



## Blockchain Industry Coordinating Committee of Nigeria (BICCoN)

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### **5-point Crypto Advocacy Agenda in Nigeria (5 CAAN!) 500 Million Naira Fund**

We, the Blockchain Industry Coordinating Committee of Nigeria (BICCoN), the intercommunity working group set up by players in Nigeria's emerging blockchain industry, officially launch our **5-point Crypto Advocacy Agenda in Nigeria (5 CAAN!)**.

"5 CAAN" flows from our 20 November 2021 public statement on the current crypto clampdown in Nigeria. The crypto clampdown which has seen both individuals and entities cut off from access to banking and financial services in Nigeria is riding on the back of the Central Bank of Nigeria (CBN) directive on cryptocurrency of 5 February 2021.

We can no longer watch regulators continue to unduly criminalize, demonize, and discriminate against our nascent industry while failing to properly engage stakeholders in the industry on the matter. Cryptocurrency innovation calls for innovative and inclusive regulation, not prohibition or exclusion. As the players and stakeholders in Nigeria's emerging blockchain industry, we have decided to come under the auspices of BICCoN to adopt and implement the following comprehensive 5-point Crypto Advocacy Agenda in Nigeria (CAAN) for the industry:

- 1. Engage the Presidency:** As stakeholders in the Nigerian project as well, we do not think that the critical decision of *how* Nigeria should approach crypto adoption—given the far-reaching effects of this—should be left in the hands of the CBN alone. No serious democratic country that has done its homework in the digital assets space leaves or has left its central bank or reserve bank to solely determine the direction the country takes in this regard. From the United States to the United Kingdom; from Brazil to India; even in South Africa, determining a country's direction and navigating that compass is a national dialogue, not a monologue. This is the time to seek the Presidency's vision and plan regarding digital assets and their place in Nigeria's digital economy strategy and policy as presently championed by the Federal Ministry of Digital Economy and Communications which has the support of the President. We will support the Presidency with resources on best global practices in national blockchain adoption, including economic, political, and regulatory approaches to cryptocurrencies.
- 2. Engage the Finance Minister with the Ministry of Finance, Budget and National Planning:** From a national-economy angle, the Ministry is in a vital position to coordinate Nigeria's efforts as far as the economic implications of the evolution of cryptocurrencies and its adoption are concerned. Nigeria must be able to adopt policies, mobilize

resources, and implement plans that can help the country maximize the strengths and opportunities offered by cryptocurrencies, crypto assets, or digital assets while also minimizing the identified weaknesses and threats through collaboration with all relevant stakeholders and sound regulation. Apart from the CBN, the Securities and Exchange Commission (SEC), Federal Inland Revenue Service (FIRS), National Bureau of Statistic (NBS), National Planning Commission (NPC), the Nigeria Deposit Insurance Corporation (NDIC), and other relevant agencies of government are supposed to be involved in this discourse. We strongly believe that the risks associated with crypto adoption should not necessarily deny Nigeria and Nigerians the economic opportunities provided by this financial technology (fintech) called crypto. The opportunities that abound are already transforming lives in the country, and can do significantly more and contribute to the nation's GDP if properly harnessed, not demonized or isolated as it is currently the case. We will support the Ministry, including its agencies and parastatals with blockchain & cryptocurrency training programs and research.

3. **Engage law enforcement agencies:** Our law enforcement agencies will increasingly play a critical role in the policing of the crypto space. This will require investment in capacity building in cryptocurrency-crime investigation, forensics, and prosecution. In the face of the current clampdown on individual and corporate bank accounts involved in cryptocurrencies, extortion, intimidation, victimization, and other illegal activities by any officer of our law-enforcement agencies must be discouraged. Cryptocurrency is not illegal in Nigeria. It is legal. We cannot continue to criminalize the young Nigerian based on stereotypes. In today's digital economy, the Nigerian youth remains one of the most creative and industrious in the world. We must avoid generalizing and stigmatizing millions of youths over the criminal acts of a few. Therefore, law-enforcement agencies must be encouraged to adopt global best practices in handling crypto-related matters. We will be engaging with the leadership of our law-enforcement agencies to help ensure that these agencies carry out their statutory duties with the highest level of professionalism, integrity, and transparency without violating the rights of any Nigerian merely by virtue of the fact that such Nigerian is involved in cryptocurrency. We will support our law-enforcement agencies with relevant capacity-building programs on cryptocurrency investigation and prosecution in order to support national security.
4. **Engage the National Assembly:** In a three-arm government, constitutional democracy, and representative government with separation of powers, Nigeria is a modern state. When new laws are to be made on new issues or phenomena in the Nigerian society, it is the National Assembly that has been empowered by the Constitution to make laws for the good of the country. As reiterated in paragraph (3) of this public statement, we consider the CBN circular of 5 February 2021 an encroachment on the powers of the National Assembly. Consequently, the actions of the CBN with its regulated DMBs, NBFIs, and FIs are questionable. No court of law in Nigeria should allow itself to be moved to legitimize it. Thankfully, the Federal High Court (Abuja division) in *CBN v. Rise West Technologies* (Suit No: FHC/ABJ/CS/822/2021) has declared the same CBN circular invalid. The Court, per Taiwo, J. ruled that there is no extant law criminalizing dealing in cryptocurrency in

Nigeria and the CBN cannot do that with a mere circular or letter. Indeed, it is the legislature, not the CBN, that has the constitutional power to prohibit or ban cryptocurrencies in Nigeria. The drafters of our Constitution understand that certain matters require national conversations where elected representatives—in the green and red chambers—will properly and procedurally engage all stakeholders, including the members of the public about issues of national importance. Nigeria is a democracy. While we welcome CBN's intervention in the crypto space, the current criminalization and demonization of cryptocurrency by the CBN is with due respect not in Nigeria's collective interest, both as a nation and as a global leader in fintech innovation. Cryptocurrency—however revolutionary—is one of the most inventive and innovative financial technologies of the 21st century. It must be why the CBN's digital currency, the eNaira, is also built on the same *cryptography* behind bitcoin. So it is time to engage the National Assembly and for the National Assembly to equally engage all stakeholders by stepping up to its constitutional duties and responsibilities. The National Assembly's legislative oversight is also vital here. The blockchain & crypto industry is an entirely new industry with new technology that deserves new thinking. We will support our National Assembly with relevant legislative resources and capacity building programs on cryptocurrency, crypto assets, or digital assets regulation.

5. **Seek legal address.** We strongly believe in regulation that does not stifle innovation. We advocate *regulation* based on KYC/AML compliance for individuals and entities involved in cryptocurrency in the country. It is the right thing to do. And it is not a difficult thing to do. The CBN once got it right when it required DMBs, NBFIs, and OFIs in its January 2017 circular to ensure KYC/AML compliance. This is consistent with CBN's statutory powers under the Central Bank of Nigeria (CBN), the Banks and Financial Institutions Act (BOFIA), and other relevant laws. But to deny access to banking and financial services to individuals and entities in the manner the CBN started doing with its 5 February directive on cryptocurrency amounts to law-making, an act the Constitution of our dear nation frowns at. We believe in our judiciary to help Nigeria ensure that a dangerous precedent is not set by the CBN in the country. We believe in *innovative* and *inclusive* regulation. We believe in the rule of law. We believe in the Federal Republic of Nigeria.

For each of the 5 strategic consultations and engagements above, BICCoN is setting up an industry-wide consultative group that will be required to brainstorm, strategize, and then implement approved plans in accordance with the common goals and objectives of the industry.

### **Call for Partners, Collaborators, Supporters**

**5 CAAN!** is a 500 Million Naira (soft cap) initiative established for the blockchain & crypto industry towards crypto adoption and advocacy in Nigeria.

If any of our 5-point Crypto Advocacy Agenda in Nigeria (5 CAAN) as outlined above appeals to your vision and goals for crypto adoption in Nigeria and you wish to support BICCoN's efforts morally or financially, please send email to [sec@biccon.ng](mailto:sec@biccon.ng). Let's secure it, together.