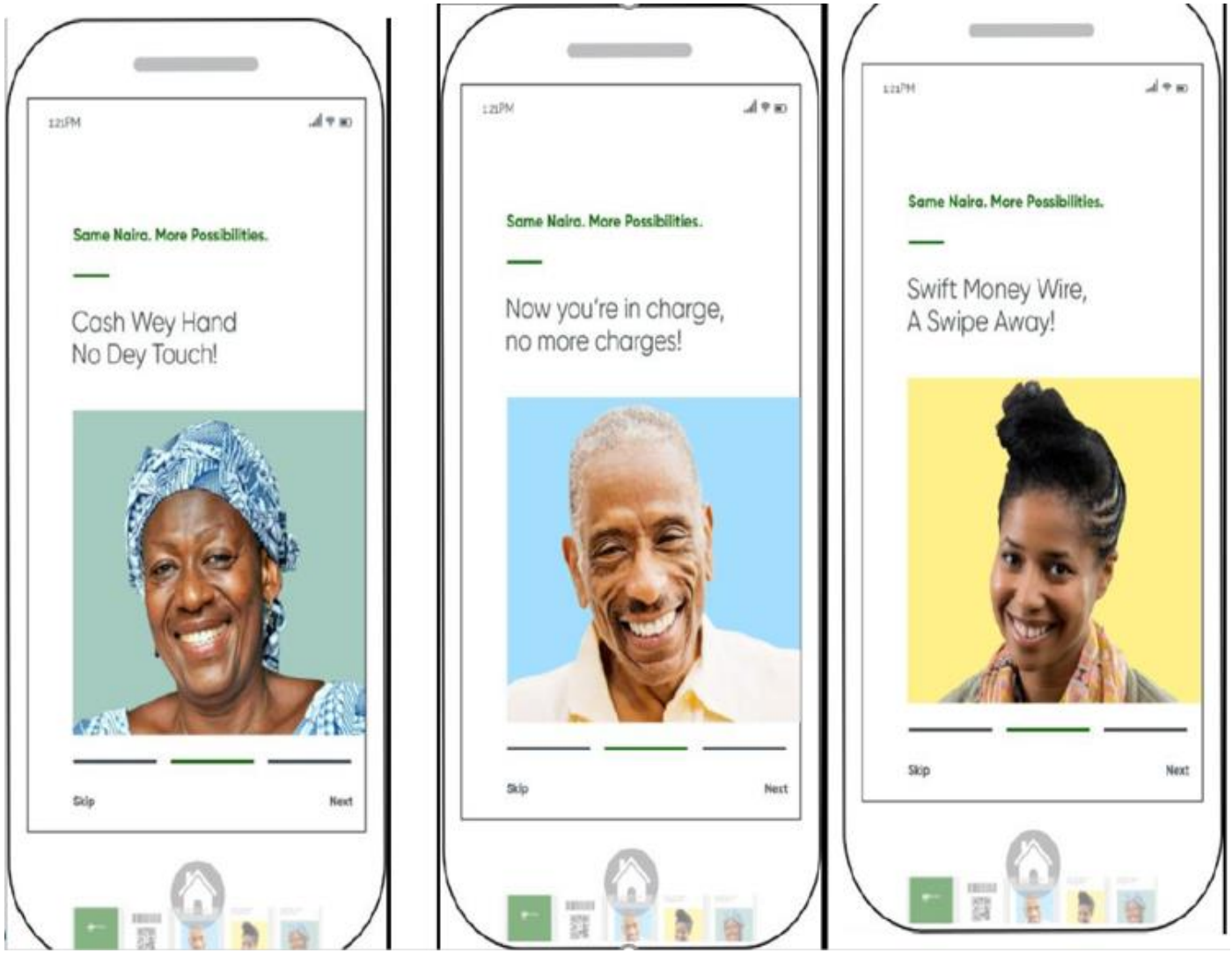
PROJECT GIANT

eNaira

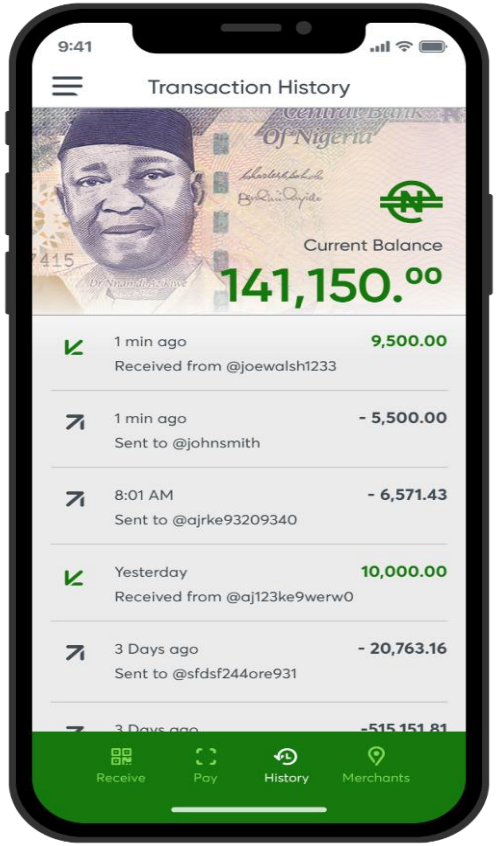
Same Naira. More Possibilities

The eNaira Design

eNaira – Designed for All



eNaira Design



- Legal Tender
- Parity of Value
- 2 Tier Retail CBDC Model
- Account-based Wallet
- Value-based
- Transaction Limit for Customers
- Tiered AML/KYC Approach (NIN, BVN as unique identifiers)
- eNaira is a Non-Interest Bearing CBDC
- Settlement Finality

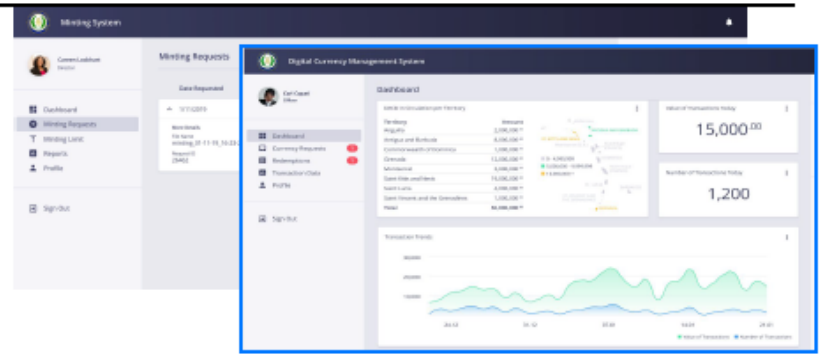
Operating Model

eNaira Operating Model

Monetary Authority
Central Banks

Minting Solution
Mint, issue, distribute, redeem and destroy digital currency

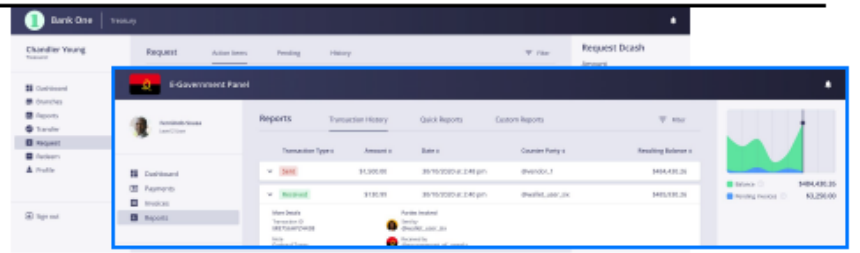
Digital Currency Manager
Execute and manage digital currency txns



Financial Institutions

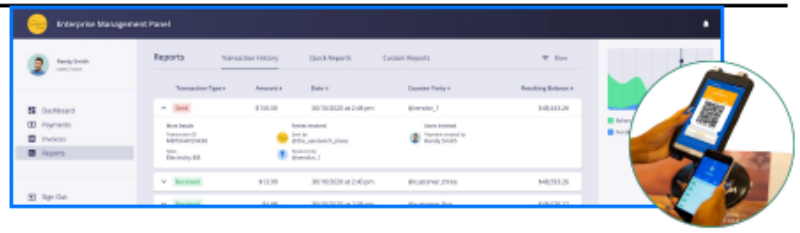
Government Agencies

Digital Currency Manager
Execute and manage digital currency txns



Businesses & Merchants

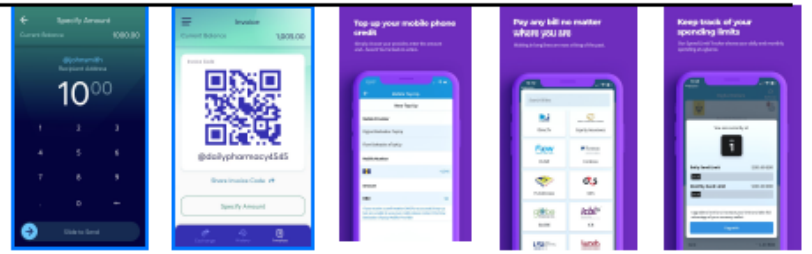
Merchant Applications
Manage C2B, B2B, B2C payments - POS, Internet



Banked Consumers

Unbanked Consumers

Consumer Wallets
Make C2C, C2B payments, incl. top ups, bill pay, taxes



eNaira Participants & Roles

Product Components						Stakeholder	Features
Monetary Authority Suite	Digital Monetary Infrastructure	Digital Currency Operations Manager	Minting Solution	Monitoring & AML Compliance	eNaira Vault	**Central bank**	• Issue, distribute, redeem & destroy digital currency • Maintain controls and security in minting function • Store data on a secure cloud server • Monitor and analyse currency transactions
Financial Institution Suite	Digital Currency Operations Manager	Core Banking Integration	Reporting / Monitoring	AML Compliance Module	eNaira Vault	**Licensed financial institution**	• Request currency or issue stablecoins • Manage digital currency across branches • KYC, identity & AML compliance capability
eGovernment Suite	E-Government Digital Currency Manager	Digital Currency Integrations	Reporting / Monitoring	Merchant Suite	eNaira Vault	**Government**	• Efficiently process digital payments sent to and received from citizens and businesses • Analyze transactions and reconcile accounts
Businesses and Merchant Suite	Digital Currency Manager for Enterprise	Merchant POS App	Reporting / Monitoring	E-Commerce Plugin	eNaira Vault	**Merchants**	• Low cost solution to manage payments • POS, remote pay, and online payments capability • Analyze transactions and reconcile accounts
Retail Consumer Suite	Mobile SDK	Custodial Mobile Wallet	Non-Custodial Mobile Wallet	Custodial Web Wallet	eNaira Vault	**Consumer**	• Customer centric design for good user experiences • Expandable architecture to facilitate innovation • Advanced privacy and security features

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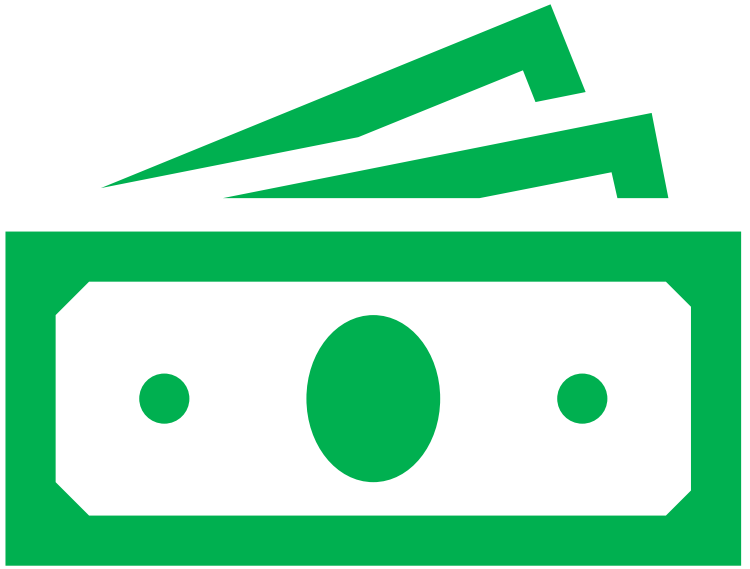
The eNaira Wallets



Consumer Wallet Tier Structure

Tier	Type	Characteristic	Minimum Requirement	Existing as per MMO
Tier 1	No Existing Bank Account	Daily Transaction Limit : Send:N50,000 Receive : N50,000 Cumulative Balance Daily: N300,000	Telephone Number (to be validated as NIN attached)	• Passport photograph • name, place & date of birth; gender; address; **telephone no.**
Tier 2	Has an Exiting Account	Daily Transaction Limit: Send:N200,000 Receive:N200,000 Cumulative Balance Daily: N500,000	BVN	• **Must provide BVN** • T1 requirement plus evidence of ID
Tier 3	Has an Exiting Account	Daily Transaction Limit Send:N1,000,000 Receive: N1,000,000 Daily Cumulative Balance : N5,000,000	BVN	• Tier II requirements plus physical verification. • Full KYC as stipulated in CBN AML/CFT Regulations
	Merchant	Daily Transaction Limit: Send: N1,000,000.00 Receive: N1,000,000.00 Daily Cumulative Balance: No limit No limit to amount they can sweep to their bank accounts	Full KYC as stipulated in CBN AML/CFT Regulations	

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Proposed Transaction Costs for eNaira Merchant (Phase 1)

Merchants

Current eTransaction Costs	Proposed eNaira Transaction Costs
• Merchant Service Charge (MSC): 0.5% (To a Max of N1000) • Electronic Money Transfer (EMT) Levy (charged from 10,000 and above for amounts received into account)– N50 • SMS Notification Fee – N4 • VAT on SMS Notification Fee - 7.5%	• Merchant Service Charge (MSC): N0 (P2B from eNaira Platform)

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Proposed Transaction Costs for Customer Wallets (Phase 1)

Individuals

Current eTransaction Costs

- Electronic Funds Transfer Fee depending on amount– N10, N25, N50
- VAT on Electronic Funds Transfer – 7.5%
- If transaction is initiated via USSD, USSD service charge will also apply- N6.98
- Electronic Money Transfer (EMT) Levy (charged from 10,000 and above for amounts received into account) – N50
- SMS Notification Fee – N4
- VAT on SMS Notification Fee - 7.5%
- Withdrawal at Agent location- N100+ (depending on the amount to be withdrawn)
- Remote On Us Cash withdrawal at ATM after the third withdrawal- N35
- Card-less ATM Withdrawal – N50

Proposed eNaira Transaction Costs

- User Wallet to Merchant – N0
- P2P Wallet Transactions - N0
- User Wallet to Bank account in Users Bank or different bank – N?
- Cash withdrawal at Agent/Merchant location- N?

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High Level eNaira Processes

eNaira Use Cases - Onboarding

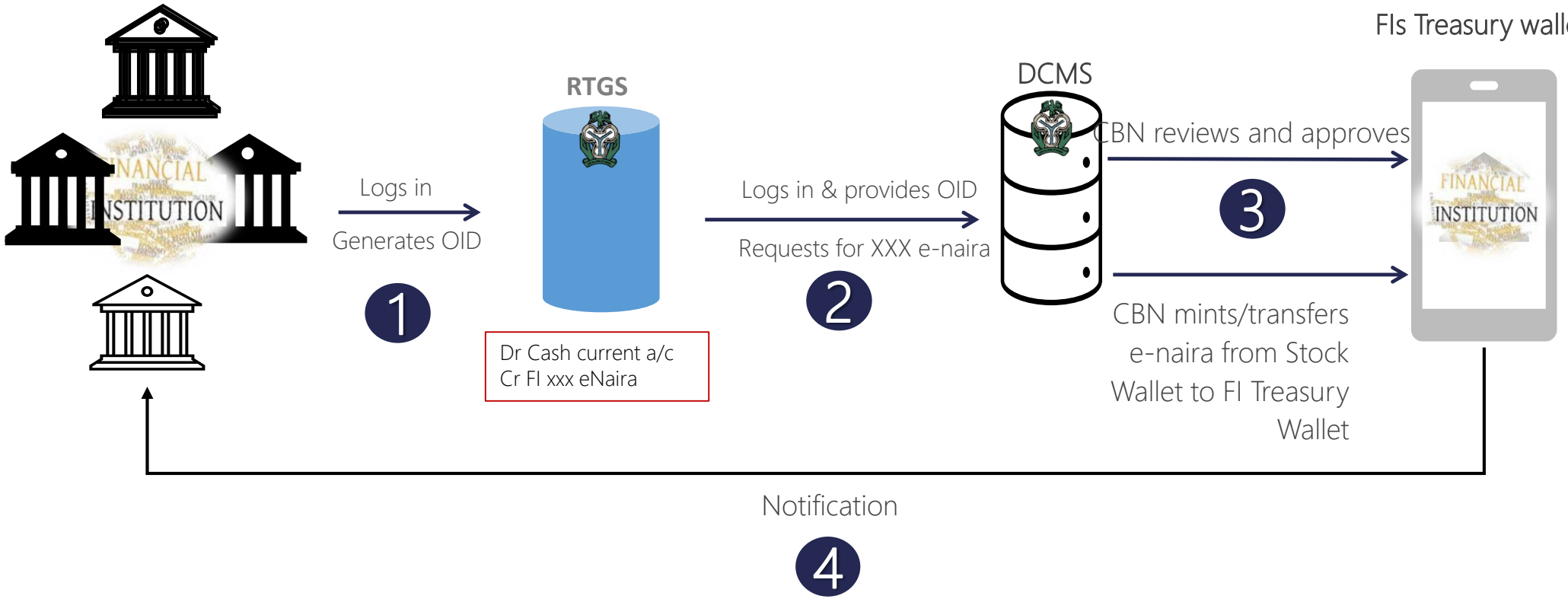
FI Request and Uptake of eNaira

Crediting the Treasury Wallet (Request For eNaira)

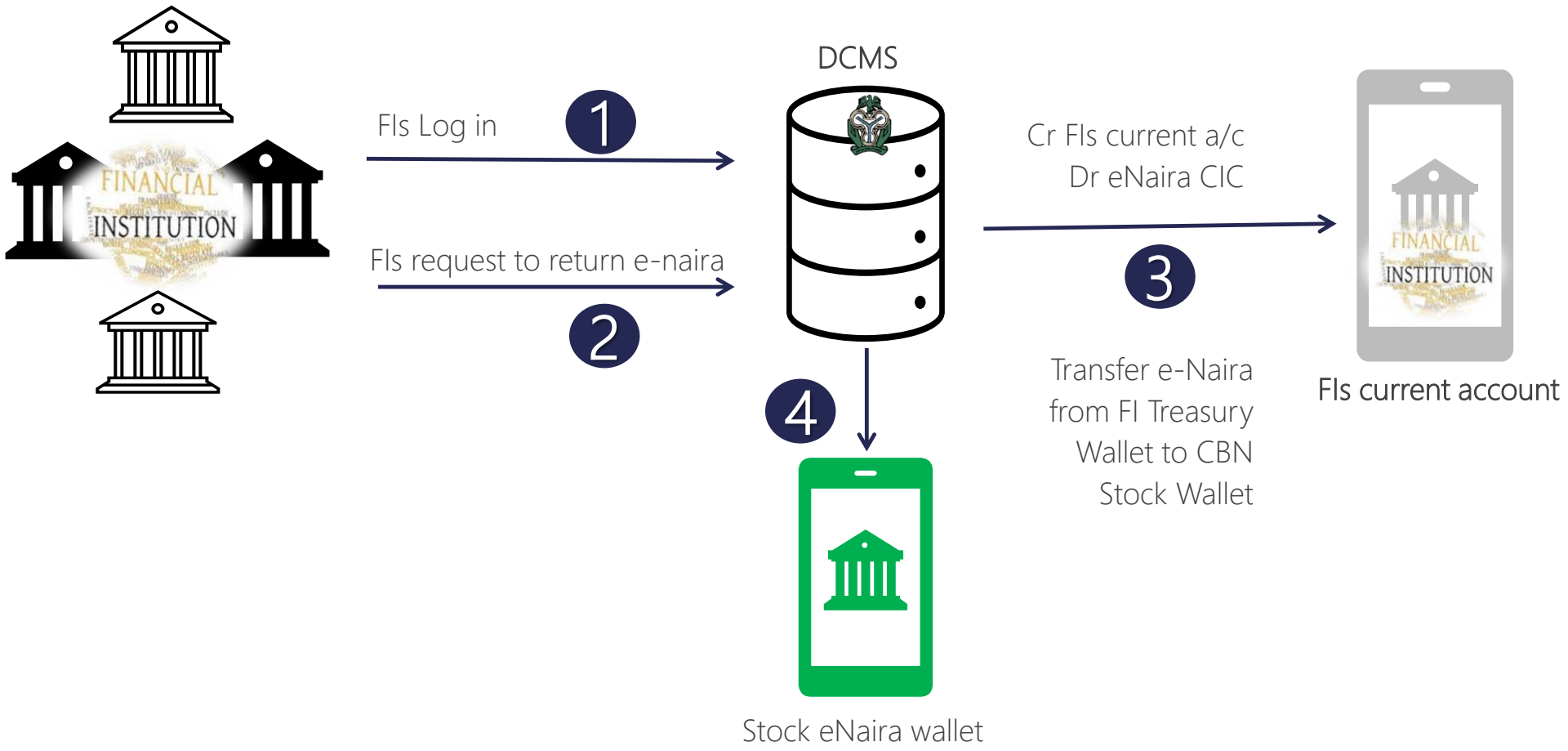
Debiting the Treasury Wallet (Returning eNaira)

Onboarding the Consumer (AML/CFT)

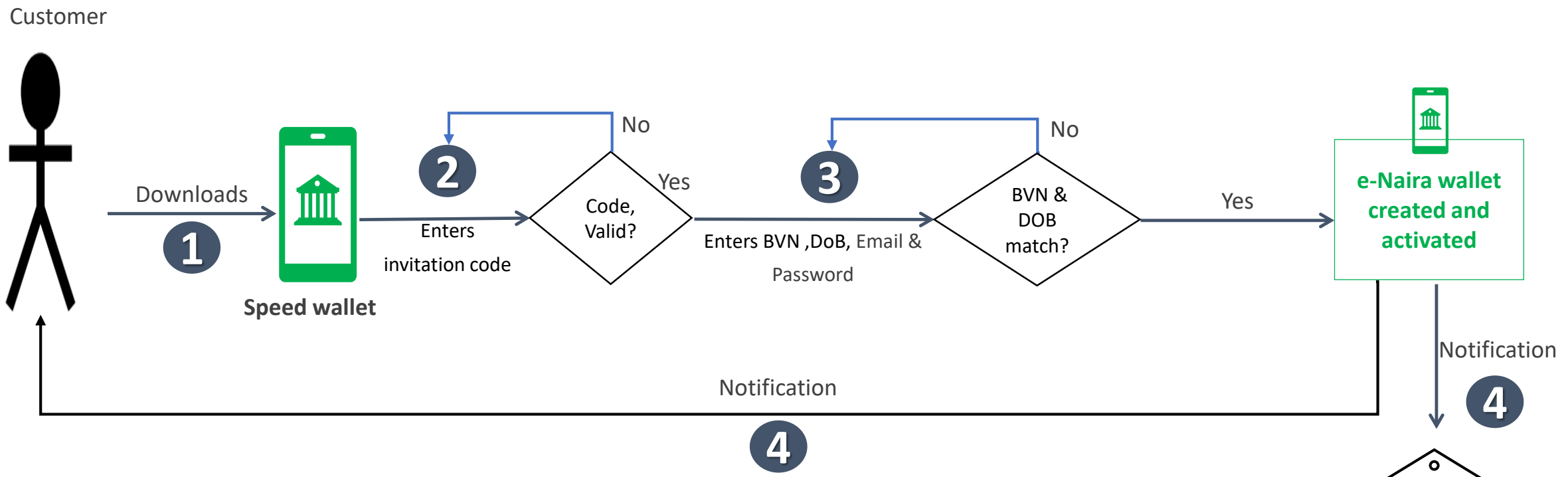
FIs e-Naira Request and Uptake



FIs returning e-Naira



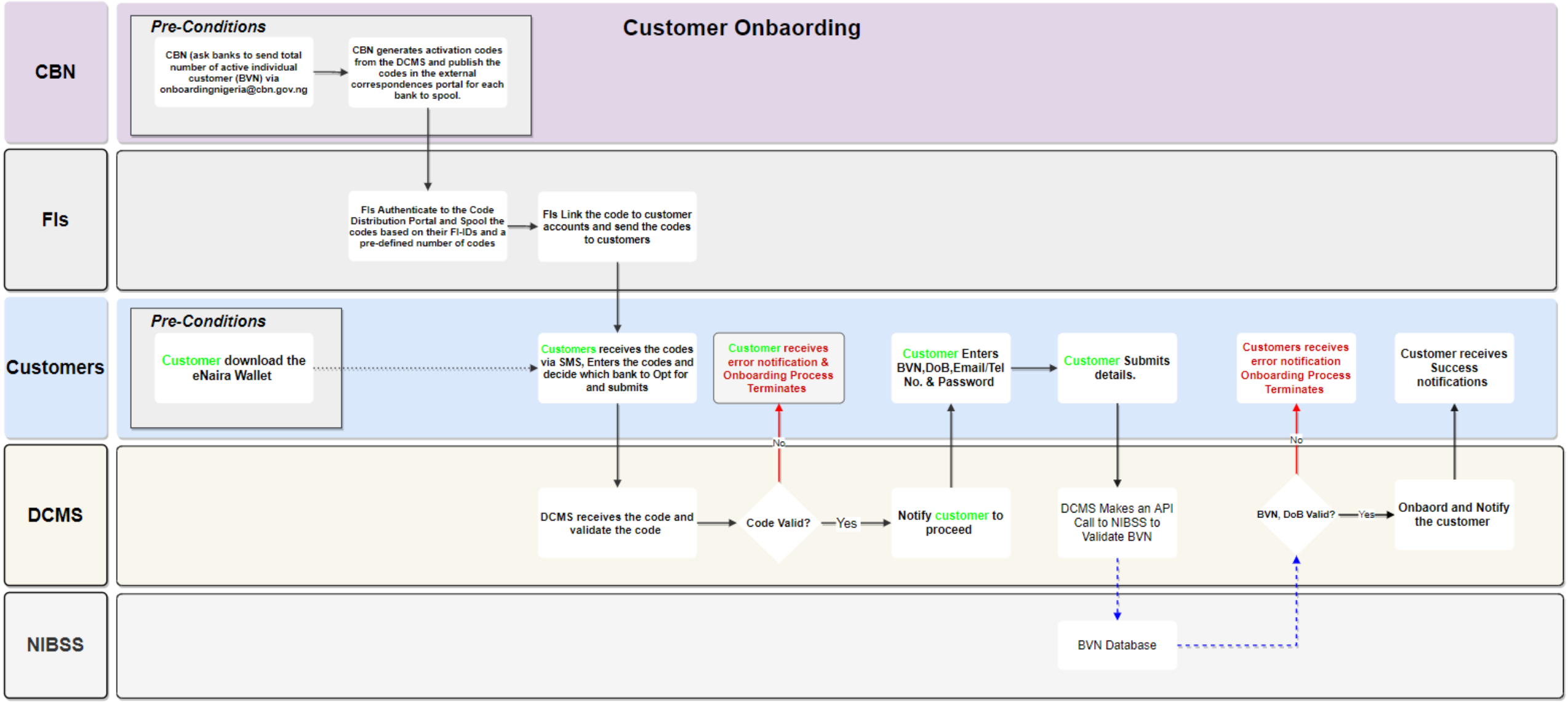
Customer e-Naira Onboarding – Use case Diagram



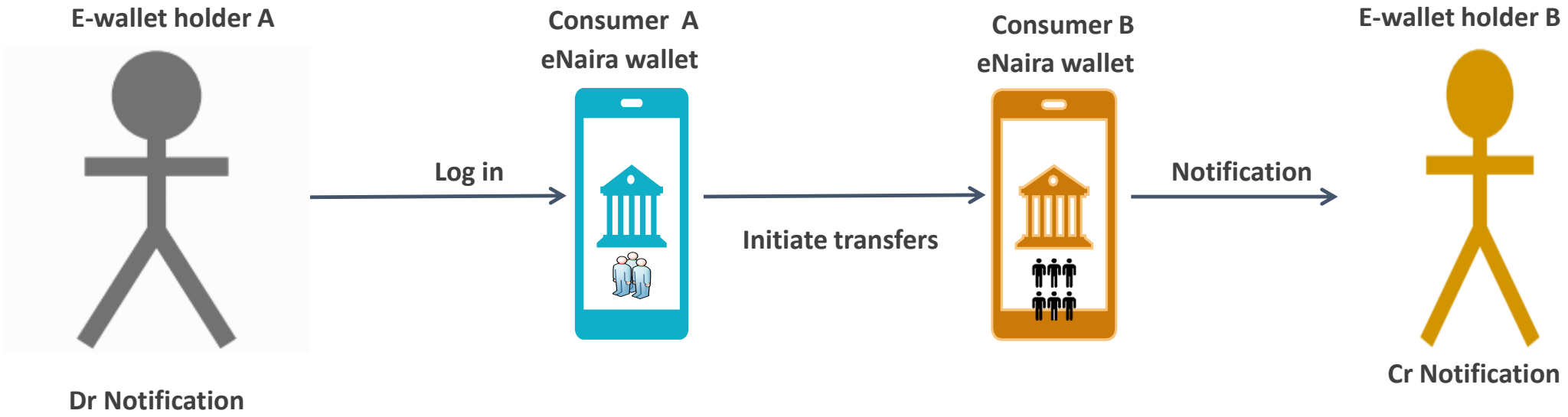
Precondition: :

1. Banks send invitation to all customers register for the e-Naira
2. Banks generate and send pre-generated codes for a list of selected customers
3. Customer receives invitation code from Bank for the onboarding

Customer e-Naira Onboarding – *Process Flow*



P2P (Person to Person)



Use Cases – Toping Up eNaira Wallet

1

Crediting the Consumer's eNaira Wallet from Own Account

2

Crediting the Consumer's eNaira Wallet from Own Account within the same Bank

3

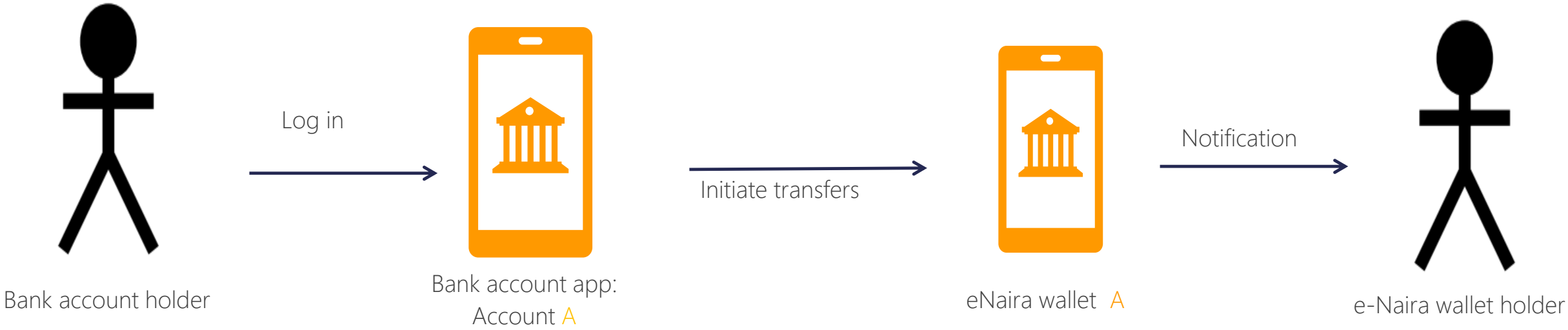
Crediting the Consumer's eNaira Wallet from a different Bank Account.

4

Crediting the Consumer's eNaira Wallet from Another Account in the same Bank

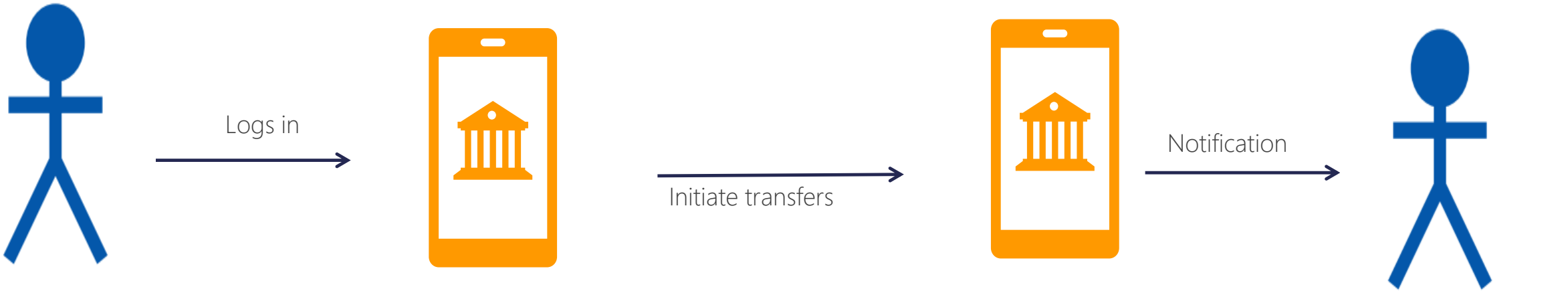
Bank a/c to eNaira

Own Account deposit & same Bank



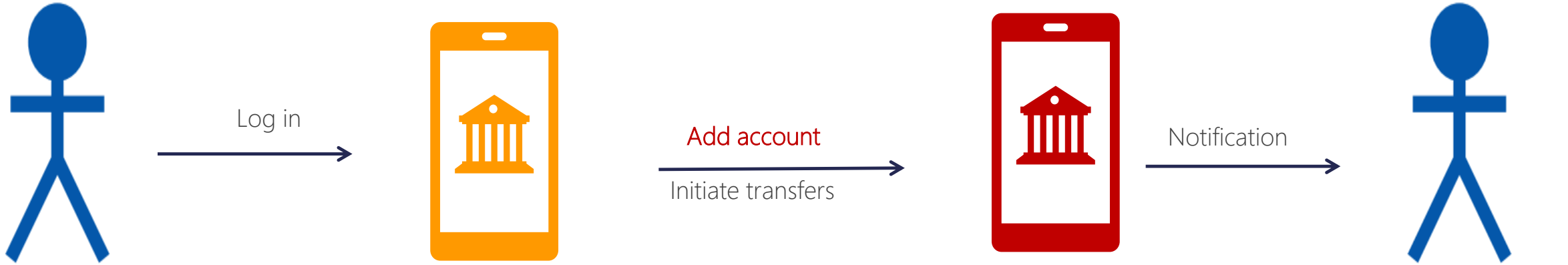
Bank a/c to eNaira

Own Account deposit in the same Bank



Bank a/c to eNaira

Own Account deposit & different Bank



Bank account holder

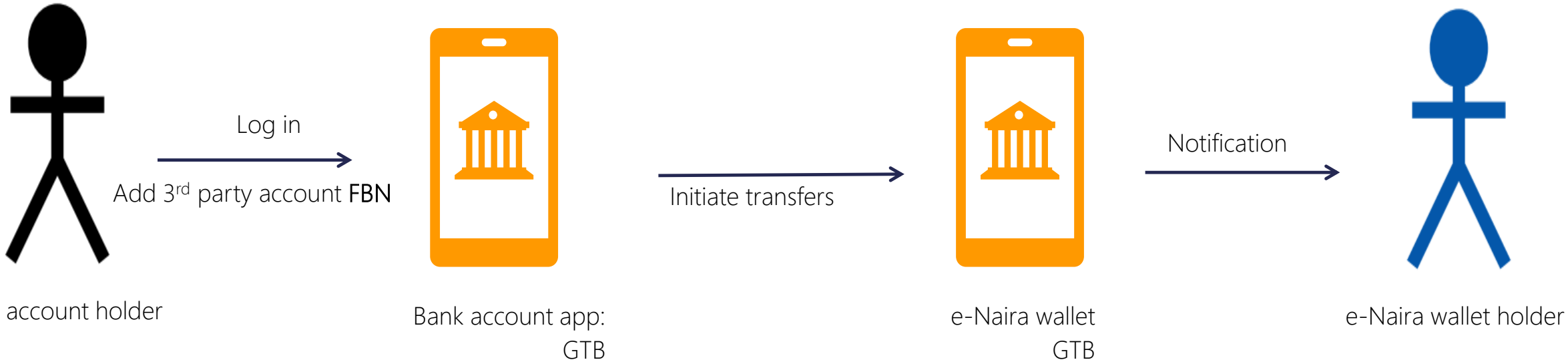
Bank account app:
GTB

eNaira wallet
Zenith

e-Naira wallet holder

Bank a/c to eNaira

Other customer a/c deposit & Same Bank

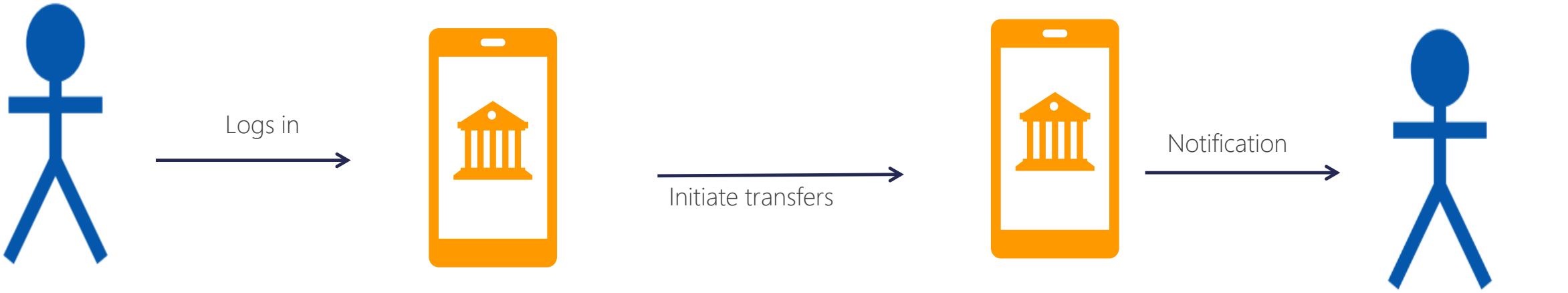


Use Cases – Cashing Out

1. Cashing out from eNaira Wallet to Own A/C within the same bank
2. Cashing out from eNaira to Own A/C in another bank
3. Cashing out from eNaira Wallet to Another Account within the same bank
4. Cashing out from eNaira Wallet to Another Account in different bank
5. Cashing out from eNaira to Physical Cash

eNaira to Bank a/c

Own Account deposit in the same Bank



eNaira to Bank a/c

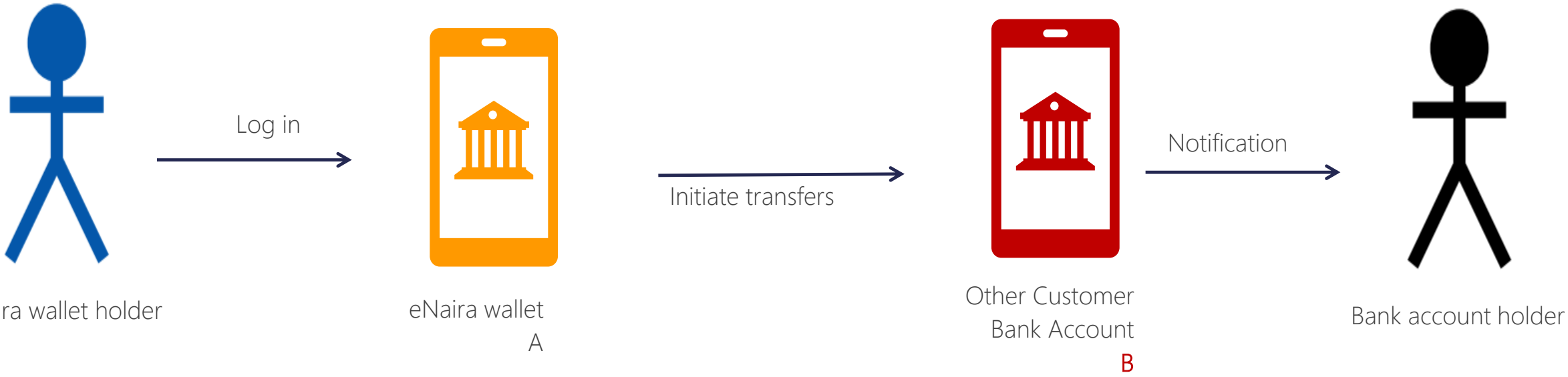
Own Account deposit & different Bank

eNaira to Bank a/c

Other customer a/c deposit & Same Bank

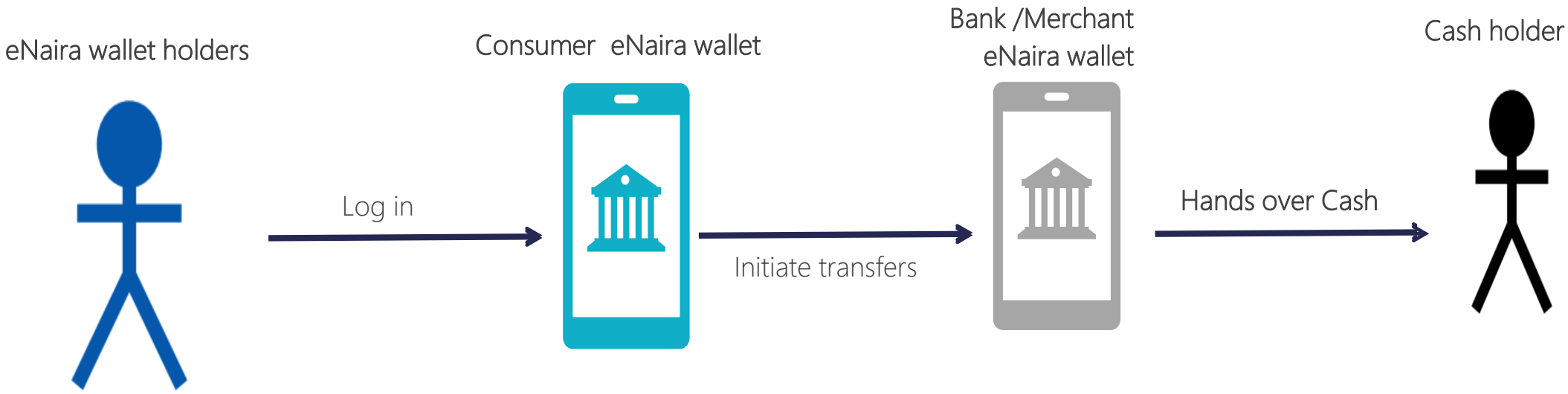
eNaira to Bank a/c

Other customer deposit & different Bank



eNaira to Cash

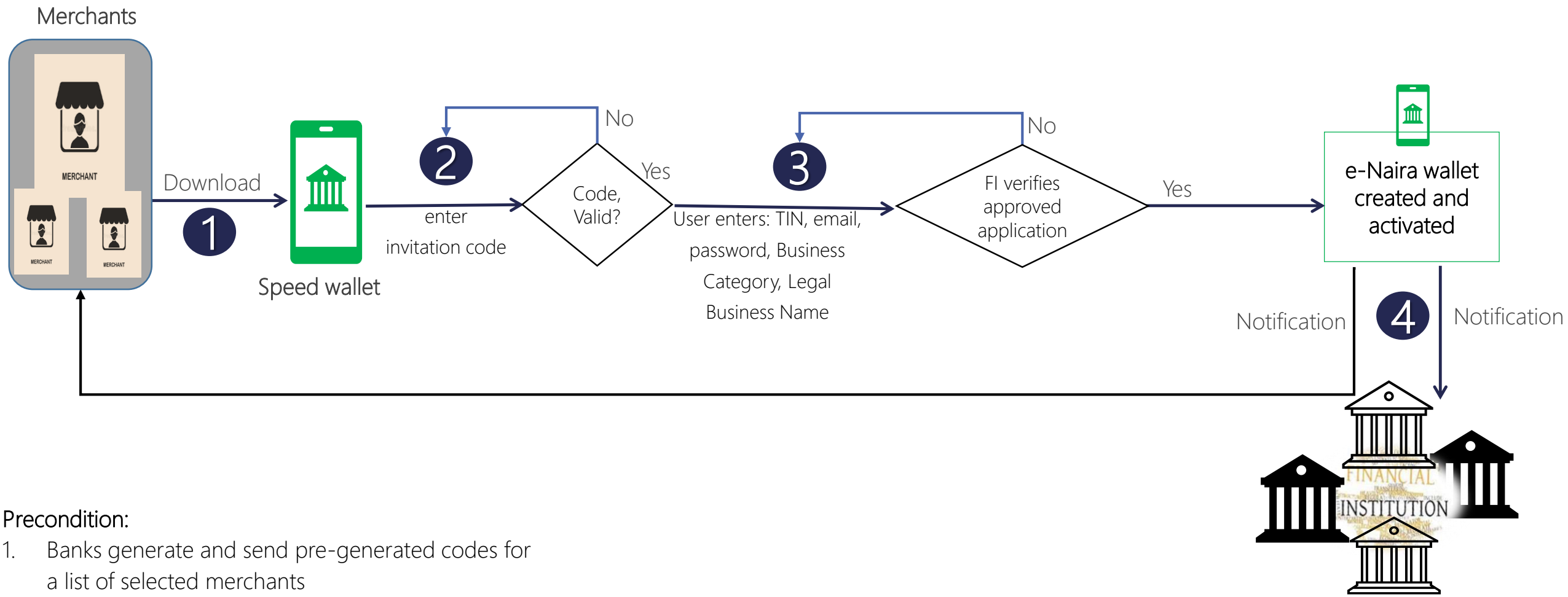
Not allowed!



Use Cases – With Merchants

1. Merchant Onboarding
2. Consumer Paying Merchants from eNaira
3. Merchant Paying Consumer
4. eNaira to Cash
5. Cash to eNaira

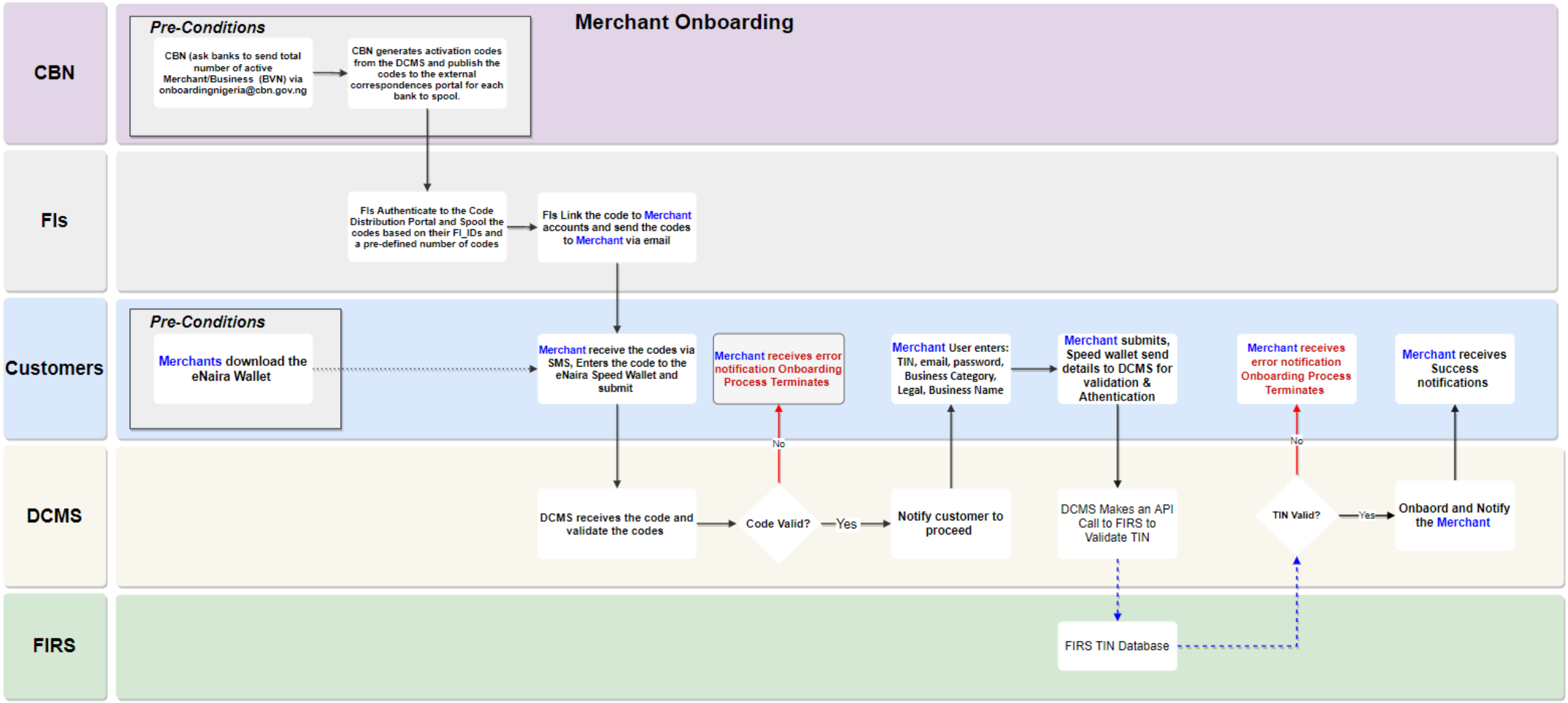
Merchants e-Naira onboarding (Use Case)



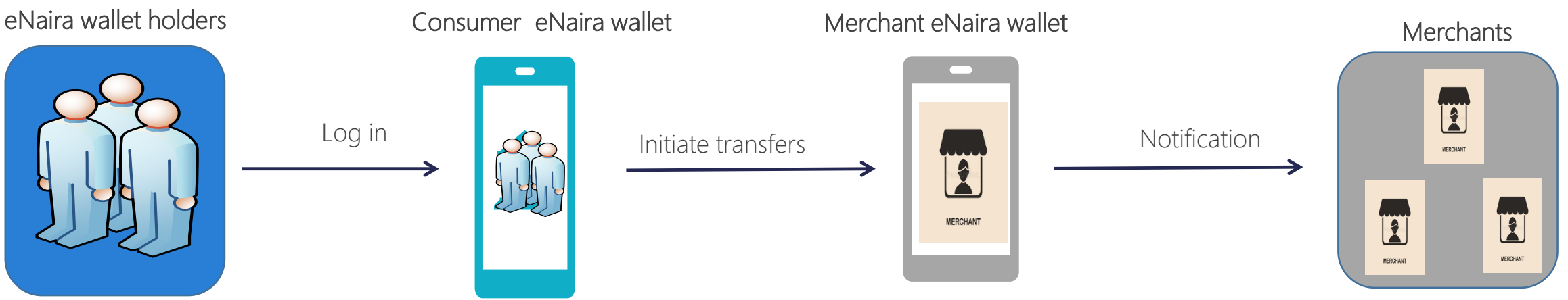
Precondition:

1. Banks generate and send pre-generated codes for a list of selected merchants
2. Merchant has received Bank invitation code for the onboarding

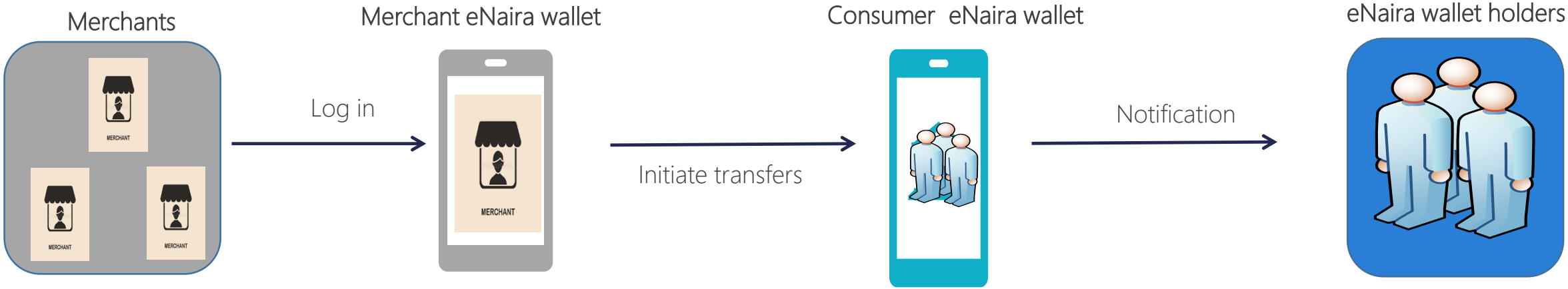
Merchant e-Naira Onboarding – *Process Flow*



P2B (Person to Merchant/Business)



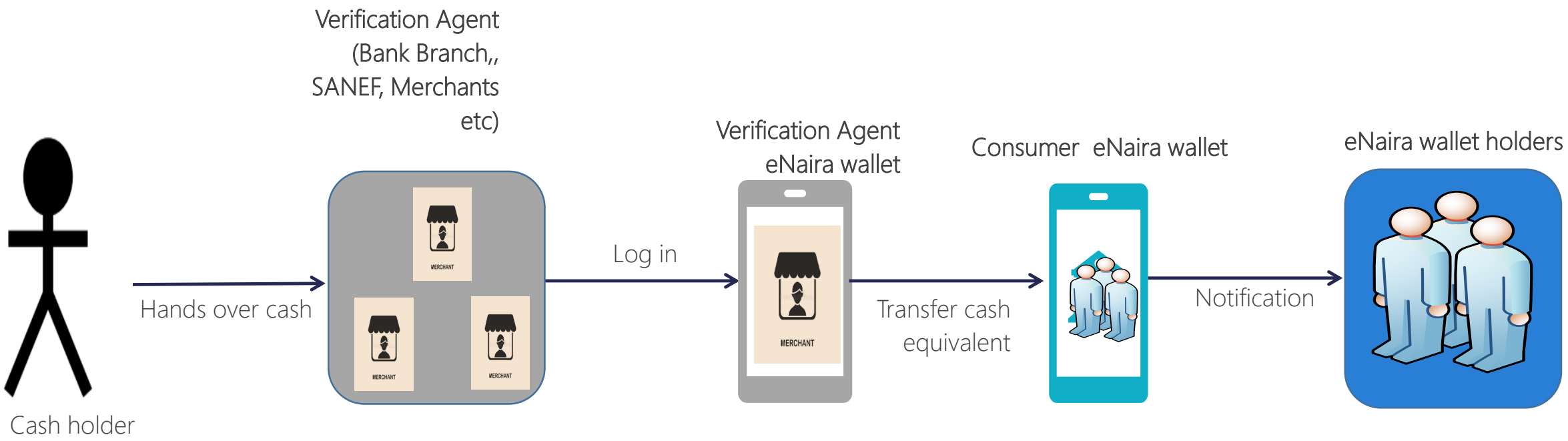
B2P (Merchant/Business to Person) - eNaira



eNaira to Cash

Not allowed!

Cash to eNaira



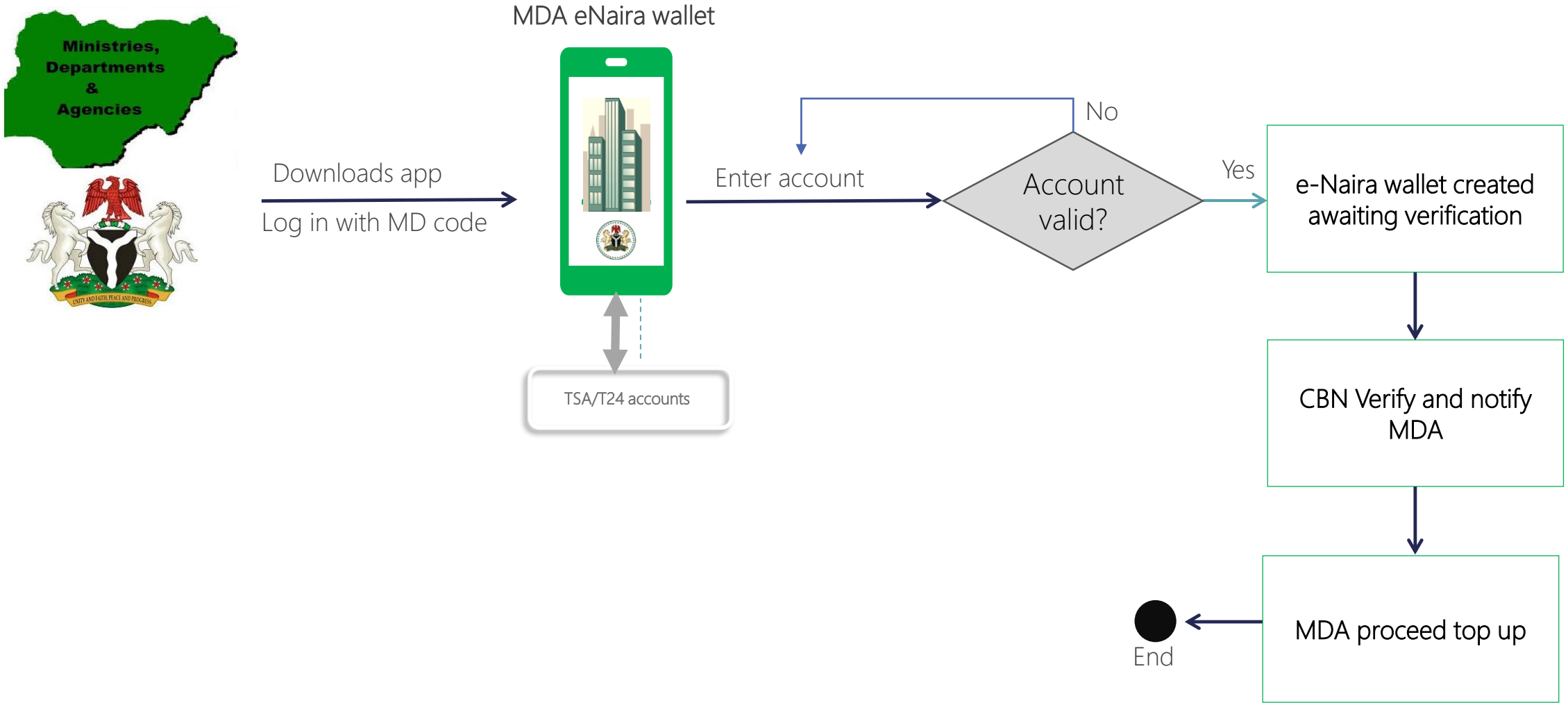
Government Onboarding and Services

MDAs Onboarding

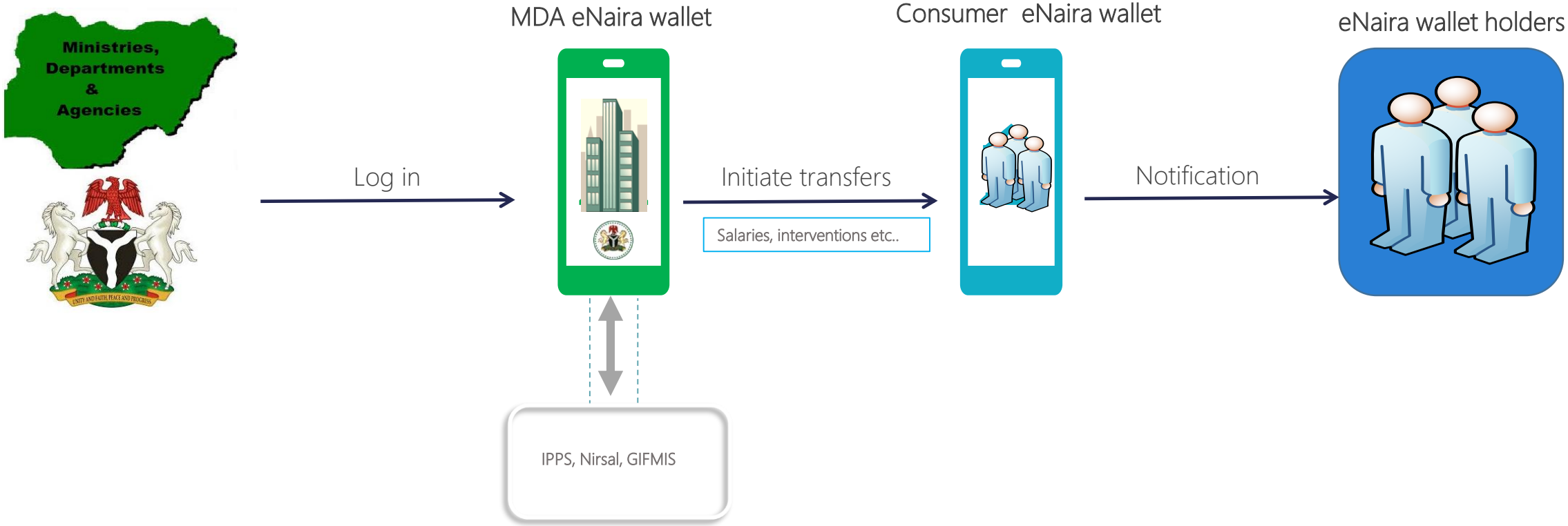
Government to Citizen Payments

Citizens to Government Payment

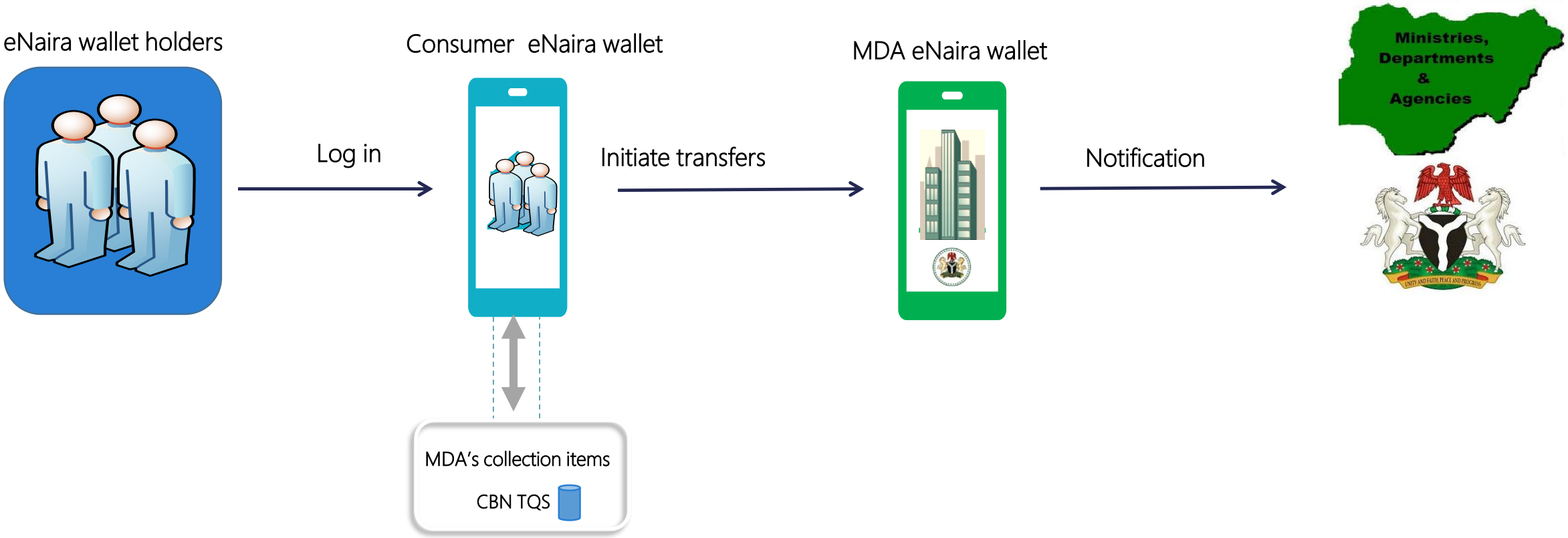
MDAs onboarding to e-Naira wallet



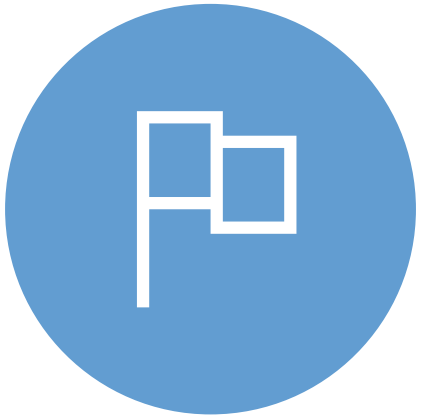
G2P (Government to Citizen)



P2G (Citizen to Government)



IMTOs



OPTION 1

OPTION 2

OPTION 3

OPTION 1: CBN provides collaterised eNaira credit to IMTOs

Version 2

IMTOs

1 Establish relationship

Local Bank

2 Local bank Provides bank guarantee to CBN on behalf of IMTO

3 CBN advances eNaira Credit to the tune of Bank Guarantee

4 IMTO sends FX to the local Bank's correspondent bank

5 Local bank transfers FX to CBN

6 Local bank debits IMTO at an agreed rate with Naira

7 Local Bank replenishes IMTO with eNaira

Notifications is sent for every transaction

End

LEGEND:

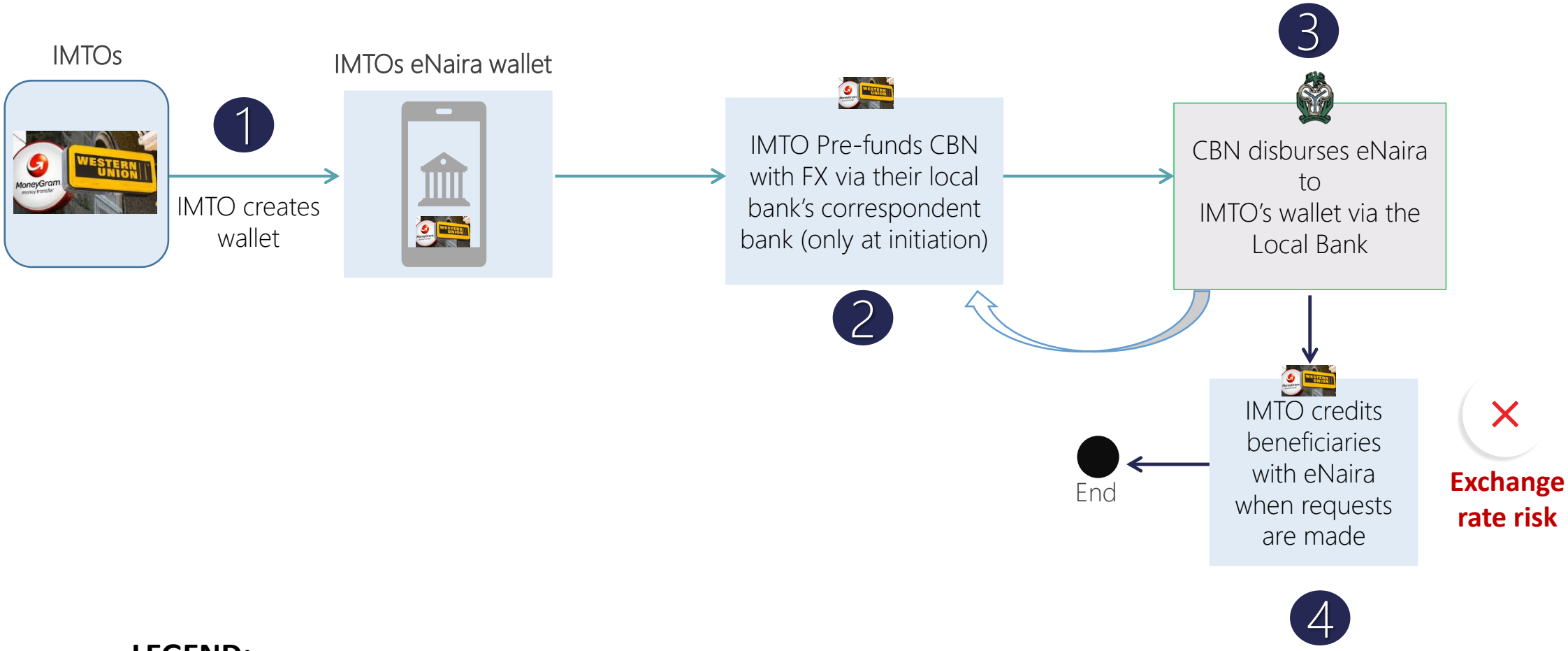
Local Bank

CBN

IMTOs

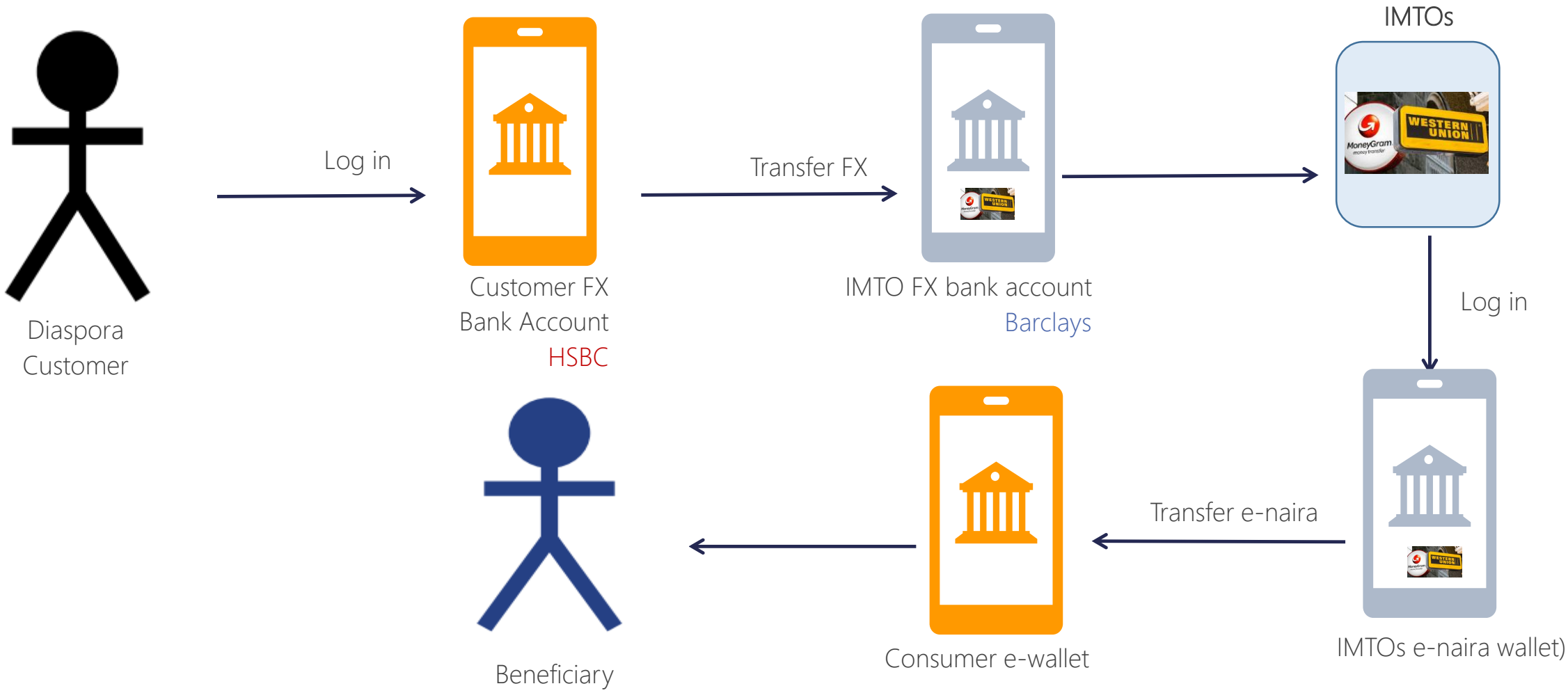
OPTION 2: CBN pre-fund IMTOs accounts

Version 2



OPTION 3: As it is with FX transactions but has option of cashing out in eNaira

FX deposit to eNaira



The Role of Banks

Marketing and Promotion of eNaira

Banks would market and promote the adoption of eNaira as a digital version of cash to existing and potential customers in support of financial inclusion objective of the CBN.

Onboarding and Support of Customers

Banks would facilitate user onboarding and provide world-class customer support service that would catalyze the adoption of eNaira

Distribution of eNaira and Enablement of Transactions

Banks would uptake and distribute eNaira to Nigerians a digital version of cash. Banks to implement necessary integrations for efficient distribution of eNaira through new and existing channels

KYC and AML/CFT Compliance

Banks would ensure compliance to KYC and AML/CFT requirements for all users and transactions involving eNaira.

ANSWERS tO QUESTIONS

Could you please clarify the reason for the CBN eNaira Mobile App since Banks can enable access to eNaira on their own Mobile Apps, and enable access to Merchant apps. Would CBN be a competitor with banks in enabling eNaira access?

The Speed wallet to be provided by the CBN is meant to serve as a stop gap for meeting the October 1 timeline. Banks and other innovators can provide their own wallets when ready. CBN has no intention of competing with the banks.

Also, please clarify that NIBSS and other Switching Platform would be able to integrate to this CBDC core system to enable access for other Fintech to offer eNaira.

eNaira transactions will ride on both new and existing rails. The central switch is one of the existing arrangements eNaira would leverage on. CBN will create a platform where innovation can thrive.

For Interbank transfers, please what is the settlement process?

- Inter bank transactions involving bank accounts will go through the central switch as is today

A follow up question to the last comment: For October go live, once a client is able to download the app, create the wallet and fund it , the customer will have access to enaira. Specifically for FI , what is the required integration for October go live ?

eNaira is being designed such that people can easily fund their wallets using their existing accounts with the Banks. The eNaira platform will integrate with all banks via NIBSS for the October Pilot go live

Will the eNaira be available to corporate accounts? Then using the BVN can be expanded to manage that

- The corporate will be able to use the same out-of-the-box wallet as individuals pending when the bank can enable their own wallets to meet different customer needs such as multisig wallet for corporate

Who takes liability of financial loss if FIs do not validate users?

- Fis will play a critical role in validating their customers. Infact, for the Pilot phase, only Customers with a code assigned to them by their Banks will be onboarded. These are Customers that have already been validated and KYCed by the Banks.

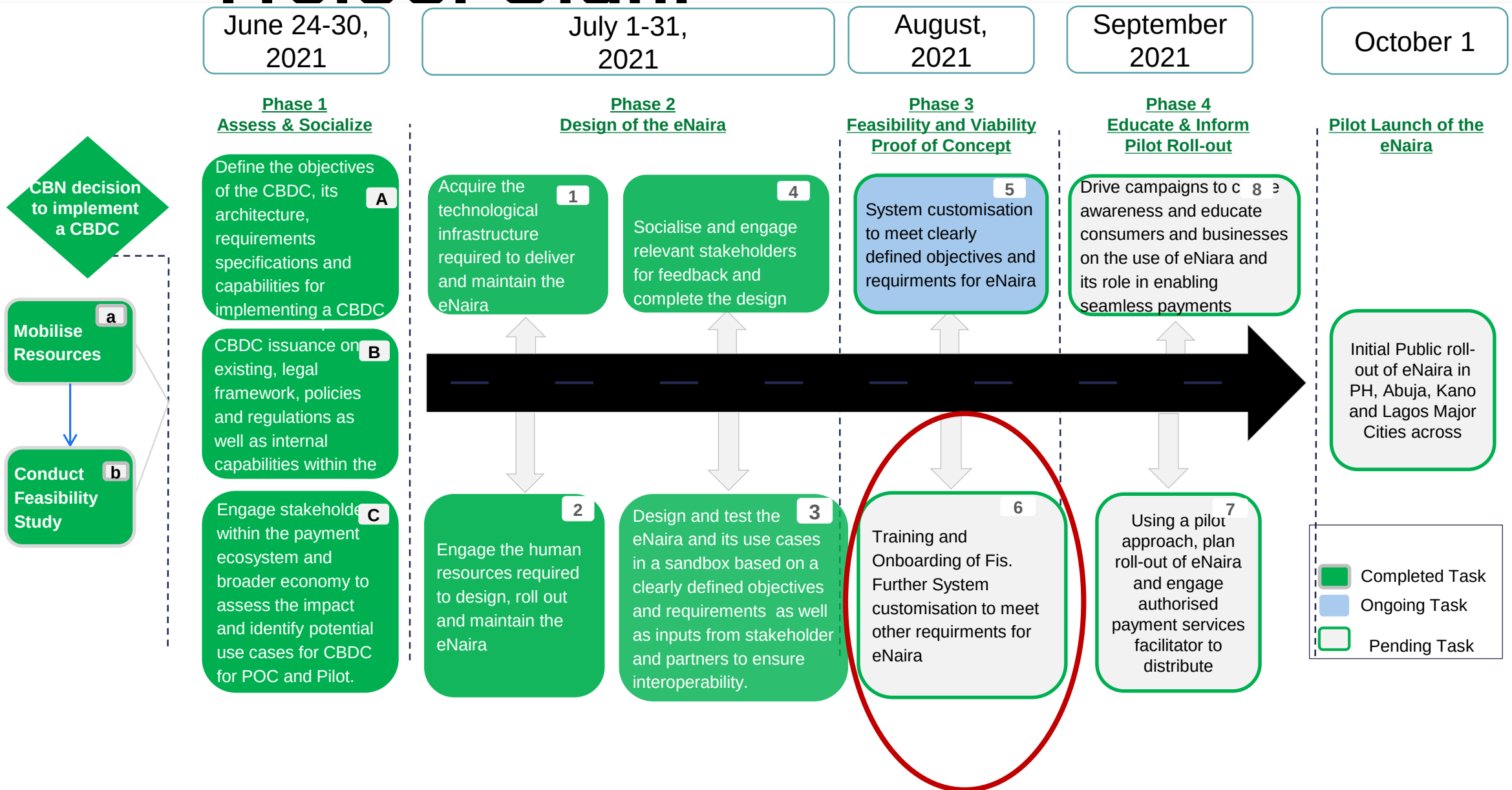
Will the regulator plug in any fraud management solution on this platform to give FIs comfort?

The eNaira system is well designed and integrated with one of the best fraud management system available today. Furthermore, the system will come with an AML/KYC module

CBN needs to properly analyse the likely loopholes with all stakeholders. Case of what happened in China is still fresh in mind. ?

The CBN takes the issue of security very seriously. The eNaira system will be treated as a National Critical Infrastructure. The system will be subjected to comprehensive security checks prior to go-live

Transaction data is to be stored on cloud, what about data governance and who owns the data? will FIs be given access to their customer data?

- Data is on the Ledger and Personal Identifiable Information (PII) will be stored off the ledger. Each FI will own its own data

High-level Roadmap for Project Giant