

VIRTUAL ASSETS REGULATION IN EAST AND WEST AFRICA

A REGIONAL COMPARATIVE ANALYSIS



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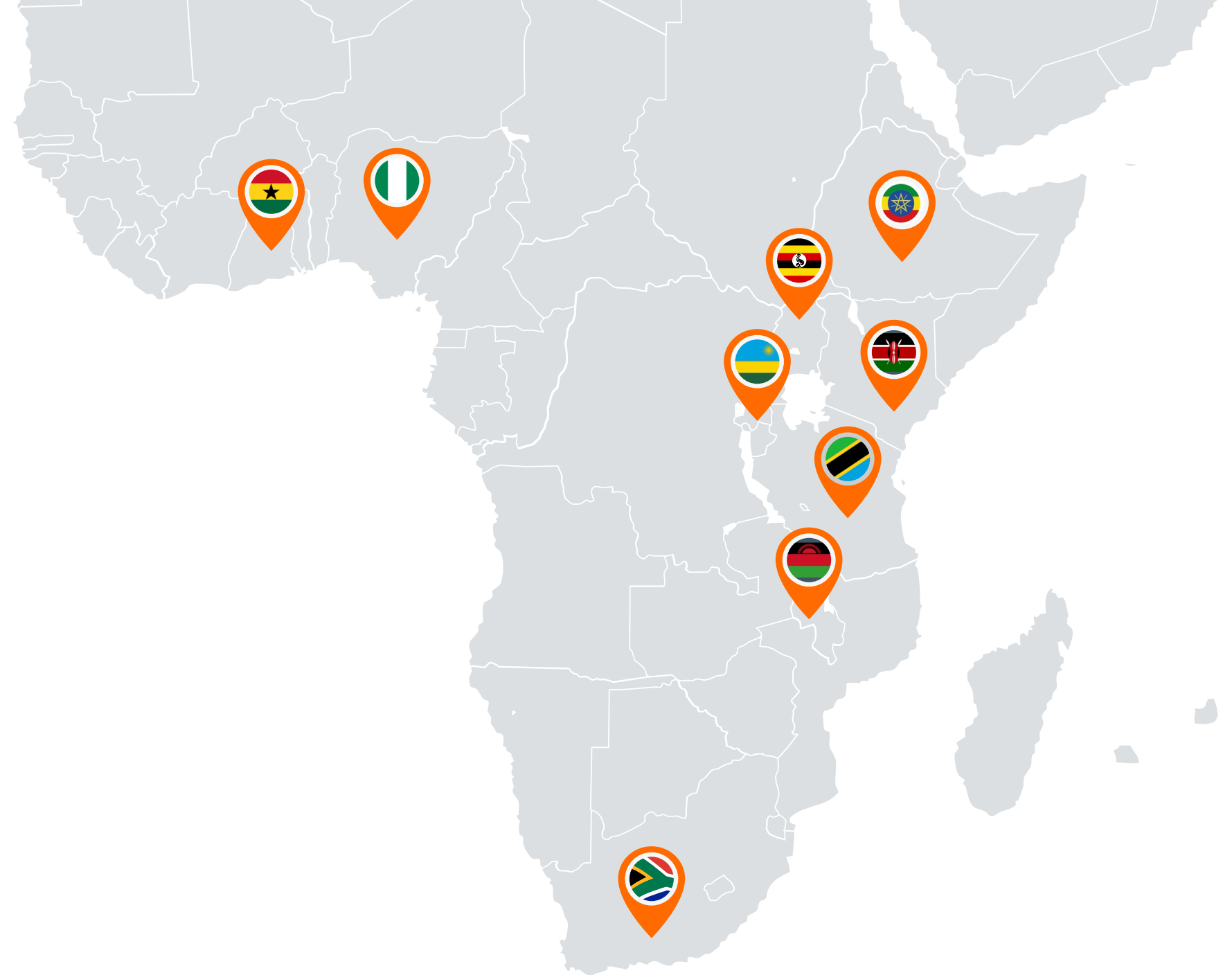
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Virtual assets, digital assets, and crypto assets all refer to the same concept, namely a digital representation of value. Virtual assets are transforming the financial sector and the way financial transactions are executed. Africa is ripe for benefiting from the advantages that fintech solutions can provide in addressing certain challenges around financial inclusion and access to services. The benefits of digital payments are identified as safety, convenience, cost-effectiveness and transparency. This guide examines the development of the regulatory regime for virtual assets across the East and West regions of Africa, including South Africa.



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SOUTH AFRICA



ARE VIRTUAL ASSETS ACCEPTED AS LEGAL TENDER IN THE JURISDICTION?

No.

HOW IS THE TERM ‘VIRTUAL ASSET’ DEFINED IN THE JURISDICTION?

Virtual assets are defined as ‘crypto assets’. A crypto asset is a digital representation of value; not issued by a central bank; capable of being traded, transferred, or stored electronically; used for the purpose of payment, investment and other forms of utility; applies cryptographical techniques; and uses distributed ledger technology.

ARE VIRTUAL ASSETS REGULATED IN THIS JURISDICTION? IF SO, WHAT LEGAL OR REGULATORY FRAMEWORKS APPLY?

Yes. Under the Financial Advisory and Intermediary Services Act.

WHICH REGULATORY AUTHORITY IS RESPONSIBLE FOR THE ENFORCEMENT OF THE ABOVE LAWS?

The Financial Sector Conduct Authority (FSCA).

DO YOU NEED A LICENCE TO DEAL WITH VIRTUAL ASSETS?

Yes. A financial service provider (FSP) licence.

IS A VIRTUAL ASSET SERVICE PROVIDER REQUIRED TO HAVE A PHYSICAL PRESENCE IN YOUR JURISDICTION?

No.

ARE THERE MINIMUM FINANCIAL REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS, AND IF SO, WHAT ARE THEY?

Yes. Crypto asset FSPs must be financially sound. They must maintain financial resources that are adequate in both amount and quality to carry out their activities, comply with supervisory arrangements, and meet their liabilities as they fall due.

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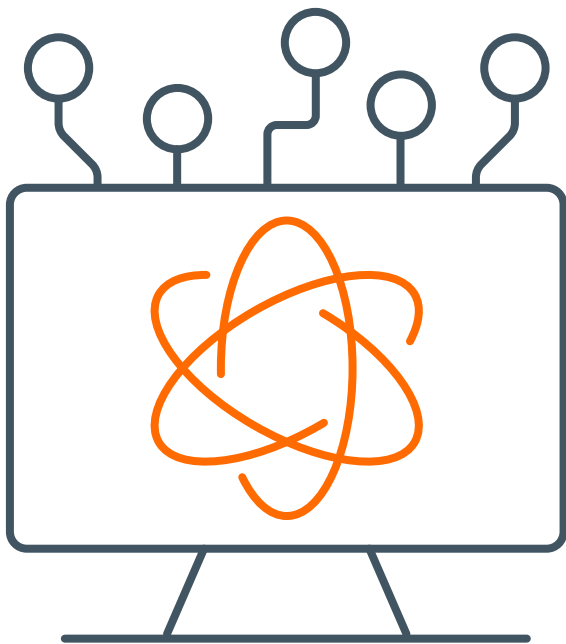


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 SOUTH AFRICA



ARE THERE LOCAL OWNERSHIP REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS?

No.

IS OWNERSHIP IN A VIRTUAL ASSET SERVICE PROVIDER FREELY TRANSFERABLE?

Yes. Ownership in a crypto asset service provider is freely transferable; however, the FSP licence itself is not transferable.

ARE THE SHAREHOLDERS/DIRECTORS OF VIRTUAL ASSET SERVICE PROVIDERS REQUIRED TO MEET ANY PRESCRIBED QUALIFICATIONS?

Yes. Significant owners and directors of a FSP must meet ‘fit and proper’ requirements.

ARE THERE ADDITIONAL LICENSING CONSIDERATIONS RELATING TO VIRTUAL ASSETS?

Yes. A crypto asset service provider is an accountable institution under the Financial Intelligence Centre Act (FICA) and is required to register with the Financial Intelligence Centre. FICA is South Africa’s anti-money laundering legislation.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT SPECIFICALLY REGULATES STABLECOINS?

No. The definition of crypto assets is wide and covers stablecoins. South Africa does not have standalone regulation that regulates stablecoins.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT REGULATES BLOCKCHAIN?

No. South Africa does not have a standalone regulation governing blockchain.

MALAWI



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ARE VIRTUAL ASSETS ACCEPTED AS LEGAL TENDER IN THE JURISDICTION?

No. Virtual assets are not recognised as legal tender in Malawi. The Reserve Bank of Malawi (RBM) has repeatedly cautioned the public that cryptocurrencies such as Bitcoin are not legal tender and are not issued or guaranteed by any central authority.¹

¹ Reserve Bank of Malawi, Public Notice on Cryptocurrencies, 29 May 2019.

HOW IS THE TERM 'VIRTUAL ASSET' DEFINED IN THE JURISDICTION?

There is no statutory definition of virtual asset or "crypto asset" in Malawi. However, in its 2019 and 2020 press releases, RBM refers to cryptocurrencies as "digital currencies" and defines them generally as digital representations of value not issued by any central bank but used as a medium of exchange through cryptographic systems.²

² Reserve Bank of Malawi, Public Awareness Messages and Press Releases (2019–2020).

ARE VIRTUAL ASSETS REGULATED IN THIS JURISDICTION? IF SO, WHAT LEGAL OR REGULATORY FRAMEWORKS APPLY?

No. As of July 2025, Malawi does not have a specific regulatory framework for virtual assets. RBM considers them unregulated and cautions against their use.³

³ See note 1.

WHICH REGULATORY AUTHORITY IS RESPONSIBLE FOR THE ENFORCEMENT OF THE ABOVE LAWS?

RBM is the *de facto* authority issuing guidance and public notices on virtual assets.⁴ If virtual assets were recognised as a medium for financial transactions, they would be regulated by RBM.

⁴ Reserve Bank of Malawi Act, Cap. 44:02 of the Laws of Malawi.

DO YOU NEED A LICENCE TO DEAL WITH VIRTUAL ASSETS?

There is no licensing regime for virtual asset service providers (VASPs) in Malawi as virtual assets are not recognised nor regulated. However, entities operating digital financial services may fall under the supervision of RBM if they engage in activities regulated under the Financial Services Act or the Payment Systems Act.⁵

⁵ Financial Services Act, 2010, Cap 44:05 of Laws of Malawi.

IS A VIRTUAL ASSET SERVICE PROVIDER REQUIRED TO HAVE A PHYSICAL PRESENCE IN YOUR JURISDICTION?

Not regulated. As there is no regulatory regime for VASPs, no such requirement currently exists.



MALAWI



ARE THERE MINIMUM FINANCIAL REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS, AND IF SO, WHAT ARE THEY?

No. Malawi does not prescribe minimum capital or financial requirements for VASPs.

ARE THERE LOCAL OWNERSHIP REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS?

No. There are no specific local ownership requirements for VASPs in Malawi

IS OWNERSHIP IN A VIRTUAL ASSET SERVICE PROVIDER FREELY TRANSFERABLE?

Not specifically regulated. Malawi has no framework governing the ownership structure of VASPs.

ARE THE SHAREHOLDERS/DIRECTORS OF VIRTUAL ASSET SERVICE PROVIDERS REQUIRED TO MEET ANY PRESCRIBED QUALIFICATIONS?

Not currently required. Malawi has no regulations prescribing qualifications for directors/shareholders of VASPs.

ARE THERE ADDITIONAL LICENSING CONSIDERATIONS RELATING TO VIRTUAL ASSETS?

Yes, potentially. If a VASP engages in services that could fall under “money transmission” or financial services, it may be subject to anti-money laundering (AML) requirements under the Financial Crimes Act (2022) and the Financial Services Act (2010). However, no clear AML/CFT obligations currently apply directly to VASPs.⁶

⁶ Financial Crimes Act, 2022, Cap 7:07 of the Laws of Malawi.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT SPECIFICALLY REGULATES STABLECOINS?

No. Malawi does not have specific legislation for stablecoins. Stablecoins would likely be treated similarly to other digital or crypto assets under current policy, which warns against their use.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT REGULATES BLOCKCHAIN?

No. Malawi does not have legislation that regulates blockchain technology. However, there are discussions and regional engagements exploring its use in areas like land registries and agriculture.

ETHIOPIA



ARE VIRTUAL ASSETS ACCEPTED AS LEGAL TENDER IN THE JURISDICTION?

No. The use of cryptocurrency or any digital or electronic currency for payments is explicitly prohibited under Ethiopian law.

HOW IS THE TERM ‘VIRTUAL ASSET’ DEFINED IN THE JURISDICTION?

There is no statutory definition of virtual assets.

ARE VIRTUAL ASSETS REGULATED IN THIS JURISDICTION? IF SO, WHAT LEGAL OR REGULATORY FRAMEWORKS APPLY?

No, except for the prohibition on using them.

WHICH REGULATORY AUTHORITY IS RESPONSIBLE FOR THE ENFORCEMENT OF THE ABOVE LAWS?

Not applicable.

DO YOU NEED A LICENCE TO DEAL WITH VIRTUAL ASSETS?

Not applicable.

IS A VIRTUAL ASSET SERVICE PROVIDER REQUIRED TO HAVE A PHYSICAL PRESENCE IN YOUR JURISDICTION?

Not applicable.

ARE THERE MINIMUM FINANCIAL REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS, AND IF SO, WHAT ARE THEY?

Not applicable.

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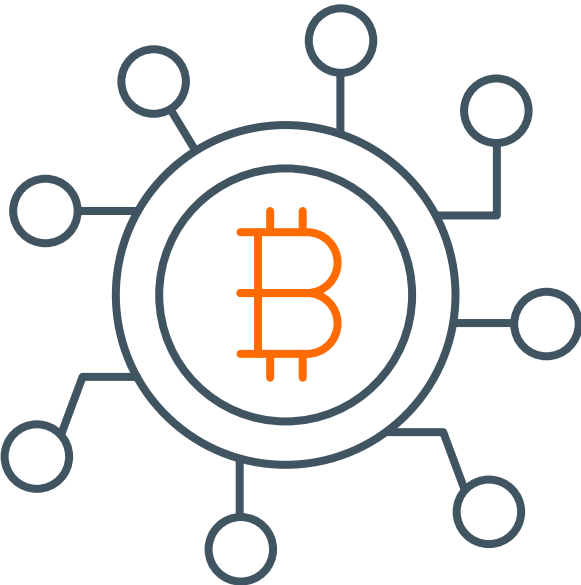


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ETHIOPIA



ARE THERE LOCAL OWNERSHIP REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS?

Not applicable.

IS OWNERSHIP IN A VIRTUAL ASSET SERVICE PROVIDER FREELY TRANSFERABLE?

Not applicable.

ARE THE SHAREHOLDERS/DIRECTORS OF VIRTUAL ASSET SERVICE PROVIDERS REQUIRED TO MEET ANY PRESCRIBED QUALIFICATIONS?

Not applicable.

ARE THERE ADDITIONAL LICENSING CONSIDERATIONS RELATING TO VIRTUAL ASSETS?

Not applicable.

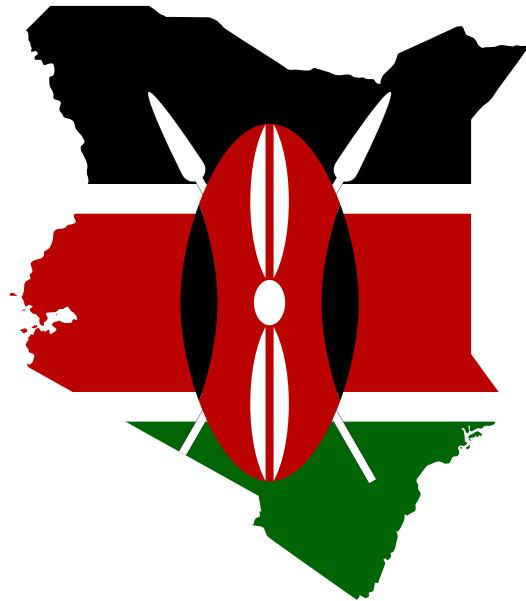
DOES YOUR JURISDICTION HAVE LEGISLATION THAT SPECIFICALLY REGULATES STABLECOINS?

No.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT REGULATES BLOCKCHAIN?

No.

KENYA



ARE VIRTUAL ASSETS ACCEPTED AS LEGAL TENDER IN THE JURISDICTION?

No.

HOW IS THE TERM 'VIRTUAL ASSET' DEFINED IN THE JURISDICTION?

The Virtual Asset Service Providers Act, 2025 (VASP Act) defines a virtual asset as: a digital representation of value that can be digitally traded or transferred and can be used for payment or investment purposes and does not include digital representations of fiat currencies, e-money, securities, and other financial assets.

ARE VIRTUAL ASSETS REGULATED IN THIS JURISDICTION? IF SO, WHAT LEGAL OR REGULATORY FRAMEWORKS APPLY?

Yes. The VASP Act established a regulatory framework for virtual assets and service providers in Kenya.

WHICH REGULATORY AUTHORITY IS RESPONSIBLE FOR THE ENFORCEMENT OF THE ABOVE LAWS?

The Capital Markets Authority and the Central Bank of Kenya.

DO YOU NEED A LICENCE TO DEAL WITH VIRTUAL ASSETS?

Yes. The VASP Act introduces a licensing regime.

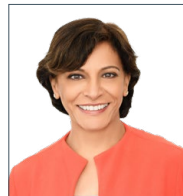
IS A VIRTUAL ASSET SERVICE PROVIDER REQUIRED TO HAVE A PHYSICAL PRESENCE IN YOUR JURISDICTION?

Yes. The VASP Act requires physical presence.

ARE THERE MINIMUM FINANCIAL REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS, AND IF SO, WHAT ARE THEY?

The VASP Act creates the obligation that a virtual asset service provider shall always maintain its business in a financially sound condition by complying with such capital, solvency and insurance requirements as may be prescribed.

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KENYA



ARE THERE LOCAL OWNERSHIP REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS?

No.

IS OWNERSHIP IN A VIRTUAL ASSET SERVICE PROVIDER FREELY TRANSFERABLE?

No.

ARE THE SHAREHOLDERS/DIRECTORS OF VIRTUAL ASSET SERVICE PROVIDERS REQUIRED TO MEET ANY PRESCRIBED QUALIFICATIONS?

In terms of the VASP Act a director, principal officer or such other persons must be fit and proper as determined by the relevant regulatory authority.

ARE THERE ADDITIONAL LICENSING CONSIDERATIONS RELATING TO VIRTUAL ASSETS?

No.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT SPECIFICALLY REGULATES STABLECOINS?

No.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT REGULATES BLOCKCHAIN?

No.

RWANDA

**ARE VIRTUAL ASSETS ACCEPTED AS LEGAL TENDER IN THE JURISDICTION?**

No. Virtual assets are not recognised as legal tender in Rwanda, and participation in crypto-related activities through regulated financial institutions remains prohibited. In February 2023, the National Bank of Rwanda (NBR) formally warned its institutions against facilitating crypto transactions, citing fraud, volatility, and financial instability risks. The National Bank of Rwanda is currently working on developing formal regulatory frameworks and structures for digital assets.

HOW IS THE TERM 'VIRTUAL ASSET' DEFINED IN THE JURISDICTION?

Virtual assets are not yet defined in statute.

ARE VIRTUAL ASSETS REGULATED IN THIS JURISDICTION? IF SO, WHAT LEGAL OR REGULATORY FRAMEWORKS APPLY?

Not yet. The NBR is developing a formal regulatory framework.

WHICH REGULATORY AUTHORITY IS RESPONSIBLE FOR THE ENFORCEMENT OF THE ABOVE LAWS?

The National Bank of Rwanda (NBR).

DO YOU NEED A LICENCE TO DEAL WITH VIRTUAL ASSETS?

No.

IS A VIRTUAL ASSET SERVICE PROVIDER REQUIRED TO HAVE A PHYSICAL PRESENCE IN YOUR JURISDICTION?

Not applicable.

ARE THERE MINIMUM FINANCIAL REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS, AND IF SO, WHAT ARE THEY?

Not applicable.

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RWANDA



ARE THERE LOCAL OWNERSHIP REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS?

No.

IS OWNERSHIP IN A VIRTUAL ASSET SERVICE PROVIDER FREELY TRANSFERABLE?

Yes, under Rwanda’s general commercial law terms. (Law No. 45/2011, of 25/11/2011 governing contracts, Article 64) which states that contracts made, in accordance with the law, shall be binding between parties and may only be revoked at the consent of the parties or for reasons based on law. They shall be performed in good faith.

ARE THE SHAREHOLDERS/DIRECTORS OF VIRTUAL ASSET SERVICE PROVIDERS REQUIRED TO MEET ANY PRESCRIBED QUALIFICATIONS?

Not yet required.

ARE THERE ADDITIONAL LICENSING CONSIDERATIONS RELATING TO VIRTUAL ASSETS?

Not applicable. NBR issued a 2021 caution against crypto use and has launched a fintech regulatory sandbox (not crypto-specific).

DOES YOUR JURISDICTION HAVE LEGISLATION THAT SPECIFICALLY REGULATES STABLECOINS?

Not currently regulated.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT REGULATES BLOCKCHAIN?

No.

TANZANIA

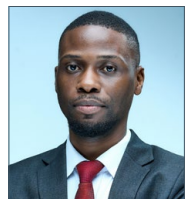


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breakthroughattorneys.com**ARE VIRTUAL ASSETS ACCEPTED AS LEGAL TENDER IN THE JURISDICTION?**

No. Virtual assets are not accepted as legal tender in Tanzania. The Tanzanian Shilling is the only legal tender.

HOW IS THE TERM 'VIRTUAL ASSET' DEFINED IN THE JURISDICTION?

Two separate definitions exist:

For tax purposes: Digital assets include anything of value that is intangible, including cryptocurrencies, token code, number held in digital form and generated through cryptographic means or any other means, by whatever name called, providing a digital representation of value exchanged with or without consideration that can be transferred, stored or exchanged electronically; or a non-fungible token or any other token of similar nature.

For anti-money laundering purposes: Virtual assets are defined as digital representations of value that can be digitally traded or transferred and used for payment or investment purposes, and are recognised by the government of the United Republic and do not include digital representations of fiat currencies, securities, and other financial assets that are already covered in the laws of the United Republic.

ARE VIRTUAL ASSETS REGULATED IN THIS JURISDICTION? IF SO, WHAT LEGAL OR REGULATORY FRAMEWORKS APPLY?

Partially. Tanzania has no virtual asset service provider framework, but there are anti-money laundering and tax rules. These are:

- Anti-Money Laundering Act [Cap. 423 R.E. 2022]
- Income Tax Act [Cap. 332], as amended by the Finance Act, No. 6 of 2024

WHICH REGULATORY AUTHORITY IS RESPONSIBLE FOR THE ENFORCEMENT OF THE ABOVE LAWS?

- Financial Intelligence Unit (FIU) - (the Anti-Money Laundering Act)
- Tanzania Tax Revenue Authority - (the Income Tax Act)

DO YOU NEED A LICENCE TO DEAL WITH VIRTUAL ASSETS?

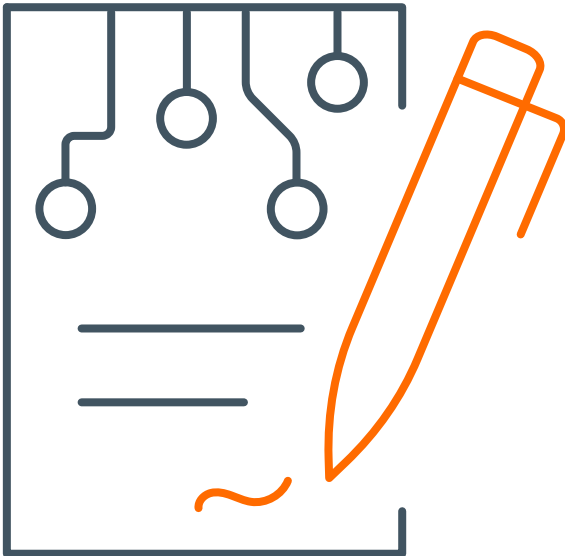
No bespoke license exists. The Bank of Tanzania has prohibited crypto activities.

IS A VIRTUAL ASSET SERVICE PROVIDER REQUIRED TO HAVE A PHYSICAL PRESENCE IN YOUR JURISDICTION?

Not applicable.



TANZANIA



ARE THERE MINIMUM FINANCIAL REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS, AND IF SO, WHAT ARE THEY?

Not applicable.

ARE THERE LOCAL OWNERSHIP REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS?

Not legislated.

IS OWNERSHIP IN A VIRTUAL ASSET SERVICE PROVIDER FREELY TRANSFERABLE?

Not applicable.

ARE THE SHAREHOLDERS/DIRECTORS OF VIRTUAL ASSET SERVICE PROVIDERS REQUIRED TO MEET ANY PRESCRIBED QUALIFICATIONS?

Not applicable.

ARE THERE ADDITIONAL LICENSING CONSIDERATIONS RELATING TO VIRTUAL ASSETS?

Not applicable. As there is no primary licensing regime. However, the electronic payment systems would require a payment system license as an additional requirement.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT SPECIFICALLY REGULATES STABLECOINS?

No. The definition of virtual assets and digital assets generally covers stablecoins.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT REGULATES BLOCKCHAIN?

No.

UGANDA



ARE VIRTUAL ASSETS ACCEPTED AS LEGAL TENDER IN THE JURISDICTION?

No. Virtual assets are not recognised by the Central Bank and the Ministry of Finance, but private trading occurs at the individual's own risk. The Uganda High Court has also issued a decision to the effect that digital assets such as cryptocurrency are not recognised legal tender.¹

¹ Silver Kayondo v Bank of Uganda, High Court of Uganda at Kampala, Civil Division Miscellaneous Cause No. 109 of 2022

HOW IS THE TERM 'VIRTUAL ASSET' DEFINED IN THE JURISDICTION?

Virtual assets are not yet defined in statute. A group referenced as the Virtual Assets Working Group (the Working Group) under the Financial Intelligence Authority (mandated with curbing anti-money laundering and terrorism financing), has embarked on a mission to preserve the financial integrity of the financial services sector alongside other regulators, by including virtual asset service providers on its watch-list for compliance with the provisions of the Anti-Money Laundering Act, Cap 118. This Working Group has created working guidelines on how virtual asset service providers are to be defined and therefore what virtual assets are. The Working Group relies on the definition provided by the Financial Action Task Force, which refers to a virtual asset as any digital representation of value that can be digitally traded or transferred and used for payment or investment purposes.

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ARE VIRTUAL ASSETS REGULATED IN THIS JURISDICTION? IF SO, WHAT LEGAL OR REGULATORY FRAMEWORKS APPLY?

No.

WHICH REGULATORY AUTHORITY IS RESPONSIBLE FOR THE ENFORCEMENT OF THE ABOVE LAWS?

Not applicable.

DO YOU NEED A LICENCE TO DEAL WITH VIRTUAL ASSETS?

No.

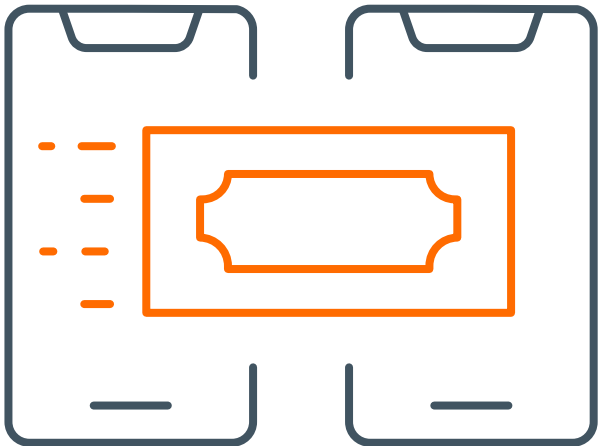
IS A VIRTUAL ASSET SERVICE PROVIDER REQUIRED TO HAVE A PHYSICAL PRESENCE IN YOUR JURISDICTION?

No.

ARE THERE MINIMUM FINANCIAL REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS, AND IF SO, WHAT ARE THEY?

No.

UGANDA



ARE THERE LOCAL OWNERSHIP REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS?

No.

IS OWNERSHIP IN A VIRTUAL ASSET SERVICE PROVIDER FREELY TRANSFERABLE?

Yes, as no crypto-specific restrictions exist. Since there is no regulatory framework governing virtual assets service providers, there are no limitations to the transferability of ownership in a virtual asset service provider.

ARE THE SHAREHOLDERS/DIRECTORS OF VIRTUAL ASSET SERVICE PROVIDERS REQUIRED TO MEET ANY PRESCRIBED QUALIFICATIONS?

No prescribed requirements.

ARE THERE ADDITIONAL LICENSING CONSIDERATIONS RELATING TO VIRTUAL ASSETS?

Yes. A virtual asset service provider qualifies as an accountable person under the Anti-Money Laundering Act, Cap. 118 and the Anti-Money Laundering (Amendment of Second Schedule) Instrument, 2020. Accordingly, they are required to register with the Financial Intelligence Authority. In addition to the registration requirement, a virtual asset service provider is required to comply with the obligations on an accountable person under the Anti-Money Laundering Act, which obligations include: conducting due-diligence on its customers; implementing risk management systems; developing and implementing programmes to prevent money laundering, generating anti-money laundering policies and procedures; maintaining up to date records on its customers; reporting suspicious transactions; etc.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT SPECIFICALLY REGULATES STABLECOINS?

No.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT REGULATES BLOCKCHAIN?

No.

GHANA



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ARE VIRTUAL ASSETS ACCEPTED AS LEGAL TENDER IN THE JURISDICTION?

No.

HOW IS THE TERM 'VIRTUAL ASSET' DEFINED IN THE JURISDICTION?

There is no formal definition for 'virtual assets' in Ghana. However, the Bank of Ghana, in its draft guidelines on digital assets issued in August 2024 (the Guidelines), adopted the Financial Action Task Force's (FATF) definition for virtual assets. Virtual assets according to the Guidelines are a digital representation of value that can be digitally traded or transferred and can be used for payment or investment purposes. Digital assets are defined in the Guidelines as any form of electronically stored or encoded content with intrinsic value. They cover a wide range of assets such as virtual assets (eg Bitcoin), tokenised assets representing real-world items, digital documents, and multimedia files.

ARE VIRTUAL ASSETS REGULATED IN THIS JURISDICTION? IF SO, WHAT LEGAL OR REGULATORY FRAMEWORKS APPLY?

No. However, the Bank of Ghana has signalled its intention to begin regulating virtual assets in Ghana in the coming months. In July 2025, the Bank of Ghana issued a notice requiring all virtual asset service providers operating in Ghana to register with the Bank of Ghana by 15 August 2025. Failure to comply with the registration requirement may result in sanctions and disqualification from future licensing. Virtual asset service providers are considered as accountable institutions under the Anti-Money Laundering Act, 2020 (Act 1044) (AML Act), which means they are brought within Ghana's anti-money laundering and counter-terrorist financing (AML/CFT) regime.

WHICH REGULATORY AUTHORITY IS RESPONSIBLE FOR THE ENFORCEMENT OF THE ABOVE LAWS?

Not applicable.

DO YOU NEED A LICENCE TO DEAL WITH VIRTUAL ASSETS?

No. However, as set out above, this position is expected to change in the coming months.

IS A VIRTUAL ASSET SERVICE PROVIDER REQUIRED TO HAVE A PHYSICAL PRESENCE IN YOUR JURISDICTION?

Not applicable.



GHANA

**ARE THERE MINIMUM FINANCIAL REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS, AND IF SO, WHAT ARE THEY?**

Not applicable.

ARE THERE LOCAL OWNERSHIP REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS?

Not applicable.

IS OWNERSHIP IN A VIRTUAL ASSET SERVICE PROVIDER FREELY TRANSFERABLE?

Not applicable.

ARE THE SHAREHOLDERS/DIRECTORS OF VIRTUAL ASSET SERVICE PROVIDERS REQUIRED TO MEET ANY PRESCRIBED QUALIFICATIONS?

Not applicable.

ARE THERE ADDITIONAL LICENSING CONSIDERATIONS?

Although, as outlined above, there is presently no licensing requirement for virtual asset service providers, they are classified as accountable institutions and must comply with Ghana's AML/CFT framework. This includes conducting customer due diligence and verifying the identity of customers before establishing a business relationship, as well as monitoring transactions for suspicious activity and filing suspicious transaction reports with the Financial Intelligence Centre.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT SPECIFICALLY REGULATES STABLECOINS?

No.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT REGULATES BLOCKCHAIN?

No.

NIGERIA



ARE VIRTUAL ASSETS ACCEPTED AS LEGAL TENDER IN THE JURISDICTION?

No.

HOW IS THE TERM 'VIRTUAL ASSET' DEFINED IN THE JURISDICTION?

Under Nigerian law, virtual assets are defined differently from digital assets. Virtual assets are defined as a digital representation of value that can be transferred, digitally traded and used for payment or investment purposes. They do not include digital representations of fiat currencies, securities and other financial assets that are regulated under the Investment and Securities Act, 2025. On the other hand, digital assets are defined as digital tokens or crypto tokens.

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ARE VIRTUAL ASSETS REGULATED IN THIS JURISDICTION? IF SO, WHAT LEGAL OR REGULATORY FRAMEWORKS APPLY?

Yes.

- The Investment and Securities Act, 2025.
- The Finance Act, 2023.
- The Money Laundering (Prevention and Prohibition) Act, 2022.
- The CBN Guidelines on Operations of Bank Accounts for Virtual Assets Service Providers (VASPs).
- The SEC Rules on Issuance, Offering Platforms and Custody of Digital Assets, 2022.
- The SEC Amendments to the Rules on Digital Assets Issuance, Offering Platform, Exchange, and Custody, 2024, which took effect 30 June 2025 (SEC 2024 Amended Rules').
- The National Blockchain Policy for Nigeria, 2023.
- The Nigeria Tax Act, 2025, which is to take effect on 1 January 2026.

WHICH REGULATORY AUTHORITY IS RESPONSIBLE FOR THE ENFORCEMENT OF THE ABOVE LAWS?

- The Securities and Exchange Commission.
- The Central Bank of Nigeria.
- The Nigeria Revenue Service (formerly called the Federal Inland Revenue Service).
- The National Finance Intelligence Unit (NFIU).



NIGERIA

**DO YOU NEED A LICENCE TO DEAL WITH VIRTUAL ASSETS?**

Yes. No person or entity is allowed to provide any virtual asset services in the Nigerian capital market unless registered by the Securities and Exchange Commission.

IS A VIRTUAL ASSET SERVICE PROVIDER REQUIRED TO HAVE A PHYSICAL PRESENCE IN YOUR JURISDICTION?

Yes. Under the SEC 2024 Amended Rules, a company seeking to operate as a virtual asset service provider in the Nigerian capital market must be incorporated in Nigeria and must have an office located in Nigeria. In addition, its principal officers are mandated to be resident in Nigeria. However, in certain instances, the Securities and Exchange Commission may register a foreign virtual asset service provider, such as a digital asset custodian, where it meets the requirements under the Rules.

ARE THERE MINIMUM FINANCIAL REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS, AND IF SO, WHAT ARE THEY?

Yes. According to the SEC 2024 Amended Rules, a VASP may, upon registration and obtaining the relevant licence, operate as a Digital Assets Offering Platform (DAOP), Digital Assets Exchange (DAX), Digital Assets Custodian (DAC), or Digital Assets Intermediary (DAI). Each service has its own minimum capital requirement, as outlined below:

- DAOP - NGN 500 million
- DAX (Digital Asset OTC or Digital Broker Model) - NGN 1 billion
- DAC - NGN 1 billion
- DAI:
 - Broker/dealer - NGN 500 million
 - Portfolio manager - NGN 300 million
 - Trustee - NGN 200 million
 - Investment Adviser - NGN 100 million

In addition, all VASPs are required to have a current fidelity bond covering 25% of the minimum capital.

ARE THERE LOCAL OWNERSHIP REQUIREMENTS FOR VIRTUAL ASSET SERVICE PROVIDERS?

Aside from the requirement to be physically incorporated in Nigeria, with its principal officers being resident in Nigeria, there are no specific local ownership requirements for shareholders.



NIGERIA

IS OWNERSHIP IN A VIRTUAL ASSET SERVICE PROVIDER FREELY TRANSFERABLE?

Yes, ownership in a virtual asset service provider is freely transferable, subject to the company's articles of association and regulatory oversight where such transfer triggers a change in control. However, transfers of the licences themselves are not expressly mentioned in any of the rules or guidelines. As such, every entity intending to operate as a VASP must obtain approval from the Securities and Exchange Commission.

ARE THE SHAREHOLDERS/DIRECTORS OF VIRTUAL ASSET SERVICE PROVIDERS REQUIRED TO MEET ANY PRESCRIBED QUALIFICATIONS?

Yes.

The SEC 2024 Amended Rules provide certain requirements and qualifications for the board of directors and the principal officers, comprising the compliance officer, the risk officer, the chief operating officer and the chief executive officer. However, no similar requirements exist for shareholders of virtual asset service providers.

ARE THERE ADDITIONAL LICENSING CONSIDERATIONS?

Yes. Under the Money Laundering (Prevention and Prohibition) Act, 2022, financial institutions are defined to include virtual asset service providers. Pursuant to this, virtual asset service providers are required to register with the Nigerian Financial Intelligence Unit and comply with reporting requirements under the Act.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT SPECIFICALLY REGULATES STABLECOINS?

No. The SEC 2024 Amended Rules classify stablecoins as a form of virtual asset. Given that virtual assets are included in the definition of "securities" under the Investment and Securities Act, 2025, the regulation of stablecoins is covered under the laws and regulations highlighted above.

DOES YOUR JURISDICTION HAVE LEGISLATION THAT REGULATES BLOCKCHAIN?

No. Nigeria does not have a standalone legislation regulating blockchain; however, the above-listed laws, together with the National Blockchain Policy, 2023, provide some regulation and guidance regarding dealings in blockchain-based offers of digital assets within Nigeria or by Nigerian issuers or sponsors or foreign issuers targeting Nigerian investors. The National Blockchain Policy, 2023, issued by the Federal Government, outlines the strategic framework for integrating blockchain technology into Nigeria's digital economy, promoting innovation, security and trust while providing high-level guidance for regulatory agencies on its adoption and oversight.

The guide was compiled as a collaborative effort between
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