



CENTRAL BANK OF NIGERIA
Corporate Head Office,
Plot 33, Abubakar Tafawa Balewa Way,
Central Business District,
Cadastral Zone,
P.M.B. 0187,
Garki, Abuja – F.C.T.

Website: www.cenbank.org
Email: financialmarkets@cbn.gov.ng
Tel: 09 462 36700, 0946236703

Ref: FMD/DIR/GEN/CIR/08/001

February 1, 2017

CIRCULAR TO ALL AUTHORISED DEALERS

AMENDMENT OF S4 BUSINESS RULES AND GUIDELINES

With reference to section 10.1 of the S4 Business Rules and Guidelines, which states inter alia:

"10.1 Transactions with CBN

- a) Any auction or 2-way-quote with CBN must be settled. If it is on queue, it shall be given highest priority and when it fails to settle, the system shall generate an automatic Intra-day Liquidity Facility (ILF) backed by collateral to settle the transaction.

Where there are no securities, the allotment shall be cancelled and the defaulter suspended from ALL auctions for eight (8) weeks effective from the date of default.

- b) ILF shall be bought back or converted to SLF by the Participant by the close of business day, failing which it shall be automatically converted to SLF at the prevailing SLF rate plus 500 basis points.
- c) If any SLF is not repurchased by the Participant by the next business day, such Participants shall not be eligible to access the CBN discount window until such outstanding obligation is settled in accordance with Section 27 of the Guidelines for the Conduct of Repurchase Transactions under CBN Standing Facilities."

Henceforth, all Standing Lending Facilities (SLF) must be bought back latest by 10:00 a.m on the maturity date, failing which, the encumbered securities would be automatically rediscounted.

This circular takes immediate effect.

Thank you.

A handwritten signature in black ink, appearing to read 'Alvan E. Ikoku'.

Dr. Alvan E. Ikoku
Director, Financial Markets Department