



Regulatory Update: Nigeria Exits FATF's Grey List



The Financial Action Task Force (FATF) has officially removed Nigeria from its Grey List, signaling renewed international confidence in the country's efforts to strengthen its anti-money laundering and counter-terrorism financing (AML/CFT) framework.

In February 2023, Nigeria was placed on the FATF Grey List, a move that signaled the international community's reduced confidence in the country's ability to combat money laundering, terrorism financing, and related financial crimes. The designation indicated that Nigeria's legal, regulatory, and institutional frameworks, while established, were not being implemented with sufficient consistency or effectiveness to meet global AML/CFT standards. As a result, the country was subjected to enhanced monitoring by the FATF, requiring it to demonstrate measurable progress through concrete reforms and enforcement actions.

This designation carried significant negative implications for Nigeria's financial and business landscape, including higher borrowing costs, increased friction in cross-border transactions, and reputational damage arising from the perception of Nigeria as a high-risk jurisdiction for international business. More critically, it placed the country one step away from being blacklisted by the FATF, a status that could have had severe economic and diplomatic consequences.

Rather than view the listing as a setback, Nigeria's key regulators, notably the Nigerian Financial Intelligence Unit (NFIU), the Central Bank of Nigeria (CBN), and the Economic and Financial Crimes Commission (EFCC), took a proactive approach, returning to the drawing board to address identified deficiencies. Working collaboratively, these institutions implemented broad and strategic reforms aimed at strengthening the country's anti-money laundering and counter-terrorism financing

(AML/CFT) framework and restoring global confidence in Nigeria's financial integrity.

The recent development marks a significant achievement, showing that Nigeria has the capacity to further enhance its regulatory framework and become a foremost business destination. With the country's removal from the FATF Grey List, it reduces compliance friction in cross-border transactions, improves investor confidence, and aligns Nigeria more closely with global financial transparency standards.

As practitioners in financial regulation, compliance, and cross-border investigations, we recognize this as both a win and a reminder that sustained vigilance, institutional cooperation, and enforcement consistency are critical to keeping Nigeria on the path of global best practice.

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We have developed a clear vision for anticipating our client's business needs and surpassing their expectations, and we do this with an uncompromising commitment to Client service and legal excellence.

The Authors



**Amala
Umeike**

Partner

AmalaUmeike
@strenandblan.com



**Omobolaji
Bello**

Senior Associate

OmobolajiBello
@strenandblan.com



**Chidera
Nwokeke**

Associate

ChideraNwokeke
@strenandblan.com



**Lynda
Agukwe**

Associate

LyndaAgukwe
@strenandblan.com



+234 (0)702 558 0053
3 Theophilus Orji Street, Off Fola Osibo
Road, Lekki Phase 1, Lagos, Nigeria

www.strenandblan.com
contact@strenandblan.com
[in](#) [X](#) [@](#) @strenandblan