



Central Bank of Nigeria

CBN UPDATE

ISSN No: 2695-2394 | Vol. 5 | No. 8 | August 2023



Focus on Bank's Mandate - Shonubi

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Editor's Note

We welcome our esteemed readers to the August 2023 edition of CBNUUpdate.

In this edition, we open with the news story on the Acting Governor, Mr. Folashodun Shonubi, who charged staff of the Central Bank of Nigeria (CBN), to work towards taming the nation's rising inflation. He gave the charge at the Bank's 2023 Annual Branch Controllers' Conference held in Uyo, Akwa Ibom State.

Speaking on the volatility of the Nigerian foreign exchange market, Mr. Shonubi assured that the CBN was working assiduously to have in place an effective and efficient market. He also cautioned currency speculators in the foreign exchange market to desist from unprofessional conduct. The CBN has also renamed the Investor and Exporters (I&E) window as the Nigerian Foreign Exchange Market

In another development, the CBN's Director, Payments System Management Department, Mr. Musa Jimoh has urged stakeholders in the sector to continually secure the cyberspace and protect the reputation of the financial system. He made the call at the Nigeria Electronic Fraud Forum (NeFF) with the theme "New Strategies for Combatting e-Fraud in a Cashless Environment". Details of this are served in this edition.

Also, we feature a report on the Bank's advice to members of the public to embrace alternative payment channels to ensure a safe and reliable payments system while advising them to take advantage of its several economic empowerment initiatives to grow their businesses to contribute to the nation's economy.

Highlights of the circular on the Bank's new guidelines on corporate governance for commercial, Merchant, Non-interest, Payment Service Banks and Financial Holding Companies in the country are equally featured in the current edition.

These and other stories on CBN's quest to promote financial system 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

Focus on Bank's Mandate - Shonubi

By: Abubakar Ali



The Director, Branch Operations Department Mrs. Elizabeth Fasoranti (Centre) flanked by Branch controllers at the conference in Uyo, Akwa Ibom State.

The Acting Governor, Central Bank of Nigeria (CBN), Mr. Folashodun Shonubi, has charged members of staff in the Bank to contribute to taming the rising inflation in the country.

He gave the charge recently at the 2023 Annual Branch Controllers' Conference, held in Uyo, Akwa Ibom State.

Mr. Shonubi, who spoke virtually to the participants, said the Bank was passing through trying times, adding that the key responsibility of a central bank was to ensure price stability, which he said meant primarily inflation and exchange rate.

According to him, the Bank needed to cut back on some activities in order to focus on its prime responsibility, noting that it did not mean halting intervention programmes but finding the right balance of achieving them in a more effective way without neglecting the Bank's paramount mandate of price stability.

"As central bankers, we cannot say we were successful if inflation sustains its threats to shoot up to 30 per cent," he said. He noted the existence of some fiscal, structural defects in the economy, which continued to drive inflation in the country,

just as he added that taming inflation was the one single success measure of the CBN.

Addressing the Branch Controllers, the Acting Governor reminded them that they are the faces of the Bank in their respective bases, even as he described them as governors with the small 'G.'

While further noting that the Branch Operations Department (BOD) has the highest number of staff in the Bank, he urged them to use their numerical strength to a good advantage by instituting a change of mindset and shift of Bank's focus to the achievement of price stability.

He also encouraged information sharing from the Branches, given their proximity to the people, saying that the Bank would utilize any useful information coming from the branches in drawing up effective monetary policies that would help in taming inflation.

Speaking on the theme of the event, "Agile Branch Management in the Digital Era," Mr. Shonubi challenged members of staff to be agile with the people, agile with the processes, agile with the procedures, agile with all the other things that they bring to bear in the work that they do.

He explained that the Bank could not limit the

application of the term “agile” to technology only but should extend it to issues bordering on mindset; about how the Bank wants to be doing things; how it wants to relate with people and how it can get the best out of them with the resources at its disposal.

Earlier in a welcome address, the Director, Branch Operations Department (BOD), Mrs. Elizabeth Fasoranti, encouraged Branch Controllers to make impactful participation, saying that forging a harmonious working relationship amongst them was the important reason for the conference.

While setting the tone for deliberations at the conference, the Guest Speaker and Consultant at the Biodun Adedipe Associates, Dr. Biodun Adedipe, noted that being digital and agile meant constantly changing even as people and teams no longer work in silos but collaboratively.

In a presentation titled, “Agile Branch Management in Digital Era,” Dr. Adedipe defined “agile organizations” to be stable and dynamic with iterative modification and continuous improvement cycles.

He explained that such agile organizations always embraced uncertainty and ambiguity with greater confidence, in addition to being open and inclusive

as well as inculcating feedback at every stage of the development process.

Some of the agility success factors in the Branches, according to Adedipe, include clear understanding of the mandate of the Bank; having empowerment-minded leaders who quickly adapt to local condition and track the dynamics; ensuring no internal silos; prompt reporting; proper supervision; regular evaluation; two-way consultation and effective internal communications.

Explaining the agile branch management further, he likened the Bank to a bicycle with the Bank as a whole being the Wheel, the Head Office in Abuja as the Hub and the Branches as Spokes of the bicycle, without which the wheel would not move.

Highlights of the conference were the tour of the famous Ibom Icon and Golf Course, formerly Le Meriden Hotel and Golf Course, as well as the gala night where they were entertained by local music.

The Director, Risk Management Department, Dr. Blaise Ijebor, his counterpart in the Currency Operations Department, Mrs. Elizabeth Kwaghe, as well as the Registrar, National Collateral Registry (NCR), Mr. Musa Bulus, were some of the attendees at the three-day event. ■

NeFF Seeks Stakeholders Collaboration to Combat e-Fraud

By: Abuja-Kato Zichat and Daniel Nwangwa

The Nigeria Electronic Fraud Forum (NeFF) has called on stakeholders in the financial sector to collectively combat threats posed by electronic fraud (e-Fraud), to secure the cyber space and protect the reputation of the financial system.

The Director, Payments System Management Department (PSMD), Mr. Musa Jimoh made the call at the third quarter of the 2023 general meeting of the Nigeria Electronic Fraud Forum (NeFF) with the theme: “New Strategies for Combating e-Fraud in a Cashless Environment” on August 18, 2023, at Eko Hotel, Lagos.

Mr. Musa Jimoh, who is also the Chairman of NeFF,

reiterated the need for improved collaboration to combat the growing e-Fraud menace. He stressed the importance of securing the digital space and shared concerns about cybercriminals who are disrupting the system with advanced cyber-attacks, citing social engineering as prevalent amongst other techniques.

He highlighted the necessity of exploring new strategies to counter e-Fraud, urging the participants to collaborate to make it challenging for cybercriminals. He also emphasized on the importance of educating individuals to safeguard their bank credentials and information.

Mr. Jimoh stated the need to achieve the objectives



(L-R): The Group Chief Conduct and Compliance Officer, Access Bank, Mr. Femi Jaiyeola; Deputy Managing Director, Wema Bank, Mr. Wole Akinleye; Acting Chairman, Economic and Financial Crimes Commission (EFCC), Mr. Abdulkarim Chukkol, Managing Director, Fidelity Bank; Mrs. Nneka Onyeali-Ikpe; Director, Payment Systems Management and Chairman, NeFF, Musa Jimoh; and Head, Information Technology Department, Titan Trust Bank, Ibukun Ayodeji

of NeFF, which amongst others are to ensure zero fraud cases and enhance collaboration with stakeholders and security agencies.

Speaking during his keynote presentation, the Managing Director, Nigeria Inter-Bank Settlement System (NIBSS), Mr. Premier Oiwoh, shared insights into the e-Fraud data of 2023. He pointed out the highest and lowest fraud values recorded during the year, emphasizing the correlation between increased transactions and rising fraud rates.

Mr. Oiwoh, who was represented by the Chief Risk Officer of NIBBS, Mr. Temidayo Adekanye, NIBBS discussed the evolving tactics of scammers, with the mobile channel and betting platforms being the most viable medium for fraud with low recovery rates. He highlighted the challenges of recovering funds once they enter such avenues.

Speaking further, he said that “in 2019, N3 billion was lost and as of July 2023, the total sum lost to fraud was about N9.5 billion, indicating 37% increase in 5 years”. He reaffirmed the NIBSS need to curb fraud by initiating a Central Fraud Management Solution to improve fraud recovery rate, amongst others.

While emphasising on the need to foster synergy amongst the stakeholders as well as invest on security tools to ensure their platforms and servers run on safe infrastructure, Mr. Oiwoh also advocated for enhanced KYC and internal control, regulatory awareness program, adherence to regulations and standards, amongst others, as strategies to facilitate fraud prevention.

Earlier during her goodwill message, the Managing Director of Fidelity Bank, Mrs. Nneka Onyeali-Ikpe, expressed concerns about the escalating e-Fraud trend eroding customer trust and emphasized the need for a decisive approach to address the issue.

She observed that the alarming rise in electronic fraud within Nigeria's banking and payments system has necessitated urgent action and collaboration among stakeholders. With financial losses, eroded trust, and brand reputation at stake, the battle against cybercriminals becomes critical for the industry's stability and the protection of individuals and businesses alike, Mrs. Onyeali-Ikpe added.

High point of the event was the official unveiling of the NeFF's Website by the Chairman, Mr. Musa Jimoh, who noted that the site is aimed at enhancing collaboration and information sharing.

Kadpoly Commends CBN on CBDC Initiative

By: Chioma Udeogu

The Bursar of the Kaduna Polytechnic, Mr. Mohammed Sule Ahmed, has applauded the Central Bank of Nigeria (CBN) for the Central

Bank Digital Currency (CBDC) initiative and assured of the institution's support in promoting the use of the platform for transactions.



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Mr. Ahmed noted that the country is moving towards the digital era, so, the sensitization is of great importance to Kaduna State Polytechnic because this will give the staff and students the opportunity to know what the eNaira is all about and key in to reduce business transactions with cash. "The management is ready if all the regulatory bodies accept to imbibe the eNaira as a means of payment. We are ready to accept it and promote it," he said.

The Branch Controller, CBN Kaduna, Mr. Muhammad Aminu who led a delegation at the

sensitisation stated that the eNaira is safe, convenient, and accessible, and it complements existing electronic payments system rather than replacing them.

Speaking further, Mr. Aminu harped on the need for the management, staff and students of Kaduna Polytechnic to come on board on the eNaira platform, and adopt the eNaira for payment of fees and other transactions in the institution.

The Branch Controller while enumerating the benefits of the CBDC said that the eNaira is at the forefront of progress, and fostering a thriving economic environment.

He stated that physical cash is no longer in vogue across the world, as countries move towards electronic money and that is the reason Nigerians need to embrace eNaira for its many advantages.

It would be recalled that eNaira was launched in Abuja on Monday, October 25, 2021. ■

CBN Empowers Specialized Retail Banks

By: Pearl Ogbonna

In a bid to enable the Primary Mortgage Banks (PMBs) and Microfinance Banks (MFBs) continue to play their expected roles in the economy and provide specialised retail banking services to their customers, the Central Bank of Nigeria (CBN) has directed that all PMBs and MFBs that provide banking services to the economically active poor be exempted from cash withdrawal limits. By this

directive, the PMBs and MFBs are exempted from paying the processing fees for withdrawals above the cash withdrawal limits for direct cash withdrawals from their correspondent banks.

This was contained in a circular issued on July 31, 2023, and signed by the Director, Payments System Management Department (PSMD), Mr. Musa I.



Central Bank of Nigeria, Headquarters

Jimoh.

The PMBs and MFBs were therefore required to fully comply with the cash withdrawal limits in serving their customers as per the circular with reference number BSD/DIR/PUB/LAB/015/073 dated December 21, 2022.

Recall that the circular dated December 21, 2022 was addressed to all Deposit Money Banks (DMBs),

Other Financial Institutions (OFIs), Payment Service Banks (PSBs), Microfinance Banks (MFBs), Mobile Money Operators (MMOs) and Agents, wherein the maximum weekly limit for cash withdrawals was reviewed. It can also be recalled that in the referenced circular, the CBN recognized the vital role that cash plays in supporting underserved and rural communities and assured of its commitment to ensure an inclusive approach as it implements the transition to a more cash-less society.

Shonubi Warns Currency Speculators

By: Ademola Bakare

The Acting Governor of the Central Bank of Nigeria (CBN), Mr. Folashodun Shonubi has warned that government will clamp down on currency speculators in the foreign exchange markets.

Mr. Shonubi disclosed this on Monday, August 14, 2023, after briefing President Bola Tinubu at the Presidential Villa in Abuja on the Bank's efforts to halt the slide of the Naira.

The Acting Governor noted that the volatility of the exchange rate of the Naira to dollar has attracted the attention of the federal government and assured the CBN's readiness to reverse the slide of the naira as it has lined up intervention measures that will be unveiled soon.

He warned that government will come hard on those involved in underhand dealings in the foreign exchange market including the parallel market.

According to Mr. Shonubi, the volatility of the Naira in the parallel market is not dictated solely by economic factors, but also speculative demand, noting that the President is concerned about the development in the market and its effect on the people, adding that he discussed what could be done to stabilize the naira with him.

"Mr President is very concerned about some of the goings on in the foreign exchange market. One of the things we discussed is what could be done to stabilize and what could be done to improve the liquidity in the market and the goings on in the various other markets, including the parallel market" he said.

The Acting Governor affirmed that it is the Bank's intention to ensure that the environment operates at a level that is more efficient and without a negative impact on the lives of Nigerians.

CBN Sensitization Train Hits Lokoja

By: Blessing Uzoagbado

The Central Bank of Nigeria (CBN) has advised Nigerians to take advantage of its several economic empowerment initiatives to grow their businesses and contribute meaningfully to the nation's economy.

The Director, Corporate Communications Department, CBN, Dr. Isa AbdulMumin, who was represented by an Assistant Director in the Department, Mr. Esu Imo, gave the charge during the 2023 CBN Fair held in Lokoja on Thursday, August 3, 2023 at Reverton hotel, Lokoja.

According to him, the objectives of the 2023 Fair was to interact with members, as a platform of the public on the policies and strategic interventions of CBN for a sustainable economic development of the country, and to encourage the people of Kogi State to take advantage of the policies to grow their businesses.

The Director, stated that the Bank, has continued to demonstrate its passionate commitment in supporting businesses and promoting diversification through arrays of interventions in agriculture, health,



Cross session of the participants at the Fair

manufacturing and other key sectors of the economy.

Dr. Isa assured Nigerians that the CBN would sustain its efforts towards ensuring availability of currency. He urged the people to see the Naira notes as the country's critical symbol of national identity by respecting and keeping it clean.

"Do not spray, hawk, mutilate or counterfeit the Naira. Let me assure you that the CBN, will continue to ensure that it delivers on its core mandate of ensuring monetary and price stability," he reiterated.

In his closing remarks, the representative of Kogi State Government and Permanent Secretary Ministry of Commerce, Mr. Salifu Ameh, commended the CBN for the programme and declared the total support of the state government on all the programmes of the Bank.

He assured that the state government would

continue to create enabling environment for legitimate businesses to thrive for the benefit of Kogi people.

The participants include representatives of small and medium business owners, market traders, artisans, and National Youth Service Corps (NYSC) members, among others.

Highlights of the event were presentations by Consumer Protection Department (CPD) on how the Bank had protected the rights of financial consumers; Financial Markets Department (FMD) on the recent developments in the foreign exchange market; and Currency Operations Department (COD) on how best to keep the Naira clean and the efforts of the CBN to make Naira available to the populace. Others are recent innovations in the Nigerian payments system by Payments System Management Department (PSMD) and the Central Bank Digital Currency (CBDC) known as eNaira. ■

Embrace Alternative Payments Channels- CBN

By: Ruqayyah Mohammed

The Central Bank of Nigeria (CBN) has urged members of the public to embrace alternative payments channels to ensure a safe and reliable payments system.

Speaking at the CBN Fair held in Ado-Ekiti themed: "Promoting Alternative Payment Channels as Tenets for Financial Inclusion" the Director, Corporate Communications Department of the CBN, Dr. Isa



AbdulMumin represented by an Assistant Director in the Department, Mr. Esu Imo said the Fair was designed as a platform to interact and sensitize members of public on the policies and strategic initiatives of the Central Bank of Nigeria to help grow businesses and sustain the economic development of the country.

He stated that the Fair was organized to sensitize the public on various innovations in the Nigeria payments system, including Mobile payment, Agent Banking, Payments System Vision (PSV 2025), Regulatory Sandbox, Quick Response Code, Contactless payment, Open Banking, Cashless Nigeria, Alternatives to cash and the eNaira are to increase the ease of business transactions through mobile wallet electronic.

Mr. Clinton Chukwu , a Principal Manager of the Bank in his presentation, stated that the key

objectives of all the alternative payment channels is to enhance financial inclusion and serve as delivery channels for offering banking services in a cost effective manner to people living in remote or underserved communities.

Mr. Chukwu however said that the high penetration of mobile phones in Nigeria has created an opportunity for Mobile Money, a variant of Mobile payments which does not require internet, while a conventional bank account uses Nigerian Uniform Bank Account Number (NUBAN) to identify a customer. He said, Mobile money wallets use the phone number to identify its owner.

The use of third party to provide financial services on behalf of a licensed deposit taking financial institution is known as Agent banking.

By 2025, he noted " Nigeria aspires to have a cashless and digital based payment system that facilitate financial services in all the sectors of the economy and provides secured, reliable, and user centric financial solutions in compliance with international standards, with a minimal risk to the stability of the Nigeria financial system".

Mr. Chukwu further added that, the CBN issued framework for QR Codes payments in Nigeria was to ensure the adoption of appropriate QR code standards for payments in Nigeria to ensure safety, stability and inter-operability in the Nigerian Financial System. ■

Employ Proper Channels for Diaspora Remittances – Shonubi

By: Ademola Bakare

The Acting Governor of the Central Bank of Nigeria (CBN), Mr. Folashodun Shonubi, on Thursday, August 10, 2023, identified "diaspora remittances" as one of the major sources of money laundering, and trafficking in persons.

Acknowledging the positive impact of the flows on the nation's economy, Mr. Shonubi however expressed regret that not all the funds pass through "proper channels".

The Acting Governor voiced these concerns while delivering the Distinguished Personality Lecture at the National Institute for Security Studies (NISS) entitled, "Diaspora Remittances and Nigeria Economic Development".

The lecture was organized to enrich the knowledge of 87 participants of the Executive Intelligence Management Course (EIMC) 16, who were selected from Nigeria and three other African countries, for



Mr. Folashodun Shonubi
Acting Governor, CBN

an intensive 10-month "intellectual and strategic" programme.

He said "There are a lot of remittances that are not passing through those channels that people normally ascribe with remittances. We all know that

issues of money laundering are always tied to the movement of funds.

Mr. Shonubi said there were classical cases of Nigerians renting vehicles in the United States, and thereafter putting the cars in containers, and shipping them down to Nigeria. He said that is the sort of remittance which source are shrouded in secrecy.

According to him, this means that there is a lot of money laundering that goes on through remittances, and notably, he added, the nature of such remittances that come into Nigeria are usually of large value.

Mr. Shonubi said fraud is an aspect that impinges on the image and reputation of Nigeria and Nigerians , as the trafficking in people, goods, or services, involves the flow of money through diaspora remittances/channels.

"We don't want the genuine remittance flows to stop; we just want the flows through proper channels, that is when we can get maximum benefit for it", he said. ■

CBN Moves to Strengthen Corporate Governance in Banks

By: Chioma Udeogu



Central Bank of Nigeria

The Central Bank of Nigeria (CBN) has set a new corporate governance guideline for Commercial, Merchant, Non-Interest, and Payments services banks in Nigeria.

This was contained in a circular dated July 13, 2023,

and signed by the Director, Financial Policy and Regulation Department (FPRD), Mr. Chibuzor Efobi. According to the statement, the guideline takes effect from August 1, 2023. The circular specified that Banks and Financial holding companies are invited to note the responsibilities imposed on their boards by these guidelines, especially on the Executive Compliance Officers (where applicable).

The CBN regulation came after shareholders had constantly laid complaints about the continued rise in the number of insider-related loans to Directors. The regulation stated that any Director whose facility or that of his related interests underperforms for more than one year shall cease from being a board member while adding that such a Director shall also be blacklisted from sitting on the board of the bank or any other financial institution supervised by the Central Bank of Nigeria (CBN).

The statement places the CBN in charge of approval of appointment of Stakeholders appointed by the Board of the Bank and the procedure for appointment to the board shall be formal, transparent, and documented in the board charter.

According to the regulation, banks should also take

into account the legal obligations and reasonable expectations of their stakeholders as well as the responsibility and accountability of individuals reporting unethical practices.

These guidelines supersede all previous codes, circulars and related directives on corporate governance issued by the CBN. ■

Consumer Protection Remains a Priority- CBN

By: Louisa Okaria

In order to enhance consumer confidence in financial service, as well as promote financial stability, the Central Bank of Nigeria (CBN) has recovered \$22million and N115B for multiplicity of charges imposed on customers by the Deposit Money Banks (DMBs) over the past 11 years.

This is in line with section 2(d) of the Central Bank of Nigeria Act 2007 (CBN Act) which mandates the Bank to promote a sound financial system in Nigeria. Critical to this mandate is ensuring provision of adequate and convenient financial services to consumers and guaranteeing their protection against possible excesses of Financial Services Providers (FSPs).

In view of the above, Consumer Protection Department of the CBN was created in 2012 to develop and implement a Consumer Protection Framework (CPF), promote consumer confidence; entrench fair and responsible conduct among FSPs, promote knowledge to increase consumer financial capacity; develop a redress mechanism to resolve issues between consumers and FSPs; and provide policy direction for entrenching a robust financial consumer protection regime in Nigeria.

During the 1-day CBN sensitization Fair held in Ado Ekiti on August, 2023 with the theme "Promoting Alternative Payment Channels as Tools for Financial Inclusion," the CBN spokesperson, Director, Corporate Communications Department, Dr. Isa AbdulMumin reiterated the Bank's commitment to deliver on its core mandates of ensuring that Consumers are protected against excess charges, adding that the mission of any bank should be to serve its customers better.

The report from the Consumer Protection Department stated that the Bank received total complaints of 36,405 from the customers between 2012-2023, out of which 34,185 were resolved. Total amount of \$22million and N115B recovered form multiplicity of charges from DMBs. The Director said this recovery became imperative following various complaints lodged by DMBs customers ranging from excess charges from their bank accounts.

The Director who was represented by Mr. Esu Imo an Assistant Director , Corporate Communications Department, said the CBN is determined to ensure that no customer is overburdened. He urged financial institutions to desist from such act, as a breach in the provision of the consumers' protection legal framework which allows for fair treatment of customers will be heavily sanctioned.

The CBN Branch Controller, Ekiti State, Mr. Abiola Omotosho said the Fair was organized to interact with members of the public on the various polices and strategic interventions of the Bank for sustainable economic development ■





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Central Bank of Nigeria

CBN Renames I & E Window

By: Tina John



Central Bank of Nigeria

The Central Bank of Nigeria has renamed the Investors' and Exporters' (I & E) Window to the Nigerian Foreign Exchange Market (NFEM).

The Acting Governor, Central Bank of Nigeria (CBN), Folashodun Shonubi said the decision was because the I&E Window is the only recognized forex market.

Mr. Shonubi disclosed this while delivering a lecture for members of the Executive Intelligence Management Course (EIMC) 16 at the National Institute for Security Studies in Abuja.

The lecture was titled, Diaspora Remittances and Nigeria Economic Development. The CBN had in June 2023 abolished all foreign exchange segments and collapsed them into the I&E Window. The window has become the sole recognized FX Window for eligible transactions. The I&E Window is established by the CBN in 2017.

The CBN Acting Governor further explained that renaming the foreign exchange market, known as the I&E market, to the Nigerian Foreign Exchange Market, (NFEM) was because it is the sole market that is acknowledged by the Bank. Since the Naira was floated in June, the currency has depreciated to N995 per dollar at the parallel market while the I&E window traded at N781.34 against the dollar. The forex market is facing liquidity crisis, the CBN admitted.

The CBN has also discontinued the Naira for Dollar Policy which pays N5 incentive for a single dollar remitted from the diaspora through official channels. The incentive was aimed at attracting people to the official FX market.

CBN Urges the Public to Respect the Naira

By: Louisa Okaria

The Central Bank of Nigeria has enjoined all Nigerians to see the Naira as the nation's critical symbol of National identity which must be respected at all times by keeping it clean, prevent it from mutilation and counterfeiting.

The Director, Corporate Communications Department, Dr. Isa Abdulmumin gave this charge during the CBN Fair held recently at the Reverton Hotel, Lokoja.

The Director reminded the public that the CBN Act, 2007 of the Federal Republic of Nigeria charges the Bank with the overall control and administration of the monetary and financial sector policies of the Federal Government.

He also said that in executing this mandate, the CBN has charged the Currency Operations Department (COD) to carry out the issuance and management of legal tender currency in Nigeria and the Department has introduced several initiatives in pursuit of Clean Notes Policy to maintain public confidence in the currency.

Dr Isa assured the public that the CBN will continue to sustain its efforts towards ensuring availability of the currency. He further said that the Bank shall also continually roll out proactive and innovative policies which would ensure that all economic sub-sectors receive the desired support.

FSRCC Issues Advisory on Illegal Financial Operations

By: Pearl Ogbonna

In its continued efforts to end the scourge of Illegal Financial Operators (IFO), the Financial Services Regulation and Coordinating Committee (FSRCC) in collaboration with the National Broadcasting Commission (NBC) has issued an advisory on IFOs.

The FSRCC and the NBC noted the worrisome increase in the activities of IFOs which portends grave risk to the public confidence and stability of the Nigerian Financial System. By the public statement issued, the general public is hereby advised to refrain from dealing with unlicensed or illegal financial operators, who lure and defraud unsuspecting members of the public by offering extraordinary returns on investments as bait.

Nigerians are also urged to verify the licensing status of such companies and schemes on the following websites before investing in them: CBN:

<https://www.cbn.gov.ng>; NAICOM: <https://naicom.gov.ng>; PenCom: <https://www.pencom.gov.ng>; and SEC: <https://sec.gov.ng>.

The FSRCC and NBC have therefore implored the public to report any individual or entities suspected to be involved in such nefarious activities to Law Enforcement Agencies and forward any further enquiries to The Director, Financial Policy and Regulation Department / Secretary, FSRCC, Central Bank of Nigeria, and/or The Executive Commissioner, Legal, and Enforcement, Securities and Exchange Commission.

Assurances were given that member agencies would continue to engage in regular sensitization campaigns on the threats posed by the activities of Illegal Financial Operators. ■



Central Bank of Nigeria, Headquarters



UNDERSTANDING THE OPERATIONAL CHANGES TO THE FOREIGN EXCHANGE MARKET

Q&A

WHAT ARE ORDER-BASED TWO-WAY QUOTES?



This is a two-way quote trading in which all transactions are trade backed.

Q&A

CAN THE "43 NON-ELIGIBLE ITEMS" ACCESS FX AT THE I&E WINDOW?



The status quo remains on the 43 non-eligible items. The items are not permitted to be funded from the I & E window.

Q&A

HOW WILL THE ORDER BOOK ENSURE TRANSPARENCY OF ORDERS AND SEAMLESS TRANSACTIONS?



The order book is an electronic trading system where demand can be matched to supply on any given trading day and is visible to the entire market.

Q&A

WHAT DOES IT MEAN TO COLLAPSE ALL SEGMENTS IN THE FX MARKET INTO THE INVESTORS' AND EXPORTERS' (I&E) WINDOW?



This means all eligible FX transactions in the market shall only be done via the I&E window, all other windows cease to exist.

Q&A

WHAT IS THE CONCEPT OF THE "WILLING BUYER, WILLING SELLER" MODEL?



In this model, rates are mutually agreed by both parties.

Q&A

HOW DOES THE I & E WINDOW FUNCTION?



The I & E market functions by a willing buyer, willing seller system, where an entity with demand for FX seeks out another entity with FX to sell at an agreed price through an authorised dealer.

Q&A

ARE THERE CHANGES IN THE APPLICATION PROCESS FOR ACCESSING FX UNDER THE NEW POLICY?



There are no changes in the application process. All applications shall be through the banks and all documentation requirements remain the same.

Q&A

HOW DO WE ACCESS BTA, PTA, MEDICAL, AND SCHOOL FEES WITH THE INTRODUCTION OF THE NEW POLICY?



PTA, BTA, and other invisible transactions continue to be accessed through the banks at the prevailing market rate.

Q&A

WHAT ARE GOVERNMENT-RELATED TRANSACTION?



These are transactions with Ministries, Departments and Agencies (MDAs).

Q&A

WHAT IS THE WEIGHTED AVERAGE RATE, AND HOW IS IT CALCULATED TO 2 DECIMAL PLACES?



This is a summation of volume of FX traded multiplied by the various rates at which the deals are consummated, divided by total volume of trade.



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The Poultry Sector is a huge one, contributing about 25% of agricultural GDP to the economy, with a net worth of about N1.6 trillion. Yet, there remain the challenges of smuggling, and the huge gap between demand and supply. Now, as stimulus for the sector, the Central Bank of Nigeria has disbursed funds to over 166 poultry projects across the nation, and partnered with relevant bodies towards food sufficiency, job creation and eliminating poultry importation by 2023.

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Global Titbits

Central Banks Hike Interest Rates

...Culled from Reuters

Major central banks are tentatively eyeing the end of aggressive interest rate hikes as price pressures finally show signs of abating.

Inflation remains high across the globe, but in some big economies has cooled faster than expected.

Upcoming decisions are on a knife-edge. Pausing too early could cause financial conditions to loosen too fast, re-igniting inflationary pressures. Stopping too late could trigger a credit crunch and a recession.

So far, nine developed economies have raised rates by a combined 3,865 basis points (bps) in this cycle. Japan is the holdout dove.

Here's a look at where central banks stand, ranked in terms of how much they have hiked rates so far this cycle:

UNITED STATES

The Federal Reserve raised rates by 25 bps in July to a range of 5.25%-5.50%, in its 11th increase of its last 12 meetings.

Fed chair Jerome Powell left the door open to more hikes but the market was unconvinced, with money market pricing implying traders thought this was the last hike of this cycle.

NEW ZEALAND

Having raised its cash rate to a 14-year high of 5.5% in May, the Reserve Bank of New Zealand kept it there in July.

This may have marked the end of a 20-month hiking cycle, with economists polled by Reuters expecting the central bank to stay put for the rest of 2023.

BRITAIN

The Bank of England raised its key interest rate by 25 bps to a 15-year peak of 5.25% on Thursday, giving a new warning that rates were likely to stay high for some time as the knock-on effects from

strong inflation may last longer than previously thought.

British inflation hit a 41-year high of 11.1% last year and has fallen more slowly than elsewhere, leaving it above other major economies. But in June it dropped more than expected to 7.9%, allowing the BoE room for Thursday's smaller hike.

CANADA

The Bank of Canada last hiked rates by 25 bps to a 22-year high of 5% on July 12. Minutes of that meeting showed policymakers had discussed delaying the move, but decided they could not risk inflation rebounding.

Canada's inflation rate fell to 2.8% in June. The BoC does not expect it to decline to its 2% target until mid-2025.

EURO ZONE

The European Central Bank (ECB) in July raised its deposit rate by 25 bps to 3.75%, its highest since 2000, but removed a clear hint of further hikes from its policy statement, suggesting another increase in September was not a given.

Euro zone inflation fell further in July, in a largely comforting sign for the ECB as it considers ending its steep run of interest rate hikes.

AUSTRALIA

The Reserve Bank of Australia (RBA) on Tuesday held interest rates at 4.1% for a second month saying past increases were working to cool demand, but warned more tightening might be needed to curb inflation.

At the meeting the RBA forecast headline inflation would slow to around 3.25% by the end of 2024 and return within its 2-3% target range by late 2025.

NORWAY

Norway's core inflation hit another record of 7% in June, meaning the tightening cycle is not over yet. The Norges Bank raised rates more than expected by 50 bps to a 15-year high of 3.75% in June and a

further hike is expected when it meets next on Aug. 17.

SWEDEN

Sweden's Riksbank is expected to keep raising rates, even with house prices down 20% since March 2022.

Inflation cooled to 6.4% in June, still far above its 2% target. Markets expect another 25 bps hike to 4% in September following a same-sized move in June.

SWITZERLAND

Swiss inflation continued falling to 1.6%, its lowest since early 2022, data on Thursday showed, putting it within the Swiss National Bank's target range for a

second month in a row as investors assess whether the bank will deliver another rate hike in September.

The SNB has nudged rates up to 1.75%, from minus 0.75% in June last year.

JAPAN

The Bank of Japan, the world's most dovish major central bank, kept its interest rate target at -0.1% in July, but shook markets by making its yield curve control policy more flexible.

The central bank kept its implicit cap on the 10-year bond yield at 0.5% but said that would be a reference rather than a "rigid limit" and signalled it would tolerate a rise up to 1% ■

IMF Plans Changes to FSAP

By: Pearl Ogbonna



The International Monetary Fund (IMF) is set to make changes to its Financial Sector Assessment Programme (FSAP), having identified the need for necessary changes in the wake of the March 2023 bank failures.

This was revealed in a blogpost published in August, 2023 by Mr. Tobias Adrian, the IMF's Director of the Monetary and Capital Markets Department and Ms. Hiroko Oura who is in charge of overseeing the FSAP and IMF stress tests, as they stressed the need for the programme to be updated. They further maintained the need for the FSAP to be more attentive to smaller financial companies.

Recall that the FSAP is a financial surveillance programme that provides a comprehensive, in-depth analysis of the resilience of a country's financial sector, which includes stress tests of financial institutions. It also includes an evaluation of the quality of supervision and regulation of the sector, and an assessment of the crisis management framework.

Also note that the FSAP was established to help countries minimize the occurrence and severity of financial crises. It was launched in 1999 with the aim of gauging the stability and soundness of a country's financial sector and assessing the financial sector that can contribute to growth and development. ■

IMF Reviews Evaluation Office

By: Ruqayyah Mohammed



Two Central Bankers and an Economist have been appointed to lead an external review of the International Monetary Fund's (IMF) Independent Evaluation Office (IEO) after a previous evaluation of the 2018 review highlighted shortcomings (found lack of 'traction').

The review will be led by Pablo Garcia-Silva (Vice Governor of the Central Bank of Chile) Zhongxia Jin (Director-General of the International Department of the People's Bank of China), and Daouda Sembene, (Chief executive of a Senegal-based economic development advisory firm)

The IEO was formed in July 2001 as an independent watchdog to conduct reviews of IMF's work and suggest improvement. It has however been

externally evaluated thrice since then.

The evaluation is expected to assess how successfully the IEO has met its goals to serve as a means to enhance the learning culture within the fund, strengthen the Fund's external credibility and support the executive board's institutional governance and oversight responsibilities. The IMF said the three evaluators will have discretion to conduct their assessment within this broad contour.

The evaluation is expected to explore efforts to address limited "traction" of some previous IEO recommendations. The three external evaluators will meet and begin their evaluation at the IMF annual meetings in Marrakech in October 2023 and are expected to conclude their work by mid-2024.

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

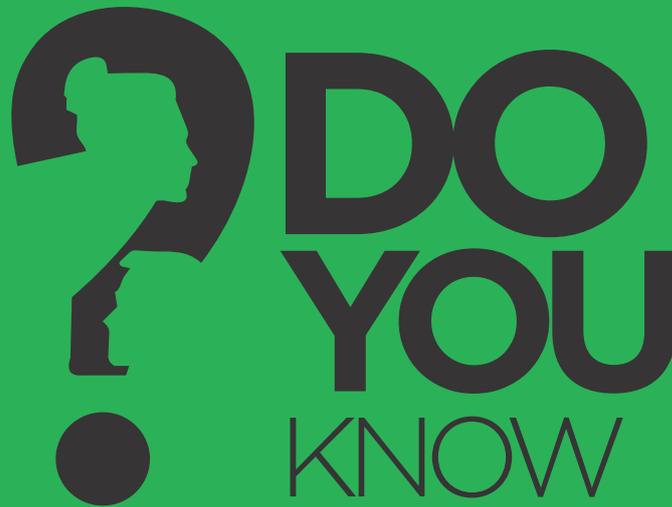
A nation that is self-sufficient in producing most of what it consumes and in creating jobs for its youth, will ultimately drive growth that will make life better for all its Citizens. Exciting times are here. Support the economic revolution.

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Central Bank of Nigeria



CBN SabiMONI Courses

1. National Peer Group Educator Programme (NAPGEP): This programme leverages on the platform of the National Youth Services Corps (NYSC) to train selected Volunteer Corps Members (VCMs) on Financial Literacy in order to deliver financial education in rural communities and environs during their Community Development Service (CDS).

2. Certified Financial Literacy Trainer (CFLT): This programme is for individuals who are interested in becoming Certified Financial Literacy Trainers. A trainer certificate is given to an individual who has taken all the Financial Literacy Modules and Learning Methodology on the SabiMONI platform, obtained a mark of 60% and undergone an assessment session (physical/virtual) to demonstrate that he or she can teach and transfer the knowledge to others.

3. Shared Agent Network Expansion Facility (SANEF): The SANEF training aims to equip its Agents with basic financial literacy knowledge to better serve their clients, improve their businesses and their level of financial literacy with the goal of promoting the uptake of financial services, especially at the grassroots.

For more information, contact SabiMONI at contact@sabimoni.org.ng or at support@sabimoni.org.ng

