

Nigeria's National Payment Stack (NPS): Ushering in a New Era of Digital Payments



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On November 7, 2025, the Nigeria Inter-Bank Settlement System (NIBSS) reported that Nigeria recorded its first successful transaction on the National Payment Stack (NPS), the country's new real-time payment infrastructure powered by NIBSS.

This landmark event, executed by PalmPay and Wema Bank, marks a pivotal moment in Nigeria's financial technology evolution; a symbolic and functional shift from the legacy NIBSS Instant Payment (NIP) system to a more advanced, ISO 20022-compliant digital payment rail.

The launch of NPS aligns with the Central Bank of Nigeria's directive for all payment service providers to migrate to the ISO 20022 messaging standard, reinforcing the country's commitment to global payment interoperability and regulatory compliance.

NPS represents the next generation of national payment infrastructure; a unified, intelligent platform that enables instant, data-rich, secure, and interoperable payments across banks, fintechs, and other financial institutions. It brings Nigeria into alignment with ISO 20022, the global standard for electronic financial messaging.

FROM NIBSS INSTANT PAYMENT (NIP) TO NATIONAL PAYMENT STACK (NPS): WHY THE CHANGE?

Legacy of NIBSS Instant Payment (NIP)

Developed in 2011 by the Nigeria Inter-Bank Settlement System (NIBSS), the NIBSS Instant Payment (NIP) platform introduced Nigeria's first real-time, account-based electronic funds transfer service. It enabled financial institutions to provide instant payments, interbank transfers, and bill-payment services to customers across digital channels[1].

Over the years, NIP became the backbone of Nigeria's digital payments ecosystem, connecting banks, fintechs, and other licensed participants. However, as the global payments landscape evolved with increasing demand for richer transaction data, international interoperability, and enhanced compliance requirements, emerging payment needs required a more advanced infrastructure. This led to the development of the National Payment Stack (NPS), a next-generation payment engine designed to support richer data formats, seamless interoperability, and alignment with global standards such as ISO 20022.

Building on the foundation laid by NIP, the NPS introduces significant enhancements across functionality, efficiency, and intelligence. It enables both single and bulk payments to operate seamlessly on a unified rail, reducing operational complexity. With richer transaction data through ISO 20022, NPS also improves dispute resolution, reconciliation, and remittance processing. Furthermore, its enhanced risk and data analytics capabilities provide deeper insights for fraud detection and regulatory compliance, setting a new benchmark for transparency and resilience in Nigeria's payment ecosystem[2].

Why ISO 20022 Matters for the Future of Payments

ISO 20022 is the new international standard for electronic financial messaging; a data-rich format that enhances automation, reconciliation, compliance, and interoperability.

By basing the NPS on ISO 20022, NIBSS ensures Nigeria's payment systems are compatible with global standards, enabling automation, better reconciliation, and real-time compliance monitoring.

The CBN mandated full adoption of ISO 20022 by October 31, 2025 for all payment institutions in Nigeria.[3]

Key Features and Architecture National Payment Stack

The NPS, powered by NIBSS, represents a strategic and functional shift to an advanced digital payment rail. This platform provides several key features designed to modernize Nigeria's digital payment ecosystem:

-Real-Time Settlement and Instant Processing

The NPS is engineered for immediate processing for all types of transactions. It ensures real-time settlement for both single and bulk payments, which provides confidence

[2] [National Payment Stack - NIBSS](#) accessed November 9, 2025

[3] Central Bank of Nigeria, Migration to ISO 20022 Standard for Payment Messaging and Mandatory Geo-Tagging of Payment Terminals (PPS/DIR/PUB/CIR/001/001), August, 25th 2025, accessed November 9, 2025

for participants. This capability accelerates and simplifies transactions, whether they involve transfers of small or large amounts.

-Unified and Enhanced Interoperability

The NPS is a unified, intelligent platform that seamlessly connects banks, fintechs and other payment providers. Critically, this infrastructure is based on the ISO 20022 messaging standard. This standard utilizes structured, rich data that enhances automation, accuracy, and compliance, thereby aligning Nigeria's payment systems with global standards for electronic financial messaging.

-Advanced Security and Fraud Prevention

Security is reinforced through digital signatures and multi-layer authentication. The platform enhances transaction integrity through its commitment to security by implementing non-stop monitoring to detect and prevent risks. Furthermore, the system employs Smart Risk Scoring, which flags high-risk transactions in-flight using color-coded indicators. The NPS also enables Integrated Digital Identity to ensure safe and verified participation[4].

-Global and Regional Compatibility

The platform is built with a global view and built-in readiness for regional and global payment integration. The NPS is built with multi-currency readiness

and cross-border potential. This strategic design positions Nigeria to participate more effectively in continental systems.

-Innovation-Ready Infrastructure

NPS provides a framework that enables new financial products and services across the ecosystem.



Milestone Moment: First Live Transaction

NIBSS reported that at about 11:56 a.m. on November 7, 2025, Nigeria recorded the first successful transaction on the NPS. The inaugural transfer was executed by PalmPay, a leading fintech, in collaboration with Wema Bank.

NIBSS further stated that this transaction completed in milliseconds demonstrated the platform's capability for instant, secure, and interoperable payments. It marked the official go-live of the National Payment Stack (NPS) following extensive development and collaboration.

This milestone underscores Nigeria's commitment to continuous payment

modernization and signals the start of nationwide migration to the NPS rail.

IMPLICATIONS / BENEFITS FOR STAKEHOLDERS (BANKS, FINTECHS & CONSUMERS)



-Mandatory Infrastructure Re-integration

Participants are required to undertake significant system overhauls, including upgrading existing infrastructure to meet the ISO 20022 messaging standard. Successful re-integration requires institutions to connect to the new NPS APIs.

-Enhanced Compliance and Data Integrity

The structured, rich data afforded by the ISO 20022 standard facilitates improved compliance. This data richness supports better Know Your Customer (KYC), Anti-Money Laundering (AML), and regulatory reporting. Furthermore, transaction integrity is enhanced through reinforced digital signatures and End-to-End Payment Traceability, allowing transactions to be tracked from origin to destination with full transparency. This not only enhances accountability for financial institutions but also gives consumers greater confidence and clarity, knowing their payments can be tracked in real time.

-Improved Risk Management and Trust

The platform features enhanced safeguards that boost trust and security. This includes non-stop monitoring to detect and prevent risks and the use of Smart Risk Scoring that flags high-risk transactions in-flight.

-Sandbox Access and API Efficiency

The NPS provides an open API framework and sandbox environment specifically designed to support modern fintech integration. The sandbox allows fintechs to efficiently test and launch new products quickly, fueling an innovation-ready infrastructure aligned with Nigeria's digital economy goals.

-Efficiency & speed

The NPS enables instant settlement through a unified rail for both bulk and single payments, reducing fragmentation and ensuring faster, more seamless transaction flows.

-Enhanced Data and Seamless Reconciliation

Built on ISO 20022, the NPS supports richer payment data and metadata,

making reconciliation, remittance processing, and dispute resolution faster and more accurate.

UNLOCKING THE FUTURE OF PAYMENTS

With the NPS now live, Nigeria has entered a new era of fast, interoperable, and globally aligned payments. The successful first transaction by PalmPay and Wema Bank is only the beginning, as more institutions integrate, the ecosystem

will unlock capabilities.

By adopting the ISO 20022 international standard, the NPS enables Nigeria's payment systems to achieve global interoperability and readiness for regional integrations.

CONCLUSION

The launch of the NPS marks a transformative moment for Nigeria's payments infrastructure. It is not merely a replacement of the old system, but a re-architecting of the payments rail to align with global standards ISO 20022

The first transaction on the 7th day of November 2025 executed by PalmPay and Wema Bank symbolizes not just a technological achievement, but the beginning of a transformative journey

toward a unified, secure, and innovation-driven payment ecosystem. For banks, fintechs, merchants and regulators, the shift will require careful planning, investment and coordination. If Nigeria executes the migration and integration well, NPS could become one of Africa's leading payment rails and set the blueprint for linking domestic and cross-border payments across the continent.

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