

Cryptocurrency Ban in Nigeria: Implications for Domestic and International Trade

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Abstract

Cryptocurrencies such as bitcoin pose a threat to the post-Bretton Woods system because its bitcoin is decentralized. It is neither issued by a government nor stored in a single location. Bitcoin and other decentralised currencies use a distributed public ledger, eliminating the requirement for a trusted third party. This study therefore aimed to examine the challenges on trades and cryptocurrency traders due to the ban of cryptocurrency. This study premised on the liberalist's perspective of international relations. The study employed descriptive survey research design and the population of the study was made up of 165 bankers, university lecturers and crypto traders. The sampled all respondents using a convenient sampling technique and the data were gathered with the use of structured questionnaire. The Statistical Package for Social Science (SPSS) was used to analyse the data and the presentation was done using tables and descriptive analysis. The findings revealed even though the cryptocurrency ban has reduced virtual buying and selling of goods and services within Nigeria, there are no significant consequences of cryptocurrency ban on domestic and international trade in Nigeria. Also, the study concluded that the ban on cryptocurrencies has a negative impact on Nigerian digital currency traders. Therefore, this study recommends that government should ensure that the laws guiding cryptocurrency should be modified to the interest of digital traders and to protect the economy.

Keywords: Cryptocurrency, Liberalism, Trades, Nigeria

Introduction

Since the advent of internet and mobile telephone technologies, the world has become a global village as communication from one part of the world to the other has become simple and efficient (Carstens, 2018). The ease of interaction across national boundaries facilitated by this innovation in technologies has greatly enhanced international trade (CBN, 2017). Business deals can be consummated between parties living world apart without any form of physical contact. As a result, the speed of online transactions appears to have overtaken the traditional payment system over time, making it less efficient. Cryptocurrency, an innovation in digital finance powered by Blockchain technology is changing the payment systems and the role of money in this current financial regime.

The technical blueprint for developing blockchain technology was originally proposed in a white paper (Nakamoto, 2008). Attempts to identify this individual or group of individuals have been futile, lending a significant aura of mystery to this information communication technique (ICT). The Bitcoin blockchain was originally designed to allow users to exchange monetary-like "coins," but it was eventually repurposed for the digital exchange, verification, and broadcasting of a variety of other information.

By using a cryptocurrency, users can exchange currency digitally without the intervention of a third party (Nakamoto, 2008). Cryptocurrency is based on the principle of solving encryption algorithms to generate unique hashes with a finite number of possibilities. Users can exchange hashes as if they were transferring tangible currency when combined with a network of computers that verify transactions. There will never be an infinite supply of Bitcoin, preventing oversupply and guaranteeing its rarity. Water, despite its necessity

as a life-giving resource, is widely assumed to be free or low-cost due to its abundance. Water would be more valuable than diamonds if it were uncommon. Bitcoin has value because its users believe that if they take it as payment, they will use it somewhere to buy something they desire or need (DeVries, 2016).

As Bitcoin makes worldwide headlines and predictions of cryptocurrency booms and busts abound, there is much that International Relations (IR) experts can contribute to and learn from arguments about the current “wild west” of an unstable and crisis-prone global economy. IR can constructively foreground the mechanisms of power, agency, and legitimacy that persistently underpin technologically enabled shifts in the multinational ordering of a variety of activities, from agriculture trade to migrant remittances, beyond the economic, legalistic, challenges posed to existing legislation, technical analysis of daily price swings, and potential vulnerabilities in computer code. By providing context to debates that have either dismissed Bitcoin as bad or applauded its underlying blockchain technology as “the greatest invention since the Magna Carta.” IR can expand on long-standing attempts to comprehend the players, processes, and objects that contribute to global governance patterns of both change and continuity (Campbell-Verduyn, 2018).

Bitcoin and other cryptocurrencies have acquired acceptance in the international community as a means of transaction that transcends conventional financial institutions and cross-border rules in the fourteen years after Bitcoin’s proposal. Furthermore, state governments, banks, and investors are increasingly interested in employing cryptocurrencies to improve their own financial capacities. Furthermore, because cryptocurrency’s blockchain technology allows users to interact freely without the need for a trustworthy third party, the payee and receiver in transactions remain confidential outside of their digital wallet signature (Kharif, 2014).

Bitcoin has gradually gained acceptance for a wide range of transactions in key online commercial marketplaces like as eBay, the “sharing economy” of AirBnB and Uber, as well as more traditional shops, manufacturers, and even some political parties. Some big corporations began constructing their own CCs and integrating blockchains into their business in addition to simply accepting Bitcoin for transactions. Wal-Mart, the world’s largest retailer, has been testing technology to improve quality control across its global food supply chain. Several investment banks and stock exchange operators have also begun to integrate blockchain technology in an effort to improve their back-office processes (Shin, 2015).

Lately, there has been a mixed reaction to this development across the globe (NDIC, 2019) whereas there is outright ban of virtual currency in some countries, others are making regulations to mitigate the risks and enhance the benefits it presents. Nigerian government through its regulatory authorities has issued several warnings against and finally in placed a ban on the investment in use of cryptocurrency especially with regards to the risk of loss of investment (Onyeke, 2020). However, some person (or mostly, organisations) still engages in digital currency trading despite its challenges and the regulatory authorities’ declaration. This calls for the need to study the trade implications of the ban. The objectives of the study are to:

1. examine the implications of cryptocurrency ban on domestic and international trade in Nigeria
2. evaluate the effects of cryptocurrency ban on Nigerian digital currency traders

Literature Review

Blockchain Technology

Blockchains are digital numerical sequences written into computer software that enable the secure exchange, recording, and broadcasting of transactions between individual users operating anywhere in the world with Internet access. The development of blockchains, like other technological changes, drew on and incorporated various existing technology. Blockchains utilise digital encryption technologies to disguise the precise material traded as well as the identities of individual users to variable degrees. Algorithms, which

are pre-coded set of step-by-step instructions, are also used to solve difficult mathematical equations and reach an agreement on the validity of transactions inside user networks. Time-stamping methods then package validated transactions into datasets, or blocks, on a regular basis. These ‘blocks’ are linked together sequentially to form ‘chains,’ which make up bigger ‘blockchain’ databases of transactions that broadcast a permanent record of transactions while retaining the anonymity of users and specific material transferred. Blockchains are supposed to be maintained in immutable ways by all users unless people reach a clear consensus to make modifications (Okpalaojiego, 2021).

Cryptocurrency

Cryptocurrency is explained as a digital token that utilises cryptography which enables the exchange of its value for other items. It can be used at market rates or as a substitute for legal tender. They trace the origins of cryptocurrencies back to 2009, when Bitcoin, a type of cryptocurrency, was first demonstrated. It used a ledger system known as blockchain technology to verify that a user’s cryptocurrency, in this case Bitcoin, is not spent more than once (Dourado, & Brito, 2014).

Cryptocurrencies are computerised monetary standards that depend on a cryptographic convention to direct the way in which (and the degree to which) money can be made or potentially traded. Instead of past advanced monetary forms (like Second Life’s Linden dollars, or World of Warcraft’s gold) which are both given and directed by a focal server, Bitcoin is a dispersed, around the world, decentralised digital currency that is overseen exclusively and only by an open-source cryptographic convention: there is no administration, organisation, or bank responsible for giving or overseeing Bitcoins (Dourado, & Brito, 2014).

Furthermore, miners that are involved in the development of bitcoin safeguard the process’s sanctity. The European Central Bank listed several dangers associated with cryptocurrencies in 2012, ranging from value instability to payment system instability, the lack of legislation to back it up, and the system’s susceptibility to cyber-attack. Bitcoin, Ethereum, Litecoin, and Zcash are examples of cryptocurrency (Dourado, & Brito, 2014).

Although cryptocurrency can be used to purchase everyday products and services, many people invest in cryptocurrencies in the same way they would in other assets such as stocks or precious metals. While Bitcoin is a fresh and interesting asset class, investing in it can be risky because you must conduct extensive research to properly grasp how each system operates. Cryptocurrency is a digital currency that is decentralised and based on blockchain technology. Although most people are familiar with Bitcoin and Ethereum, there are over 5,000 distinct cryptocurrencies in circulation. In other words, Bitcoin is a national-scale international phenomena based solely on an untraceable electronic monetary system (Werbach, 2018).

Satoshi Nakamoto proposed Bitcoin as the first cryptocurrency in a 2008 paper titled “Bitcoin: A Peer-to-Peer Electronic Cash System.” The idea was characterised by Nakamoto as “an electronic payment system based on cryptographic proof rather than trust.” When pseudonymous creator Satoshi Nakamoto launched Bitcoin in 2009, it was first seen as an intriguing, if implausible, attempt to create an alternative money (or cryptocurrency) that exists independently of the established financial system (Werbach, 2018).

Global Cryptocurrencies Propositions and Regulations

The assessments of those discussing the guideline of cryptographic money in the worldwide local area fall on a range between global oversight and reception. Toward one side, the pundits of cryptographic money contend that digital currencies undermine the current monetary request and state security and, in this manner, should be vigorously directed or restricted through a system of worldwide legislatures. The crypto anarchists and cypher punks are on the other limit, and they contend that the innovation envoy inside the

cryptographic money development will drive political, monetary, or social upheavals in the state-run administrations of the world. These sentiments are both limits, and by far most of insightful perspectives contend for minor guideline of cryptographic money rather than forbiddance and upheaval. Managing cryptographic money requires coordination between global associations to set the base for digital currency guideline for sovereign states. She expresses, “Given Bitcoin’s incredible capability of being taken advantage of by monetary hoodlums as well as Dark Web dealers, a peaceful accord ought to be executed” (Piazza, 2017).

To counter Bitcoin’s danger of a speculative assault, Plassaras offers two arrangements. In the first place, the IMF could require part nations to buy and contribute a level of Bitcoins as a feature of every nation’s necessary portion, accordingly, permitting the IMF to counter a Bitcoin theoretical assault and balance out individual countries. Second, the IMF could just buy its own inventory of Bitcoins to be put available for later should a speculative assault occur (Plassaras, 2013). The IMF’s authority excuses the dangers of virtual cash to the worldwide monetary request. In a discourse to the Bank of England, the IMF overseeing chief, Christine Lagarde, states, “for now, virtual monetary forms, for example, Bitcoin present practically no test to the current request of government issued types of money... since they are excessively unpredictable, excessively unsafe, too energy escalated and not yet versatile” (Lagarde, 2017). Similarly, the IMF’s book *Digital Revolutions in Public Finance* offers a comparative end by excusing the potential weakening impact of digital money reception, recommending that blockchain is an instrument for nations to intensify their individual abilities of government issued types of money and information tracking (Gupta, Keen, Shah, & Verdier, 2017).

However, the rise of disseminated record cryptographic forms of money, as Bitcoin, has likewise acquired the consideration of the Bank for International Settlements (BIS). The report on computerised monetary forms delivered by the BIS’s Committee on Payments and Market Infrastructures (CPMI) gives a point-by-point examination of likely advantages and disadvantages that advanced conveyed record monetary forms offer as a technique for transaction (CPMI, 2015). The report likewise gives a rundown of potential administrative activities a state or its national bank can take to control or debilitate cryptographic forms of money, and it investigates a rundown of nations that have applied virtual cash guidelines current to 2015.

Bitcoin was said will not destroy the current Westphalia request whereupon the world economy is constructed yet rather will turn into a challenger and give the banking state [with] some truly necessary contest and discipline constrained upon it. It was clarified that there are three deterrents that Bitcoin, or some other digital currency, should overcome to accomplish the objective of far and wide reception. In the first place, Bitcoin is smothered with the rough history of tricks and criminal behavior, and its value will in general be unstable. Second, the deflationary idea of Bitcoin advances storing overspending, and whenever embraced over the current inflationary monetary framework, it could make another “Economic crisis.” Finally, if trusted name-brand companies developed their own direct competitor to Bitcoin with nearly identical benefits, consumers would likely prefer the trusted name-brand companies, resulting in a decrease in Bitcoin usage (Asl, Rashidi, Hosseini & Abad, 2021).

Theoretical Framework

This study adopted the liberalism theory. From the liberalist viewpoint, blockchain technology is valuable and innovative in the goal of better global government because it promotes elements like as diplomacy, transparency, security, and efficiency while decreasing aspects such as corruption and loss of identity (Karen, 2019).

Blockchain should be utilised to promote openness and efficiency, as well as to shed light on issues like as corruption and boost diplomacy. According to countless terrible statistics on governmental misconduct, blockchain technology is the solution to a dignified reversal in corruption (Tillemann, 2018). Tillemann

goes on to claim that we no longer need to rely on financial institutions, which may or may not be corrupt themselves, to carry out transactions. Because blockchain technology is incredibly secure and transparent because anyone may view the information and the information is forever kept. Because information can only be updated and not wiped, even if a government or corporate player wanted to delete the transaction, they would be unable to do so, putting an end to corruption and improving governance and globalization (Tillemann, 2018).

Corruption is a major issue in international society, particularly among governments, and blockchain technology offers a remedy. Corruption is illegal in all nations, developed and developing, but government employees are soothed by the notion that they will not be caught and that they feel no one is monitoring or that their superiors are equally corrupt (Vashisht, 2017). If a bribe is offered, it is only visible to the receiver and giver. Vashisht contends that the only way to stop it is to remove the comfort by making these transactions more transparent, which is one of the benefits of blockchain technology in that it makes all transactions accessible and so holds people accountable (Vashisht, 2017).

This theory is adopted in this study in the Nigeria case looking at the ban on cryptocurrency by the State Government, in a globalised world where corruption is endemic, the Liberalist believes that using various blockchain technologies like Paxful wallet, Binance, Trust wallet and other available wallet, corrupt activities could easily be traced and found out. The mere fact that individuals now need to verify their wallet either by their NIN or voter registration numbers make trade traceable if there are cases of mismanagement of fund or other shady acts. While creating economic independence and relief for those that are into it in Nigeria, blockchain wallet has gotten good and secured security architecture and has made it difficult for anyone to hack from the backdoor.

Previous Empirical Studies

Fakunmoju, Banmore, Gbadamosi and Okunbanjo (2022) investigated the effects of cryptocurrency on the performance of the Nigerian economy. The specific objective was to investigate the impact of cryptocurrency trading, as well as monetary and monetary corrupt activities, on Nigerian economic performance. The study collected primary data from 98 copies of the questionnaire. The data was analysed using the Tobit regression approach. The findings show that cryptocurrencies and monetary and monetary corrupt practices have a negative but substantial effect on Nigerian economic performance, with marginal effects of -0,172 and -0,734 with P 0.05. The study suggests that cryptocurrency and monetary corruption have an impact on Nigerian economic performance. According to the findings, the government should regulate and oversee cryptocurrency trade through the Central Bank of Nigeria (CBN) using global digital financial system software. The software will monitor and control cryptocurrency trading in Nigeria in order to improve cryptocurrency trading and contribute to and expand Nigerian economic activity.

Similarly, Okpalaojiego (2021) examined the effects and implication of cryptocurrency ban in Nigerian economy. The objective of this study was to find out what Nigerians and cryptocurrency traders thought about the impacts and ramifications of a cryptocurrency prohibition in the Nigerian economy. The survey study design and random sample approach were utilised by the researcher. The study's sample size was 400 people taken from a community of 4000 people, including crypto dealers, bankers, bank customers, university personnel, students, and the general public. The information was gathered using structured questionnaires and analysed using the mean score average. The researcher discovered, among other things, that the abrupt ban on cryptocurrency trading and transactions has deeply shaken the Nigerian crypto market, causing emotional shock and trauma to crypto traders, and preventing traders from purchasing crypto currencies with credit or debit cards issued by Nigerian banks. The consequences of this include, among other things, the fact that the prohibition may make it difficult for people to hold crypto currencies because they cannot acquire or sell them. It may result in constant depreciation of the Naira and loss of money by Nigerians, resulting in major unemployment, destitution, and hunger among the unemployed

youngsters who rely on cryptocurrencies as a source of income. The researcher thus recommends, among other things, that the government, the security and exchange commission, and other stakeholders act quickly to consider the potentially far-reaching consequences of Nigeria's central bank's stance on cryptocurrency. The federal government, through the Central Bank of Nigeria, can control the crypto industry by taxing cash created by withdrawing deposits or exchanger earnings and requiring investors to register with their BVN and National identity numbers. These will allow any fraudster or perpetrator to be apprehended. Finally, Nigeria might use cryptocurrency trading to generate cash for economic growth and development.

Another study conducted by Wu, Ishfaq, Hussain, Asmi, Siddiquei and Anwar (2022) assessed the adoption of cryptocurrency in e-retail. As noted by the authors, cryptocurrencies because of their conveyance, security, trust, and the capacity to make transactions without the assistance of traditional institutions and regulating bodies, cryptocurrencies have transgressed ever-changing economic trends in the global economy. However, bitcoin acceptance remains low among stakeholders, particularly e-retailers. As a result, the current study investigates the intents of e-retailers in the Asia-Pacific region to use cryptocurrencies. The TAM-based SOR is considered in this study, with a combination of non-cognitive qualities (compatibility and convenience) recommended as triggers for e-retailers to embrace the cryptocurrencies under consideration. The results show that the postulated non-cognitive qualities are important in determining e-retailers' technostress (emotional state). Furthermore, it was discovered that e-retailers' technostress has a significant impact on their intents to use cryptocurrencies in commercial settings. Meanwhile, regulatory support communication can be utilised to assist regulatory organisations and governing institutions in maintaining global economic control. Through its analysis of e-retailers' intents to use cryptocurrencies for the first time in the context of technostress and regulatory assistance, the proposed study makes major theoretical and practical advances.

Siyanbola, Audu, Adediran and Agbaje (2021) evaluated the effect of cryptocurrency on the Nigerian economy. The research was based on social exchange theory. Secondary data were acquired from the CBN statistical bulletin and the Global Financial Integrity Report from 2013 to 2018. A basic regression model was used to analyse the data. The result shows that R is 5.8%, indicating that there is a weak positive link between bitcoin and Nigeria's level of economic development. It also reveals an adjusted R square of -24.6, indicating that cryptocurrency has a minimal inverse influence on Nigeria's degree of economic development. In conclusion, the computed p-value of 0.913, which is more than the given p-value of 0.05, indicates that cryptocurrency has no meaningful effect on Nigeria's degree of economic development. As a result, it is advised that, in order to sustain economic development from cryptocurrency activities in Nigeria, the Central Bank of Nigeria guarantee that regulations and mechanisms are put in place to appropriately capture cryptocurrency activity in the country.

Methodology

The descriptive survey research design was adopted in this study. A survey according to Oyedokun (2020) is a type of research that involves gathering data from a predetermined group of people to get knowledge and insights about a variety of issue. The study utilized self-structured questionnaire to obtain data. The population of this research comprises of selected registered cryptocurrency traders who operate legitimately and have physical locations in Oyo State Nigeria. The sample size for this study was (165) respondents comprising of bankers, university lecturers and cryptocurrency traders. This number was determined by the amount of the respondents who were available and willing to participate in this study. The sampling technique adopted for the study is the convenient sampling method.

Analysis and Data Presentation

Table 1: Respondents' Demographic Information

N	Variables	Frequency	Percentage (%)	
1.	Gender	Female	44	26.7
		Male	121	73.3
		Total	165	100.0
2.	Age	20 & below	12	7.3
		21-30	107	64.8
		31-40	34	20.6
		41-50	4	2.4
		51 and above	8	4.8
		Total	165	100.0
3.	Work Experience	1-5	97	58.8
		6-10	40	24.2
		11-15	15	9.1
		16-20	6	3.6
		21 & above	7	4.2
		Total	165	100.0
4.	Occupation	Banker	43	26.1
		Cryptocurrency Trader	91	55.2
		University Lecturer	29	17.6
		Others	2	1.2
		Total	165	100.0

Source: Field Survey, 2022

Analysis from Table 1, showing the demographic data of the respondents reveals that 26.7% of respondents are female while 73.3% are male. This shows that the male respondents contributed more to the study than the females in this study. The age distribution in the table shows that 7.3% of the respondents are below the age of 21, 64.8% of the respondents are 21-30 years, 20.6% of the respondents are 31-40, and 2.4% of the respondents are 41-50. While participants between the ages of 51 and above make up 4.8%. This shows that, respondents in this study are people in their youthful age.

The section showing the work experience of the respondents revealed 58.8% of the participants have been working with their respective agency/institute between 1-5years, 24.2% of the respondents have been working for 6-10years, 9.1% of the respondent have been working for 11-15years, 3.6% of the respondents have been working for 16-20years, while 4.2% of the respondent have been working for more than 20 years. This clearly shows that respondents that have worked for 1-5 years engaged more in this study. Also, 26.1% of the total respondents are bankers, 55.2% are cryptocurrency traders, 17.6% are University Lecturer, while 2 (1.2%) of the respondents are lawyers. This shows that the questionnaire targeted specific professions for this study and their opinion is valid.

Research Question One: How does the cryptocurrency ban affect domestic and international trade in Nigeria?

Table 2: Effects of Cryptocurrency Ban Domestic and International Trade in Nigeria

S/N	Statements	SA (%)	A (%)	D (%)	SD (%)
1.	The cryptocurrency ban has reduced virtual buying and selling of goods within Nigeria	22 (13.3)	81 (49.1)	42 (25.5)	20 (12.1)
2.	The cryptocurrency ban has reduced virtual payment of service within Nigeria	36 (21.8)	65 (39.4)	47 (28.5)	17 (10.3)
3.	The cryptocurrency ban has affected crypto collateral as regards loan and debt payment in Nigeria	32 (19.4)	73 (44.2)	42 (25.5)	18 (10.9)
4.	The cryptocurrency ban has reduced the wave of virtual importation of goods in Nigeria	39 (23.6)	67 (40.6)	38 (23.0)	21 (12.7)
5.	The ban on cryptocurrency in Nigeria has placed a limit on international online shopping	34 (20.6)	63 (38.2)	51 (30.9)	17 (10.3)
6	The ban on cryptocurrency in Nigeria has reduced online global presence of companies in Nigeria	30 (18.2)	72 (43.6)	43 (26.1)	20 (12.1)
7	The cryptocurrency ban has led to a favourable exchange rate in Nigeria	18 (10.9)	40 (24.2)	55 (33.3)	52 (31.5)

Source: Field Survey, 2022

Analysis from Table 2 showed that 62.4% of the respondent attested that the cryptocurrency ban has reduced virtual buying and selling of goods within Nigeria. Likewise, 51.2% of the total respondent agreed that cryptocurrency ban has reduced virtual payment of service within Nigeria and 63.6% confirmed that the cryptocurrency ban has affected crypto collateral as regards loan and debt payment in Nigeria. Also, Majority (64.2%) of the respondent agreed that the cryptocurrency ban has reduced the wave of virtual importation of goods in Nigeria and 58.8% of the respondents either agreed or strongly agreed that the ban on cryptocurrency in Nigeria has placed a limit on international online shopping. The table further indicates that 61.8% of the respondents established that the ban on cryptocurrency in Nigeria has reduced online global presence of companies in Nigeria while 64.8% of the respondents disagreed that the ban has led to a favorable exchange rate in Nigeria.

Research Question Two: How does the cryptocurrency ban affect digital currency traders in Nigerian?

Table 3: Effect of Cryptocurrency Ban on Digital Currency Traders in Nigeria

S/N	Statements	SA (%)	A (%)	D (%)	SD (%)
1.	The ban has impoverished the teaming unemployed youths who trade on cryptocurrency as a means of livelihood	59 (35.8)	75 (45.5)	20 (12.1)	11 (6.7)
2.	The ban has prevented traders from buying cryptocurrencies with their credit or debit cards issued by Nigeria banks	84 (50.9)	62 (37.6)	13 (7.9)	12 (3.6)
3.	The cryptocurrency ban has led to liquidation of some financial technology startups in Nigeria	50 (30.3)	71 (43.0)	38 (23.0)	6 (3.6)
4.	Some financial technology companies have been forced to lay off their staff as a result of poor capital inflow due to the ban on cryptocurrency	47 (28.5)	79 (47.9)	30 (18.2)	9 (5.5)
5.	The cryptocurrency ban can has prevented traders from receiving proceeds of sales from exchanges which facilitate the buying and selling of cryptocurrency	40 (24.2)	83 (50.3)	33 (20.0)	9 (5.5)
6	The sudden ban of cryptocurrency trading and transactions has deeply shaken the market and cryptocurrency industry in Nigeria	63 (38.2)	74 (44.8)	18 (10.9)	10 (6.1)
7	There has been a massive downturn at the rate at which people trade cryptocurrencies in Nigeria due to the ban	40 (24.2)	74 (44.8)	31 (18.8)	20 (12.1)

Source: Field Survey, 2022

From the analysis in Table 3, 81.3% of the respondent stated that the ban has impoverished the teaming unemployed youths who trade on cryptocurrency as a means of livelihood. Also, 88.5% of the respondents believe the ban has prevented traders from buying cryptocurrencies with their credit or debit cards issued by Nigeria banks. A total of 73.3% of the respondent agreed the cryptocurrency ban has led to liquidation of some financial technology startups in Nigeria. Also, 76.4% of respondents confirmed that some financial technology companies have been forced to lay off their staff because of poor capital inflow due to the ban on cryptocurrency. Furthermore, 74.5% of the respondent claimed that the cryptocurrency ban can has prevented traders from receiving proceeds of sales from exchanges which facilitate the buying and selling of cryptocurrency. Similarly, 83% of the respondents attested that the sudden ban of cryptocurrency trading and transactions has deeply shaken the market and cryptocurrency industry in Nigeria. While, 69% of the respondent agreed that there has been a massive downturn at the rate at which people trade cryptocurrencies in Nigeria due to the ban.

Presentation of Hypotheses

Hypothesis One: There are no significant implications of cryptocurrency ban on domestic and international trade in Nigeria

		Crypto Ban	Trade Implications
Crypto Ban	Pearson Correlation	1	.083
	Sig. (2-tailed)		.287
	N	165	165
Trade Implications	Pearson Correlation	.083	1
	Sig. (2-tailed)	.287	
	N	165	165

Source: Field Survey, 2022

The first objective of the study sought to establish the implications of cryptocurrency ban on domestic and international trade in Nigeria. To investigate this, Pearson Correlation was used with a two-tailed test of significance at $P < 0.01$ level. Using default 5%, the p-value or Sig. value is 0.287 which is above the p-value and shows insignificance. Hence, the null hypothesis which states that there are no significant implications of cryptocurrency ban on domestic and international trade in Nigeria is accepted. The sample correlation is 0.083 (cryptocurrency ban on domestic and international trade in Nigeria at 0.083) which is positive and shows that the relationship is weak. It can however be concluded that there are no significant implications of cryptocurrency ban on domestic and international trade in Nigeria. This therefore answered the research first objective.

Hypothesis Two: There are no significant effects of cryptocurrency ban on Nigerian digital currency traders.

		Crypto Ban	Crypto Traders
Crypto Ban	Pearson Correlation	1	-.088
	Sig. (2-tailed)		.263
	N	165	165
Crypto Traders	Pearson Correlation	-.088	1
	Sig. (2-tailed)	.263	
	N	165	165

Source: Field Survey, 2022

The second objective of the study sought to establish the implications of cryptocurrency ban in Nigerian on digital currency traders. To investigate this, Pearson Correlation was used with a two-tailed test of significance at $P < 0.01$ level. Using default 5%, the p-value or Sig. value is 0.263 which is above the p-value and shows insignificance. Hence, the null hypothesis which states that there are no significant effects of

cryptocurrency ban on Nigerian digital currency traders is accepted. The sample correlation is -0.088 (cryptocurrency ban in Nigerian on digital currency traders at -0.088) which is negative and shows that the relationship is weak. It can however be concluded that there are no significant implications of cryptocurrency ban in Nigeria on the cryptocurrency traders. This therefore answered the research second objective.

Discussion of Findings

The first objective of this study was set to examine the implications of cryptocurrency ban on domestic and international trade in Nigeria. The results showed that the cryptocurrency ban has reduced virtual buying and selling of goods and services within Nigeria. The ban on cryptocurrency has also affected crypto collateral as regards loan and debt payment in Nigeria and reduced the wave of virtual importation of goods in Nigeria. Similarly, the ban has placed a limit on international online shopping which reduced online global presence of companies in Nigeria and has not led to a favorable exchange rate in Nigeria.

To further establish the implications of cryptocurrency ban on domestic and international trade in Nigeria, Pearson Correlation was used with a two-tailed test of significance at $P < 0.01$ level. Using default 5%, the p-value or Sig. value is 0.287 which is above the p-value and shows insignificance. The sample correlation is 0.083 (cryptocurrency ban on domestic and international trade in Nigeria at 0.083) which is positive and shows that the relationship is weak. Hence, the null hypothesis which states that there are no significant implications of cryptocurrency ban on domestic and international trade in Nigeria is accepted. Previous study titled effects and implication of crypto currency ban in Nigerian economy confirmed that the ban on cryptocurrency has made it difficult for people to own crypto currencies since they cannot buy or sell cryptos (Okpalaojiego, 2021). In another study, the findings revealed that blockchain technology has its fair share of advantages beyond the financial sector: a protected assemblage of essential data and information, such as scientific bills, health records, vote records, and many more (Ahannaya, Oshinowo, Sanni, Arogundade, & Ogunwole, 2021). Similarly, in a study titled cryptocurrency and the Nigerian economy, the authors established that there is a low positive relationship between cryptocurrency and the level of economic development in Nigeria (Siyanbola, Audu, Adediran, & Agbaje, 2021).

Objective evaluated the effects of cryptocurrency ban on Nigerian digital currency traders. The ban on cryptocurrencies in Nigeria impoverished the teaming unemployed youths who trade on cryptocurrency as a means of livelihood. The ban also the prevented traders from buying and selling cryptocurrencies with their credit or debit cards issued by Nigeria banks. This has led to a massive downturn at the rate at which people trade cryptocurrencies. The ban on cryptocurrencies forced some financial technology startups into liquidation while other financial technology companies were forced to lay off their staff because of poor capital inflow due to the ban on cryptocurrency.

To further investigate this, Pearson Correlation was used with a two-tailed test of significance at $P < 0.01$ level. Using default 5%, the p-value or Sig. value is 0.263 which is above the p-value and shows insignificance. The sample correlation is -0.088 (cryptocurrency ban in Nigerian on digital currency traders at -0.088) which is negative and shows that the relationship is weak. Hence, the null hypothesis which states that there are no significant effects of cryptocurrency ban on Nigerian digital currency traders is accepted. It can however be concluded that there are no significant implications of cryptocurrency ban in Nigeria on the cryptocurrency traders. Similarly, the sudden ban of cryptocurrency trading and transactions has deeply shaken the market and cryptocurrency industry in Nigeria. Also, in a study the author revealed that the ban of cryptocurrency trading caused emotional shock and trauma to crypto traders and prevents traders from buying crypto currencies with their credit or debit cards issued by Nigeria banks (Okpalaojiego, 2021).

Conclusion and Recommendations

From the findings, the study concludes even though the cryptocurrency ban has reduced virtual buying and selling of goods and services within Nigeria to some extent and has placed a limit on international online shopping which reduced online global presence of companies in Nigeria, the level of these implication no momentous implications of cryptocurrency ban on domestic and international trade in Nigeria is accepted. Hence, it can be concluded that there are no significant consequences of cryptocurrency ban on domestic and international trade in Nigeria.

Lastly, the ban on cryptocurrency has negatively affected the operations of digital traders who depend on cryptocurrency trading as a means of livelihood. As many startup companies were forced into liquidation and staff were laid off because of poor capital inflow due to the cryptocurrency ban. The ban also prevented traders from buying and selling cryptocurrencies with their credit or debit cards issued by Nigeria banks. Hence, the study concludes that the ban on cryptocurrencies has a negative impact on Nigerian digital currency traders.

Based on the findings, the authors recommend the following:

1. The government should ensure that the laws guiding cryptocurrency are modified to the interest of digital traders and to protect the economy.
2. The study findings revealed that the ban has impoverished the teeming unemployed youths who trade on cryptocurrency as a means of livelihood and has led to liquidation of some financial technology startups in Nigeria. Rather than an outright ban which plunged traders into poverty and losses, the Central Bank should explore the potentials of cryptocurrencies and how it can be used to boost the Nigerian economy.
3. The findings revealed that cryptocurrencies in Nigeria just like most countries are devoid of proper regulation. The Central Bank of Nigeria (CBN) should consider developing regulatory policies on the usage and trading of cryptocurrencies instead of an outright ban.

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