



Blockchain Technology in Nigeria

The Federal government recently approved a National Blockchain Policy for Nigeria. As the heartbeat of technology in Africa, Nigeria is the first country on the continent to implement blockchain technology. The Policy identifies key elements and requirements of the technology.

This article seeks to clarify the nature of blockchain, the potential practical uses and benefits of utilizing blockchain, and other associated considerations.

WHAT IS BLOCKCHAIN?

Blockchain is a permanent, immutable, decentralized ledger that records data, transactions, assets, and documents in sequential order using encryption technology. The ledger itself is shared among various nodes, or members, with no centralized storage location. Data transactions are stored in a series of blocks that form part of a sequential chain, with each new block cryptographically linked to the previous block in the chain. It is possible to have multiple blockchains in an organization, and member access can be controlled with varying permission levels. Additionally, blockchains may be public (open to all), private (limited access, membership, and participation), or a combination of the two (publicly available but with different permission thresholds for each node).

REGULATORY CONSIDERATIONS

Most of the countries that have introduced legislation regulating blockchain have done so in the context of cryptocurrencies and public blockchains. A self-contained, private, and permission blockchain requires little to no regulatory oversight. In Nigeria, there are currently no laws or regulations governing blockchains.

Conclusion

The regulatory framework around blockchains is still within its development phase, however stakeholders believe that with the increased acceptance by the Federal Government of blockchain technology and its implementation in the country a robust legal framework will soon be created.

While the technology certainly has potential in Nigeria, blockchain is ultimately reliant on the surrounding technological ecosystem. In addition to the data and verifiers, bandwidths, storage space, and access must all be available to support the blockchain.

That said, given Nigeria's steady investment in its technology infrastructure, the widespread adoption of blockchain seems inevitable.

Do you require further help on blockchain technology in Nigeria?, please **Contact Us.**

