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President Buhari Felicitates Emefiele at 60

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- CBN Appoints 8 New Directors

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Ademola Bakare

LETTERS TO THE EDITOR

We welcome your contribution and comments. Please forward them to the Editor via: ioogbe@cbn.gov.ng

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CBN CONTACT CENTRE

contactcbn@cbn.gov.ng

07002255226

CONTACT DETAILS

Corporate Communications Department,
CBN Head Office: 6th Floor Wing "B"
Plot 33, Abubakar Tafawa Balewa Way,
Central Business District,
P.M.B. 0187, Garki, Abuja.

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Editor's Note

We open the August edition with the focus on the Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, who recently clocked 60 years. We join Management and staff to celebrate a Patriot at 60 as we bring you a news report where President Muhammad Buhari felicitated the Governor on his birthday anniversary.

At the CBN, we take the interest of bank customers very seriously. Hence, the Bank has consistently made efforts to resolve complaints of customers.

In this edition, we present a news story revealing that Deposit Money Banks (DMBs) have refunded N89bn to customers over complaints. The heart-warming and laudable feat was the outcome of a timely resolution of the bank complaints lodged by customers to the Central Bank of Nigeria in respect of failed transactions.

We also present to you a news story of the CBN giving a clean bill of health to the economy as the Bank's 2021 Mid-year Economic Review and Outlook says there are positive sides to Nigeria's economic growth despite uncertainties in the domestic and global economy.

Also, inside this edition is a news story of the confirmation of appointment of eight new Directors in the Bank.

There is also a report on the 2021 Branch Controllers' Conference in Uyo, Akwa-Ibom State where the Deputy Governor, Operations Directorate, Mr. Folashodun Shonubi urged members of staff to be innovative in optimizing portals and applications offered by the Bank to proffer solutions that will improve efficiency.

Similarly, there is an account of the Deputy Governor, Financial System Stability (FSS), Mrs. Aishah Ahmad noting Financial Services Regulation Coordinating Committee (FSRCC) as a key initiative to financial system stability in the country. This was an excerpt from Mrs. Ahmad's interview with the editorial team of Nigerian Financial Anchor.

The edition equally contains an account of the CBN guidelines for the establishment and regulations of Payments Service Holding Companies (PSHCs).

These and other stories have been put together for your reading pleasure. Welcome.

A handwritten signature in black ink, appearing to read 'Osita Nwanisobi'.

Osita Nwanisobi
Editor -in- Chief

President Buhari Felicitates Emefiele at 60

By: Ademola Bakare



President Muhammadu Buhari and Governor of the Central Bank of Nigeria, Godwin Emefiele

President Muhammadu Buhari joined millions of Nigerians to rejoice with Mr. Godwin Emefiele, the Governor, Central Bank of Nigeria, as he turned 60 on August 4, 2021.

The President who appreciated the quintessential economist cum banker for his patriotic service to the country at a time of excruciating economic challenges, prayed that his efforts will yield positive dividends for the generality of Nigerians to reap from. President Buhari also wished the Governor good health, and greater service to his fatherland.

According to the President's letter, "it gives me great pleasure to rejoice with you on the occasion of your Diamond Jubilee. Kindly accept the felicitations of myself, family and Nigerians at this auspicious milestone.

"As Governor of Nigeria's Apex Bank, you have rendered selfless service to your country at a most challenging period of our economic development, and I salute your commitment, passion and doggedness.

As you continue to build on these achievements, it is my hope that your efforts translate to more positive results on the nation's economy for improved living standards we envisage for our people.

"While using this medium to pray Almighty God to bless you with many more years in good health and service to your fatherland, please accept my best wishes and personal regards" ■

Tribute

Celebrating a Patroit at 60

By: **Ademola Bakare**

Attaining three score years on earth is a landmark achievement, particularly where the World Health Organisation (WHO) and the United Nations (UN) have pegged life expectancy of Nigerians at 56 and 54 years for female and male genders respectively.

Born on August 4, 1961, Godwin Ifeanyi Emeziele was poised to live and lead in a spectacular way. Realising that he was an exceptional child, his parents did all they could do within their power to enable him achieve his earthly mission. This they did by providing the young Emeziele with sound and quality education.

Governor Emeziele had his primary education at the former Ansar-U-Deen Primary School, Igbosere Lagos State, now Government Primary School in 1973. He proceeded to Maryland Comprehensive School, Ikeja, for his secondary education, where he sat for the West African School Certificate (WASC) in June 1978.

A holder of B.Sc. degree in Banking and Finance (1984), an MBA in Finance (1986), from the prestigious University of Nigeria, Nsukka. He is also an alumnus of Executive Education at Stanford University, Harvard University (2004) and Wharton School of Business (2005).

An erudite scholar and banker, early in his career, Emeziele cut his teeth as a lecturer of Bank Management, Finance and Insurance at the University of Nigeria Nsukka, and later, University of Port Harcourt, respectively.

He moved to the world of banking and garnered about two decades experience. He served at the management cadre of Zenith Bank Plc as Executive Director, Deputy Managing Director and Managing Director between 2001 and 2014. He had earlier served as Managing Director of ACCION Microfinance Bank Ltd.

Godwin Emeziele attained national and international limelight in 2014 when he was appointed as the Governor of Central Bank of Nigeria.



Governor of the Central Bank of Nigeria, Godwin Emeziele

Since he assumed office as the Governor at the CBN, he has left no one in doubt of his mission, which he declared would be to run a people-focused central bank that will engender growth and development.

He also said that he would effectively manage potential threats to financial stability and create a strong governance regime conducive for financial intermediation, innovative finance, and inclusiveness.

As a patriot who had witnessed the glorious era of Nigeria's economic prosperity, the Governor was displeased about the economic situation he found the country in despite her huge human and natural resources which he considers her strength.



He therefore embarked on courageous journey of revolutionary policy formulations and implementation of guidelines. First, he announced the suspension of 41 (later 43) items from the official forex window he considered as drain on the nation's reserves.

A man in a hurry to fulfil his mission, Mr. Emefiele pronounced the birth of the Anchor Borrowers' Programme (ABP), launched by President Muhammadu Buhari in November 2015.

A concept conceived amid the 2015 international oil price crisis, the fulcrum of ABP was embedded in Emefiele's PAVE philosophy – Produce, Add Value and Export.

Godwin Emefiele advocated a return to agriculture, and resuscitation of moribund industries. He also created inclusive intervention windows for Nigerian youths envisioned to address the high unemployment rate in addition to harnessing the potentials of the youths on the path to the nation's development and prosperity.

These include the Youth Empowerment Development Programme (YEDP) launched in collaboration with the National Youth Service Corps (NYSC) and the Bankers' Committee. Just recently, to mitigate the effect of COVID-19, the Emefiele-led CBN launched the N75bn Nigerian Youth Investment Fund (NYIF).

Determined to leave an enduring legacy, CBN interventions in critical sectors of the economy have oxygenated the economy and kept it on a sustainable growth path.

From Agriculture, Power and Electricity Generation (Nigeria Electricity Market Stabilization Facility and Nigerian Bulk Electricity Trading Payment Assurance Facility), Aviation, Textile, Cotton and Garment (TCG), the Presidential Fertilizer Initiative and healthcare, among others. His innovative policy initiatives has earned him accolades from industry stakeholders.

Following his reelection in 2019, President Muhammadu Buhari did not waste time in nominating Godwin Ifeanyi Emefiele for a second term as the CBN Governor even as the Nigerian Senate swiftly confirmed his appointment.

Emefiele's daring policy initiatives are legendary, all in favour of Nigerians and the economy. His latest, before his birthday, was the suspension of sales of foreign currencies to Bureau de Change (BDCs) due to the drain on the nation's foreign reserves in addition to regulatory breaches.

On his 60th birthday, the Management and staff of the Central Bank of Nigeria in appreciation of his dynamic leadership, join his family and well-meaning Nigerians to celebrate the award-winning and patriotic Governor Godwin Emefiele ■

The Bank
stopped the
sale forex
directly to the
BDCs & also
suspended the
processing of
pending
application...

CBN to Launch Digital Currency in Q4 2021

By: Louisa Okaria



As part of its drive to deepen financial inclusion the Central Bank of Nigeria (CBN) has announced its plans to launch a Digital currency, called "e-Naira" in the last quarter of 2021.

The Governor, Mr. Godwin Emefiele made the disclosure during the Monetary Policy Committee (MPC) press briefing of the 280th Monetary Policy Committee (MPC) meeting on July 28, 2021.

He said the "eNaira" would operate as a wallet against which customers can hold existing funds in their bank account. The Digital Currency uses an electronic record or digital token to represent the virtual form of fiat currency.

The Governor decried Digital currency as a form of money enabled by new technologies in addition to being a representation of value that can be transferred between peer-to-peer, stored, exchanged and traded digitally across borders without the need for intermediaries.

He noted that transactions will be regulated by the CBN, remittance transfers will be easier for Nigerians and cross-border transactions will be cheaper while deepening financial inclusion.

Digital currency will give more people access to banking services. Offline payment through "e-money" will bring the unbanked into the formal payment sector- the Governor stated.



CBN Disburses ₦3bn Under NYIF

By: **Olusola Amadi**



The Central Bank of Nigeria (CBN) as part of its development finance initiatives in collaboration with the Federal Ministry of Youth and Sports Development has so far released the sum of ₦3 billion to 7,057 beneficiaries across the country under the Nigeria Youth Investment Fund (NYIF).

The CBN Governor, Mr. Godwin Emefiele disclosed this during the press briefing at the end of the 280th Monetary Policy Committee (MPC) meeting on July 28, 2021 in which he noted that of the beneficiaries, 4,411 were individuals and 2,646 were SMEs.

The NYIF programme, which was launched as part of the Bank's drive to improve access to finance for youth and youth-owned enterprises; generate employment opportunities to curb youth restiveness; and boost the managerial capacity of the youth while developing their potential to become future large corporate organizations.

The NYIF seeks to provide Nigerian youth between

the ages of 18-35 years with investment inputs required to build successful businesses; become sustainable employers of labour by generating at least 500,000 jobs in critical economic and social sectors between 2020 and 2023.

Other disbursements in the report on the Bank's development finance initiatives included the Creative Industry Financing Initiative (CIFI) in which the sum of ₦3.22 billion has been disbursed to 356 beneficiaries across movie production, movie distribution, software development, fashion and IT verticals.

The CBN has also disbursed ₦923.41 billion to 251 real sector projects of which 87 were in light manufacturing, 40 in agro-based industry, 32 in services and 11 in mining. Five beneficiaries have also received grants totaling 232.54 million for the development of testing kits and devices for COVID-19 and Lassa Fever under the CBN Healthcare Sector Research and Development Intervention Scheme (HSRDIS) ■

Emefiele Targets Two-Digit Economic Growth

By: **Dominic Yammah**



The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has reiterated that the Bank is working toward achieving double-digit economic growth and single-digit inflation rate in the Nigerian economy by 2024 as part of his five-year policy thrust.

Mr. Emefiele made this pronouncement on Saturday, August 7, 2021 in Calabar at a town hall meeting with Nigeria Labour Congress (NLC) and the Trade Union Congress (TUC) for the South-South zone members.

The Acting Director, Corporate Communications Department, Mr. Osita Nwanisobi, who represented the Governor at the interactive meeting, spoke on the various intervention programmes of the Bank aimed at stabilising and growing the nation's economy.

Mr. Nwanisobi said that over three million farmers had been engaged via the Anchor Borrowers' Programme (ABP). The CBN Spokesman added that the Bank had awarded grants to five health researchers under the CBN's Healthcare Sector Research and Development Intervention Scheme (HSRDIS) to aid in the development of vaccines and

drugs to combat communicable and non-communicable diseases, including COVID-19.

The CBN Spokesman further shed light on CBN's cash-less policy, diversifying the economy, and the Bank's sustained drive for financial inclusion.

Speaking on behalf of organised labour and civil society groups, Mr. Isa Aremu, Director-General, Michael Imodu National Labour Institute for Labour Studies (MINILS) Ilorin, Kwara State, expressed support for the Bank's restriction of forex to Bureau de Change (BDC) operators in the country.

The labour officials also felicitated the CBN Governor as he clocked 60 years on August 4, 2021.

Presentations were made by representatives from Consumer Protection Department (CPD), Currency Operations Department (COD), Development Finance Department (DFD) and Payment System Management Department (PSMD).

The highlight of the event was the question and answer session after the presentations. ■

Emefiele Honours Sanusi at 60th Birthday, Book Launch

By: **Adetola Adeleke**



The Governor of Central Bank of Nigeria congratulating Alhaji Sanusi Lamido Sanusi at his 60th Birthday celebration

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has hailed his predecessor in office as CBN Governor, and the 14th Emir of Kano, Khalifa Muhammad Sanusi II, for championing the cause of providing quality education in the country, especially for the girl-child.

Mr. Emefiele declared his support at the 60th birthday celebration of the Khalifa, which took place on Tuesday, August 24, 2021 at Eko Hotel, Victoria Island, Lagos. The occasion featured the presentation of Khalifa Sanusi's book, "For the Good of the Nation: Essays and Perspectives" and also served as a fundraiser for His Highness Muhammad Sanusi II Sustainable Development Goals (HH MSII SDG) Challenge to provide education for the girl-child.

In his remarks at the event, Mr. Emefiele extolled Khalifa Sanusi for his passion to ensure inclusive, equitable, and quality education, life-long learning opportunities, gender equality, women and girls'

empowerment and inclusive and sustainable economic growth.

The CBN Governor, who pledged to support the SDG Challenge of his predecessor, called on the dignitaries and well-meaning Nigerians to support the initiative aimed at educating underserved members of the society, especially the girl-child. According to Emefiele, Nigerians need not wait for the government to do everything, noting that the government did not have the capacity to fund all developments.

In his remarks, Khalifa Sanusi expressed gratitude to God for not only keeping him alive to witness his 60th birthday but also for giving him the rare privilege to attain enviable heights in his career, including serving as the Chief Executive of a bank, Governor of the Central Bank of Nigeria, and the Emir of Kano.

Commenting on the state of the Nigerian economy, Sanusi urged the government to



The Governor of Central Bank of Nigeria (CBN), Mr. Godwin Emefiele delivering an address at the 60th year celebration of Alhaji Sanusi Lamido Sanusi in Lagos.

consider stopping the practice of subsidizing power and fuel consumption in order to put the economy on a sustainable fiscal path. According to him, "Nigerians have to understand that the way we are going is not sustainable. We cannot continue subsidizing fuel and electricity. We have to be ready to make certain sacrifices."

Sanusi, who is also the Chair of the advisory council of 1million teachers, a United Nations sustainable development goal initiative, expressed his passion about issues around women and girl child education, and further stated that the proceeds from his book launch and funds raised would go to the initiative.

Present at the occasion were Governors Babajide

Sanwo-Olu (Lagos State), Nasir El-Rufai (Kaduna), Rotimi Akeredolu (SAN) (Ondo), Kayode Fayemi (Ekiti), and Godwin Obaseki (Edo). Also present at the occasion were the Deputy Governor Financial System Stability of the CBN, Mrs. Aishah Ahmed and the Ooni of Ife, Adeyeye Ogunwusi.

Other dignitaries at the event were the Chairman of Dangote Group, Alhaji Aliko Dangote; former Minister of Finance and National Planning, Dr. Shamsudeen Usman; Chairman of Zenith Bank Plc, Mr. Jim Ovia; the founder and chairman of African Initiative for Governance, Mr. Aigboje Aig-Imoukhuede; the Managing Director, Access Bank Group, Dr. Herbert Wigwe and the Overseer of the Citadel Global Community Church, CGCC, Pastor Tunde Bakare, amongst others ■

CBN Issues Guidelines for Payments Service Holding Companies

By: **Mohammed Haruna**

The Central Bank of Nigeria (CBN), in line with its commitment to promote an efficient and credible payments system has approved new licence categorisations for participants in the payments system.

In a circular issued by the Director, Payments

System Management Department, Mr. Musa Jimoh on August 3, 2021, the Bank directed companies that desire to provide mobile money services to set up a Payment Service Holding Company (PSHC) structure to clearly delineate the activities of the subsidiaries.

The regulation requires companies desirous of operating more than one license category, to set up a payment service holding company, with activities of subsidiaries clearly delineated, to prevent commingling of activities.

The circular states that the purpose of the guidelines was to facilitate the understanding of regulatory requirements for operations of a PSHC in Nigeria. It covers the definition and structure of a PSHC, licensing requirements, ownership and control, corporate governance, permissible and non-permissible activities as well as supervision.

The affected regulated payment activities are:

Mobile Money Operations, Switching and Processing, Payment Solution Services and any other activities that may be approved by the CBN. The CBN stipulates that under this arrangement, a Non-operating PSHC shall be formed to hold equity investment in the separate companies in a "parent-subsidiary" arrangement.

In serving as a source of financial strength to its subsidiaries, a PSHC will maintain financial flexibility and capital-raising capabilities to support its subsidiaries. It will also be capable to provide and use available resources to augment the capital of its subsidiaries, in the event of financial stress or adverse conditions■

DMBs to Sell FOREX on NIBSS Platform

By: Ademola Bakare



Proshare

The Bankers' Committee has resolved to begin the sale of forex for Personal Travel Allowance (PTA) among others, through the platform of the Nigeria Inter-Bank Settlement System Plc (NIBSS).

Mr. Segun Agbaje, Group Managing Director, Guaranty Trust Holding Co. Ltd. disclosed this on Thursday, August 12, 2021 at the end of their meeting which held in Lagos. Mr. Agbaje said online sale is the next stage for the New Foreign Exchange policy with regards to Invisibles,

Personal Travel Allowance (PTA), Basic Travel Allowance (BTA), tuition fees and medical payments, which he said is currently working well.

Mr. Agbaje said that the Bankers' Committee discussed the state of the economy, foreign exchange (FX) policies and stoppage of direct FX sales to the Bureau de Change operators. He added that the committee also deliberated on the ongoing rehabilitation of the National Arts Theater, aimed at repositioning the country on the global tourism map.

The Guaranty Trust Holding GMD pledged the commercial banks' commitment to collaborate with the CBN to ensure the success of the new scheme. Mr. Agbaje added that the first phase of implementation of the new policy will be driven from the branches.

Continuing, he said the Committee was trying to digitize the whole process the way the world is headed, and according to him, that is being done by Nigeria Inter-Bank Settlement System Plc (NIBSS) where anyone can buy forex online. Agbaje said NIBSS already has a portal through which banks share information on the application process.

He warned fraudulent individuals to have a change of mind as anyone caught would not be able to do anything within the banking system again.

Agbaje said the punishment would not only be meted to fraudulent individuals, but also to any bank and staff that colluded and contravened the CBN rules.

In addition to digitizing, he expressed the hope that customers would no longer carry out all their transactions by cash. He said the world today is "not friendly" with cash, thus, he expressed hope that bank customers would be able to put this on

their cards and account card.

"If you use a card, there is more Know Your Customer (KYC) that can easily be done! It will be quicker, cheaper, and faster. You will be less harassed when you arrive in other countries, and there would be no need for you to fill a cash declaration form", he said.

On the rehabilitation of the National Arts Theatre, the Access Bank Managing Director, Herbert Wigwe said the entire project would be completed in December 2022. He said what he wants the public to know is that work has commenced in earnest.

According to Wigwe, "there is a second module to the National Theatre which he said has to do with music, fashion, information technology as well as the film industry.

He said what these mean is that apart from National Theater which can host many events, people can also work on different structures within, which can be rented and build spaces around them to do whatever creative thing they want to do as long as valuable products will be coming out of it.

Mr. Wigwe promised that work on the second phase will start very soon, stressing that most of the contracts would be awarded in September 2021 ■

eNaira to Become Critical National Infrastructure

By: Kerma Mshelia

The proposed digital currency, known as e-Naira, is to be handled as a critical national infrastructure for protection against operational and cyber-security risks.

The Central Bank of Nigeria (CBN) stated this in a report, adding that the Bank was introducing regulatory and compliance mechanisms to prevent disruptive competition for electronic money. Also stated was that the e-Naira would co-exist with traditional payments system while the CBN Digital Currency (CBDC) is to address interoperability risks that might be associated with the implementation. CBDC would, among other things, usher in ways of payment and create new players in the financial system, the report added.

Mentioned in the statement was that the medium to long-term pay-off increased efficiency of operations which was expected to offset initial outlay, adding that

the introduction of limits on the e-Naira holdings would mitigate risks of disintermediation.

The two-tiered model for CBDC, the report stated, was to facilitate a public-private partnership arrangement whereby, the Bank would design the e-Naira and distribute through regulated financial institutions, where digital cash to individuals and businesses would be provided. Individuals and businesses would be able to make transfers real time and offline through all payment channels to other individuals and businesses.

The Bank further stated that the e-Naira would provide lower cost of operations and cash management in addition to improved visibility and insight of transaction date for financial institutions. It would also improve opportunities in the financial system, creating new business opportunities from emerging business models, financial products, and services ■

FSRCC Key to Financial System Stability - DG Ahmad

By: **Mohammed Haruna & Olusola Amadi**



The Deputy Governor, Financial System Stability (FSS), Mrs. Aishah Ahmad says that the Financial Services Regulation Coordinating Committee (FSRCC) has proven to be a worthwhile initiative that is key to financial system stability.

The DG stated this while fielding questions from the editorial team of the Nigerian Financial Anchor, a maiden publication of the FSRCC Secretariat on her assessment of the interagency arrangement as it concerns financial system stability. According to her, the active participation of its members has strengthened the working relationships between the regulators.

The DG commended the initiative of the publication, noting that it is always good to document key developments in the regulatory space so that operators, policy makers and other stakeholders will get a feel of the direction being taken within the space.

Noting that regulatory coordination and collaboration had become even more relevant and critical, DG Ahmad said that the evolution of the financial system, particularly innovative developments in the aspects of digital technologies, cloud computing and artificial intelligence, she pointed out that this had led to increasingly blurred geographical lines between operational jurisdictions between member institutions.

Speaking further, Mrs. Ahmad added that the Nigerian financial system plays a significant role in



Deputy Governor, Financial System Stability, Aishah Ahmad

financial inclusion, domestic output and financial system stability. She also expressed belief that collaboration was critical to the stability of the financial system to enable them to share ideas, be up-to-date on interagency activities, and raise pertinent issues that could have systemic impact.

In addition, she noted that the partnerships within the FSRCC would ensure that each operator has clarity on what the reference points of the supervisions are and are to prevent the exploitation of gaps in regulations.

Emphasizing the role of the CBN within the FSRCC, the DG stated that its role was not only critical but also strategic considering the facilitation of financial transactions across the financial system. She pointed out the swiftness, deliberateness, clarity and focus of the CBN in proactively addressing issues before they become systemic challenges.

Stating that she did not believe the CBN to be playing a big brother role within the FSRCC, she views the CBN as a first among equals as each regulator had its jurisdiction, mandate and responsibilities, which all culminate into the robust financial system in Nigeria today.

DG Ahmad assessed the impact of the COVID-19 pandemic on the financial system and noted that the Nigerian financial system has proven to be strong and resilient in spite of the headwinds it faced, even more so than some of its counterparts around the world. She noted that this was due to the collaborative regulatory and oversight environment.

Reflecting on the disruptive impact of the Covid-19 pandemic on lives, livelihoods, global value chains, travel and movements, Ahmad highlighted the need to engage in proactive risk management by preparing a playbook for the financial system that

will drive effective responses to future extreme events and shocks such as severe cybersecurity incidents or operational risk issues or system collapse.

Relating it to the objectives of FSRCC, she opined that collaboration between the regulatory bodies is important in that anticipation adding that the playbook will be tested for responsiveness to identify key regulatory parties, terms of engagement and standard responses. This, she said, is in order to have an effective and coordinated response in case of such events. She noted that even with a well-designed playbook, the shocks might never come as anticipated. However, having the structure will ensure the resilience of the financial system.

On the slow adoption of technology, she noted the impact of technology on the supervisory mandate of the FSRCC as very critical and should be leveraged on. She therefore urged operators and stakeholders to think more digitally in order to appreciate where the risks could come from.

Concluding, she emphasised the imperative of a focus on inclusive growth by ensuring that all members of the FSRCC are delivering on their economic objectives in the financial sector and the economy for Nigerians ■

CBN Seeks OFIs Inputs for Framework On Cyber Security

By: **Ruqayyah Mohammed**

Due to recent increase in the number and sophistication of cyber-security threats and attacks, the Central Bank of Nigeria has released a draft of the risk-based cyber security framework and guidelines. The bank called on other financial institutions in the country for their inputs.

The draft framework and guidelines, which stipulate minimum requirements for enhancement of cyber-security in other financial institutions has been released for scrutiny and comments from stakeholders of the sub-sector. In the circular dated August 13, 2021, the Central Bank of Nigeria noted that it has become necessary and mandatory for the sub-sector to strengthen its cyber resilience if it is to remain safe and sound.

Consequently, the Bank maintained that the safety and soundness of other financial institutions (OFIs)

require that they operate in a safe and secured environment. Considering the reliance of financial institutions on information and communications technology (ICT) which is the platform to process and transmit information, it should be managed in a way that ensures the confidentiality, integrity and availability of information as well as the avoidance of financial loss and reputational risk.

The letter was copied to National Association of Microfinance Banks (NAMMB), Mortgage Banks Association of Nigeria (MBAN), Finance Housing Association of Nigeria (FHAN), and Association of National Development Finance Institutions (ANDFI). All the copied institutions were advised to send their inputs and comments to the Director, Other Financial Institutions Supervision Department on or before September 17, 2021 ■

Nigeria's Economy on Right Track – CBN

By: **Onyemakonor Ogbe**



CGTN

The Central Bank of Nigeria (CBN) has given a clean bill of health to the country's economy as there are positive sides to Nigeria's economic growth, despite uncertainties in the domestic and global economy.

The Director, Monetary Policy Department of the Bank, Dr Hassan Mahmud said this at the 2021 Mid-year Economic Review and Outlook. Dr. Mahmud said if policy challenges with exchange rates, insecurity, among others, were addressed effectively, the country will start seeing some positive projections into 2021 and the beginning of 2022.

On the CBN forecasts for the fiscal year, Dr. Mahmud was enthusiastic that if the Bank's forecasts for GDP growth were sustained and improved vaccination and health hazards, and lockdowns was not re-introduced, the country will see GDP scaling up to three per cent by the end of 2021.

Continuing, he said with all parametres holding strong, the country will also see the inflation number coming down less than 13 per cent by the end of the year and further down to the National Bureau of Statistics (NBS) projection of single digit by 2022. He said the country will soon start seeing the downward trend in inflation numbers particularly headline inflation.

Dr. Mahmud added that food inflation should also go down substantially if the supply side of it was addressed and security issues abated.

He said inflows should also improve substantially over the rest of the year given that market confidences were already building, particularly, in the financial sector.

Speaking at the event, Chief Consultant of BAA Consult, Dr Biodun Adedipe said if the oil sector was positive in terms of prices and production volume and export volume, it would go a long way in driving growth.

Dr. Adedipe said the BAA Consult projections for Nigeria economic growth for 2021 had remained 2.54 per cent since February and they maintained it so.

Earlier, President, Chartered Institute of Bankers of Nigeria (CIBN), Dr. Bayo Olugbemi, said the event was the brainchild of the CIBN Research Committee. He said it was aimed at providing insights for business leaders and key decision makers, who had responsibility to deliver on specific mandates irrespective of the prevailing uncertainties and disruptions in the Nigerian economy. Dr. Olugbemi added that there is a strong need for further guidance to help individuals and businesses make informed and strategic decisions that will help them weather the storm.

The Mid-year Economic Review and Outlook for 2021 was organised by the Chartered Institute of Bankers of Nigeria (CIBN) Centre for Financial Studies, in collaboration with B. Adedipe Associates in Lagos ■

IMF Approves \$65bn SDR to Nigeria, Others

By: **Batholomew Mbaegbu**

The Board of Governors of the International Monetary Fund, (IMF) has approved a general allocation of Special Drawing Rights (SDRs) of SDR 456 billion, the equivalent of \$65 billion, for Nigeria and other countries with liquidity challenges. IMF Managing Director, Ms Kristalina Georgieva, in a statement on August 2, 2021 described the SDRs as the largest allocation in the history of the organisation.

“This is a historic decision – the largest SDR allocation in the history of the IMF and a shot in the arm for the global economy at a time of unprecedented crisis.

The SDR allocation will benefit all members, address the long-term global need for reserves, build confidence, and foster the resilience and stability of the global economy. It will particularly help our most vulnerable countries struggling to cope with the impact of the COVID-19 crisis”, she said.

According to her, the general allocation of SDRs would become effective on August 23. The newly-created SDRs would be credited to IMF member countries in proportion to their existing quotas in

the Fund. According to the IMF, about \$275 billion (about SDR 193 billion) of the new allocation will go to emerging markets and developing countries, including low-income countries.

“We will also continue to engage actively with our membership to identify viable options for voluntary channelling of SDRs from wealthier to poorer and more vulnerable member countries to support their pandemic recovery and achieve resilient and sustainable growth”, Ms Georgieva added.

Nigeria was allocated about \$3.35 billion as part of a historic general allocation of SDR. The IMF boss further said one key option for members with strong external positions would be to voluntarily channel part of their SDRs to scale up lending for low-income countries through the IMF's Poverty Reduction and Growth Trust (PRGT).

Concessional support through the PRGT is currently interest-free. The IMF said it was also exploring other options to help poorer and more vulnerable countries in their recovery efforts through a possible new Resilience and Sustainability Trust. ■

July Headline Inflation Rate Drops To 17.38% - NBS

By: **Mohammed Haruna**

In its July Consumer Price Index, CPI, report released on Tuesday, August 17, 2021 the National Bureau of Statistics, confirmed that for the fourth consecutive month, headline inflation fell to 17.38 percent in July, representing a 0.37 per cent or 37 basis points drop when compared to the 17.75 per cent recorded in June.

According to the report, “The consumer price index, (CPI) which measures inflation increased by 17.38 percent (year-on-year) in July 2021. This is 0.37 percent points lower than the rate recorded in June 2021 (17.75) percent. (This implies that prices continued to rise in July 2021 but at a slower rise than it did in June 2021).

The NBS report added that the Consumer Price Index (CPI) is measured by prices of goods and services and revealed that food inflation was on the rise in the period under review. It specified that “The composite food index rose by 21.03 percent in July 2021 compared to 21.83 percent in June 2021.

This rise in the food index was caused by increases in prices of milk, cheese and eggs, coffee, tea and cocoa, vegetables, bread and cereals, soft drinks, and meat. On month-on-month basis, the food sub-index increased by 0.86 percent in July 2021, down by 0.25 percent points from 1.11 percent recorded in June 2021.”

The July CPI report of the National Bureau of Statistics also mentioned Kebbi (2.9 per cent) as having the highest month on month food inflation rate, with Kogi (28.51 percent) as the State with the highest Year-on-Year food inflation rate while Abuja (16.67 per cent) recorded the slowest rise in year on year food inflation.

On a month-on-month food basis, states such as Sokoto, Akwa Ibom and Imo documented food price deflation or negative inflation (decline in the general price level of food) in the period under review. ■

Stop Abuse of the Naira, CBN Warns

By: **Mohammed Haruna**



Punch.com

In a renewed determination to stop the unpatriotic abuse of the nation's currency, the Central Bank of Nigeria (CBN) has revealed its collaboration with the Nigeria Police and other law enforcement agencies to arrest and prosecute anyone found abusing the Naira.

Mr. Osita Nwanisobi, CBN's Acting Director, Corporate Communications Department, made this known in a statement. He advised Nigerians to desist from disrespecting the Naira or risk being arrested by law enforcement agencies.

According to the statement, "The attention of the Central Bank of Nigeria (CBN) has again been drawn to the activities of persons, who flagrantly abuse the legal tender by hurling wads of Naira notes in the air and stamping on the currency at social functions.

Mr. Osita Nwanisobi stated that there have also been cases where people mishandle the Naira, deface it, hawk the currency at parties and reject the money in some instances. He noted that, contrary to the practice of these unpatriotic persons, it is neither cultural nor moral for people to disrespect the currency which citizens trade in.

Continuing, the Acting Director said the abuse of the naira is a crime punishable under section 21(3) of the Central Bank of Nigeria Act 2007 (As amended), which stipulates that "spraying of,

dancing or matching on the Naira or any note issued by the Bank during social occasions or otherwise howsoever shall constitute abuse and defacing of the Naira or such note and shall be punishable under the law by fines or imprisonment or both.

He further said that the Central Bank of Nigeria (CBN) is collaborating with the Nigeria Police, Federal Inland Revenue Service (FIRS), the Economic and Financial Crimes Commission (EFCC) and the Nigerian Financial Intelligence Unit (NFIU) to address the unpatriotic practice.

Mr. Nwanisobi therefore, warned Nigerians, particularly those at social functions such as birthdays, weddings and funerals, to desist from disrespecting the Naira or risk being arrested by law enforcement agencies. The Naira is our legal tender and symbol of national pride. Let us respect it and handle it with care," the statement added ■



Labour Lauds CBN on Economy

By: **Senmial Senlong & Kenechukwu Afolabi**



Foremost labour leader and the Director-General of Michael Imoudu Institute for Labour Studies, Comrade Issa Aremu has commended the Central Bank of Nigeria (CBN) for its commitment in building a robust, progressive, and sustainable economy.

He made the commendation at an interactive session of the Bank with stakeholders in the organized labour held at the NECA House Events Centre, Ikeja, Lagos on Saturday, August 21, 2021.

Speaking at the session, Comrade Aremu stated that the CBN, under Godwin Emefiele had intervened in different sectors of the economy to achieve wealth creation, stabilization of the naira and diversification of the economy. He noted that the naira would have been devalued further had the CBN not intervened in the economic space.

While applauding the Bank for the interventions, he said, "history will record it that the survival and revival of few textiles companies in Nigeria today was made possible because of the patriotic and restless interventions of the CBN under Governor Emefiele.

"With the Central Bank of Nigeria's efforts, President Buhari signed an Executive Order 003, which states that you must patronize made-in-Nigeria goods. This is a right policy in the right direction," he added. Comrade Aremu also commended the CBN for considering it necessary to sensitize the Organised Labour on the policies and programmes of the Bank.

He therefore challenged the CBN to engage more with Nigerian workers and other stakeholders for a better understanding of its efforts in managing the Nigerian economy.

In his remarks at the event, the Acting Director, Corporate Communications Department (CCD), Mr. Osita Nwanisobi said that the Central Bank of Nigeria remained committed to its vision and mandate in building a resilient financial system to cater to the developmental needs of the Nigerian people, foster job creation and create a sustainable economy.

Clarifying the circular on activities of Microfinance Banks, Mr. Nwanisobi stated that some MFBs engage in activities beyond the remit of their licenses such as dealing in foreign exchange transactions and wholesale banking, adding that these actions pose a risk to financial system stability and the economy. He stated that Microfinance Banks that continue with non-permissible activities risk getting their operational licenses revoked.

Speaking on the CBN's five-year policy thrust, he reaffirmed that the Bank continues to create policies to foster the development of a robust payment infrastructure to increase finance to Nigerians, reduce inflation to a single digit and accelerate job creation. He also assured the participants of the event that the Governor of the CBN, Mr. Godwin Emefiele remained committed building a central bank that is professional, apolitical and people-centered.

He listed some of the interventions rolled out by the CBN to mitigate the adverse impact of the COVID-19 pandemic, including: the reduction in interest rate of all interventions from 9 per cent to 5 per cent; regulatory forbearance for banks to restructure credit facilities of other financial institutions and SMEs impacted by the pandemic; the Target Credit Facility (TCF); and the Health Sector Intervention Facility (HSIF).

While stressing the importance of the interactive session, he implored Nigerians to be realistic about some of the challenges and issues in the country and realise that the CBN alone cannot solve all the problems in the country.

He also urged the Nigeria Labour Congress (NLC) and the Trade Union Congress (TUC), as key stakeholder groups, to propagate vital information on the economic issues in the country and the necessary interventions set in place by the Bank.

Presentations were also made at the event by an Assistant Director in Consumer Protection Department (CPD), Mr. Damola Atanda; an Assistant Director, Currency Operations Department (COD), Mrs. Stella Gana; an Assistant Director, Payments System Management Department (PSMD), Mr. Ademola Adeleke; and an Assistant Director, Development Finance Department (DFD), Mr. Benedict Agbo ■

CBN Confirms Nwanisobi as Spokesman ...appoints new Directors

By: **Mohammed Haruna**



Mr. Osita Nwanisobi has been confirmed as the substantive Director of Corporate Communications Department of the Central Bank of Nigeria (CBN).

The notice of his confirmation together with the appointment of seven other Departmental Directors was contained in a statement released by the Central Bank on Friday August 27, 2021.

The statement named the other Directors appointed by the Bank with effect from August 25, 2021 as Elizabeth Omolara Fasoranti, Director, Branch Operations; Dr. Abdulkadir Abdullahi Jibril,

Director, Medical Services and Mrs. Rashidat Jumoke Monguno, Director, Consumer Protection Department.

Also appointed are Amina Habib, Director, Human Resources Department; Dr. Blaise Ijebor, Director, Risk Management; Chibuzo Anthony Efobi, Director, Financial Policy and Regulation; and Mr. Benjamin Nnadi, who is now the Director, Reserve Management.

It will be recalled that Nwanisobi was appointed as acting spokesman of the CBN in October, 2020 after his predecessor retired from service ■

Banks Refund ₦89bn to Customers

By: Ademola Bakare

The Central Bank of Nigeria (CBN) says commercial banks in Nigeria as at the end of June 2021 had refunded the sum of ₦89.2 billion to customers following complaints.

The CBN Governor, Mr. Godwin Emefiele made the disclosure during the CBN Fair held simultaneously in Cross River and Akwa Ibom States on Thursday, August 5 2021, themed "Promoting Financial Stability and Economic Development".

The Governor, represented by Mr Osita Nwanisobi, Acting Director, Corporate Communications Department of the Bank, said the cumulative number of complaints from customers of banks as at June, 2021 was 23,526 while 22,173 were resolved.

According to him, the Fair became necessary to create awareness on CBN interventions and how it was impacting on the lives and businesses of the people. He said when the Governor assumed office as the 11th Governor of the Bank, he made a profound statement that he wants a people-centered CBN and the fair is intended to help achieve this.

Continuing, he said the CBN has about 37 targeted interventions that include the Targeted Credit Facility (TCF), Health Sector Intervention, Commercial Agric Credit Scheme (CACCS), Nigerian Electricity Market Stabilisation Fund and others.

The Governor used the opportunity to reassure Nigerians that the nation's financial institutions are

resilient, safe and sound. He added that, Nigerians have nothing to fear as the CBN carries out periodic examinations of the banks.

On the issue of digital currency by the CBN, the Governor asserted that Nigerians needed to understand that cryptocurrencies are issued by unknown entities without regulations, adding that the digital currency CBN intends to issue would be regulated by the Bank and it can be used for the nation's monetary policy.

In his remarks, Mr. Oludamola Atanda, Head, Consumer Protection Department, CBN, noted that Nigerians must know their rights as customers and report cases of violations to the CBN on 07002255226 or cpd@cbn.gov.ng.

Mr. Atanda however advised bank customers to be vigilant as there are issues they must understand in packages given to them by the banks. He also admonished customers to ensure that they repay their loans as well as protect their financial instruments such as their debit cards and others.

Speaking virtually to the participants, Mrs. Amina Abdulmalik of Currency Operations Department of the CBN, called on Nigerians to handle the Naira with care as it is our national heritage.

"Our Naira notes are supposed to last for about two years after printing, but due to poor handling, some of them do not last for more than three months," she said.



FREQUENTLY ASKED QUESTIONS (FAQs)

1. Why is the CBN the only bank that can issue the Naira?

Section 2b and Section 17 of the CBN act gives the CBN the sole right to issue currency notes and coins throughout Nigeria and neither the Federal Government nor any state Government, Local Government, other person or authority shall issue currency notes, banknotes or coins or any document or token payable to bearer on demand being document or token which are to pass as legal tender. Section 18 of the CBN act also gives CBN the power to print banknotes and mint coins.

2. Are machines for printing money available for purchase by the public?

No. The machines are only available to issuing authorities on request.

3. What Department of the CBN is responsible for the printing of money?

Currency Operations Department.

4. What is the purpose of printing polymer notes?

To extend the life span of the banknotes as the polymer notes lasts three times longer than the paper banknotes.

5. How long does the polymer note last?

18 to 24 months.

6. Where can one change currency notes?

Deposit Money Banks (DMBs) and CBN.

7. Can coins be deposited in the Banks?

Yes.

8. How are new currencies circulated?

CBN evacuates the finished banknotes from Nigerian Security Printing & Minting (NSPM) Plc

for distribution to all CBN branches. The branch further distributes the banknotes to DMBs where they are finally released to the public via withdrawals.

9. Why are there no new currencies in circulation?

Analysis of the currency in circulation showed that a large and increasing proportion of the Nigerian currency outside the commercial banking system (COB) is held by the general public who hoard a lot of the new banknotes.

10. Why are the lower denomination banknotes scarce?

The scarcity of lower denomination could be linked to the fact that these notes are held by the public. Absence of Automated Teller Machines (ATM) dedicated to dispense lower denominations has also contributed to the dearth of lower denomination in circulation.

11. Why are there huge numbers of dirty One Hundred Naira notes in circulation?

Handling habits of the general public such as, squeezing, staining, spraying etc. greatly contributes to soiling of the banknotes.

12. In view of the fact that our politicians and leaders abuse the naira at rallies and public events, how do we expect the people to treat the naira with care?

CBN constantly sensitizes the general public, politicians and leaders through public enlightenment campaigns through the print and electronic media on how to properly handle the naira. Further sensitization campaigns are arranged to engage politicians, leaders and other respected elders to make them change champions of the Bank's Clean Notes Policy. This would enable the public follow suit.



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Agricultural Credit Support Scheme (ACSS): ACSS was introduced to enable farmers exploit the untapped potentials of Nigeria's agricultural sector, reduce inflation and lower the cost of agricultural production (i. e. food items).

Commercial Agriculture Credit Scheme (CACs): Commercial Agriculture Credit Scheme (CACs) was created to provide finance for the country's agricultural value chain (production, processing, storage and marketing). Reduce the cost of credit in agricultural production to enable farmers exploit the untapped potentials of the sector.

Refinancing and Rediscounting Scheme (RRF): To encourage medium and long term bank lending to the productive sectors of the economy in order to expand and diversify the nations production base.

Micro Enterprises: These are enterprises with less than 10 employees with a total asset of less than N5 million (excluding land and buildings) and operated by sole proprietor.

Small and Medium Enterprises (SMEs): SMEs are entities with asset base of N5 million and not more than N500 million (excluding land and buildings) with employees of between 11 and 200.

Women-Owned Enterprises: These refer to Nigerian women (group or individuals) or enterprises that are at least 75% owned by female Nigerians.

Participating Financial Institutions (PFIs): PFIs shall be Microfinance Banks, Microfinance Institutions (NGOs and Financial Cooperatives), Finance Companies and Deposit Money Banks (DMBs) that satisfy the eligibility criteria defined in this Guideline.

Microfinance Banks (MFBs): MFBs are companies licensed by the CBN to carry on the business of providing microfinance services, such as savings, loans, domestic funds transfer and other financial services that are needed by the economically active poor, as defined by the Revised Regulatory and Supervisory Guidelines for Microfinance Banks in Nigeria.

Microfinance Institutions (MFIs): MFIs are establishments registered to carry on the business of microfinance services, such as savings, loans and other financial services that are needed by its members.



Central Bank of Nigeria

