

Digital Currency “Goes Live” in Africa? Nigeria Limits ATM Withdrawals to Promote Digital Currency

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The [Central Bank of Nigeria has announced a cap on customer ATM withdrawals](#) in a bid to promote the usage of digital currency eNaira.

In a statement, the banking regulator said the maximum customer ATM withdrawal for naira has been capped at NGN20,000 (\$45) per day. In comparison to the earlier daily cap of NGN150,000 (\$337), this represents a significant reduction.

The central bank has also imposed a limit on weekly cash withdrawals to NGN100,000 (\$225) from banks for individuals and NGN500,000 (\$1,124) for corporations.

Any withdrawals above the said limit will attract a processing fee of 5% and 10%, respectively, the regulator said.

In addition, the central bank has imposed a limit of NGN10m (\$22,553) on cheques processed through the banking system and prohibited the cashing of cheques for more than NGN50,000 (\$112) over the counter.

The daily maximum for cash withdrawals from point-of-sale terminals is NGN20,000 (\$45).

The move is the most recent in a series of directives issued by the central bank to reduce the usage of cash and promote digital currencies to increase access to banking services.

[According to Bloomberg’s report](#), Nigeria’s economy is largely informal, with cash outside banks representing 85% of currency in circulation.

Around 40 million adults in Africa’s most populous nation do not have a bank account, the report added.

Last month, the central bank announced plans to issue new high-value notes from mid-December to mop-up excess cash.

“Customers should be encouraged to use alternative channels — Internet banking, mobile banking apps, USSD, cards, POS, eNaira to conduct their banking transactions,” the central bank said.

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Featured image: Weekly cash withdrawals from banks have also been capped. Credit: Jake Allen on Unsplash.

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