



**CENTRAL BANK OF NIGERIA**  
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**TED/FEM/FPC/GEN/01/008**

**August 22, 2016**

**TO: ALL AUTHORISED DEALERS AND GENERAL PUBLIC**

**RE: TRANSACTIONS IN "FREE FUNDS" BY AUTHORISED DEALERS**

The Central Bank of Nigeria has noticed that some Authorised Dealers have continued to buy and sell foreign exchange referred to as "free funds" despite the provision of the circular referenced TED/AD/29/2004 dated March 4, 2004 on the subject.

Against the background, Authorised Dealers are to note that dealing in foreign exchange without appropriate documentation which includes relevant entries, blotters, physical documents and non-disclosure to the Regulatory Authorities is a breach of extant regulations.

The CBN therefore reiterates that, as provided in the laws and regulations governing dealings in foreign exchange, Authorised Dealers shall **NOT** sell foreign exchange without appropriate documentation and disclosure to the Regulatory Authorities irrespective of the source of such funds.

Accordingly, Authorised Dealers shall deal in eligible transactions only and not to engage in any foreign exchange transactions on terms inconsistent with the extant laws and/or regulations.

Please ensure compliance accordingly.

  
**W. D. GOTRING**  
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