

FEDERAL REPUBLIC OF NIGERIA

THE SENATE

NATIONAL ASSEMBLY COMPLEX

THREE ARMS ZONE, ABUJA

COMMITTEE ON BANKING, INSURANCE AND OTHER FINANCIAL INSTITUTIONS

REPORT

ON

THE BANKS AND OTHER FINANCIAL INSTITUTIONS ACT (AMENDMENT) BILL 2026

NOVEMBER 2026

REPORT OF THE SENATE COMMITTEE ON BANKING, INSURANCE AND OTHER FINANCIAL INSTITUTIONS ON A BILL FOR AN ACT TO AMEND THE BANKS AND OTHER FINANCIAL INSTITUTIONS ACT, NO 5 OF 2020 TO PROVIDE FOR THE DESIGNATION, REGISTRATION AND ENHANCED SUPERVISION OF SYSTEMICALLY IMPORTANT INSTITUTIONS; AND FOR OTHER RELATED MATTERS. (SB. 959).

1.0 Background:

It will be recalled that the Senate of the Federal Republic of Nigeria at its sitting on Thursday 4th December, 2025 read for the second time a bill for an act to amend the Banks and other Financial Institutions Act, no 5 of 2020 to provide for the designation, registration and enhanced supervision of systemically important institutions; and for other related matters. (SB. 959) and referred same to the Committee on Banking, Insurance and Other Financial Institutions for further legislative action.

The Bill was sponsored by myself, Senator Mukhail Adetokunbo Abiru (Lagos East), alongside all Members of the Senate Committee on Banking, Insurance and Other Financial Institutions.

2.0. Methodology:

In order to carry out this assignment, the Committee deliberated and resolved to adopt the following legislative framework and methodology:

a. To conduct a Public Hearing in order to avail the general public the opportunity to make their input in the proposed legislation;

b. To consult widely with stakeholders on the justifications and merits of the proposed legislation.

c. To review the Bill under consideration as well as all the memoranda submitted by stakeholders during the hearing;

d. To consider any other matter incidental to, that would assist it in the discharge of this assignment.

3.0 Objectives of The Bill

The principal objectives of the Bill include:

1. Empower the CBN to designate and regulate qualifying non-bank financial institutions as Systemically Important Institutions (SIIs).
2. Establish clear designation criteria and regulatory procedures for determining systemic importance.
3. Strengthen prudential supervision of institutions whose failure or disruption could threaten financial stability.
4. Enhance corporate governance, cybersecurity, technology-risk management and operational resilience.
5. Establish a register of designated SIIs to promote transparency and regulatory accountability.
6. Introduce stress testing, data-integrity assessments, enhanced reporting and supervisory access to relevant information and systems.
7. Strengthen beneficial ownership disclosure and oversight of ownership and control structures.
8. Provide effective enforcement mechanisms and sanctions for regulatory non-compliance.

9. Promote regulatory coordination, consumer protection and responsible innovation in the financial services sector.

4.0 Committee Legislative Action

Further to the methodology adopted by the Committee in carrying out this assignment, the Committee deliberated on the merits and justifications of the Bill and thereafter, resolved to conduct a public hearing in order to avail stakeholders and the general public the opportunity to make their inputs on the proposed legislation.

Accordingly, the Committee placed advertisements in print and electronic media and invited memoranda from stakeholders and the general public. These preliminary legislative actions were geared towards sensitising the general public on the provisions of the Bill, ahead of the public hearing.

5.0 Public Hearing

In line with the Committee legislative framework on this Bill, Public Hearing was conducted on Wednesday, 4th March, 2026. The President of the Senate, His Excellency, Senator Godswill Akpabio CON represented by Senator Mohammed Tahir Munguno, Senate Chief Whip, declared the Public Hearing open, which marked the commencement of the Public Hearing.

5.1 Proceedings at the Public Hearing and Submissions by Stakeholders

Mr. President, Distinguished Colleagues, in the course of the Public Hearing, stakeholders made far-reaching presentations in support of the passage of the Bill.

The Committee received and considered submissions from representatives of relevant regulatory authorities, financial institutions, government agencies and professional bodies.

The following positions were canvased during the public hearing.

The Central Bank of Nigeria expressed support for strengthening the statutory framework for the supervision of systemically important non-bank institutions. The bank's position underscored the need for effective risk-based supervision of large fintech operators whose transaction volumes, customer base and operational interconnectedness could have implications for financial stability.

The FCCPC supported stronger oversight of systemically important financial service providers while emphasising the importance of maintaining a clear distinction between prudential regulation, competition enforcement and consumer protection. Their submission highlighted the need for appropriate coordination between the CBN and the FCCPC to prevent duplication of regulatory responsibilities and ensure that the proposed framework promotes fair competition and protects consumers.

Other stakeholders including the Nigeria Deposit Insurance Corporation, Nigerian Communications Commission, Ministry of Finance Incorporated, Federal Ministry of Industry, Trade and Investment, Bank of industry, Economic and Financial Crimes Commission and several banks and other financial institutions all supported the bill to empower the CBN to provide financial stability, digital innovation, regulatory coordination, operational compliance and the protection of financial service users.

6.0 Key Issues Arising from The Public Hearing

The following key issues and areas requiring legislative attention emerged from the public hearing:

1. **Expansion of Systemic-Risk Regulation Beyond Banks:** The need to empower the CBN to designate qualifying non-bank financial institutions as Systemically Important Institutions (SIIs) and subject them to enhanced prudential, governance and operational-resilience standards.

2. **Strengthening Digital and Operational Resilience:** The need to address emerging cybersecurity, cloud computing, artificial intelligence, third-party technology and data-integrity risks through strengthened regulatory oversight and institutional safeguards.

3. **Improved Regulatory Coordination Between the CBN and FCCPC:** The need to establish a structured framework for cooperation, information sharing, investigations and enforcement, while clearly delineating and preserving the statutory mandates of both regulators.

4. **Clarification of Regulatory Jurisdiction and Merger Oversight:** The need to clarify BOFIA's interaction with other applicable laws and delineate the respective responsibilities of the CBN and FCCPC in assessing prudential, financial-stability, competition and consumer-protection implications of mergers and other transactions.

5. **Enhanced Ownership Transparency and Cross-Border Supervision:** The need to strengthen beneficial ownership disclosure, ensure effective CBN supervisory access to the systems and data of foreign-controlled institutions, and provide for proportionate regulatory interventions.

6. **Institutionalisation of Fintech Regulatory Coordination:** The need to establish a Fintech Inter-Agency Coordinating Committee (FICC) (without creating another agency of government) to harmonise regulatory approaches, address emerging technological risks, identify regulatory gaps and promote responsible financial innovation.

7. **Enhanced Regulatory Accountability and Transparency:** The need to provide for an SII register, publication of designation decisions, effective enforcement mechanisms and appropriate appeal procedures to strengthen regulatory accountability and oversight.

8. **Orderly Implementation and Transitional Arrangements:** The need to establish appropriate transitional measures that allow existing institutions sufficient time to meet the new regulatory requirements, minimise operational disruptions and preserve valid existing regulatory approvals.

7.0 Observations/findings

Mr. President, Distinguished colleagues, it is noteworthy to state that after the Public Hearing, the Committee painstakingly analysed the presentations made at the public hearing by stakeholders.

Accordingly, the Committee consulted widely and thereafter considered it necessary to incorporate the views and opinion of all the relevant stakeholders.

The Committee considered the provisions of the principal Act, the Banks and Other Financial Institutions Act (Amendment) Bill, 2025 (SB. 959), as well as the views of stakeholders and observed that the rapid growth of digital financial services and non-bank financial institutions necessitates a stronger regulatory framework to address emerging systemic risks.

7.0 Recommendation

The Senate Committee on Banking, Insurance and other Financial Institutions to which this Bill was referred, having favourably considered same which reflect the majority of the memoranda and submissions received from stakeholders and the general public during the public and are in the attached report, recommends as follows:

> "That the Senate do consider and pass the the Banks and Other Financial Institutions Act (Amendment) Bill, 2026 (SB. 959)".

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8.0 Conclusion

Finally, we wish to use this opportunity to thank the President of the Senate and our Distinguished Colleagues for the opportunity to serve in this capacity and to respectfully commend the passage of this Bill to the Senate.

Senator Mukhtar Adetokunbo Abiru, FCA
Chairman

Dr. Enahoro Oluwakemi
Committee Clerk

SENATE COMMITTEE ON BANKING, INSURANCE AND OTHER FINANCIAL INSTITUTIONS

A Bill for an Act to Amend the Banks and Other Financial Institutions Act, No. 5 of 2020 (SB.959)

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