



Central Bank of Nigeria

CBN UPDATE

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CBN Raises MPR to 18.75%

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- CBN Reassures Mortgage Banks of Support

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Editor's Note

We welcome our esteemed readers to the July 2023 edition of CBNUdate.

The Central Bank of Nigeria (CBN) Monetary Policy Committee (MPC) held its 292nd meeting on July 24 and 25, 2023, where members voted to marginally increase the Monetary Policy Rate (MPR) from 18.5 per cent to 18.75 per cent. The MPC also narrowed the asymmetric corridor from +100/-700 basis points around the MPR to +100/-300 basis points around the MPR, while retaining the liquidity ratio at 30% and the Cash Reserve Ratio (CRR) at 32.5 per cent.

We have featured a detailed report highlighting the key decisions and facts behind the figures of the 292nd meeting of the MPC. The CBN announced the resumption of offer quotes for Naira-settled over-the-counter FX Futures contracts with tenors ranging from 13 to 60 months for a period of one year. Details of this are served in this edition.

We bring you a report on a circular informing International Money Transfer Operators (IMTO) to begin disbursing Diaspora remittances to beneficiaries in Naira, along with other foreign exchange.

We also highlighted the CBN's visit to the Federal University of Technology Akure, Ondo State, where the team encouraged the adoption of the Central Bank Digital Currency (CBDC), eNaira.

Still, on eNaira, there is a report on CBN's upgrade of the eNaira app with Near Field Communication (NFC) enablement, making it a globally recognised application.

Another news story of interest is the rise of the total inflows into the Investor and Exporters (I&E) window to \$2.55bn.

Also, in this edition, we featured a news story in which the CBN restated its commitment to ensuring that the Development Finance Institutions (DFIs) are properly supported to succeed amid microeconomic variables and challenging risks in the financial sector.

These and other stories on CBN's quest to promote financial stability and economic development have been assembled for your reading pleasure.

A handwritten signature in black ink, appearing to read 'Isa AbdulMumin'.

Isa AbdulMumin PhD
Editor-in-Chief

CBN Raises MPR to 18.75%

By: Onyemakonor Ogbe



Mr. Folashodun Shonubi
Acting Governor, CBN

The Central Bank of Nigeria (CBN) has raised the Monetary Policy Rate (MPR) from 18.5 per cent to 18.75 per cent.

The Acting Governor, Mr. Folashodun Shonubi disclosed this on Tuesday, July 25, 2023, while presenting the communique of the 292nd meeting of the Monetary Policy Committee (MPC) at the CBN headquarters.

The MPC increased the benchmark interest rate by 25 basis points to 18.75 per cent from 18.5 per cent. While voting to retain the Capital Requirement Ratio (CRR) at 32.5 per cent and Liquidity Ratio at 30 per cent, the MPC however adjusted the asymmetric corridor to +100/-300 basis points around the MPR.

Mr. Shonubi disclosed that the MPC's decision to increase the MPR was influenced by inflationary trends in the country and developments in global economy which has hampered its smooth recovery. MPC particularly noted that the continued hostility between Russia and Ukraine especially as the former has reneged on renewing the Black Sea

Agreement would further push commodity prices much higher than current levels.

The Committee also took cognizance of China's slow recovery as it is reducing global trade while increasing divergence of the global economy with several economies looking for macroeconomic alliances with the group of BRICS countries increases hesitation in the directions of trade flows.

The MPC stated that the financial conditions remain tight and may aggravate in the global financial markets. It noted that the International Monetary Fund (IMF) in its July 2023 World Economic Outlook, has revised the 2023 output growth forecast for the global economy upwards from 2.8 per cent to 3.2 per cent. The Committee attributed the improved outlook to the sustained resilience of global economy to the prevailing headwinds in the first half of 2023. This is however expected to moderate downward to 3.0 per cent in 2024.

With the country's headline inflation surging to 22.79% in June 2023, the Committee urged the monetary and fiscal authorities to sustain its

cooperation to addressing the inflationary pressure. It also advised that they incentivise domestic investment to reduce unemployment and boost output growth.

The MPC while enjoining the Federal Government to continue to explore policies to improve investors' confidence, maintained that key policy mechanisms must be entrenched to shield the Nigerian economy from persisting global shocks and other emerging domestic shocks for the economy to continue to post growth.

While recognising the several measures put in place by the Bank to boost foreign exchange liquidity, the MPC urged the Bank to leverage on effective policies to attract remittances from diaspora to help moderate exchange rate pressures.

The Committee commended the CBN's role in the effective oversight of the banking system and urged the Bank to sustain its macro-prudential surveillance over the financial system. It noted that Financial Soundness Indicators (FSIs) remained stable and strong.

The Committee added that key developments that would likely sustain upward pressure on domestic

prices, in the short to medium term, are the recent deregulation of petrol price and the transition to a unified and market-determined exchange rate. The unfolding dynamics in the policy environment and the resultant pass-through to domestic prices would thus require greater collaboration between the Bank and the fiscal authority, it stated further.

The MPC in considering to hold all parameters option, reviewed the impact of the continued rise in inflation on various macroeconomic variables. It noted the impending dampening effect on output growth. On this, the Committee collectively agreed that the previous series of rate increase had indeed greatly tempered the pace of price hike.

The Committee while remaining cautious in arriving at a policy decision, however noted the need to continue to support investment which will ultimately lead to the recovery of output growth. This increase in the MPR, though moderately, is expected to sustain efforts at anchoring inflation expectation, narrow the negative real interest rate gap, and improve investor confidence.

It could be recalled that the CBN had since May 2022 increased the interest rate from 11.5 per cent. ■

CBN Extends Tenure Limit for Banks Chief Executives

By: Kerma Mshelia

The Central Bank of Nigeria (CBN) has set a new tenure limit for banks Managing Directors and Chief Executive Officers (CEOs) by two years to maximum of 12 years from 10 years.

This was contained in a circular dated July 13, 2023, and signed by the Director, Financial Policy and Regulation Department (FPRD), Mr. Chibuzo Efobi. The Director said the new Corporate Governance Guidelines for Commercial, Merchant, Non-interest and Payment Service Banks in Nigeria is issued pursuant to the provisions of Section 2(d) of the CBN Act 2007, and Sections 56(2) and 67(1) of the Banks and Other Financial Institutions Act (BOFIA 2020).

The CBN regulation stated that the objectives of

the guidelines are to among other things provide additional guidance on the principles, recommended practices, and responsibilities contained in Nigerian Code of Corporate Governance (NCCG) issued by the Financial Reporting Council in 2018 that outlined industry-specific corporate governance standards for banks; and promote high ethical standards amongst operators, while enhancing public confidence.

The statement urged banks and Financial Holding Companies (FHC) to note the responsibilities imposed on their boards by the new guidelines, and especially on the Executive Compliance Officers where applicable.

The circular also stated that in line with the NCCG 2018, commercial banks and FHCs are required to

achieve gender diversity and promote a gender inclusive board. It added that banks shall take a practical approach to women's economic empowerment in line with Principle 4 of the Nigerian Sustainable Banking Principles (NSBP).

The CBN statement added that these guidelines supersede all previous codes, circulars and related directives on corporate governance issued, noting August 1, 2023, as the effective date of these guidelines.

The new regulation also requires that the Board seek approval of the CBN to appoint the MD/CEO, executive directors as well as senior management staff.

It stated that where a Deputy Managing Director

(DMD)/Executive Director (ED) becomes an MD/CEO of the same bank, his/her previous tenure as DMD/ED is not included in computing his/her as MD/CEO.

The circular also harped on the remuneration of MD/CEO, DMD, and Eds which it said shall be linked to performance and structured to prevent excessive risk taking.

It could be recalled that Managing Directors/Chief Executives of financial institutions were allowed to remain in office for a maximum of 10 years. However, the new regulation is expected to strengthen management and corporate governance among lenders. ■

CBN Seeks FUTA's Partnership on eNaira

By : Chioma Udeogu



The Branch Controller, Central Bank of Nigeria (CBN) Akure, Mr. Yusuf Adebare has affirmed that the eNaira is safe, efficient, robust and user friendly, and that the transactions on the platform are at no cost.

Mr. Adebare, said this when he led a delegation of his management staff on a visit to the Federal University of Technology, Akure, Ondo State, advising them to adopt the newly introduced digital currency, eNaira.

The Branch Controller while enumerating the benefits of the Central Bank Digital Currency (CBDC), said the eNaira operates on robust block chain technology that ensures a high level of security. He noted that the advanced technology makes it incredibly challenging to counterfeit or compromise the currency, providing peace of mind to both users and businesses. He said by adopting

the eNaira, the CBN is bolstering the integrity and trustworthiness of the financial ecosystem.

Speaking further, Mr. Adebare said, the public embracing the eNaira can significantly enhance the efficiency of our financial operations as the transparency and traceability of transactions facilitated by the digital currency allow for streamlined processes, reducing administrative burdens and improving overall operational efficiency.

He noted that with the digital currency, individuals will swiftly and easily make payments without relying on physical cash or traditional payment cards. The eNaira streamlines the payment process, allowing for seamless transactions in various scenarios

The Vice Chancellor of Federal University of Technology Akure, Prof. Adenike Oladiji applauded the CBN for the digital currency initiative but advised the Bank to carry the youths along.

The Deputy Vice-Chancellor, Academics, Prof. Taiwo Amos who represented the Vice Chancellor of the university, said the students of the institution are vibrant and would be ready to accept the new payment system. ■

CBN, CBE Set Up 'Nigeria-Egypt FinTech Bridge'

By: : Chinaemerem Joseph



DG, Financial System Stability, CBN, Mrs. Aishah Ahmad with other dignitaries at the Seamless North Africa 2023 conference held in Cairo, Egypt

The Central Bank of Nigeria (CBN) and the Central Bank of Egypt (CBE) have signed a memorandum of understanding (MOU) to establish a Nigeria-Egypt FinTech Bridge.

The signing ceremony, which took place at the Seamless North Africa 2023 conference at the Egypt International Exhibition Center, Cairo, from July 17 – 18, 2023, comes after a series of engagements on issues around payments system, financial technology, and financial inclusion in Africa.

Speaking at the event, the CBN Deputy Governor, Financial System Stability, Mrs. Aishah Ahmad, who signed on behalf of the CBN, said that the Bank was extremely excited by the partnership with the Central Bank of Egypt, which followed several months of engagement on payments, fintech and financial inclusion.

“We look forward to cultivating an innovative space for fintech start-ups and entrepreneurs in Egypt

and Nigeria to accelerate financial inclusion, deepen our payments system and drive economic growth across the African Continent,” Mrs. Ahmad declared.

Also speaking, the Deputy Governor of the Bank of Egypt, Mr. Rami Abounaga, commended the MOU and expressed optimism that the partnership would yield the desired expectation.

The ground-breaking partnership between the Banks of the two largest economies in Africa encompasses a broad range of collaborative initiatives, including joint regulatory innovation projects, coordinated licensing and supervisory frameworks, information sharing, fintech cross referrals and talent development.

The conference was hosted by the Central Bank of Egypt and had in attendance over 4,000 policy makers, payment service providers, financial institutions and technology start-ups from Egypt, Nigeria and across the African continent.

Money Laundering: CBN Updates Watch list

By: Ademola Bakare

The Central Bank of Nigeria in addition to its earlier list of countries placed on money laundering watch list has added Cameroun, Croatia, Korea, and Vietnam.

This was contained in a Circular FPR/AML/PUB/BOF/001/029: Administrative Letter to Banks and Other Financial Institutions, dated July 6, 2023, and signed by Director, Financial Policy and Regulation Department, Mr. Chibuzo Efobi.

The CBN has directed banks to enhance due diligence, increase monitoring of transactions with organizations and individuals in the country over money laundering, and in severe cases, counter-measures should be implemented to safeguard the international financial system.

The Circular restated North-Korea, Iran, and Myanmar on the list of high-risk jurisdictions, "subject to 'Call for Action'" and that Russia remains suspended from the Financial Action Task Force (FATF).

The statement reads: "The attention of banks and other financial institutions is drawn to the outcomes of the Financial Action Task Force (FATF) Plenary conducted from June 21-23, 2023, and subsequent addition of Cameroun, Croatia, and Vietnam to the list of jurisdictions under 'increased monitoring'.

"Furthermore, the Democratic People's Republic of Korea, Iran and Myanmar remain on the list of high-risk jurisdictions, subject to 'Call for Action. Consequently, enhanced due diligence should be applied and in severe cases, counter measures may need to be implemented to safeguard the international financial system."

The circular restated the suspension of Russia from the FATF.

Thus, Financial Institutions are advised to be vigilant and be alert to possible emerging risks resulting from the circumvention of measures taken to protect the international financial system," Mr. Efobi warned.

CBN Advises Risk Management Practitioners

By: Ogochukwu Ikeagwuonu

The Director, Risk Management Department, Central Bank of Nigeria, Dr. Blaise Ijebor, has advised risk management practitioners to keep up with trends that might pose risks for their organisations.

He gave this charge during the 2023 Certified Risk Managers Induction where eighty (80) professionals were inducted at the event on Tuesday, July 11, 2023, in Lagos.

Dr. Ijebor urged them to be responsive to the dynamic nature of their work and he also encouraged them to be bold in taking on challenges and grasping relevant opportunities.

Further, he outlined several significant implications for risk management which includes, the rise of

interconnected systems, the creation of value from data, the weaponisation of information, shifts in the cybersecurity risk landscape, and regulatory changes.

While observing that there are complaints about the changing regulations in the industry, the Director noted that this was necessary because, we, the regulators, contend with new technologies which we must manage efficiently so that these new technologies do not cause harm in the digital economy. "So, risk managers must adopt new technologies and adopt management risks as well," he stated.

In his remark, the President, and Chairman of the Chartered Risk Management Institute of Nigeria (CRMI) council, Prof Ezekiel Oseni, counselled the

inductees to be well equipped in the field and be the solution to address business obstacles without compromising their profession.

Prof Oseni affirmed that, “CRMI is the only chartered risk management institute in Nigeria

established by the National Acts of Parliament”. He, therefore, admonished individuals and members of the public to be aware of institutions not chartered by the Act of National Assembly that are going about as chartered risk management institutes and conferring fellowship status on people.

CBN Resumes Quotation of Naira-Settled OTC FX Futures Contract

By: Pearl Ogbonna



Central Bank of Nigeria

The Central Bank of Nigeria (CBN) has announced that it will resume providing offer quotes for Naira-settled Over the Counter (OTC) FX Futures (NSOFF) contracts with tenors ranging from 13 to 60 months for a period of one year, until June 28, 2024.

This provision took effect on July 3, 2023 with NSOFF contracts with terms to maturity of 13 to 60 months being valued based on the executable offer quotes provided by the CBN and Futures Banks on the relevant valuation dates. Offer quotes for contract tenors between 13 and 24 months were therefore discontinued, with the CBN focusing solely on the 25 to 60 months NSOFF contracts during this period.

The objective of this move is to facilitate long-term foreign exchange (FX) risk hedging for market participants. It was noted that to meet short-term hedging requirements, market participants can turn to the FMDQ Naira-Settled Exchange-Traded

FX Futures (NSEFF) contracts, introduced by FMDQ Securities Exchange Limited in the FMDQ Exchange-Traded Derivatives (ETD) Market on July 12, 2023.

Moreover, Futures Banks will soon provide quotes for NSOFF contracts with tenors ranging from one to 12 months, with the specific date to be communicated by the Exchange. Furthermore, NSOFF contracts with terms to maturity of one to 12 months will continue to be marked-to-market using the NAFEX rate as the reference.

It was also observed that this move signifies changes in the availability of these contracts based on their duration, aiming to provide market participants with more options for managing their FX risk exposures. Recall that Naira-settled OTC FX Futures (NSOFF) contracts are financial instruments offered in the Nigerian financial market. The NSOFF contracts are also settled in Naira, the local currency, and are traded over-the-counter (OTC), meaning they are not traded on a centralized exchange but rather directly between parties.

Notably, these contracts allow market participants to hedge against foreign exchange (FX) risks associated with fluctuations in the value of the Nigerian Naira against other currencies.

Particularly, the NSOFF market provides participants, such as banks, corporations, and institutional investors, with a mechanism to manage their exposure to currency fluctuations. By entering these contracts, they can mitigate the potential adverse effects of exchange rate movements on their business operations, investments, or financial positions.

CBN Reassures Mortgage Banks of Support

By: Louisa Okaria and Tina John



A group photograph of the Ag. Director, Other Financial Institutions Supervision Department, CBN, Mr. James Mamman with stakeholders at the event in Abuja.

The Acting Director, Other Financial Institutions Supervision Department (OFISD), Central Bank of Nigeria (CBN), Mr. James Mamman, has assured Mortgage Bankers Committee (MBC) of the Bank's commitment to partner with them to enhance the safety and soundness of the mortgage sub-sector.

Mr. Mamman said this in his opening remarks at the bi-annual consultative meeting with the Mortgage Bankers Committee held on Friday, July 7, 2023 at Chelsea Hotel, Abuja.

The Ag. Director said that the meeting was an opportunity for all the stakeholders to deliberate on issues affecting the sub-sector and make suggestions that would move the mortgage industry forward. He also said that the forum creates an avenue to have feedback mechanism from stakeholders.

He assured members of the MBC that Management is not insensitive to some of the concerns they had expressed and promised that issues raised from the meeting would be addressed accordingly.

Mr. Mamman also urged the stakeholders to stick to the regulations as the requirements and

guidelines are clear. He mentioned instances and some of the top management officers go contrary to the regulations. According to him, until an officer is approved, he cannot preside over an institution.

He further said that there were issues around the quality of the risk asset which the sector creates. He noted that at the last count, the sub-sector Non-Performing Loans (NPL) stood at 24 per cent. He noted that loans that are classified as loss will affect the bottom line and implored the mortgage bankers to improve their credit administration.

"I want to advise you to ensure that you do the right thing. We need to ensure that we create quality risk assets, this will help our returns and we will become more self-sustainable." He stated.

The Managing Director, Federal Mortgage Bank of Nigeria (FMBN) Mr. Madu Hamman said that the CBN should consider moving the single Obligor limit of shareholders fund from 25 per cent to 50 per cent. He lauded the CBN for being helpful towards the successful development of the Mortgage Banks and urged the Bank to look into the issues raised.

In his closing remarks, the Ag. Director said that the management will investigate every issue raised and

take appropriate decisions. He further affirms that the CBN had enjoyed the engagement and collaboration with all the stakeholders, adding that the sub-sector is very vital, and every feedback will be taken seriously.

Highlights of the event were presentations of reports by: Representative of Director, Consumer Protection Department (CPD), CBN, Nkechinyere

Eke; Director, Specially Insured Institution Department, Nigeria Deposit Insurance Corporation (NDIC), Mrs. Adedayo Olukoya; Managing Director, FMBN, Mr. Madu Hamman; Executive Secretary, Mortgage Banking Association of Nigeria (MBAN), Mr. Kayode Omotosho; and Managing Director, Nigerian Mortgage Refinance Company (NMRC), Mr. Kehinde Ogundimu.

CBN Pledges to Support DFIs

By: Ogochukwu Ikeagwuonu



From far right, the Executive Director, Federal Mortgage Bank of Nigeria: Mr. Mustapha Lukman; the MD, Nigeria Export-Import Bank, Mr. Abba Bello; MD, Bank of Industry, Mr. Kayode Pitan; MD, Development Bank of Nigeria, Mr. Tony Okpanachi; and the Ag. Director, Other Financial Institutions Supervision Department (OFISD), CBN, Mr. James Mamman (middle). Far left, Deputy Directors, OFISD, Mr. Oluwasola Ajewole and Mr. Harry Agbo; Executive Director, Bank of Industry, Mr. Usen Effiong; MD, Bank of Agriculture, Mr. Hassan Alwan; and MD, Nigeria Mortgage Refinance Company, Mr. Keyinde Ogundimu.

The Central Bank of Nigeria (CBN) has restated its commitment to supporting Development Finance Institutions (DFIs) in the country to enable them succeed amid macroeconomic variables and challenging risk in the financial sector.

The Acting Director, Other Financial Institutions Supervision Department (OFISD), Mr. James Mamman, gave this assurance at the 14th Bi-Annual Forum of Development Finance Institutions that held at the Wells Carlton Hotel & Apartments, Abuja, on Tuesday, July 18, 2023.

Mr. Mamman, while describing the meeting as strategic, expressed concerns over emerging risks and the market share figures. He, therefore, called on the stakeholders to come up with ideas on how to move the subsector forward, adding that the regulator would give them all the needed support.

The OFISD Ag. Director, while urging the key players to remain steadfast despite challenging tides, also pointed out the importance of robust collaboration among the DFIs in tackling risks. He, therefore, implored the stakeholders to put their full weight into institutionalising the approved guidelines and

frameworks in their respective organisations to help curb risks in the sector.

Speaking on the Capital Adequacy Ratio (CAR), Mr. Mamman observed that the return on credit was increasingly high, even as he stressed the need for cycle and interest margin review to align with the industry's mandate. He also advised financial analysts to be mindful of analysis in recovering loans.

Speaking on the lessons from the collapse of the Silicon Valley Bank in the United States of America, Mr. Oluwasola Ajewole, a Deputy Director in OFISD, highlighted some take-aways, including the inability of the Board and Management to manage risks effectively and a lack of proper supervision during growth complexities in view of the upsurge of Fintechs. He noted that good corporate governance and effective risk management would help to manage increased recessionary and rapid interest rate risks.

In her presentations on the Strategic Regulatory Updates themes of "Mortgage Refinance Company Framework and DFI Guidelines" and "Enhanced Credit Risk Management System", Mrs. Yemisi Babade, a Principal Manager in the Financial Policy and Regulations Department (FPRD), CBN, appealed to the DFIs to ensure that customers' accounts are profiled on the NIBSS/ICAD/CRM/NUBAN database. She revealed that some Credit Risk Management System (CRMS) reviews had been implemented in the framework of the guidelines and enjoined all financial institutions (FIs) to enrol on the CRMS.

Other strategic updates examined at the forum were expectations and requirements on customers' rights and protection and the benefits of the automated PaperLite application that would aid in a more enhanced communication workflow process between the CBN and the FIs. The DFIs were also notified of the requirement of making sure that a sound internal framework on customer profiling was conducted as this would help in compliance and cyber-risk assessment. It was noted that due diligence was key in identifying, when and where any infractions were spotted.

Furthermore, the CBN team emphasized the need to imbibe the recently issued Anti-Money Laundering/ Combating the Financing of Terrorism/ Certified Financial Planner (AML/CFT/CFP) framework and guidelines for improved risk reporting.

High points of the day were updates from the Association of Nigeria and Development Financial Institutions (ANDFI), questions on the new government's policies and issues around the economy.

Present at the event were the MDs/CEOs of the Nigeria Mortgage Refinance Company (NMRC), Mr. Keyinde Ogundimu; Bank of Agriculture (BOA), Mr. Hassan Alwan; Development Bank of Nigeria (DBN), Mr. Tony Okpanachi; Nigeria Export-Import Bank (NEXIM), Mr. Abba Bello; Bank of Industry (BOI), Mr. Kayode Pitan, as well as Executive Directors of the BOI, Mr. Usen Effiong; and Federal Mortgage Bank of Nigeria (FMBN), Mr. Mustapha Lukman, respectively. ■

Failed Transactions: CBN Facilitates Refund of N115 Billion

By: Tina John

The Central Bank of Nigeria (CBN) has facilitated the refund of the sum of N115.45bn and over \$22.7m to customers as a result of failed bank electronic transactions.

This was disclosed by an official of the Consumer Protection Department of the CBN, Mr. Samuel Elachi, in a presentation during a one-day

sensitization fair for stakeholders in Bauchi State on Thursday, July 6, 2023.

Mr. Elachi said that the CBN had received no fewer than 35,453 complaints from bank customers relating to failed transactions in the last 10 years.

The Fair had the theme, Promoting Alternative

Payment Channels as Tools for Financial Inclusion. Mr. Elachi said out of the complaints lodged by customers, 33,437 were resolved. He said as CBN is trying to build confidence in the financial system, the Bank always evolves policies and activities to protect consumers. This, he added, is to ensure that customers do not lose their money while conducting financial transactions.

Mr. Elachi urged the public to first report their disputes to their financial institutions for quick and amicable resolution before approaching the CBN with further complaints if they were not satisfied with the actions of the institutions.

Speaking earlier in his opening remarks, the Director, Corporate Communications Department, CBN, Dr. Isa AbdulMumin, who was represented by an Assistant Director in the Department, Mr. Imo Esu said that the fair was designed as a platform to interact with members of the public on the policies

and strategic interventions of the Bank for sustainable economic development in the country.

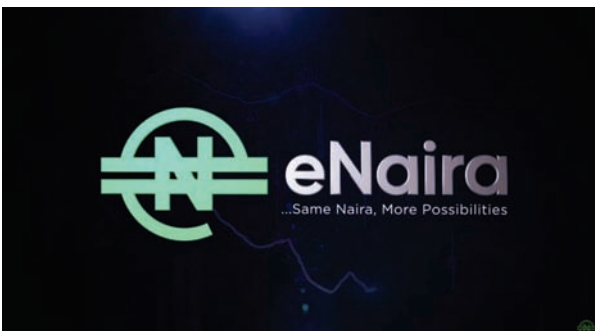
The Director stated that the objectives of the engagement among others, was to sensitize members of the public on how the Bank's interventions can grow their businesses and contribute to the Nigeria economy.

He said the CBN will sustain its efforts towards ensuring the availability of currency and urged Nigerians to see the Naira as our critical symbol of national identity, respect and keep it clean. He implored them not to spray, hawk, mutilate or counterfeit the Naira.

Dr. Isa assured Nigerians that the CBN will continue to ensure that it delivers on its core mandate of ensuring monetary and price stability while continually rolling out proactive and innovative policies, to ensure that all economic sub-sectors receive the desired support.

CBN Upgrades eNaira App with NFC Chip

By: Ogochukwu Ikeagwuonu



In a bid to boost its service delivery and improve user-friendliness, the Central Bank of Nigeria (CBN) has upgraded the eNaira app by enabling the Near Field Communication (NFC) feature, making it a globally recognised application.

NFC is a short-range wireless technology that enables simple and secure communication between electronic devices. It may be used on its own or in combination with other wireless technologies.

eNaira having an NFC-enabled payment reader software that can accept contactless payments in a

few seconds makes it unique and secure.

Speaking at an eNaira sensitisation workshop at the University of Abuja on Thursday, July 13, 2023, the CBN-eNaira team lead, Mr. Joseph Angaye, who is also the Deputy Director, Risk Management Department, said that the CBN's eNaira payment infrastructure ranks among the top five globally. He stressed that the eNaira has evolved and received positive feedback from users and stakeholders.

He listed the many benefits of the eNaira app to include; speed of transaction and reduction of settlement risks. He opined that, as the world is going digital, the CBN could not afford to lag on the innovations in the digital space.

Speaking further, Mr. Angaye clarified that the eNaira was created to deepen financial payments system infrastructure and not a competitor to banks and other payment systems services providers. "It is to help reduce the number of interfaces needed to initiate and complete payments. It will reduce leakages in terms of payment collection, deepen financial inclusion, and generally provide more

services that will benefit Nigerians”, he explained. In her remarks, the Deputy Vice Chancellor, Academics, University of Abuja, Prof. Aisha Sani Maikudi, commended the CBN for the initiative and collaboration with the institution in executing its strategic projects to ensure wider success.

She assured the CBN of the institution's support in helping in extensive publicity about the gains of adopting eNaira as a transaction platform. She also implored the Bank to ensure all infrastructure projects it embarked on are completed and successfully delivered.

CBN Urges Youths to Embrace Entrepreneurship

By: Blessing Uzoagbado

The Central Bank of Nigeria (CBN) has encouraged young entrepreneurs to learn new skills and create micro enterprises that would boost the economy of the country.

The Director, Corporate Communications Department of the Bank, Dr. Isa AbdulMumin who spoke at the CBN Fair in Bauchi State, urged unemployed youths with good business ideas to seize the opportunities of the CBN's Agric-Business/ Small and Medium Enterprises Investment Scheme (AGSMEIS) to access funds and pursue their dreams and aspirations.

The Fair which held on July 6, 2023, had in attendance a wide range of participants from organisations and informal sector in Bauchi State.

The Director, who was represented by an Assistant

Director in the Department, Mr. Imo Esu, restated the commitment of the Bank to supporting businesses and promoting diversification through an array of interventions in agriculture, health, manufacturing and other key sectors of the economy. He assured that the CBN would continue to deliver on its core Mandate of ensuring monetary and price stability.

Speaking further, the Director explained that the objective of the Fair was to sensitize members of the public on how the Bank's interventions could grow their businesses and contribute to Nigeria's economy.

He also stated that the Fair is designed as a platform to interact with members of the public on the policies and strategic interventions of the Central Bank of Nigeria.

CBN Reduces Merchant Banks' CRR to 10%

By: Pearl Ogbonna

In order to boost long-term financing, the Central Bank of Nigeria (CBN) has approved a reduction in the Cash Reserve Requirement (CRR) of merchant banks from 32.5 per cent to 10 per cent effective August 1, 2023.

This was revealed in a Circular issued to all merchant banks on July 14, 2023 and signed by the Director, Banking Supervision Department (BSD), Mr. Haruna Mustafa. It stated that the measure was expected to boost the banks' ability to avail increased infrastructure, real sector and other long-term financing needed to support the development of the Nigerian economy.

It was noted that the regulatory measure was in recognition of the nuanced business model of the merchant banks, particularly their wholesale funding structure, regulatory restriction from the retail market and permissible activities vis-a-vis conventional commercial banks.

Recall that CRR is the portion of deposits that banks are required to hold with the Central Bank and is a monetary policy tool used by Central Banks to manage and regulate the money supply in an economy.

CBN Intervenes as POS Operators Hike Charges

By: Tolu Abioye



www.nairametrics.com

The Central Bank of Nigeria (CBN), has stated that the Bank is aware of the new hike in charges by Point of Sale (POS) operators and is working towards resolving the issue.

This was contained in a statement issued by the

Director, Corporate Communications Department of the Bank, Dr. Isa AbdulMumin.

The hike in charges started in Lagos, Ogun and Edo States. The new transaction charges are at variance with the approved CBN charges of N200 for every N10,000 withdrawal. The operators recently increased their charges to N500 for every N10,000.

The operators are already meeting with stakeholders to agree on the new POS charges nationwide.

The POS operators had at a meeting held made public by its National Public Relations Officer, Oluwasegun Elegbede, said that other states are working to adopt Lagos rates and increase transaction charges.

PSV 2025: CBN Opens Bids for Consultants

By: Pearl Ogbonna

In a bid to fulfil its vision of being the best among the world's central banks, the Central Bank of Nigeria (CBN) has launched an agenda for the payments system called the Payments System Vision 2025 (PSV 2025).

This was contained in an advert issued by the Bank's Management on the Bank's website where it stated its efforts to respond to recent innovations in the financial landscape. This is addition to growing the market for payments solutions in Nigeria, thus necessitating the new agenda for the payments system.

The CBN has therefore invited sealed bids from bidders for a consultant to drive the implementation of PSV 2025 recommendations for the Bank. The Bank is also extending this Request for Proposal (RFP) to eligible and competent Consultants.

The advert highlights the scope of work to include:

facilitating PSV 2025 implementation; preparing and driving implementation roadmap for PSV 2025; benchmarking the Nigeria payments system with international standards; identifying key areas of improvement and addressing those areas based on prioritized roadmap; identifying key trends and innovation opportunities in readiness for future products/innovations; and working with the CBN team in support of implementation effort while providing expert advice.

Interested and competent service providers were required to submit certain documents for verification and upon evidence of payment of a non-refundable fee of N10,000.00 (Ten Thousand Naira only), interested companies may obtain Standard Bidding Document (SBD) from the Secretary, Major Contracts Tenders Committee, 2nd Floor, Wing C, CBN Head Office Complex, Abuja.

Submissions of bids shall be made in two separate sealed envelopes with one addressing the

mandatory requirements and technical proposal, while the second addresses the financial proposal, which shall both be addressed to the Secretary, Major Contracts Tenders Committee.

The public is required to note that failure to sign and seal one's submission as required may cause the submission to be deemed non-responsive. Equally, partial submissions, that is, submissions that do not cover all the essential requirements of the CBN as specified in the advert, will be treated as non-responsive and will be rejected.

Furthermore, all costs will be borne by the bidders. In addition, the CBN is not bound to pre-qualify any bidder and reserves the right to annul the procurement process at any time without incurring any liabilities in accordance with section 28 of the

Public Procurement Act 2007.

The public is further required to note that all submissions must be received at the CBN Head Office not later than 2:00 pm on 17th August 2023 and submissions will be opened immediately after the deadline.



Central Bank of Nigeria, Headquarters

Forex Inflows Hits \$2.55bn in Two Months

By: Ruqayyah Mohammed

The total inflows into the Investors and Exporters (I&E) window rose to \$2.55bn in the months of May and June following the unification of exchange rates by the Central Bank of Nigeria. The data indicated that inflows into the I&E window increased for the second consecutive month in June to \$1.41bn from \$1.14bn in May. However, local inflow continued to sustain market,

hitting \$1.11bn in June because of higher inflows from non-bank corporates (\$597.10m) and exporters (\$448.00m)

According to experts, the development in the FX market was expected to translate to improvements in FX liquidity conditions over the medium term as market participants.

Share Acquisition: CBN Issues Fresh Guidelines

By: Ademola Bakare

The Central Bank of Nigeria (CBN) has issued a fresh Corporate Governance Guideline for Commercial, Merchant, Non-Interest and Payment Service Banks in the country.

The CBN in the exercise of its powers as conferred on it in the CBN Act 2007, and the Banks and Other Financial Institution Act 2020, said that any investor planning to acquire a five per cent stake in any bank operating in the country will need to obtain its prior approval or no objection from the Bank.

The Circular, FPR/DIR/PUB/CIR/001/078 dated July 13, 2023, and signed by the Director, Financial Policy and Regulations Department, (FPRD), Mr.

Chibuzor Efobi, takes effect from August 1, 2023.

The Circular said "in developing these Guidelines, the CBN adapted relevant principles and recommended practices of the Nigerian Code of Corporate Governance as prescribed by the Financial Reporting Council in 2018."

The Guidelines stated that no individual, group of individuals or corporate entities shall own controlling interest in more than one bank. Under the protection of shareholders' rights provisions, the regulations endeavor to address recent events in the capital market affecting some commercial banks in the country.

The Guidelines specifically said “CBN's prior approval and No Objection shall be sought and obtained before any acquisition of shares of a bank (including through the capital market), that would result in equity holding of five per cent and above, by any investor.”

According to the circular, “except where prior approval of the CBN is granted, no individual, group of individuals, their proxies or corporate entities shall own controlling interest in more than one bank.”

It also states that where the CBN has an objection to any of the acquisition, the notice of the objection must be communicated to the bank, and the bank has 48 hours to notify the investor.

For government ownership in the bank, under the protection of shareholders' rights, the Guidelines said, “Government's direct and indirect equity holding in a bank shall not be more than ten per

cent (10%), which shall be divested to private investors within a maximum period of five years from the date of investment.”

For existing investments above five years, the CBN said the bank shall within two years from the effective date of these Guidelines, comply with the provision. The Bank's regulation equally addressed Financial Holding Companies (FHC), and activities around mergers and acquisitions.

According to the regulation, no director or shareholder can change control of a bank without the prior approval of the bank. It also does not allow the transfer of 5 per cent equity holdings and above of a bank to any shareholder without the prior approval of the CBN.

Thus, it said CBN's prior approval, and No Objection shall be sought and obtained, before any acquisition of shares of an FHC by an investor (including through the capital market), would result in equity holding of five per cent and above.

Diaspora Remittances: Naira Now Payment Option

By: Mohammed Haruna

The Central Bank of Nigeria has issued a circular to International Money Transfer Operators (IMTOs) informing them to begin disbursing diaspora remittances to beneficiaries in Naira, along with other foreign exchange.

The circular dated July 10, 2023, and signed by the Director of Trade and Exchange Department, Dr. Ozoemena Nnaji, announced the Naira as a payout option for receipts of proceeds of International Money Transfers. The statement referenced a circular FED/FEM/FPC/01/011 dated November 30, 2022.

It can be recalled that the November 30, 2022, circular initiated the payment of dollars to recipients of diaspora remittances through the designated bank of their choice with unrestricted access to their funds.

The new circular further mentioned that that the

exchange rate to be used for determining the Naira pay-out should be based on the Investors and Exporters' Window foreign exchange rate.

It said: “For the avoidance of doubt, IMTOs are required to pay out the proceeds using the Investors' & Exporters' window rate as the anchor rate on the date of the transaction.”



Central Bank of Nigeria, Headquarters

eNaira - FREQUENTLY ASKED QUESTIONS

What is eNaira?

eNaira is a central bank digital currency (CBDC) issued by the Central Bank of Nigeria as a legal tender. It is the digital form of the Naira and will be used just like cash.

What is an eNaira wallet?

The eNaira wallet is a digital storage that holds the eNaira. It is held and managed on a distributed ledger. The eNaira wallet is required to access, hold and use eNaira.

What makes eNaira different from the money in my bank account?

eNaira is the digital form of the cash and is a direct liability on the Central Bank of Nigeria while the customer deposits are direct liabilities on the financial institutions.

In a typical transaction, what is the difference between an online bank transaction and eNaira wallet?

There are intermediaries for the typical online bank transactions, whereas for eNaira transactions, there are no intermediaries.

What are the benefits of eNaira?

The benefits of the eNaira are:

- = Fast, cheap, reliable and available payment channel.
- = Support digital economy.
- = Improved economic activities.
- = Simplified and easy cross border payments and trade.
- = Inclusion of excluded people in the financial system.
- = Improved effectiveness of monetary policies.
- = Ease in tax remittance and collection to support the Country's growth.
- = Ease in targeted social interventions to support Nigerians.

What is the primary role of the CBN with respect to eNaira?

In line with Section 2 of the CBN Act 2007, the CBN is the issuing authority of all forms of Naira. The Central bank will also be responsible for determining the technical, regulatory and operational standards for eNaira.

Will eNaira replace cash?

No, it will circulate alongside cash. The eNaira will

complement cash as a less costly, more efficient, generally accepted, safe, and trusted means of payment.

Is eNaira safe?

eNaira is safe and secured with cryptographic techniques against counterfeiting, cloning, and other forms of attack.

As an eNaira holder, am I assured of data privacy?

Yes. Similar to the privacy enjoyed by current online banking patrons, the eNaira system has been designed to ensure data and user privacy. There are also operational policies and procedures in place to protect users' identity and privacy.

Who can access eNaira?

Similar to cash, any person or business can have access to eNaira as long as they have the requirements for on boarding.

What is the exchange rate between eNaira and physical naira?

The eNaira will have the same value as the physical naira. As such, it will be exchanged one to one.

Why should an individual download and fund the eNaira wallet?

- = 99.9% service availability.
- = Low charges.
- = Nationwide acceptance.
- = No dispensing errors.
- = Advanced data privacy and security.

Why should a business/corporate operate the eNaira wallet?

- = Instant settlement
- = 99.9% service availability and reliability
- = Low charges
- = No dispensing errors
- = No reconciliation issues

How do I access eNaira?

Customers will be able to access eNaira via the eNaira wallet in app stores such as Google Play store and the Apple App store. Users can also dial a USSD short code and follow the required steps to perform transactions.

Culled from: <https://www.enaira.com/>



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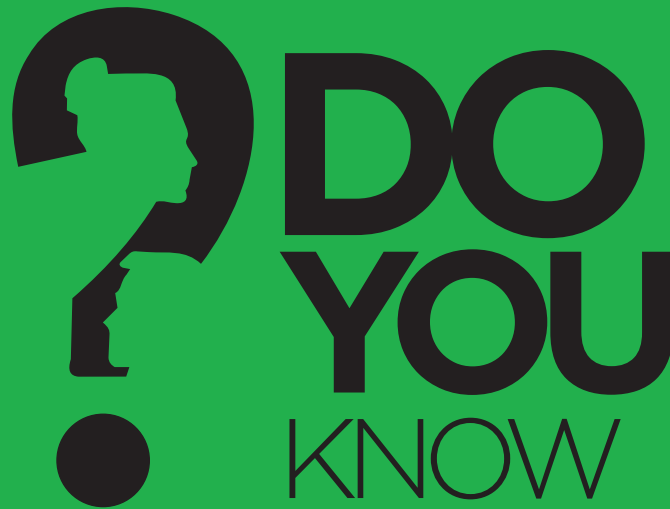
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Central Bank of Nigeria



Consumer Protection: How to write a Proper Complaint in Four (4) Steps

There are basically four (4) easy steps on how to write a proper complaint.

Begin with an **address**. Your complaint should contain a Contact Address which could be your Residential or Postal Address (as in your bank records). It should also have the address of the Financial Institution (FI) in which you address your complaint to.

Secondly, **briefly state your complaint**. It should contain the What, When, Where, and How (in no particular order). Furthermore, include monetary loss, (if any). State what happened, this is like a short story of what happened. State the date and time when the issue occurred. State the location which is the name of the place where it happened. Finally, state the financial service or product used that led to the challenge.

The next thing your complaint should contain is the **Prayer/Request (what do you want?)**. Write what you would like to be done for you or how you would like the problem to be resolved.

Finally, **conclude your complaint** stating the Signature; Account Name; Account Number; Email (If any) and Mobile Number.

Your bank is to issue a unique identification number and acknowledge your complaint within twenty-four (24) hours of lodging the complaint as stipulated in Section 6.2.2 of the Consumer Protection Regulations.

Where your complaint is not responded to or addressed within two (2) weeks (it may be more or less depending on the nature of the complaint), Section 6.4 of the Consumer Protection Regulation 2019 stipulates, you have the right to escalate to the **Director, Consumer Protection Department, Central Bank of Nigeria, Abuja**.



Central Bank of Nigeria