



Nigeria Limits Cash Withdrawals to \$45 per Day in CBDC, Digital Banking Push

Description

NIGERIA: Nigeria has imposed limits on cash withdrawals in a move to push consumers towards alternatives, including its own Central Bank Digital Currency (CBDC), the eNaira.

In [a letter](#) to banks and other financial institutions published on Tuesday, the Central Bank of Nigeria (CBN) applied new limits on over-the-counter withdrawals at just ₦100,000 (\$225) per week for individuals and ₦500,000 (\$1,123) for businesses.

Taking cash out of ATMs will be capped at ₦20,000 (\$45) per day, with only ₦200 (\$0.45) notes and smaller denominations being available from the machines.

Customers will still be able to take out larger sums in some instances but will have to pay processing fees of between 5% and 10%.

The move was justified in the letter as being in line with “the Cashless policy of the CBN.”

The central bank’s director of Banking Supervision Haruna B. Mustafa wrote that customers “should be encouraged to use alternative channels (internet banking, mobile banking apps, USSD cards/POS, eNaira, etc.) to conduct their banking transactions.”

Slow start for Nigeria’s eNaira

The eNaira was launched in October last year, but less than 0.5% of Nigerians are thought to be using it.

Compare this to the estimates for the percentage of residents holding or trading cryptocurrencies, which range from 27% to more than 50% despite the country’s ban on crypto.

The CBN has offered various incentives to kickstart the CBDC’s popularity, including a discount

scheme for motorized rickshaw taxis for users. In August, the scheme was opened up to people without bank accounts.

When it launched, the eNaira was Africa's first sovereign digital currency, and its progress has been closely watched for indicators of how other CBDC projects could go. In October this year, the CBN marked the first anniversary of the currency, noting that the launch had "put Nigeria in the global spotlight."

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