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RWA INSIGHTS • OCTOBER 2026

NIGERIA 2026

The Real-World Asset Opportunity

Building a regulated real-world asset business in one of Africa's largest digital markets – the regulatory perimeter, licensing routes, capital requirements and practical route to market.

AN INSIGHT FOR INTERNATIONAL INVESTORS, ORIGINATORS,
PLATFORMS AND MARKET OPERATORS

REAL ASSETS. REGULATED MARKETS. REAL OUTCOMES.

REVISED OCTOBER 2026

REGULATORY POSITION REVIEWED TO 2 OCTOBER 2026



A DEVELOPING DEDICATED RWA FRAMEWORK

I. Executive Summary

Nigeria is developing one of Africa's more explicit regulatory frameworks for digital assets and real-world asset tokenisation.

The Investments and Securities Act 2025 expressly includes virtual and digital assets in the statutory definition of "securities" and gives the Securities and Exchange Commission of Nigeria (SEC) authority over digital and virtual asset services and related activities. The SEC's regulatory architecture now expressly identifies a Real-world Assets Tokenization and Offering Platform (RATOP) as a category of regulated virtual asset service provider. That category appears in the SEC's January 2026 minimum-capital framework; detailed rules were published in draft in August 2026 and are not yet final.

That distinction is important. An RWA business does not necessarily need to be structured as a full digital asset exchange. The appropriate regulatory route depends on what the business actually does: originating an asset, creating and offering a tokenised investment, operating a platform, facilitating secondary trading, or providing custody.

The underlying legal and economic rights are equally important. Tokenisation does not remove an investment from securities regulation merely because ownership or entitlement is represented digitally.

Nigeria's regulatory architecture also became more coordinated in July 2026, when a Presidential Executive Order established a Virtual Asset Council chaired by the Central Bank of Nigeria (CBN). Broadly, virtual-asset activities that are securities or investment products fall to the SEC, while payment, settlement and custody services for virtual assets that are not securities fall to the CBN.

THE TWO QUESTIONS

For an international RWA business, Nigeria presents two related questions:

- 1 **What is the underlying asset or investment?**
- 2 **What regulated activities will the proposed business perform around it?**

Those questions determine the route to market.

THE CORE POINT

A credible RWA proposition needs the asset, the investment instrument and the regulated infrastructure around it to be designed together. The token is the representation – not the legal substance of the investment.

KEY FACTS FOR MARKET ENTRY

RWA Market Entry at a Glance

RWA MARKET ENTRY AT A GLANCE		NIGERIA
REGULATORS AND LEGISLATION		
Principal regulator	SEC for securities-type tokens; CBN for non-security payment, settlement and custody	
Principal legislation	Investments and Securities Act 2025	
Dedicated RWA category	Yes - RATOP (detailed rules in draft)	
Regulatory incubation	ARIP (VASPs); RI programme for wider FinTech	
Local presence for ARIP	Nigerian incorporation, physical office and resident CEO/MD	
MINIMUM CAPITAL		
RATOP minimum capital	₦1bn (c. \$750k)	N500M PROPOSED
Digital Asset Exchange capital	₦2bn (c. \$1.5m)	
Digital Asset Custodian capital	₦2bn (c. \$1.5m)	
Digital Assets Platform Operator	₦500m (c. \$375k)	
Digital Assets Offering Platform	₦1bn (c. \$750k)	N500M PROPOSED
Digital Assets Intermediary	₦500m (c. \$375k)	
Ancillary VASP	₦300m (c. \$225k)	
OPERATING MODEL AND OUTLOOK		
Secondary trading	Separate regulatory analysis required	
Custody	Separate regulated function	
Taxation	Nigeria Tax Act 2025; NRS Information Circular 2026/21	
Pending reform	SEC draft digital asset rules (August 2026)	
Regulatory direction	Developing rapidly	

Dollar equivalents are approximate. “Proposed” figures are based on published reports of the SEC’s August 2026 draft rules, which were not final at 2 October 2026.

SCALE, DIGITAL ADOPTION AND AN INCREASINGLY EXPLICIT FRAMEWORK

2. Why Nigeria?

Nigeria combines three characteristics that make it relevant to the development of regulated RWA markets: scale, an established digital-asset economy and an increasingly explicit regulatory framework.

Its large, young population and substantial adoption of crypto-assets and stablecoins are important foundations for digital investment products. But the RWA opportunity is broader than crypto adoption. Tokenisation can potentially be applied to property, private credit, infrastructure, commodities, trade finance and other contractual cash flows.

The opportunity is to use digital infrastructure to structure, issue, distribute, administer and potentially transfer investments backed by identifiable real-world assets and rights. The SEC's published register has included businesses undertaking digital asset real-estate tokenisation, including HousingExchange.NG and DreamCity Capital, within its Regulatory Incubation programme.

START WITH LEGAL SUBSTANCE, NOT TECHNOLOGY

3. The Regulatory Perimeter: What Is the RWA?

A token is the digital representation. The underlying legal right is what ultimately determines the substance of the investment. Consider four superficially similar "property tokens":

01
Property ownership token

The investor may hold a direct or beneficial interest in property.

02
SPV equity token

The investor owns shares or another interest in a company that owns the property.

03
Property debt token

The investor lends money to the property owner or development vehicle.

04
Revenue participation token

The investor receives a contractual entitlement to rental income, development proceeds or another defined cash flow.

All four may be described commercially as "tokenised real estate". Legally, they are very different propositions.

Nigeria's SEC has previously stated that virtual crypto-assets are presumed to be securities unless demonstrated otherwise and that digital assets which constitute securities must be registered accordingly. The ISA 2025 has since put the position on a statutory footing: section 357 expressly includes virtual and digital assets in the definition of "securities", and the Act places digital and virtual asset services within the SEC's regulatory remit.

THE PRACTICAL CONSEQUENCE

An RWA project should not begin with “Which blockchain should we use?” It should begin with: What does the investor legally own, what rights attach to that ownership, and who is responsible for delivering those rights? Only then should the token and technology architecture be designed around it.

Published reports of the SEC’s August 2026 draft rules point the same way: each RATOP project would require an independent legal opinion from an SEC-registered solicitor confirming valid title, disclosing encumbrances, confirming that investors’ rights are enforceable and identifying the governing law.

ONE LABEL CAN HIDE SEVERAL REGULATED ACTIVITIES

4. Four Different RWA Businesses

An “RWA platform” can describe several quite different businesses.

01

Originator / Issuer

Identifies the underlying asset, establishes the issuing structure and creates the investment.

02

Tokenisation / Offering Platform

Provides the infrastructure through which the asset-backed investment is structured, tokenised and offered.

03

Marketplace / Trading Venue

Provides liquidity or secondary transfer/trading after issuance.

04

Custodian

Safeguards digital assets, keys and/or investor assets.

A business performing more than one of these functions may cross several regulatory boundaries. The SEC’s current minimum-capital framework separately identifies DAPOs including token issuers, DAOPs, RATOPs, DAXs and Digital Asset Custodians, alongside Digital Assets Intermediaries and Ancillary VASPs.

DESIGN PRINCIPLE

Tokenisation should be designed as a lifecycle, not treated as a single regulated activity. The licensing strategy should follow the proposed operating model – not the other way around.

PURPOSE-BUILT RWA CATEGORY, WITH DRAFT REFORMS PENDING

5. The Regulatory Routes

RATOP

The Real-world Assets Tokenization and Offering Platform category is the most directly relevant regulatory classification for a business established specifically to tokenise and offer RWAs.

The SEC's January 2026 capital framework prescribes minimum capital of:

₦1 BILLION c. \$750k

Current RATOP minimum capital under the January 2026 framework.

That is half the minimum capital prescribed for a Digital Asset Exchange or Digital Asset Custodian, although capital is only one component of regulatory and operating cost.

Until the August 2026 rules are final, the January 2026 capital framework remains the applicable reference point.

PROPOSED REFORMS - AUGUST 2026

Published reports of the draft indicate:

- ◆ RATOP minimum capital: ₦500m (c. \$375k)
- ◆ Independent legal opinion for each project
- ◆ Registration fee: ₦30m (c. \$22,500)
- ◆ Fidelity bond: at least 25% of minimum paid-up capital
- ◆ Retail limits: ₦1m per issuer and ₦10m aggregate over 12 months, with cooling-off period
- ◆ Registration required for anyone targeting Nigerian residents or the Nigerian market

DAPO and DAOP

A Digital Assets Platform Operator, including token issuers, carries minimum capital of ₦500 million (c. \$375k). A Digital Assets Offering Platform carries ₦1 billion (c. \$750k); the August 2026 draft rules would reduce the DAOP minimum to ₦500 million (c. \$375k). The category should be selected because it matches the role performed – not simply because its capital requirement is lower.

MINIMUM CAPITAL BY CATEGORY

SEC January 2026 framework, with August 2026 draft proposals marked

Digital Asset Exchange		₦2bn c. \$1.5m
Digital Asset Custodian		₦2bn c. \$1.5m
RATOP		₦1bn c. \$750k • ₦500m proposed
Digital Assets Offering Platform		₦1bn c. \$750k • ₦500m proposed
Digital Assets Platform Operator		₦500m c. \$375k
Digital Assets Intermediary		₦500m c. \$375k
Ancillary VASP		₦300m c. \$225k

■ Current minimum ■ RATOP (dedicated RWA category) | Proposed under August 2026 draft

Where the proposition extends into operating a secondary trading venue or providing custody, the analysis changes materially. It may be commercially preferable to retain the activities that create proprietary value while partnering with existing regulated infrastructure for selected functions.

Central Bank of Nigeria

The Presidential Executive Order on Virtual Assets Coordination (17 July 2026) established a Virtual Asset Council chaired by the CBN Governor, with the SEC and the Nigeria Revenue Service as vice-chairs. The SEC remains responsible for virtual-asset activities that are securities or investment products. The CBN is responsible for payment, settlement and custody services relating to virtual assets that are not securities, and is establishing its own regulatory sandbox.

An RWA proposition whose token is regulated by the SEC may still involve CBN-regulated elements such as stablecoin settlement, payment rails or custody of non-security assets. These should be mapped at the outset.

A SUPERVISED ENTRY ROUTE FOR DIGITAL INVESTMENT SERVICES

6. ARIP – A Route into the Regulatory Environment

ARIP is separate from the SEC's wider Regulatory Incubation (RI) programme for FinTech innovators. It is intended to fast-track VASPs and other digital investment service providers into a controlled environment in which the SEC can assess new business models and technologies, and the SEC expressly describes it as relevant to digital assets and tokenised products.

Eligibility includes businesses that are incorporated and maintain a physical office in Nigeria, have a CEO/MD or equivalent resident in Nigeria, undertake investment and securities business and are seeking or have pending SEC registration for a virtual-asset service.

The process begins with an initial assessment. The SEC currently specifies:

01 INITIAL ASSESSMENT ₦200,000 c. \$150	02 ARIP PROCESSING ₦2,000,000 c. \$1,500	03 FIDELITY BOND At least 25% of required shareholders' funds
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The application is also expected to be submitted through a retained registered solicitor/adviser and, where another sectoral regulator is involved, accompanied by an appropriate no-objection letter.

APPROVAL-IN-PRINCIPLE IS NOT A FINAL LICENCE

The SEC reiterated this when admitting additional VASPs in August 2026. This distinction should be reflected in any business plan or investor presentation.

Under the existing ARIP framework, a participant may not grow its customer base by more than 10% from its point of entry. The August 2026 draft rules would make ARIP the principal registration route, give an Approval-in-Principle a two-year life and remove the 10% cap, but those changes are not yet in force.

A LICENCE IS ONLY ONE PART OF ESTABLISHMENT

7. Establishing the Business

For an international entrant, regulation is only part of the establishment exercise. A credible Nigerian RWA business will need to address at least:

01

Corporate structure

Which entity originates the assets, which entity issues the investment and which entity undertakes the regulated platform activity?

02

Local substance

ARIP requires Nigerian incorporation, physical presence and resident senior management. Draft rules would also require a Nigeria-resident chief executive or equivalent unless the SEC approves otherwise.

03

Governance

Board and management arrangements should reflect the activities and risks of the proposed business.

04

Compliance and AML/CFT

Investor onboarding, source-of-funds controls, sanctions screening, transaction monitoring and suspicious-activity processes need to span the financial and digital-asset elements. NFIU registration evidence forms part of an ARIP application.

05

Technology and cybersecurity

The platform must connect the legal ownership record, token infrastructure and operational books and records reliably.

06

Asset verification

The existence, ownership and condition of the underlying asset cannot simply be assumed because a token has been created.

07

Investor rights

Documentation needs to state clearly what the investor owns, how returns arise, what happens on default and how the investment can be redeemed or exited.

08

Payments, settlement and tax

CBN requirements may apply to payment, settlement or stablecoin elements. Nigeria's 2025 tax legislation and NRS Information Circular 2026/21 apply to virtual-asset activity; the treatment of the asset, token and return should be analysed for each structure.

TAX NOTE

NRS Information Circular 2026/21 sets out withholding and reporting obligations for service providers, with penalties for reporting defaults. It does not specifically address tokenised RWAs, so the tax treatment of the underlying asset, the token and the investor's return should be analysed for each structure.

TECHNOLOGY IS ONE COMPONENT OF A MUCH LARGER PROCESS

8. From Real Asset to Digital Investment

The Hogswood framework considers the complete RWA lifecycle. The objective is to connect legal ownership, regulated issuance, asset administration, servicing and any permitted transfer mechanism – rather than treating token creation as the end product.



A REPEATABLE RWA BUSINESS

The first issuance should create the legal documents, operating procedures, technology integrations and controls required for the second, tenth and hundredth asset.

LIQUIDITY IS A SEPARATE DESIGN QUESTION

9. Secondary Trading, Custody and Liquidity

Issuing a token and creating a liquid market for it are not the same thing. A platform may be able to originate and offer a tokenised investment without itself operating the venue on which that investment subsequently trades. Where the business wants to provide secondary trading, exchange functionality or custody, additional regulated activities and capital requirements may arise.

Nigeria's framework makes those distinctions explicit: a DAX and Digital Asset Custodian each carry ₦2 billion (c. \$1.5m) minimum-capital requirements, compared with ₦1 billion (c. \$750k) for a RATOP – ₦500 million under the August 2026 draft rules. For an early-stage RWA business, this creates an important strategic choice:

BUILD EVERYTHING

Own issuance, trading, custody and supporting infrastructure directly. Greater control, but potentially higher capital, implementation time and operating complexity.

OWN THE RWA PROPOSITION + PARTNER

Retain the activities that create proprietary value and integrate regulated partners for selected custody, payments or secondary-market infrastructure. Lower build burden, but creates dependencies.

FOUR AREAS WITH CLEAR UNDERLYING ECONOMIC LOGIC

IO. Where the Opportunity May Be

Four Nigerian asset classes appear particularly relevant for further RWA development.

01

Real Estate & Income Property

Property lends itself naturally to structured ownership, income and financing propositions. Real-estate tokenisation businesses are already being explored within the SEC's incubation ecosystem.

02

Agriculture & Trade Finance

Agricultural commodities, warehouse receipts and associated trade-finance exposures can provide identifiable assets or receivables against which financing can potentially be structured.

03

Infrastructure & Project Assets

Infrastructure creates long-duration financing requirements and potentially identifiable contractual cash flows suitable for structured investment propositions.

04

Private Credit & Financial Assets

Identifiable borrowers, contractual payment obligations and defined maturity/redemption mechanics can suit digital administration and fractional investment structures.

START NARROW; DESIGN FOR REPEATABILITY

II. A Practical Route to Market

For a new international entrant, the objective should not necessarily be to reproduce an entire securities market on day one. A more practical sequence may be:

01 Select one asset class

Choose an asset with clearly identifiable ownership, valuation and cash flows.

02 Define the investor's legal rights

Determine precisely what is being purchased before determining how it will be tokenised.

03 Map the regulatory perimeter

Identify the regulated activities across issuance, offering, custody, servicing and secondary transfer.

04 Determine the licensing strategy

Establish whether RATOP or another category is appropriate and whether ARIP provides an appropriate entry route.

05 Decide what to own and what to partner

Determine whether custody, payments, exchange functionality or other activities should be provided by regulated partners.

06 Establish Nigerian substance

Build the entity, governance, local management and compliance arrangements required for the selected route.

07 Engage the SEC early

Address the classification of the precise model with the regulator before substantial build expenditure; consider the CBN where payment, settlement or stablecoin elements arise.

08 Launch one repeatable transaction

Use the first issuance to create the legal documents, operating procedures, technology integrations and controls required for subsequent assets.

FIRST ASSET → REPEATABLE INFRASTRUCTURE → MULTIPLE ISSUANCES

The objective is not simply to tokenise one asset. It is to create a regulated process capable of tokenising the second, tenth and hundredth.

FROM TOKENISATION PROJECT TO REGULATED BUSINESS

12. Hogswood Perspective

Nigeria has moved beyond the question of whether digital assets should be recognised within its capital markets. The more relevant question is now how different digital-asset and tokenisation activities should be regulated and how businesses move from incubation into sustainable, fully regulated operation.

That process remains in development. The SEC continues to admit businesses to ARIP and is actively addressing registration pathways, capital requirements, tokenised securities, integrated platforms, partnerships and cross-border business models. Its next Regulator/FinTech Clinic on 7 October 2026 is specifically scheduled to address many of these issues.

For RWA businesses, the opportunity therefore needs to be considered alongside regulatory evolution. The key distinction is between the asset, the investment instrument and the infrastructure used to represent and transact it. A credible RWA proposition needs all three to work together.

Nigeria's explicit recognition of RATOPs is important because it provides a regulatory category directed specifically at real-world asset tokenisation. But a RATOP licence should not be viewed in isolation. The complete business may engage securities issuance, offering, custody, exchange, payments and other regulatory requirements depending upon its structure.

The practical route is therefore to start with the asset and investor rights, map the complete lifecycle, determine the activities that should be undertaken directly and partner for the remainder where appropriate. That is the foundation for moving from a tokenisation project to a regulated and repeatable RWA business.

THREE MID-2026 DEVELOPMENTS

- 1 JULY 2026**
Executive Order coordinating virtual-asset regulation across the SEC, CBN and other agencies.
- 2 JULY 2026**
Nigeria Revenue Service guidance on taxation of virtual assets.
- 3 AUGUST 2026**
SEC draft rules proposing a fuller regime for RATOPs and other digital-asset businesses.

THE HOGSWOOD VIEW

Start with the asset and investor rights. Map the lifecycle. Determine what the business should own directly and where regulated partners create a faster, more proportionate route.

FROM INSIGHT TO EXECUTION

How Hogswood Supports the RWA Lifecycle



About Hogswood

Hogswood is an independent advisory practice led by Adrian Hogg FCA, drawing on more than 25 years in financial services and investment business, including a decade in blockchain, digital assets and real-world asset cycles – with exchange, licensing and regulatory experience in the United States, Singapore, Gibraltar, El Salvador, Labuan (Malaysia), Estonia and Cagayan (Philippines).

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SOURCES AND BASIS

Investments and Securities Act 2025; SEC January 2026 minimum-capital framework for capital-market and digital-asset operators; Presidential Executive Order on Virtual Assets Coordination (17 July 2026); SEC proposed Rules on Digital and Virtual Assets Operations, Custody and Markets (20 August 2026); SEC ARIP / Regulatory Incubation materials; Nigeria Tax Act 2025 and Nigeria Tax Administration Act 2025; Nigeria Revenue Service Information Circular 2026/21 (31 July 2026).

Important notice: This Insight is provided for general information only and does not constitute legal, tax, investment or regulatory advice. It reflects the regulatory position as at 2 October 2026. The SEC's August 2026 draft rules were not final at that date; figures quoted from them are based on published reports of the draft and may change. Specific advice should be taken before acting.

REAL ASSETS. REGULATED MARKETS. REAL OUTCOMES.

Start a conversation

Assess • Structure • License • Establish • Issue & List • Operate • Trade / Transfer • Govern & Report

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