), comply with the **FX Code** and EFEMS guidelines/circulars.

Compliance, returns, and inspections you should expect

- **Returns** are rendered electronically via CBN systems (e.g., FIFX). Keep robust **electronic records** (location, customer details, BVN/TIN, rate, amount, timestamps), issue **electronic receipts**, and **display** license, exchange rates, AML/CFT/CPF notices, and approved abridged financials at each place of business.
- **Corporate governance:** Board size & composition rules (e.g., minimum directors vary by tier; at least one INED), gender diversity policy, disclosure of other board seats, approvals for changes.
- **Audit & reporting:** Annual external audit, submission timelines to CBN, management letters, and record preservation (≥6 years).
- **Sanctions:** Contraventions attract penalties under **BOFIA 2020** and relevant laws; repeated or grave non-compliance may lead to **license revocation**.

Frequently Asked Questions (from common queries answered by CBN sources)

1) Is there a separate “foreign exchange dealer license” apart from the BDC license?

For **banks**, authorised-dealer status derives from the bank license and market rules (EFEMS/FX Code). For **non-banks**, the practical route is the **BDC license**, followed by an **authorised dealership license application to TED** to participate as a dealer in the NFEM.

2) What are the official minimum capital and fees for BDC licensing?

Tier 1: **₦2.0bn**, plus **₦1.0m** application fee and **₦5.0m** license fee. Tier 2: **₦500m**, plus **₦250k** application fee and **₦2.0m** license fee. **CBN may vary these** at its discretion.

3) Do I incorporate at CAC before or after AIP?

After AIP. You must present the **AIP letter** to CAC; AIP is **not** permission to commence business.

4) How long do I have between AIP and Provisional Approval, and then to Final License?

You must **apply for Provisional Approval within 6 months** of AIP; after Provisional Approval, **apply for Final License within 60 days**.

5) What integrations are mandatory before the final license?

CBN Extranet/returns, FIFX, FinA, CARP, TRMS, FIRS TIN verification, and NIBSS-BVN. You also need **TED operational code** and **NFIU confirmation**.

6) Are BDCs allowed to do outward international transfers or trade derivatives/crypto?

No. Those are **non-permissible**. BDCs may not do outward transfers, derivatives/speculative transactions, or deal in cryptocurrency/virtual assets.

7) How do PTA/BTA sales work now?

Applications go through **TRMS**; beneficiaries typically receive **≥75% to a prepaid card** (≤25% cash), with certain exceptions for **≤USD500**. Documentation limits and frequencies apply.

8) What systems govern interbank and dealer operations?

EFEMS governs electronic matching in the interbank market; participants must follow **Market Operating Guidelines** and the **FX Code**.

9) Can a BDC source FX from the formal market?

Yes—**once** it holds the **authorised dealership license** from TED to participate in the NFEM.

10) Will CBN publish my BDC's details?

CBN **periodically publishes** the list of all BDCs and their registered places of business for public information.

Common misconceptions

- **"I can incorporate first, then seek AIP."**
Incorrect. You **must** obtain **AIP** before **CAC** incorporation.
 - **"BDC license automatically makes me a market dealer."**
Not exactly. A BDC can **sell to end-users** immediately after final license, but to **participate as a dealer in the NFEM**, it must **apply to TED** for **authorised dealership**.
 - **"BDC can pay everything in cash."**
No. For PTA/BTA, **≥75%** must be on a **prepaid card**; cash is generally **≤25%**, with small-ticket exceptions.
 - **"BDC can run like a mini-bank (take deposits/loans)."**
False. Deposit taking, lending, outward transfers, derivatives/crypto etc. are **prohibited**.
 - **"Capital can be funded in cash."**
No. No cash funding; CBN reviews **documented sources** and **verifies** capital.
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Final tips to avoid delays or refusals

1. Confirm every shareholder is **eligible** under CBN's "non-eligible promoters" list **before** you file AIP.
2. **IT early-start:** Do not wait, line up vendors and begin **integration readiness** (CBN Extranet, NIBSS/BVN, TRMS, AML screening) during the Provisional stage.
3. **Paper trails for capital:** Ensure **verifiable banking evidence** for each shareholder's contribution; **no cash**.
4. **Keep to CBN's applicant deadlines** (6 months; 60 days) and respond promptly to clarifications.
5. **Plan for EFEMS/FX Code** if you will trade in the dealer segment; keep your **operational code** and compliance stack in order.

Conclusion

Becoming a **foreign exchange dealer** in Nigeria, if you are not a bank, means **getting a BDC license** and if you plan to trade in the market as a dealer, **applying to TED for authorised dealership**. The **CBN's approved BDC Guidelines (effective June 3, 2024)** provide everything you need: **capital & fee thresholds, exact documents for AIP, Provisional, and Final stages, integration requirements, and post-licensing obligations**. Following the checklists above, funding capital transparently, building the right compliance/IT stack, and meeting CBN timelines will position you for a successful approval, and an operational launch that meets today's **EFEMS/FX Code-driven** market standards.

Category

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