



Central Bank of Nigeria

# CBN UPDATE

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## Emefiele Flags-Off Second Phase of eNaira

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Ademola Bakare

## LETTERS TO THE EDITOR

We welcome your contributions and comments. Please forward them to the Editor via: [ioogbe@cbn.gov.ng](mailto:ioogbe@cbn.gov.ng)

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## CBN CONTACT CENTRE

[contactcbn@cbn.gov.ng](mailto: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 welcome our esteemed readers to the August edition of CBNUPDATE.

In this edition, we serve you the news story about the flag-off of the second phase of the eNaira project which is intended to drive financial inclusion by onboarding unbanked and underserved, leveraging offline channels. The Governor, Mr. Godwin Emefiele, speaking at the grand finale of the eNaira Hackathon organized in Abuja, said that the Central Bank Digital Currency, the eNaira is set up to deliver the promise made to Nigerians to reduce the percentage of adult Nigerians that are excluded from the financial ecosystem.

There is also a story highlighting the Regional Course on Medium Term Budgetary Frameworks (MTBFS) held by the West African Institute for Financial and Economic Management (WAIFEM) in Abuja. This was against the backdrop of the immense macroeconomic and fiscal challenges facing member countries. Details are served in this edition.

Similarly, the CBN Governor in his opening remark, urged stakeholders of WAIFEM member countries to focus on developing an enabling environment through the provision of adequate infrastructure and making prudent interventions for facilitating the development of the microfinance sector.

In another story, the CBN assures Nigerians of the continued funding of 12 focal commodities through its Commodity Development Initiative (CDI). The Director, Development Finance Department (DFD), Mr. Philip Yila Yusuf gave this assurance at the inauguration of the first cassava-based Sorbitol factory in Africa located at Ado-Awaye in Oke-Ogun area of Oyo State. He reiterated that the CDI was introduced to intervene across the value chain of selected commodities from production to processing stages.

The story on the 33rd Edition of the Finance Correspondents and Business Editors Seminar held simultaneously in Abuja and Lagos will make an interesting reading. Speaking at the Seminar, the CBN Governor, Mr. Godwin Emefiele, reiterated the numerous intervention programmes introduced towards diversifying the nation's economy away from oil. Details of the event is served in this edition.

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

  
**Osita Nwanisobi**  
Editor-in-Chief

# Emefiele Flags-Off Second Phase of eNaira

By: Auwalu Alhaji & Kosiso Udemezue



CBN Governor, Mr. Godwin Emefiele and Deputy Governor, EP, Dr. Obiora Kingsley in a group photograph with Departmental Directors.

**T**he Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has said that the commencement of the second phase of the eNaira project is intended to drive financial inclusion by onboarding unbanked and underserved users leveraging offline channels.

Mr. Emefiele stated this while delivering a keynote address at the Grand Finale of the eNaira Hackathon, held at the International Conference Centre Abuja, on Thursday, August 18, 2022. He restated the Bank's commitment to achieving its mandate of maintaining monetary and financial stability.

According to him, when the eNaira was launched in October 2021, the Bank promised to increase the level of financial inclusion in the country because just like the Naira, the eNaira was expected to be accessible to all Nigerians and would provide more possibilities to bring in the unbanked into the digital economy.

The Governor further stated that, since the unveiling of the project, the eNaira had reached 840,000 downloads, with about 270,000 active wallets comprising over 252,000 consumer wallets and 17,000 merchant wallets. In addition, he said volume and value of transactions on the platform had been remarkable, reaching above 200,000 and 4.4 billion respectively.

Speaking further, Mr. Emefiele disclosed that Nigerians can open eNaira wallet and conduct transactions by dialling Unstructured

Supplementary Service Data (USSD) code \*997# from their mobile phones. He also hinted merchants and consumers with bank accounts will be able to use the Nigeria Inter-Bank Settlement System (NIBSS) Instant Payment (NIP) to transfer and receive eNaira to any bank account, stressing that this would deepen the integration of the eNaira with the existing national payment infrastructure.

Commending the strategic partnership between the CBN and the African Fintech Foundry (AFF) in organising the event, Mr. Emefiele noted that the eNaira Hackathon recorded a considerable interest from young and innovative Nigerians with a total of 4,667 registrations, comprising 4,082 male and 582 female applicants. This, according to him, corroborates the fact that Nigerians, both within and outside the country, possess innovative ideas and are willing and ready to leverage existing opportunities that the eNaira presents for enhancing digital financial services and contributing to national development.

The CBN Governor commended the participants for birthing innovative solutions for a modern Nigeria and the first step towards expanding the Central Bank of Nigeria's innovative financial ecosystem.

In his remarks, the Group Head of African Fintech Foundry, technical partner to the CBN, Mr. Daniel Awe, commended the Bank for transforming from a traditional regulator to a smart and innovative one. Highpoint of the event was the presentation of symbolic cheques to the winners of the eNaira Hackathon

**News Analysis**

# eNaira - Another Catalyst for Growth and Development

By: **Mukhtar Maigamo**

As the evolution of the world-first decentralized alternative currency known as digital currency has taken a center-stage in the advanced economies, the Central Bank of Nigeria (CBN), under the able leadership of the Governor, Mr. Godwin Emefiele also joined the league, with the official unveiling of the country's own version of Digital Currency known as eNaira on Monday, 25 October 2021 by President Muhammadu Buhari, making the country, the first African country to introduce that novel initiative. According to the Atlantic Council, a US based independent think tank, Nigerian Central Bank followed the Bahamas and Eastern Caribbean Central Banks to engage on that novelty.

However, by way of recap, the rationale for the creation of the Central Bank Digital Currency (CBDC) was to among other things, facilitate and deepen financial inclusion, provide alternative

payment system, integrate millions of unbanked people into the digital financial ecosystem and to forestall fraud.

Other reasons advanced for justifying the creation of CBDC include to facilitate diaspora remittances, reduce the cost of processing cash, improve the availability and usability of central bank money, increase revenue and tax collection, support a resilient payment system and to improve efficiency of cross-border payments.

The first phase of the programme focused on person-to-person (P2P) transactions through an enabled Merchant Wallet. As it took off, the Governor directed the minting of N500 million worth of digital currency and a total of N200 million eNaira had been issued to banks. By December 2021, about 583,000 personal consumer wallets and 83,000 merchants' wallet with total

The banner features the Central Bank of Nigeria logo and the Africa Fintech Foundry logo at the top right. Below them is an illustration of five diverse people sitting around a table, engaged in a discussion. To the right of the illustration is the eNaira logo (a green 'N' with a horizontal line through it) and the text 'eNaira HACKATHON' in large blue letters. At the bottom, a dark blue banner contains the text 'eNAIRA: AFRICA'S GATEWAY TO A DIGITAL ECONOMY' in white and green.

transactions that amounted to N188 million were recorded.

The CBN's Financial Inclusion (FI) Strategy adopted in 2012 was to increase the level of access of financial services to the populace, though impactful, is yet to deliver the desired outcome.

According to the Enhancing Financial Innovation & Access (EFinA), Access to Financial Services in Nigeria 2020 Survey, the country's rate of FI was still at 64% by the end of 2020.

It is therefore envisaged that, the eNaira initiative will help to bridge the gap by integrating the remaining 36% (representing about 38 million adults) into the financial ecosystem.

The importance of the eNaira to the economy cannot be overemphasized, given its potential to revolutionize the Nigerian economy, with an alternative payment system and bringing the unbanked into the financial ecosystem.

Indeed, following the success recorded in the first phase, the Central Bank of Nigeria entered the second phase, as announced by the CBN Governor during the Grand Finale of the eNaira Hackathon, held at International Conference Centre Abuja, on Thursday, 18 August, 2022.

Mr. Emefiele said that the CBN commenced the second phase in order to further deepen financial inclusion and liberalize the payment platform. He stated that "the Bank promised to increase the level of financial inclusion in the country because just like the Naira, the eNaira is expected to be accessible to all Nigerians and would provide more

possibilities to bring the unbanked into the financial economy".

However, the Governor further mentioned that since the introduction of the eNaira, transactions both in volume and value have been raised to 200,000 and N4 billion respectively.

The relevance of eNaira to the people and the government is mutual in the sense that, as the transactions under it are automated, digitized and tracked on a ledger that cannot be manipulated by a third party, it brings freedom to the people and also reduces the risk of fraud and even corruption.

For business people, this alternative method could also offer the users unbridled freedom and access to transaction without unnecessary bottlenecks.

As it grows in value and popularity, the benefit of investing in eNaira becomes even more apparent, given the rate of the downloads of the application (840,000)

with over 2.5 million visits daily and more banks being integrated into the platform. It is important for people to take advantage and leverage on the alternative platform for financial transactions provided by the CBN.

Given the present realities and the trajectory of the world economy, where currencies are liberalized, with various transaction alternatives springing up, eNaira is also introduced to blend with the trend and offer Nigerians those benefits, while also complementing the physical Naira.

Without a doubt, CBN's launch of the eNaira would complement efforts at facilitating economic growth and development in Nigeria

// ...the Bank promised to increase the level of financial inclusion in the country because just like the Naira, the eNaira is expected to be accessible to all Nigerians and would provide more possibilities to bring the unbanked into the financial economy. //

## Digital Currency: CBN Assures of Financial Inclusion

By: Louisa Okaria

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has said that the CBN will remain committed to ensuring that more Nigerians are financially included.

Mr Emefiele stated this during the opening ceremony of the two-day CBN Fair held concurrently in Makurdi, Benue State and Lafia in Nasarawa State on the 11th and 12th August, 2022.

The Governor said that the eNaira was launched as part of efforts to put the payments system on the part of growth. He affirmed that the CBN is the first country in Africa to launch the digital currency known as the eNaira. Hence, the essence is to strengthen the payment system and get many Nigerians financially included.

The Governor who was represented by the Director, Corporate Communication Department, Mr. Ostia Nwanisobi explained that the fair tagged: "Promoting Financial Stability and Economic Development" was meant to enlighten Nigerians about the various CBN intervention programmes and how they can benefit from them.

"As the payment systems have evolved from



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commodity to metallic; paper to polymer and now digital, the CBN need to be at a pace with other leading countries in the world" Emefiele posited. He noted the CBN team will be onboarding so many who are not already onboarded on the eNaira wallet while also assuring those without smartphones that the CBN is working on the Unstructured Supplementary Service Data (USSD) code, a feature, that will allow offline onboarding and conduct transactions.

One of the beneficiaries of the CBN's intervention programmes who spoke on behalf of the others, Mr. Danlami John, lauded the Bank for implementing policies targeted at raising the less-privileged citizens from the shackles of poverty, and pledged to apply the knowledge gained to advance their businesses

## WAIFEM Holds Regional Course on Budget Framework

By: Mohammed Haruna



Director General, WAIFEM, Dr. Baba Yusuf Musa

The West African Institute for Financial and Economic Management (WAIFEM) held a Regional Course on Medium-Term Budgetary Frameworks (MTBFS), against the backdrop of the immense macroeconomic and fiscal challenges facing member countries including Nigeria.

In his remarks, the Director-General, WAIFEM, Dr. Baba Yusuf Musa, said the course became inevitable because "As our economies are preparing for post-pandemic recovery, adjusting to

externally induced inflationary pressures, and working toward achieving the United Nations Sustainable Development Goals (UN-SDG), we continue to face the challenge of revenues while the pressure for increased spending continues to build up.”

The DG further observed that several developing countries, including WAIFEM member countries have made determined efforts to restructure their public financial management systems and budget frameworks, with the goal of enhancing the usefulness of public spending while preserving fiscal soundness, discipline and transparency.

The Director, Monetary Policy Department, Dr. Mahmud Hassan, a member of the Technical Committee of the Board of Governors of the West African Institute for Financial and Economic Management in a keynote message to the participants submitted that budget deficit and public debt could exert direct and negative consequences on fiscal sustainability, adding that

these remained essential factors in assessing macroeconomic policies' credibility.

According to Hassan, the MTBF is a multi-year approach to budgeting that links expenditure plans to the policy objectives of the government based on a reliable estimate of available resources and with a singular focus on results over the medium term.

He said this approach was a significant departure from the conventional method of preparing an annual budget, which is iterative and overlooks the future potential costs and benefits of public programmes.

The West African Institute for Financial and Economic Management (WAIFEM) was established on July 22, 1996 by the Central Banks of the Anglophone West African Countries to build capacity required for macroeconomic policy formulation, implementation, analysis and management

## Emefiele Restates Call for Economic Diversification

By: Auwalu Alhaji



Director, Corporate Communications Department, Mr. Osita Nwanisobi addressing participants at the event

**T**he Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has called on key stakeholders in the media industry to support the efforts of the Bank aimed at diversifying the economy away from a mono-product oil-led economy, towards a broad-based economy that guarantees overall macroeconomic stability.

He gave the charge on Saturday, August 27, 2022, while declaring open the 33rd Seminar for Financial Correspondents and Business Editors (FICAN) organised by the Bank, with the theme: “Policy Option for Economic Diversification: Thinking Outside the Crude Oil-Box”.

Mr. Emefiele, who was represented by the Deputy Governor, Corporate Services Directorate, Mr. Edward Lametek Adamu, said that the CBN under his leadership, had taken major leaps to diversify the economy through numerous interventions. Specifically, he said that the Bank had supported non-oil sectors such as agriculture, manufacturing, health care, education, power and aviation, and other allied economic value chains.

The Governor also noted that the Bank's agricultural intervention programme flagship, the Anchor Borrowers' Programme (ABP) that heralded a rice revolution in Nigeria, had changed the long-standing dependence on imported rice.

While also citing the Commercial Agriculture Credit



Scheme (CACS) as a major special purpose vehicle to support commercial farmers in the country in different value chains including oil palm, cotton, cocoa, among others, he added that, the Bank's decision to support the manufacturing sector and MSMEs had been yielding great results.

He equally noted that the Bank's intervention in the health sector had also begun to reduce the health care tourism outside the country, therefore, helping to conserve the country's foreign exchange.

Mr. Emezie further revealed that the new 100 for 100 Policy on Production and Productivity (PPP) established to harness local raw materials to increase domestic production, as well as exports through deliberate credit supports, will soon begin to yield quality results, while the RT200 FX initiative designed to take advantage of the nation's large domestic production to other regional markets was targeted to increase foreign exchange inflows to the economy, and support exchange rate stability.

Earlier in his welcome remarks, the Director, Corporate Communications Department, Mr. Osita Nwanisobi said this year's seminar was very apt in view of the prevailing economic circumstance of the world, noting that economic diversification had now become an inescapable subject of discourse

due to global headwinds. He stressed that whenever there were exogenous shocks, they impact the economy negatively, thus, making diversification a mandatory policy option to consider.

Citing the Bank's recent intervention in the aviation sector, he debunked the claims that the funds of airline operators were trapped and could not be repatriated. He also revealed that the Bank was not averse to funds repatriation but will always demand for a transparent and structured transaction.

He, however, thanked the journalists for their support over the years in their reportage of the Bank's policies and programmes and urged participants to continue to provide positive reportage of the Bank's programmes and policies.

Presentations made at the one-day seminar were: "Policy Option for Economic Diversification: Thinking Outside the Crude Oil-Box", by Dr. Biodun Adedipe; "Navigating the Mono-Product Economy", by Dr. (Mrs.) Ozoemena Nnaji, Director, Trade and Exchange Department, CBN; and "Unlocking Opportunities in the Non-Oil Sector", by Professor Ken Ife, Lead Consultant, ECOWAS Commission.

There was also a Colloquium, which discussed the presentations made at the seminar

## Cash-less Transactions Hit N210tn in 7 months - NIBSS

By: Ademola Bakare

The Nigeria Inter-Bank Settlement System (NIBSS) has revealed that cash-less transactions in the country has risen by 40.66 per cent year-on-year to N210.08 trillion in the first seven months of the year.

NIBSS stated that between January and July 2022, N210.08tn was processed on the NIBSS Instant Payments system (NIP) and Point of Sales terminals (PoS), platforms through which cash-less transactions are monitored.

This is N60.73tn higher than N149.36tn value processed same period in 2021.

It said under the period in review, NIP transactions hit N205.48tn, N59.68tn higher than the N145.79tn value in the corresponding period of 2021, while PoS transactions grew by N1.05tn from N3.56tn in the first seven months of 2021 to N4.61tn in the corresponding period of 2022.

These figures suggested a surge in the usage of electronic payment channels as the NIP and PoS terminals were used more than one billion times between January and July 2022 than they were used in the corresponding period of 2021.

The two payment channels were used 3.41 billion times in the period under review and 2.40 billion

times in the corresponding period of 2021.

Electronic payment terminals have gained acceptance since the outbreak of COVID-19 pandemic. The pandemic indeed increased contactless transactions and dealings.

NIBSS had in its 2020 Annual Statistics on 'Instant Payments' declared that the pandemic changed the e-Payments landscape and accelerated its adoption as more people used and were using electronic channels for funds exchange.

This development is in furtherance of the Central Bank of Nigeria's resolve to migrate Nigeria's economy from cash-based to electronic-based.

According to the Head, Corporate Communications, NIBSS, Lilian Phido, more people are accepting the payment gateways and the platforms had become more stable and reliable. She said customers are not the only ones



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noticing the growth of electronic payment in Nigeria. The Federal Government introduced an Electronic Money Transfer Levy (EMTL) in the Finance Act of 2020 to benefit from the growth of e-payment in the nation.

The EMTL is a single, one-off payment of N50 on electronic receipt or transfer of money deposited in any Deposit Money Bank or financial institution on sums of N10,000 and above

## CBN Increases Interest Rate on Savings

By: Onyemakonor Ogbe

**T**he Central Bank of Nigeria (CBN) has directed Deposit Money Banks (DMBs) to start paying savings deposit accounts an interest rate of at least 4.2 per cent, from 1.4 per cent.

The figure shows a percentage increase of 66.7 per cent.

This was contained in a circular issued on August 15, 2022, titled 'Review of Interest Rate on Savings Deposits' and signed by the Director of Banking Supervision Department, Mr. Haruna Mustafa.

The Director said the new interest rate on savings deposits which became effective on August 1, 2022 was made after taking into account the current macroeconomic conditions. He added that the circular surpasses the Bank's earlier letter on interest rate.

The circular reads in part "following the return to full normalcy and considering the prevailing macroeconomic conditions, it has become necessary to effect an upward adjustment of the interest rate payable on local currency savings deposits."

"Accordingly, effective August 1, 2022, the negotiable minimum interest rate on local currency savings deposits shall be 30 per cent of MPR. This supersedes our letter dated BSD/DIR/GEN/LAB/13/052 on the subject dated September 1, 2020."

The CBN, as part of the efforts to ameliorate the impact of the COVID-19 pandemic, had reduced the



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minimum interest rates payable on local currency savings deposits from 30 per cent to 10 per cent of the Monetary Policy Rate (MPR). This was aimed at

stimulating growth in the larger economy following the economic slowdown occasioned by the pandemic

## eNaira Launches USSD Code

By: Ruzayyah Mohammed

The Central Bank of Nigeria (CBN) officially unveiled the Unstructured Supplementary Service Data (USSD) code for eNaira onboarding and transactions. The Bank stressed that the newly introduced eNaira short code would enhance financial transactions and ultimately engender financial inclusion in the country.

CBN Governor, Mr. Godwin Emefiele while delivering the keynote address at the unveiling ceremony, stated that the choice of the USSD as the premium offline channel for the eNaira was founded in an understanding of the peculiarities of the economy. He stated that statistics indicate that 45 percent of adult Nigerians do not have a bank account while 35.9 percent are excluded from financial services.

Mr. Emefiele who was represented by the Deputy Governor Operations, Mr. Folashodun Shonubi noted that the unveiling was a significant milestone in achieving the objective of the second phase of the eNaira project which was to drive financial inclusion that both banked and unbanked Nigerians will be able to open a wallet and conduct transactions by simply dialing \*997# from their

mobile phones.

Speaking further, he said that CBN has set a target of 8,000,000 active users based on estimations using the diffusion of innovation model and revealed that the Nigeria Inter-Bank Settlement System Plc (NIBSS) instant payment solution would be available before the end of the month of August.

He added that the volume and value of transactions on the eNaira platform have been remarkable since the launch in October 2021. The Governor revealed that there were about 840,000 downloads and 270,000 active wallets comprising over 252,000 consumer wallets and 17,000 merchant wallets



## N295.53bn Treasury Bills Auctioned in Q3 – CBN

By: Ogochukwu Ikeagwuonu

The Central Bank of Nigeria (CBN) on Wednesday, August 24, 2022 rolled over maturity Treasury Bills aggregating N295.53 billion through a Primary Market Auction (PMA) across the 91-day, 182-day and 364-day tenors.

At the last PMA, stop rates on the 91-day, 182-day and 364-day instruments increased by 70 basis points, 40 basis points, and 45 basis points to (3.50 per cent, 4.50 per cent and 7.45 per cent) respectively.

It can be recalled that the CBN in its Nigeria

Treasury Bills Issue Programme of June 2022, had announced the sale of N1.2trn worth of Treasury Bills in the third quarter of 2022.

Treasury Bills (TBs) are short term debt instruments used by the Central Bank to borrow money from the public on behalf of the government. It could also be used to control money supply in the economy.

Analysts have attributed the overall improvement in the subscription-to-offer ratio to an increased investor's returns

## Banks, Safe and Sound - Emeziele

By: Ruqayyah Mohammed



**Mr. Godwin Emeziele**  
Governor, CBN

The Central Bank of Nigeria (CBN) has assured Nigerians that the nation's banks are sound, healthy and safe. The CBN said it was important to ease the fears of Nigerians on the health of banks in the country.

The CBN Governor, Mr. Godwin Emeziele gave the assurance during a two-day sensitization fair held

in Markurdi, Benue State, and Lafia, Nasarawa State simultaneously with the theme; "Promoting Financial Stability and Economic Development".

The Governor who was represented by the Director, Corporate Communications Department, Mr. Osita Nwanisobi, the Governor urged Nigerians to disregard reports on social media platforms hinting that some banks were not healthy. He reassured the reports were not true.

He further said "the bank you go to put your money is sound, the CBN oversees these institutions and we know that they are sound, the CBN is on top of the game."

He said the fair was aimed at informing the public about the services and policies of the Bank and also get feedback from the public on such services and policies as well as issues affecting customers and their commercial banks.

He added that the customers will hear about the development finance initiative of the CBN and how to leverage on them

## eNaira Reduces Cost of Currency Indent – Obiora

By: Ogochukwu Ikeagwuonu



**Dr. Kingsley Obiora,**  
Deputy Governor, Economic Policy

The Deputy Governor, Economic Policy Directorate of the CBN, Dr. Kingsley Obiora has said the use of cash as a means of payment was declining globally, thus leading to an increase in digital banking transactions.

Dr. Obiora disclosed this during the Grand Finale of the CBN eNaira Hackathon held on Thursday, August 18, 2022 in Abuja.

The DG further affirmed that the observed rise in digital financial transactions has reduced the cost of currency indent in Nigeria, thus saving scarce resources.

Speaking further, he noted with pride that other

central banks were understudying Nigeria's model of digital currency. It would be recalled that recently, the Bank hosted a team from the Reserve

Bank of Zimbabwe (RBoZ) on a study tour to understudy Nigeria's digital currency experience

## CBN Reaffirms Commitment to Commodity Financing

By: Louisa Okaria



Central Bank of Nigeria, Headquarters

**T**he Director, Development Finance Department, CBN, Mr. Philip Yila Yusuf, has assured Nigerians of the Bank's commitment to continue funding 12 focal commodities through its Commodity Development Initiative (CDI).

Mr. Yila gave this assurance during the inauguration of the first cassava-based Sorbitol factory in Africa established by Psaltry International Company Ltd, located at Ado-Awaye in Oke-Ogun area of Oyo State.

Represented by a Deputy Director in the Development Finance Department, Mr. Edwin Nzelu, the Director said that the commodity financing initiative of the Bank was introduced to intervene across the value chain of selected commodities from production to processing stages.

He further stated that the intervention was aimed at conserving foreign exchange through import

reduction, boosting local production and closing the present supply gap of commodities with comparative advantage even as jobs and wealth is created in the process.

The Director expressed delight that Psaltry as one of the beneficiaries of CBN's CDI, has boosted the local production of cassava-based Sorbitol, observing that it would help to strengthen the Naira, reduce unemployment and drive the agricultural revolution advocacy of the CBN.

In her response, Chief Executive Officer (CEO) of Psaltry International Company Ltd., Mrs. Oluyemisi Iranloye, said that, the factory has capacity to produce 25 tons of sorbitol per day. She added that CBN funded the company's first starch factory, which started production on January 26, 2012.

It would be recalled that the Commodity Financing was initiated in 2019 by the CBN with 12 focal commodities, including cassava

# Emefiele Makes Case for Microfinance Sector Development

By: Auwalu Alhaji & Aisha Sadiq



*Representative of the Governor (CBN), Mrs. Omolara Duke at the event*

**T**he Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has called on key stakeholders, such as regulators, policy makers and government officials to focus on developing an enabling environment through the provision of adequate infrastructure and making prudent interventions for facilitating the microfinance sector.

Mr. Emefiele gave the charge on Monday, August 8, 2022, while declaring open the Regional Course on Microfinance and Financial Inclusion, organized by the West African Institute for Financial and Economic Management (WAIFEM), held at the CBN International Training Institute, Maitama, Abuja.

He noted that a major overarching financial inclusion goal of the Central Bank of Nigeria is a target of 95% of the citizenry to be financially included by the year end 2024. He added that the Bank and other players in the financial sector could help transform lives by empowering and enabling the poor in Africa to access formal financial products and services that are efficient, affordable and appropriate to each economy and culture.

The Governor, who was represented by the Head, Monetary Policy Committee Secretariat, Mrs. Omolara Duke, further identified product development and innovation as an area to be explored, adding that Micro finance Banks need to make a shift away from the single-product-driven strategy to one involving developing a broader set of products for their customers, as this would help Microfinance Banks and institutions build their revenue and attain operational financial stability.

Continuing, he challenged all participants to come out with implementable recommendations that can facilitate the achievement of outreach and sustainability requirements of microfinance institutions in the sub-regions.

Mr. Emefiele commended WAIFEM for selecting Nigeria as host country for the course on microfinance and financial inclusion, while encouraging them to intensify efforts in building capacity for operators and regulators of micro finance sector's development.

According to him, microfinance and conventional financial institutions are coalescing into an integrated financial system offering varied financial services, such as loans, insurance, leasing, money transfer amongst others.

In his remarks, the Director General, WAIFEM, Dr. Baba Yusuf Musa, thanked the Management of the Bank for their unflinching support offered to WAIFEM over the years.

Dr. Baba, who was represented by Mr. Amadou Koora added that the aim of the course was to enable the participants to learn innovative strategies in the leadership and management of microfinance institutions; upscale skills in microfinance programming and the role of financial inclusion in poverty reduction; develop a critical analysis of the broader issues and environment in which microfinance initiatives are based; and analyze and adapt current best practices from varied

experiences to their own situations.

The Broad objective of WAIFEM is to develop, on a sustainable basis, competencies in the field of

macroeconomic, debt financial sector management and governance among staff of the central Banks, Ministries of Finance and Economic Planning, as well as other public sector and private institutions

## CBN Advises FX Buyers

By: Blessing Uzoagbado

**T**he Central Bank of Nigeria (CBN) has advised Nigerians to avoid dealing with speculators in the forex market to save the Naira from further decline.

The Director, Corporate Communications Department, Mr. Osita Nwanisobi, said this after some operatives of the Economic and Financial Crimes Commission (EFCC) stormed Wuse Zone 4, Federal Capital Territory, Abuja, over allegations that some Bureau De Change (BDC) operators are mopping up foreign currencies.

He reiterated that the CBN remained committed to solving the foreign exchange (FX) issues challenging the nation and as such has been working to achieve both the demand and supply side difficulties.

The raid was a sting operation to dislodge currency

speculators who are alleged to be massively mopping up available foreign currencies.

He added that CBN would continue to make deliberate efforts in the FX sector to avoid further downward slides in the value of the naira



## eNaira: CBN Partners ACCI, PNAI and Arabatech

By: Louisa Okaria



**T**he Governor, Central Bank of Nigeria (CBN), Mr Godwin Emefiele said that the availability of eNaira payment option on e-commerce merchant platform will complement the

existing digital payment system, translating to about 50 per cent increment in e-commerce transactions.

Mr. Emefiele stated this at the opening of the ABUJA eNaira Merchants Mega Event on August 27, 2022. The event was organised by the CBN in collaboration with the Abuja Chamber of Commerce and Industry (ACCI), Professional Niima Associated Investment Limited (PNAIL) and Araba Technologies Ltd (Arabatech). Emefiele noted that the event was aimed at driving the adoption of the digital currency by merchants and other key stakeholders in the country.

The Governor who was represented by the Deputy Governor, Economic Policy of the CBN, Dr Kingsley Obiora, enjoined the trade associations and merchants to take advantage of the numerous benefits provided by the Central Bank Digital Currency (CBDC) also known as eNaira to promote and grow their businesses.

He noted that the eNaira would help merchants to reduced cash handling costs, elimination of failed

transactions, instant settlement, increased speed of transactions, improvement in records keeping and elimination of challenges associated with giving change to customers, amongst others.

The Governor however, pointed out that merchants including petrol stations, supermarkets and other businesses not only have significant roles to play in driving the adoption of the eNaira, but can also leverage on the opportunities offered by the digital currency to improve cash management and make significant savings in operating cost.

He further assured the participants that CBN will continue to innovate and upgrade the platform to serve businesses and deepen the digital economy in the country. This, he said, the bank is already partnering with FinTechs, and have put in place a robust Help Desk to provide support for merchants and other users towards ensuring a seamless adoption of the digital payment services

## CBN Reverses Rates on Intervention Loans

By: Onyemakonor Ogbe

**T**he Central Bank of Nigeria (CBN) has reversed its five per cent intervention loans granted before July 20, 2022 to cushion the effect of COVID-19 on the economy to nine per cent effective from September 1, 2022.

This was contained in a circular signed by the Director, Financial Policy and Regulation Department, Mr. Chibuzo Efobi to all banks and Other Financial Institutions titled, 'Adjustment of interest rate on all Central Bank of Nigeria Interventions.

The circular clarified that the adjustment on interest rates was for intervention loans granted after July 20 at nine per cent.

It stated in the circular that, "Further to our circular dated March 15, 2022 (Ref: FPR/DIR/PUB/CIR/001/040) extending the period of interest reduction to all intervention facilities from nine per cent to five per cent per annum (as part of measures to mitigate the negative impact of COVID-19 pandemic on the Nigerian economy),

the Central Bank of Nigeria hereby reverts the interest rate on all its intervention facilities to nine per cent per annum.

The CBN had in March 2020, as part of measures to respond to COVID-19 outbreak, reduced interest rates on its intervention facilities from nine per cent to five per cent per annum.

The CBN extended the repayment period at the end of its expiration in March 2021 to March 2022.

In March 2022, it issued another circular to "extend the five per cent per annum interest rate on all CBN intervention facilities for one year. This takes effect retrospectively from the 28th of February 2022 "





# Aviation Sector: CBN Intervenes to Forestall Crisis

By: Bartholomew Mbaegbu



Guardian.ng

**T**he Central Bank of Nigeria (CBN) has intervened to prevent a brewing crisis in the nation's aviation industry with the release of \$265m to airlines operating in the country to settle outstanding tickets sales.

The Director, Corporate Communications Department of the CBN, Mr. Osita Nwanisobi confirmed the development on Friday, August 26, 2022, in Abuja. He restated the CBN's commitment to ameliorating the challenges this had posed for the sector and travellers.

Mr. Nwanisobi reaffirmed that CBN was not against any company repatriating its fund from the country and added that what the Bank stood for was an

orderly exit for those that might be interested in doing so.

A breakdown of the figure showed that \$230m was released as a special Foreign Exchange (FX) intervention, while \$35m was issued through retail Secondary Market Intervention Sales (SMIS) auction.

It would be recalled that some foreign airlines had disclosed their intentions to leave the country over rising operational challenges due to FX trapped funds. With this release, it is expected that operators and travellers would rethink and feel relieved

# 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/>*



# Unlocking The Potential

## 12 Commodities, 10 Million Jobs in 5 Years

A nation that is self-sufficient in producing most of what it consumes and in creating jobs for its youth, will ultimately drive growth that will make life better for all its Citizens. Exciting times are here. Support the economic revolution.

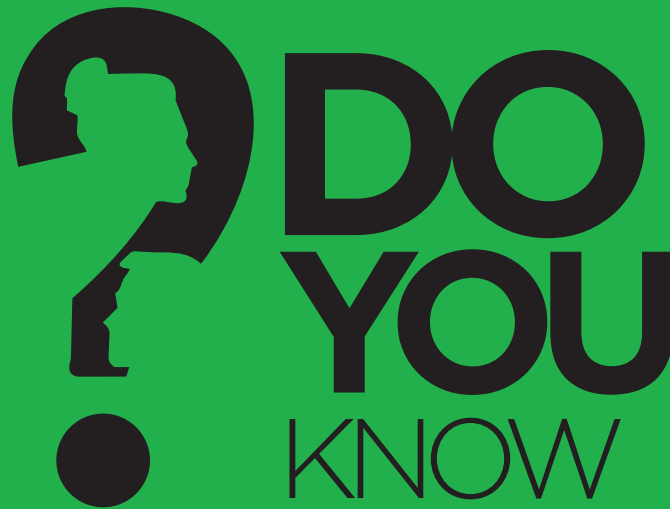
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Central Bank of Nigeria



Do you know that according to the CBN clean notes policy, it is illegal to abuse or sell the Naira. The value of our currency should not be undermined.

Did you know that according to the CBN clean notes policy, is it illegal to staple, trample upon, write on, spray on or squeeze the naira note. The Naira is our symbol of national pride and nationhood, the Naira should be treated with respect.

Do you know that a mutilated Naira note that is a banknote, partially or permanently damaged by fire, water, dye, insects, torn or destroyed by natural disaster and clearly more than half of the original size can be returned to your bank and any Central Bank of Nigeria branches within the specific allowed period (Till September 9, 2019)

That if you make a complaint to your bank, you must insist on getting the Consumer Complaint Management System (CCMS) tracking number from your bank? This will enable the Central Bank of Nigeria do a follow up.

That if you make a complaint to your bank on card related and funds transfer issues, and after 72 hours the issue was not resolved. You can contact the CBN by sending an email to: [cpd@cbn.gov.ng](mailto:cpd@cbn.gov.ng), [contactcbn@cbn.gov.ng](mailto:contactcbn@cbn.gov.ng) or call +234 7002255226

That if you make a complaint to your bank on account management issues and after 14 days grace for resolution the issue was not resolved, you can contact the CBN by sending an email to: [cpd@cbn.gov.ng](mailto:cpd@cbn.gov.ng), [contactcbn@cbn.gov.ng](mailto:contactcbn@cbn.gov.ng) or call +234 7002255226

That if you make a complaint to your bank on excess charges and was not recitifed within 30 days allowed for resolution, you can contact the CBN by sending an email to: [cpd@cbn.gov.ng](mailto:cpd@cbn.gov.ng), [contactcbn@cbn.gov.ng](mailto:contactcbn@cbn.gov.ng) or call +234 7002255226



Central Bank of Nigeria