



Central Bank of Nigeria

# CBN UPDATE

ISSN No: 2695-2394 | Vol. 5 | No. 6 | June 2023



## CBN Committed to Collaborating with Fiscal Authority

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- ICPC Inaugurates CBN's Anti-Corruption, Transparency Unit (ACTU)

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## Editor's Note

We welcome you our esteemed readers to the June edition of CBNUPDATE.

The Central Bank of Nigeria (CBN), in its continued efforts to engender policies and initiatives that foster economic growth and prosperity for the citizens of the country, has restated its commitment towards effective collaboration with the fiscal authorities to achieve the overall macroeconomic growth and price stability required to build a strong and resilient economy.

This formed part of the keynote address by the Deputy Governor, Economic Policy Directorate, Dr. Kingsley Obiora at the 2022 Fiscal Liquidity Assessment Committee (FLAC) Retreat organized by the Monetary Policy Department (MPD) in Abuja.

Similarly, as part of its goal to close the 8% gender gap in financial inclusion, the CBN, in partnership with the Gender Centre of Excellence (GCE), have unveiled two reports that marked significant milestones in Nigeria's journey towards enhancing women's financial inclusion.

In this same vein, the International Monetary Fund (IMF) has advocated five (5) Priority Policy Options for advancing financial inclusion in Nigeria's economy.

Also in this edition, we present a news story of the Bank's inauguration of the Anti-Corruption, Transparency Unit (ACTU) in conjunction with the Independent Corrupt Practices and Other Related Offences Commission (ICPC). A development that would support the Bank's mandate of zero tolerance to corruption.

The edition also featured the news story of the approval of eNaira as Payment Option for Diaspora Remittance, just as the Bank has issued fresh guidelines for contactless payments in the country.

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

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

**Isa AbdulMumin PhD**  
Editor-in-Chief

# CBN Committed to Collaborating with Fiscal Authority - Obiora

By: Emike Ikhumi



**Dr. Kingsley Obiora**

Deputy Governor, Economic Policy of the CBN

**T**he Deputy Governor, Economic Policy Directorate, Dr. Kingsley Obiora, on Thursday, June 1, 2023, restated the Bank's commitment towards effective collaboration with the fiscal authorities to achieve the overall macroeconomic growth and price stability required to build a strong and resilient economy.

Dr. Obiora made the commitment in a Keynote address at the 2022 Fiscal Liquidity Assessment Committee (FLAC) Retreat organized by the Monetary Policy Department (MPD) in Abuja, on Thursday, June 1, 2023.

Speaking on the theme of the retreat, "Post-Pandemic Fiscal Stress & Monetary Policy Management in Digital Age", the Deputy Governor noted that the Bank had, in response to the Covid-19 pandemic, introduced and implemented measures aimed at boosting supply and economic growth as well as reducing the impact of the pandemic on various sectors of the economy through a diversified multi-sectoral approach.

He therefore, urged participants to come up with ideas that would enhance policy coordination between the monetary and fiscal authorities, for stronger synergy and seamless coordination of activities.

Earlier in a welcome address, the Director, Monetary Policy Department, Dr. Hassan Mahmud, highlighted the need to reappraise the prevailing macroeconomic policy mix and its effectiveness within the context of emerging digital transformation.

He added that the widespread adoption of electronic modes of payment had impacted monetary policy management in the Bank's efforts to ensure price and financial stability, noting that, the retreat holds great promises and offers the opportunity to proffer practical solutions to accept policy coordination and implementation in Nigeria. Delivering a goodwill message, the Permanent Secretary, Federal Ministry of Finance, Budget and National Planning, Mr. Aliyu Ahmed, noted that monetary and fiscal policies had made substantial progress towards normalization, amidst the high rate of inflation, weaker growth outlook and elevated financial risks.

He called for a balanced monetary and fiscal policy that will be favourable to looming inflation and maintaining the economy on equilibrium growth given the elevated inflation rate.

Highpoints of the event were paper presentations from various resource persons including: "Adopting Technology in Fiscal Management: The Opportunities of Digitization", presented by the Comptroller General, Nigeria Customs Service, Hameed Ali; "Fostering Fiscal and Monetary Policy Coordination in Times of Economic Crisis", by the Director, Home Finance, Federal Ministry of Finance, Mr. Ali Muhammed, and "Achieving Inclusive Growth through Digital Financing and FinTech", by the Director, Development Finance Department, Mr. Yila Yusuf, amongst other presentations. ■

# Financial Inclusion: IMF Advocates 5 Priority Policy Options

By: Ogochukwu Ikeagwuonu

en.wikipedia.org



**T**he International Monetary Fund (IMF) has drawn the attention of the Central Bank of Nigeria (CBN) to five priority policy options for fostering financial inclusion in Africa's biggest economy.

The IMF's five policy options include; further increase in financial access points; promotion of digital financial services; improvement of financial literacy; upgrade of framework for Fintech operations; and enhancement of Central Bank Digital Currency (CBDC) features and uses.

The IMF in a report, stated that Financial Inclusion rates have gradually improved but still fall short of the targets adopted in Nigeria's 2012 Financial Inclusion Strategy. It noted that the share of the adult population with a bank account has consistently increased and now accounts for more than two-thirds of financially included individuals. "However, this bankarisation has been sourced in large part by integrating those having used the non-bank and informal financial sector," it added.

According to the World Bank, financial inclusion is when individuals and businesses have access to

useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance, delivered in a responsible and sustainable way. The importance of financial inclusion, which is a key enabler to reducing extreme poverty and boost shared prosperity, has made it to be identified as an enabler for seven of the 17 Sustainable Development Goals 2030.

According to Enhancing Financial Innovation & Access, Nigeria's financial inclusion rate grew to 64.1 per cent in 2020 from 63.2 per cent in 2018. The 2020 figure is short of the CBN's 80 per cent financial inclusion target for the year 2020. Last year, the apex Bank increased the target to 95 per cent by 2024.

Further, the IMF affirmed that the onboarding of residents to the banking sector has consistently increased but the overall exclusion rate and the one for the use of specific financial products continue to exceed official targets by far. "The reasons for inclusion gaps in terms of gender, education, income, and geography, include long distances to financial access points, limited financial literacy, and relatively low use of mobile money and payments," the report observed.

The IMF added that policies have focused on improving networks and financial access points and the need to continue doing so while pushing ahead with onboarding and refocusing the approach to financial education.

Although, it decried that despite CBN's investments in pushing awareness of digital currency to the public, its adoption is still minimal.

Recall that following Nigeria's introduction of the eNaira in October 2021, several Sub-Saharan African Central Banks have been exploring the use of digital currencies to enhance their payment systems. The countries are South Africa, Ghana, Uganda, Kenya, Rwanda, Mauritius, Madagascar, Zimbabwe, Eswatini, Namibia and Zambia.

## Q1 2023: FG Gets over N1trn from VAT and CIT

By: Kerma Mshelia and Tina John

The Federal Government has received N1.18trn from Value Added Tax (VAT) and Company Income Tax (CIT) during the first quarter of 2023. This is contained in the latest reports by the National Bureau of Statistics (NBS). This was an increase from N1.14trn recorded in the last quarter of 2022.

Reports from the NBS shows that the manufacturing, information and communication, and mining and quarrying sectors were the largest contributors to the VAT. Adding that on the aggregate, VAT for Q1 2023 was reported at N709.59bn, showing a growth rate of 1.75 per cent on a quarter-on-quarter basis from N697.38bn in Q4 2022.

The statement also reported that local payments recorded were N436.10bn, Foreign VAT Payments were N151.13bn, while import VAT contributed N122.37bn in Q1 2023.

In terms of sectoral contributions, the top three largest shares in Q1 2023 were manufacturing with

29.65 per cent; information and communication with 19.29 per cent; and mining & quarrying with 12.24 per cent. Local payments received were N300.78bn, while Foreign CIT Payment contributed N168.23bn in Q1 2023.

The Bureau noted that on a quarter on quarter basis, the activities of households recorded the highest growth rate at 349.86 per cent, followed by construction with 95.64 per cent.

Furthermore, it noted that activities of extraterritorial organisations and bodies recorded a minor share with 0.02 per cent, followed by activities of household as employers, undifferentiated goods and services- producing activities of households for own use with 0.03 per cent and water supply, sewerage, waste management and remediation activities with 0.04 per cent.

Despite the quarterly growth, the NBS highlighted that on a year on year basis, VAT collections in Q1 2023 witnessed a significant increase of 20.56 per cent compared to the same period in 2022.

## IMF Supports Nigeria to Unify FX Rates

By: Louisa Okaria

The International Monetary Fund (IMF) representative in Nigeria, Mr. Ari Aisen commended the Central Bank of Nigeria (CBN) unification of the multiple foreign exchange rates into the Investors and Exporters (I&E) window. This decision is aimed at unifying the forex exchange rates by operating a free-floating exchange determined by the market.

The IMF envoy while applauding the development, said that the decision had been a longstanding recommendation to Nigeria. Mr. Aisen said that the Fund is ready to provide technical assistance to enable this policy to succeed.

He commended the Federal Government for adhering to the Fund's recommendation to remove

the fuel subsidy, unification of exchange rates, and an array of fiscal reforms. The IMF encouraged a continued move towards a unified and market-clearing exchange rate by dismantling various exchange rate windows at the CBN. He further said that providing clarity on exchange rate policy would help boost investors' confidence, quell capital outflow pressures, and rebuild buffers.

The IMF authorities urged decisive and effective monetary policy tightening to avoid a de-anchoring of inflation expectations. He noted recent increases in the policy rate, which encouraged the CBN to stand ready to further increase the policy rate if needed and to implement additional actions, including fully sterilising the Bank's financing of fiscal deficits and phasing out credit intervention

programmes.

The Fund further recommended strengthening the CBN's independence and establishing price

stability as its primary objective. The IMF also urged the authorities to finalise securitisation of the CBN's existing stock of overdrafts and emphasised that the CBN's budget financing should strictly adhere to the

## CBN Approves eNaira for Diaspora Remittance

By: Chioma Udeogu

In a move aimed at liberalizing the payout of diaspora remittances and to promote the adoption of the eNaira, the Central Bank of Nigeria (CBN) has announced the introduction of the eNaira as a payment option to recipients of diaspora remittance.

The Director, Trade and Exchange Department, Dr. Ozoemena Nnaji who signed a circular dated June 15, 2023, and addressed to the International Money Transfer Operators (IMTOs) and the public stated that the Bank would facilitate the payment of proceeds of diaspora remittances to recipients who chose eNaira as a payment alternative.

According to the framework, IMTOs were required to open merchant wallets through the CBN and pre-fund the CBN account with foreign currency. The Bank would consequently fund the IMTO merchant wallet with eNaira equivalent of the foreign currency earlier pre-funded.

Under the guidelines, the IMTOs are required to apply for a one-time "No-Objection" to pay out in eNaira through the CBN. The Bank shall also provide account details where foreign currency from IMTOs shall be received. The circular however,

stressed that the receipt of proceeds of diaspora remittance in eNaira remained optional, adding that the option of the digital currency payout shall run concurrently with the dollar payout.

The circular explained that the IMTO works by them logging into the eNaira web wallet portal, debiting its eNaira merchant wallet, and crediting the beneficiary with the eNaira equivalent of the foreign currency sent at the origin at the I&E window rate. The statement however noted that IMTO could integrate with the eNaira portal from its platform via API provided by CBN and initiate the transfer of eNaira equivalent of the foreign currency sent at the origin at the I&E window rate.

This innovation is expected to support a resilient payment ecosystem, encouraging rapid financial inclusion, reducing the cost of processing cash, enabling direct and transparent welfare intervention to citizens, and increasing revenue and tax collection.

Fundamentally, the eNaira would also facilitate diaspora remittances, reducing the cost of financial transactions, and improving the efficiency of payments.



**eNaira**  
Same Naira. More Possibilities.

# CBN, GCE to Deepen Women's Financial Inclusion in Nigeria

By: Ogochukwu Ikeagwuonu



**Mrs. Aishah Ahmad**

*Deputy Governor, Financial System Stability*

**A**s part of its goal to close the 8% gender gap in financial inclusion, the Central Bank of Nigeria (CBN), in collaboration with the Gender Centre of Excellence (GCE), have unveiled two significant reports titled: the "Situational Analysis of Women's Financial Inclusion in Nigeria" and the Midline Evaluation of the Framework for Advancing Women's Financial Inclusion in Nigeria (FAWFIN).

These reports were unveiled at a virtual launch on June 15, 2023, which featured a keynote address, by the Deputy Governor, Financial System Stability

and Chairperson Financial Inclusion Technical Committee, Mrs. Aishah Ahmad. The reports provided valuable insights into the current state of women's financial inclusion in Nigeria and assessed the progress and effectiveness of FAWFIN.

The "Situational Analysis of Women's Financial Inclusion in Nigeria" examined women's financial inclusion in Nigeria, inputs from financial sector experts, and perspectives gathered through focus group discussions with women in Northern Nigeria, providing a comprehensive understanding of the challenges they encounter in accessing financial services.

Equally, the Midline Evaluation of the FAWFIN framework aims to assess its progress and impact, capturing valuable lessons learned and providing recommendations for future implementation. Interviews with stakeholders, including project staff, community members, financial institutions, and government bodies, shed light on the framework's implementation, successes, challenges, and behavior changes resulting from its interventions.

These reports mark significant milestones in Nigeria's journey towards enhancing women's financial inclusion. They also demonstrate the commitment of the CBN, GCE, and various stakeholders to promote gender equality and empower women through comprehensive financial inclusion initiatives.

## CBN Kano Branch Takes eNaira Advocacy to Varsity

By: Daba Olowodun

**T**he Kano Branch of the Central Bank of Nigeria (CBN) in keeping with the Bank's message of inclusion has taken eNaira advocacy to the Dangote University of Science and Technology, Wudil, in Kano State.

The visit was geared at raising awareness and inviting more subscribers to the eNaira payment platform, specifically to adopt the eNaira as a means of payment for tuition fees, salaries and other payment needs in the higher institution ecosystem.

Speaking at the event, the Branch Controller, Mr. Umar Ibrahim Bui stressed the need for the academic community to be at the fore front of innovations such as the eNaira initiative that promotes financial security and efficiency.

He therefore challenged the students and faculty of the university to embrace the eNaira as it offers seamless transactions, eradicates loopholes for corrupt practices and financial leakages in the system, and effectively protects the students from pilferers and puts an end to the stories of school fees being stolen from students.

According to him, an added advantage for students to own an eNaira wallet is that they would

have access to other financial services having been included in the financial system.

Responding, the Vice Chancellor, Professor Musa Tukur Yakasai, applauded the CBN for the initiative and assured that he would look into implementing the policy after due consultation with the state government.

He noted that being a University of Science and Technology, the institution already uses a lot of e-facilities such as online registrations and e-confirmations for their students. He therefore reiterated that adopting the eNaira would be a seamless exercise for the institution. ■

## Cashless Policy: CBN Intensifies Call for eNaira Adoption

By: Pearl Ogbonna



**T**he Central Bank of Nigeria (CBN) has urged relevant stakeholders to embrace and promote the eNaira policy as both a payment system and as a medium of exchange.

This appeal was made when the Branch Controller, CBN Akwa Ibom, Mrs. Mercy Itohan Ogbomon-Paul led an entourage on an eNaira sensitisation visit to the office of the University of Uyo Vice Chancellor, University of Uyo.

Mrs. Ogbomon-Paul who was represented by an Assistant Director, Elder Isang Agbomi Enya, alluded that the eNaira was beneficial in aiding the CBN in its monetary policy decisions as well as helping the Bank to address deficiencies experienced in the use of cash.

The Branch Controller also assured on the security of the eNaira which makes fraud by individuals and organisations difficult. Furthermore, she encouraged the use of the eNaira as it would not only enable the CBN to ascertain the volume of eNaira transaction, but it would also enable the

Bank to make policy decisions, as these decisions are made based on information that is availed to the CBN.

Mrs. Ogbomon-Paul however noted that other countries have gone beyond the physical cash payment and are now using e-payment, but Nigeria is still behind, adding that the Bank wants to ensure that everybody is able to do a business transaction without necessarily looking for cash in view of the cost of managing cash.

“The e-Naira is expected to help us to be at par with what other countries are doing. The unfolding trend now is that we use e-payment rather than physical cash. It is the semblance of the Naira that we could use in transactions rather than physical cash because the Naira, as we know, is very difficult and costly to replace”, she further elucidated.

In his response to the appeal by the CBN, the Vice Chancellor, University of Uyo, Prof. Nyaudoh Ndaeyo expressed excitement to be part of the initiative and assured that the institution would partner with the CBN on the eNaira initiative. While stressing the willingness of the institution to partner with the CBN in agriculture, Prof. Ndaeyo encouraged the Bank to go beyond the shores of the university into the communities to sensitize people on the eNaira. ■



# 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.

## CBN, Bill Gates to Collaborate on Financial Inclusion

By: Olalekan Ajayi



L-R: Christopher Elias, President, Global Development, Bill and Melinda Gates Foundation, Mrs Aishah Ahmad, Deputy Governor, Financial System Stability, Central Bank of Nigeria, Bill Gate, Co-Chair, Bill and Melinda Gates Foundation, Mr Adebisi Folashodun Sonubi, Acting Governor, Central Bank of Nigeria, Mr Yila Philip Yusuf, Director, Development Finance Department, Central Bank of Nigeria and Dr Paul Oluikpe, Head, Financial Inclusion secretariat, Central Bank of Nigeria during a meeting aimed at deepening collaboration for financial inclusion in Nigeria recently in Abuja.

**T**he Central Bank of Nigeria (CBN) and the Bill and Melinda Gates Foundation (BMGF) have held strategic discussions in Abuja on how to deepen collaboration on financial inclusion in Nigeria.

Speaking during the meeting on June 22, 2023, the Bank's Acting Governor, Mr. Folashodun Shonubi, reiterated the commitment of the CBN to continually partner with BMGF and other development partners to explore innovative solutions for driving access to finance. Mr. Shonubi, who was accompanied by the Deputy Governor, Financial System Stability (FSS), Mrs. Aishah Ahmad, disclosed that though much progress had been made in various aspects of financial inclusion, some challenges remained in attaining the desired level of financial inclusion in Nigeria. He, therefore, called for greater partnership between the Bank and the BMGF.

In his remarks, the co-chair of the Bill and Melinda

Gates Foundation, Mr. Bill Gates highlighted the foundation's focus areas for continued engagement in Nigeria to include health, agriculture and financial services.

Mr. Gates expressed satisfaction that support from his organization was catalyzing developmental action in Nigeria. While noting that there were still challenges and gaps, he expressed optimism that the country would witness better outcomes given the new economic and monetary policies currently in place in Nigeria.

The BMGF has supported financial inclusion in Nigeria since 2012 and has been a strategic partner of the CBN in driving innovation to reach excluded segments of Nigeria's population with financial products and services. The partnership has brought about strategic initiatives such as the Nigeria Financial Services Maps, a gateway for geospatial mapping of access points, the development of the National Financial Inclusion Strategy in 2012 and a

revision in 2018, research into financial exclusion, scoping of digital financial services in Nigeria, and many more activities that help accelerate access to financial services.

While Mr. Gates was accompanied by the duo of

Christopher Elias, President, Global Development, BMGF; and Abi Jagun, Senior Programme Officer, BMGF, other members of the CBN team were Mr. Philip Yila Yusuf, Director Development Finance; and Dr. Paul Oluikpe, Head Financial Inclusion. ■

## CBN Issues Customer Due Diligence Regulations

By: Pearl Ogbonna

The Central Bank of Nigeria (CBN) has issued the Customer Due Diligence Regulations to assist financial institutions with implementation and compliance with provisions of relevant laws and regulations relating to customer due diligence.

This was contained in a circular issued on June 20, 2023, and signed by the Director, Financial Policy and Regulation Department (FPRD), Mr. Chibuzor Efobi, stating that the regulations were issued pursuant to the provisions of the Money Laundering (Prevention and Prohibition) Act 2022 and the Central Bank of Nigeria (CBN) AML/CFT/CPF Regulations 2022.

The regulations stated that they shall apply to all Financial Institutions (FIs) under the regulatory purview of the CBN and these FIs are further prohibited from opening anonymous accounts or accounts in fictitious names.

The FIs are also mandated to undertake Customer Due Diligence (CDD) measures and establish internal processes and procedures for conducting CDD measures for all potential and existing customers, including occasional customers.

Customers identification and customer identity verification requirements are highlighted in the regulations. The FIs shall also apply CDD requirements to existing customers based on materiality and risk and continue to conduct due diligence on such existing relationship at appropriate times.

Notably, FIs are required to adhere to e-KYC requirements as stipulated in the CBN Guidelines on e-KYC and the CDD measures stipulated in these regulations (where applicable) as it relates to

digital products, and customer onboarding.

The regulations provide for a Risk-based approach to CDD as well as enhanced CDD for customers, business relationship or transactions with higher Money Laundering, Terrorism Financing and Proliferation Financing risks.

FIs are mandated to comply with tiered KYC measures as stipulated in the CBN circulars on TKYC and the CBN AML, CFT and CPF Regulations which shall only apply to individuals and not legal persons and legal arrangements.

Record keeping of all records obtained through CDD measures, account files and business correspondence, and results of any analysis undertaken, either in electronic or written form for at least five years following the termination or cessation of the business relationship or after the date of the occasional transaction is essential and FIs shall require customers that are legal persons to disclose nominee shareholders and nominee directors.

The regulations also stipulate that where a customer wishes to open a Domiciliary Account or make a wholesale deposit by cash or inter-bank transfer, a FI shall obtain identification evidence in accordance with the requirements for individuals, companies or professional intermediaries operating on behalf of third parties as appropriate.

Sanctions for non-compliance with the regulations is specified in the Banks and Other Financial Institutions Act (BOFIA), 2020 and Schedule to the Regulations. All banks and other financial institutions were directed to take note for immediate compliance. ■

# ICPC Inaugurates CBN's Anti-Corruption, Transparency Unit (ACTU)

...Calls for Stronger Collaboration

By: Dominic Yammah



A group photograph of ICPC officials and CBN's ACTU

**T**he Director Governors' Department, Mr. Joseph Omayuku has urged staff of the Bank to fully cooperate with the Anti-Corruption and Transparency Unit (ACTU), to achieve a corruption-free organisation.

Mr. Omayuku, stated this at the inauguration of the Bank's Anti-Corruption and Transparency Unit (ACTU), held on Wednesday, June 7, 2023 at the CBN head office in Abuja, stressing that the Bank was committed to ensuring that functions of the unit are fully operationalized in the Bank.

Represented by a Deputy Director in the Department, Mr. Mohammed Yakasai, the Director recalled that, the unit was established by the Independent Corrupt Practices and Other Related Offences Commission (ICPC), to prohibit and prevent corruption in public services as part of the mandate of ICPC. He, therefore urged staff to cooperate with the unit and shun acts of corruption. In his remarks, the Chairman, Independent Corrupt Practices and Other Related Offences Commission (ICPC), Professor Bolaji Owasanoye stated that the ACTU would serve as a tool to support the Management to achieve its mandate, just as he emphasised the need for periodic sensitization of staff on and against corruption, and the examination of system, processes and procedures that are prone to corruption.

Prof. Owasanoye, who was represented by the Deputy Director, System Study of the Commission, Adebayo Obaniyi noted that prosecution was the only power the ICPC had that the ACTU does not have. He however, expressed his appreciation to the Bank for maintaining a cordial relationship with the Commission and urged for a stronger collaboration between the two organizations for mutual benefits. In her remarks, the Director, Human Resources Department, Mrs. Amina Habib, represented by Mrs. Angela Ofili, said the inauguration of the ACTU of the Bank was a welcome development that would support the Bank's mandate of zero tolerance to corruption.

Officials of the Anti-Corruption and Transparency Unit (ACTU) who subscribed to the oath of allegiance were staff drawn from different Departments of the Bank.

The mandate of the Unit, which is derived from section 7(1) and 70 of the ICPC Act, 2000, with functions such as: Preliminary investigation; prevention of corruption through systems study and review; education and enlightenment of public servants on, and against corruption; promoting ethics and ensuring compliance with ethical codes; and monitoring of budget implementation, is aimed at ensuring transparency and accountability in the workplace. ■



# Tomato Boom Looms in Nigeria

## 12 Commodities, 10 Million Jobs in 5 Years

Nigeria used to be the third largest importer of Tomatoes in Africa, spending over N22 billion annually. However, the recent intervention in the sector by the Central Bank of Nigeria, has led to the identification of 183,908 farmers to participate in the current farming season. This is expected to yield about 7.4 million metric tonnes of tomato per annum.

Without a doubt, our nation is on the path to becoming self-sufficient in tomato production.

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Central Bank of Nigeria

## CBN Rolls Out N187.1bn Maturing Treasury Bills

By: Ogochukwu Ikeagwuonu

The Central Bank of Nigeria (CBN) has rolled out at its Primary Market Auction (PMA), maturing Treasury Bills worth N187.11 billion across the 91-day (N1.75 billion), 182-day (N17.16 billion) and 364-day (N168.21 billion) instruments.

The CBN issues Treasury Bills to help the Federal Government fund its budget deficit, support banks in managing liquidity in the system and curb

inflation. Recall that in March, the CBN revealed plans to raise N1.13 trillion via Treasury Bills for the second quarter of 2023.

This was according to the Nigerian Treasury Bill Issue Programme for the Second Quarter 2023 published on the CBN website. The figure represented a significant increase from N926 billion raised in the second quarter of 2022.

## Contactless Payments: CBN Issues Fresh Guidelines

By: Tina John

The Central Bank of Nigeria (CBN) has issued fresh guidelines for contactless payments in Nigeria.

According to a circular with reference number, PSM/DIR/PUB/CIR/001/039, signed by the Director of Payments System Management Department, (PSMD) Mr. Musa Jimoh, the guidelines were conceived to ensure that participants in contactless payments implement appropriate risk management measure, while keeping to best relevant standards.

According to the circular, the step was in furtherance of its effort to standardise operations in the payments system, while encouraging the deployments of innovative products and sustaining the financial system stability.

Contactless payment, which involves the consummation of financial transactions without

physical contact between the payer and the acquiring devices, has been identified as an innovation payment option for the safe and efficient institution and payment service providers are required to ensure strict compliance with the guidelines.

In a related circular with reference number, PSM/DIR/PUB/CIR/001/048, the CBN stated that following the issuance of the guidelines on contactless payments in Nigeria and in cognisance of the risk associated with contactless payment, limits for contactless payments through accounts or wallets were pegged at N15,000 for each transaction and N50,000 for daily cumulative limit.

Higher value contactless payments are transactions that exceed the set limits, which the Bank said would require appropriate verification and authorisation.

## CBN Confirms Operational Changes in FX Market

By: Blessing Uzoagbado

The Central Bank of Nigeria (CBN) has issued a new directive on the operations in the Foreign Exchange (FX) market.

This was contained in a circular issued on June 14, 2023, and signed by the Director, Financial Markets

Department (FMD), Dr. (Mrs.) Angela Sere-Ejembi, informing all authorized dealers and the public of immediate changes to operations in the Nigerian Foreign Exchange (FX) Market.

The circular stated that in line with the changes,

abolishment of segmentation and all segments are now collapsed into the Investors and Exporters (I&E) window. Applications of medicals, school fees, Business Travel Allowance/Passenger Travel Allowance (BTA/PTA), and Small and Medium Enterprises (SMEs) would continue to be processed through deposit money banks.

According to the circular, the re-introduction of the willing buyer, willing seller model at the I&E window operations shall be guided by the extant circular on the establishment of the window, dated April 21, 2017, and referenced FMD/DIR/CIR/GEN/O8/007. It added that all eligible transactions are permitted to access foreign exchange at this window.

The guidelines also noted that operational rate for all government-related transactions shall be the weighted average rate of the previous day's executed transactions at the I&E window, rounded to two (2) decimal places.

The statement also announced that proscription of trading limits on oversold FX positions with permission to hedge short positions with OTC futures and the limits on overbought positions shall be zero.

The statement also reads that the re-introduction of order-based two-way quotes, with bid-ask spread of A1, as all transactions shall be cleared by a Central Counter Party (CCP).

Reintroduction of Order Book to ensure transparency of orders and seamless execution of trades was also highlighted in the guidelines. The operational hours of trades shall be from 9am to 4pm, Nigeria time.

The circular further stated that, cessation of RT200 rebate scheme and the Naira4Dollar remittance scheme, shall take effect from June 30, 2023. All market participants and the public are kindly enjoined to abide by these rules. ■



Central Bank of Nigeria, Headquarters

# eNaira - FREQUENTLY ASKED QUESTIONS

## What is eNaira?

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

## What is an eNaira wallet?

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

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

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

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

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

## What are the benefits of eNaira?

The benefits of the eNaira are:

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

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

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

## Will eNaira replace cash?

No, it will circulate alongside cash. The eNaira will

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

## Is eNaira safe?

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

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

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

## Who can access eNaira?

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

## What is the exchange rate between eNaira and physical naira?

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

## Why should an individual download and fund the eNaira wallet?

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

## Why should a business/corporate operate the eNaira wallet?

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

## How do I access eNaira?

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

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



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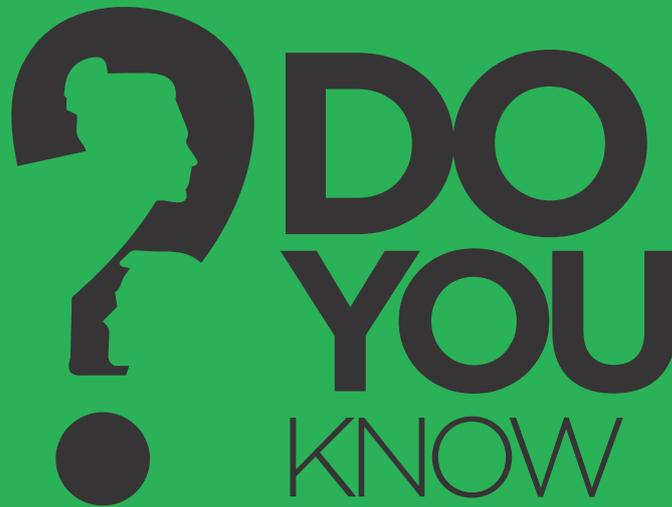
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Central Bank of Nigeria



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

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

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

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

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

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

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

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

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Central Bank of Nigeria