



CENTRAL BANK OF NIGERIA

Financial Policy & Regulation Department
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June 29, 2016

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FPR/DIR/GEN/CIR/06/001

CIRCULAR TO BANKS AND OTHER FINANCIAL INSTITUTIONS - SECURED TRANSACTIONS AND NATIONAL COLLATERAL REGISTRY FOR MSME FINANCING IN NIGERIA

The Central Bank of Nigeria (CBN), in the exercise of the powers conferred on it by the Banks and Other Financial Institutions Act, and in furtherance of its statutory mandate of promoting a sound financial system in Nigeria, issued and gazetted in February 2015 the Registration of Security Interests in Movable Property by Banks and Other Financial Institutions in Nigeria (Regulation, No. 1, 2015). The Regulation aims to:

- i. Provide a regulatory framework for accessing credit secured with moveable property; creating and perfecting security interests; and realizing security interests in Movables
- ii. Provide for the establishment and operation of the collateral registry; and
- iii. Stimulate responsible lending to Micro, Small and Medium Enterprises (MSMEs) by providing an efficient mechanism for the registration of security interests in moveable assets and realization of such interest in the event of a default.

Further thereto, the CBN seeks to inform all banks and other financial institutions that the notice-based/on-line National Collateral Registry (NCR) is now operational and can be accessed at the Registry's website, www.ncr.gov.ng.

All banks and other financial institutions are hereby required to register their security interests in movable assets with the NCR with effect from Monday, July 4, 2016. Financial institutions are also advised to conduct search on the NCR as part of credit assessment and risk management processes in order to ascertain the encumbrance status of movable assets sought to be used as collateral for credit facilities.

Each institution (bank and other financial institution) is hereby required to nominate a staff not below the status of a Senior Manager to serve as the institution's Administrator on the Registry's platform. The nomination should be sent to the under-listed email addresses by Friday, July 8, 2016.

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Further enquiries on this circular may be directed to the Director of Development Finance Department of the CBN

A handwritten signature in black ink, appearing to read 'Kevin N. Amugo'.

KEVIN N. AMUGO
DIRECTOR, FINANCIAL POLICY AND REGULATIONS DEPARTMENT