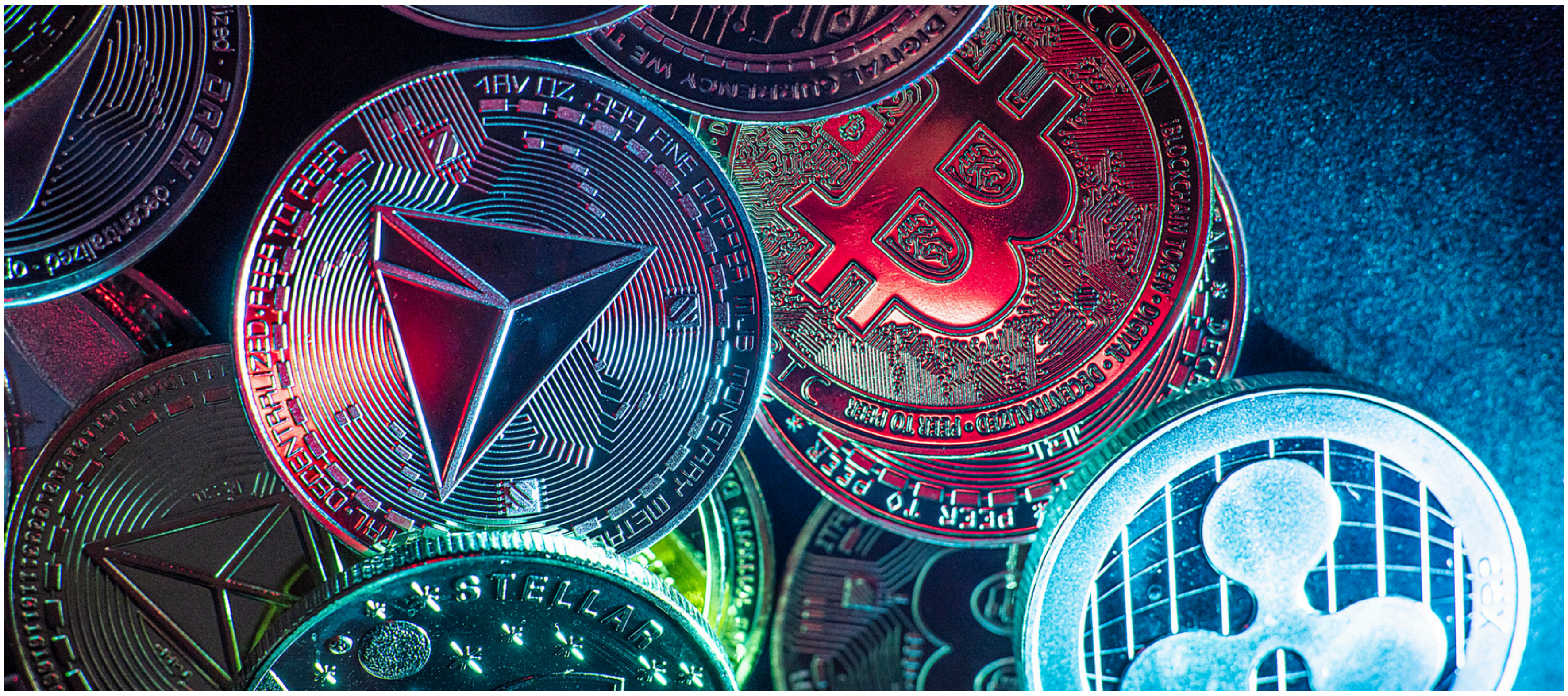
AN ANALYSIS OF THE EXECUTIVE ORDER ON VIRTUAL ASSETS 2026



The new presidential executive order addresses a real problem, the cost and risk of regulators working in silos, with a coordinating solution that preserves existing mandates and gives the market a clearer point of contact.

INTRODUCTION

On 17 July 2026, President Bola Ahmed Tinubu signed the Presidential Executive Order on Virtual Assets Coordination, 2026, pursuant to Section 5 of the Constitution of the Federal Republic of Nigeria 1999 (as amended). The purpose of the order is to harmonise the regulation of virtual assets, strengthen cooperation among the nation's financial, revenue and capital markets agencies, protect citizens from fraud, and safeguard the integrity of the financial system while enabling responsible innovation.

Simply, the order seeks to establish machinery to coordinate regulators such as the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC) and the tax authorities as it relates to virtual assets. These agencies had been noted to be working in silos, and there was a need to address the gaps which had exposed the country to risks, including money laundering, terrorism financing, cybersecurity and data privacy threats, fraud, and revenue losses. The executive order further underscores the need to plug these gaps to curb the continued exploitation of vulnerable citizens by unregistered and fraudulent operators.

This article provides an overview of the executive order vis-a-vis the existing legal framework on virtual assets.

Overview

Before proceeding to the content of the executive order, it is important to establish what virtual assets are. Virtual assets have been defined as a digital representation of value that can be digitally traded or transferred and used for payment or investment purposes. They include crypto assets, i.e. non-fiat virtual currency, utility tokens, and security tokens.

At the centre of the order is the establishment of a Virtual Asset Council, a policy steering and coordinating body with the responsibility of providing policy direction, strengthening cooperation among participating agencies, and working with the Attorney-General of the Federation to develop a harmonised legal and institutional framework for the sector. The council is chaired by the CBN, with the Nigeria Revenue Service (NRS) and the SEC as vice-chairs and includes the Nigerian Financial Intelligence Unit and the Office of the National Security Adviser.

The order also establishes a Virtual Asset Office, which serves as the council's operational arm. The office is to be housed within the CBN and will coordinate day-to-day information sharing, the processing of applications, and regulatory reporting across the agencies through an integrated supervisory technology platform.

Two further measures have been introduced to promote the sector. The CBN is to operationalise a regulatory sandbox for licensed virtual asset businesses, which allows eligible operators to test and operate virtual asset products, services, and blockchain-based solutions under close supervision, while the NRS will release a tax policy for the virtual assets sector.

Regulatory Responsibility

Under the order, regulatory responsibility continues to follow the nature of the activity. Securities-related virtual asset activity remains with the SEC, while payment, settlement, custody and other services involving non-security virtual assets fall to the CBN. This means that where a virtual asset qualifies as a security, it continues to be regulated by the SEC, and where it is simply transferred or used for payment, rather than as a security or investment, it falls to the CBN. There are, however, instances where one company offers both services, for example an investment platform whose securities are registered with the SEC that also operates a payment platform. In such a case, both activities will be regulated by the two regulators simultaneously.

The order provides that where responsibility for a given activity is unclear, the council is to decide. The order also directs the council to develop a harmonised implementation framework within 30 days of the issuance of the executive order.

The order allocates responsibility by reference to whether a virtual asset is a security, yet it does not fix where that line falls. That question is left to the underlying law and, in practice, to the council. The Investments and Securities Act 2025 treats virtual assets that meet the statutory test as securities and places them with the SEC; assets and services that do not are directed to the CBN. The difficulty is that many products do not sit cleanly on one side.

Implications for Operators

For businesses in the sector, the order is best read alongside the obligations that already apply. A virtual asset operator must now work within ISA 2025 and the SEC's digital asset rules, the revised minimum capital requirements introduced by the SEC in March 2026, the coordination layer created by the order, a forthcoming NRS tax framework, and, for those testing new products, the CBN sandbox.

The capital requirements are substantial. Under the SEC's revised regime, digital asset exchanges and custodians are required to hold ₦2 billion in minimum capital, up from ₦500 million; digital asset offering platforms ₦1 billion; and ancillary virtual asset service providers ₦300 million. Layered on this, the executive order's promise is a single operational entry point through the Virtual Asset Office, rather than parallel and uncoordinated dealings with each agency. Whether that promise materialises as a genuine reduction in friction, or simply as three sets of requirements administered from one address, will depend on how the office and the implementation framework are built out.

Recommendations

We recommend that operators should map their activities against the securities and non-securities divide now and engage early with the relevant regulator. Businesses that fall below the revised minimum capital thresholds should plan for capital raising, consolidation or an orderly exit ahead of enforcement rather than after it. And firms developing novel products should assess the CBN sandbox as a controlled route to market and should factor the forthcoming NRS tax framework into transaction structuring at the design stage.

CONCLUSION

The Presidential Executive Order on Virtual Assets Coordination 2026 is a measured and welcome step. It addresses a real problem, the cost and risk of regulators working in silos, with a coordinating solution that preserves existing mandates and gives the market a clearer point of contact.

In the meantime, operators should not wait for the implementation framework. The immediate task is to identify which side of the divide each of their activities falls on, and to engage the relevant regulator early. Businesses offering both securities and payment services should prepare for supervision by the SEC and the CBN at the same time and plan their compliance and capital positions accordingly.