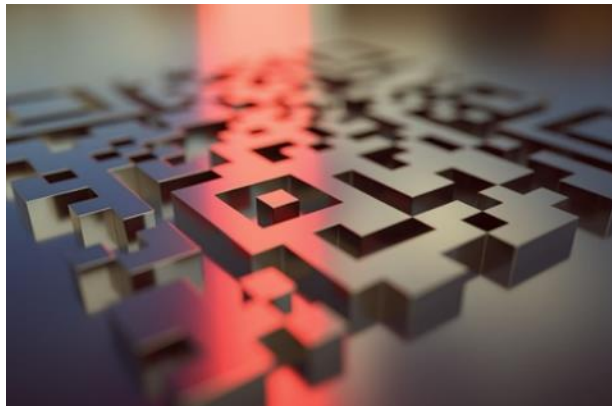




The Nigerian apex bank on the 13th of January 2021 released its framework for Quick Response (QR) Code payments in Nigeria. The framework amongst other things seeks to:

- i. Prescribe standards for implementing QR Payments in Nigeria;
- ii. Guarantee Interoperability of QR Payments systems with the bigger payment system infrastructure;
- iii. define the Roles and Responsibilities of Participants within the QR Payments architecture;
- iv. Prescribe risk management principles that assure market integrity and promote user confidence.



QR Code payment system is a simple and contactless payment model conducted by scanning quick response codes from a mobile application (usually via a smart phone) by another device and having payments transferred directly from the users account to the merchant, without the need for a POS terminal or any other hardware.

The Covid 19 Pandemic has given a rise to the adoption of QR Payment systems as merchants, retailers and consumers continue to seek/drive contactless service adoption to minimise the risk of infections at points of trade. It is projected that over 2.2Bn users will have embraced the QR Payment Systems by 2025. It is important to note that some countries such as India have mandated the introduction of QR Payment solutions for retailers falling within a prescribed turnover threshold.

The CBN Framework prescribes the acceptable QR Code specification for Nigeria - all QR Code payment systems are required to be based on the EMV® QR Code Specification for Payment Systems (or such other standards which may also be prescribed by the CBN which meet the security requirements in the framework). Further, the framework prescribes rules around activations, compliance with card scheme rules, transaction limits for users, transaction fees, user risk profile assessment parameters, settlement timelines, requirement around training, support and security guidelines for merchants, mandatory requirement for interoperability of QR Payment systems.

The Framework also prescribes elaborate/mandatory risk management principles which are intended to guide in achieving market integrity and promote user adoption. These principles include adoption and implementation of mandatory risk management guidelines by all participants within the value QR payment value chain, compliance with mandatory code encryption

standards, certificate of compliance for all QR Code applications, updates and patches to be issued by the Payment Terminal Service Aggregator (PTSA), KYC requirement for merchants onboarding. It further prescribes for dispute resolution in line with the CBN Consumer Protection Regulation and sanctions for infractions/infringements.



HOW TO GET STARTED

Do you need more information on QR Code payments? Our Technovation team is available to support you. You may contact our team on:
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