



How to Obtain a Mobile Money Operator (MMO) License in Nigeria: Step-by-Step Guide (2026)

Description

The rapid expansion of mobile money services has revolutionised financial inclusion in Nigeria, enabling millions to access basic banking services via their mobile devices. To operate legally and securely, firms must obtain a Mobile Money Operator (MMO) License from the Central Bank of Nigeria (CBN). This comprehensive guide provides a step-by-step roadmap, sourced 100% from CBN's official documentation, on how to secure a MMO license in Nigeria. We cover eligibility criteria, capital requirements, detailed documentary requirements, application fees, procedures, timelines, common misconceptions, and curated FAQs from "People Also Ask." By following this guide, fintech start-ups, telecom subsidiaries, and financial institutions can navigate the licensing process efficiently and position themselves for success in Nigeria's dynamic mobile money ecosystem.

Understanding the MMO License

A Mobile Money Operator License authorises a corporate entity to provide mobile money services, including mobile wallets, peer-to-peer transfers, bill payments, and merchant transactions. Under CBN's 2021 **Approved New Licence Categorisation**

Requirements, a MMO license falls under Payment Service Providers and is distinct from Payment Solution Services (PSS), Payment Terminal Service Providers (PTSPs), and Super Agents .

Regulatory Framework

CBN's **Framework and Guidelines on Mobile Money Services in Nigeria (July 2021)** sets out key obligations and supervisory measures for MMOs:

- **Statutory Returns:** MMOs must submit monthly data on transaction values, fraud incidents, and customer complaints by the 14th of the following month.
- **Sanctions:** Non-compliance can attract corporate approval withholding, financial penalties, suspension, or revocation of license.
- **Review:** The guidelines are subject to periodic review to adapt to technological and market developments.

Step-by-Step Guide to Obtaining an MMO License

Step 1: Incorporation and Eligibility

- **Corporate Entity:** Register with the Corporate Affairs Commission (CAC) as a private limited liability company.
- **Memorandum & Articles of Association (MEMART):** Objects clause must be restricted to payment system activities permitted by CBN.

Step 2: Fulfil Capital and Financial Requirements

- **Minimum Shareholders' Funds:** ₦2,000,000,000 (unimpaired by losses).
- **Audited Financials:** Last three years' audited statements (if applicable).

- **Escrow Deposit:** Place a refundable ₦2,000,000,000 in the CBN PSP Share Capital Deposit Account No. 1000014009. Funds must be deposited in one lump sum, in the applicant's name, and will be invested in treasury bills until refunded.

Step 3: Prepare Documentary Requirements

Compile the following:

No.	Document
1	Certificate of Incorporation
2	Memorandum & Articles of Association (restricted object clause)
3	CAC Form 2A (Return on Allotment of Shares) or Status Report
4	CAC Form 7A (Particulars of Directors) or Status Report
5	Tax Clearance Certificate (last 3 years) & TIN
6	Company Profile (current operations, products, services)
7	Holding Company/Parent Structure (if any)
8	Ownership Details (public/private, ultimate parent, changes in last 2 years)
9	Total Number of Employees
10	Organogram
11	Physical Address, Company Email & Phone (domain email required)
12	Board Structure (Chairman, MD/CEO, ≥1 Independent Non-Executive Director)
13	BVN, CVs & Government-Issued IDs (NIN, Passport, Driver's License, Voter's Card) for Board
14	Line of Business Details (if different from MMO activities)
15	Business Plan (nature of business; scheme features; security; 5-year financial projections; charges schedule; profit-sharing; transaction flow diagram)
16	IT Policies (privacy; data ownership/disclosure; backup/restore; network security; encryption; data confidentiality; password; third-party connection; incident response; physical security)
17	Enterprise Risk Management Framework
18	Dispute Resolution Framework
19	Business Continuity & Disaster Recovery Plan

No.	Document
20	Draft Agreements with Technical Partners, Banks, Merchants, Telcos, Others
21	Project Deployment Plan (timeline, locations, operations)

Step 4: Pay Application and Licensing Fees

- **Non-Refundable Application Fee:** ₦100,000 (to CBN Licensing Fees for Payment Products Account No. NGN140230089/ABJ).
- **Licensing Fee:** ₦1,000,000 (payable before final license issuance).

Step 5: Submit Application

Address all documents and payment evidence to:

**Director, Payments System Management Department,
Central Bank of Nigeria, Abuja.**

Step 6: CBN Review and Approval-in-Principle

- **Initial Review:** Verification of completeness and compliance.
- **Approval-in-Principle (AIP):** Granted for six months, allowing the applicant to prepare operational infrastructure and partnerships.

Step 7: Operational Readiness & Final License Issuance

- **Operational Audit:** CBN inspects IT systems, merchant integrations, agent network, risk controls, and compliance processes.
- **Final License:** Issued upon satisfactory audit; validity and renewal terms set by CBN.

Cost Breakdown

Item	Amount (₦)	Payment Details
Minimum Capital	2,000,000,000	Shareholders' funds unimpaired by losses
Escrow Deposit	2,000,000,000	CBN PSP Share Capital Deposit Account No. 1000014009 (refundable)
Non-Refundable Application Fee	100,000	Licensing Fees Account No. NGN140230089/ABJ
Licensing Fee (Final License)	1,000,000	Payable prior to license issuance
Total Minimum Outlay	4,001,100,000	(Excluding operational setup & professional fees)

Timeline for Licensing Process

Phase	Duration
Application Preparation	1-2 months
CBN Review & AIP	≤ 6 months
Operational Readiness Preparation	2-3 months
Final Audit & License Issuance	1-2 months
Total Estimated	10-13 months

Note: Timelines may vary based on application completeness and regulatory changes.

Common Misconceptions

- “An MMO License is the same as a Payment Service Bank (PSB).”**
MMOs and PSBs are distinct. Only PSBs can accept customer deposits as bank accounts; MMOs operate e-money services without deposit-taking powers.

2. **“You can apply with less than ₦2bn capital.”**

CBN mandates a minimum ₦2 billion unimpaired shareholders’ funds and matching escrow deposit for MMOs.

3. **“The application fee covers all costs.”**

Apart from the ₦100,000 application fee, a ₦1,000,000 licensing fee and operational setup costs (IT infrastructure, agent network development) are additional.

4. **“Approval-in-Principle equals license granted.”**

AIP is conditional; final license follows a successful operational audit.

5. **“Once licensed, reporting is not needed.”**

MMOs must submit statutory returns (transaction volumes, fraud data, customer complaints) monthly by the 14th.

Frequently Asked Questions

Q1: What is the capital requirement for an MMO license?

A: ₦2,000,000,000 in unimpaired shareholders’ funds plus a refundable escrow of ₦2,000,000,000.

Q2: How long does it take to obtain an MMO license?

A: Typically 10–13 months, covering application prep, CBN review (AIP within 6 months), operational readiness, and final audit.

Q3: Can fintech start-ups apply for an MMO license?

A: Yes, provided they meet CAC registration, capital, escrow, and documentary requirements set by CBN.

Q4: What fees are payable to CBN?

A: ₦100,000 non-refundable application fee and ₦1,000,000 licensing fee before final issuance.

Q5: What documents are required?

A: See “Prepare Documentary Requirements” table above, 21 items including incorporation documents, business plan, IT policies, and agreements.

Q6: Are MMOs allowed to hold customer deposits?

A: No; e-money held in customer wallets must be placed in a client fund escrow arrangement distinct from company assets.

Conclusion

Securing a Mobile Money Operator License in Nigeria demands rigorous preparation, substantial capital, and strict adherence to CBN’s regulatory framework. By following this guide; sourced entirely from CBN’s official guidelines, you can confidently navigate each phase, from CAC incorporation through final license issuance. Proper planning, timely statutory returns, and robust operational systems will position your firm to harness the full potential of Nigeria’s fast-growing mobile money market.

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