



CENTRAL BANK OF NIGERIA

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CIRCULAR TO ALL BANKS AND OTHER FINANCIAL INSTITUTIONS

SECTION 2 OF MONEY LAUNDERING PROHIBITION ACT:

DUTY TO REPORT INTERNATIONAL TRANSFER OF FUNDS -TRANSPORTATION OF CASH OR NEGOTIABLE INSTRUMENTS IN EXCESS OF US\$10,000 OR ITS EQUIVALENT

Market information at the disposal of the Central Bank of Nigeria (CBN), on the implementation and enforcement of section 2 of the Money Laundering (Prohibition) Act (MLPA), 2011 (as amended) revealed some misinterpretation/misapplication of the provision to mean that carrying of funds/negotiable instruments to or from a foreign country in excess of \$10,000 or its equivalent is prohibited. It is, therefore, pertinent to provide guidance to banks and other financial institutions on the provision of the section.

You may wish to recall that section 2(3) of the MLPA, 2011 (as amended) provides that transportation of cash or negotiable instruments in **excess of US\$10,000 or its equivalent by individuals in or out of the country** shall be declared to the Nigeria Customs Service (NCS) while section 2(5) provides that any person who falsely declares or fails to make a declaration to the NCS pursuant to section 12 of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act, Cap. F34, LFN, 2004 is guilty of an offence and shall be liable on conviction to forfeit the undeclared funds or negotiable instrument or to imprisonment of not less than two (2) years or to both. The Act under reference further requires the NCS to forward such declarations made to both the CBN and the Economic and Financial Crimes Commission (EFCC).

Section 2(5) of the Act specifically states that false declaration or failure to make a declaration to the Nigerian Customs Service (NCS) is an offence. It should also be noted that forfeiture of the undeclared funds or negotiable instrument occurs upon conviction.

The import of the above provisions is that it is mandatory for only the holders of cash or negotiable instruments in excess of US\$10,000 to declare such funds or their equivalent to the NCS.

It is the **false declaration or failure to make such declaration** to the NCS that attracts prosecution and subsequent sanction of forfeiture of the undeclared funds or instruments upon conviction. To this end, the provisions in question do not imply, in any manner that genuinely owned or obtained funds or negotiable instruments in excess of US\$10,000 or its equivalent cannot be brought into Nigeria or taken outside the country.

Y.B. Duniya

FOR: Ag. DIRECTOR, FINANCIAL POLICY AND REGULATION DEPARTMENT