Central Bank of Nigeria

CBN UPDATE

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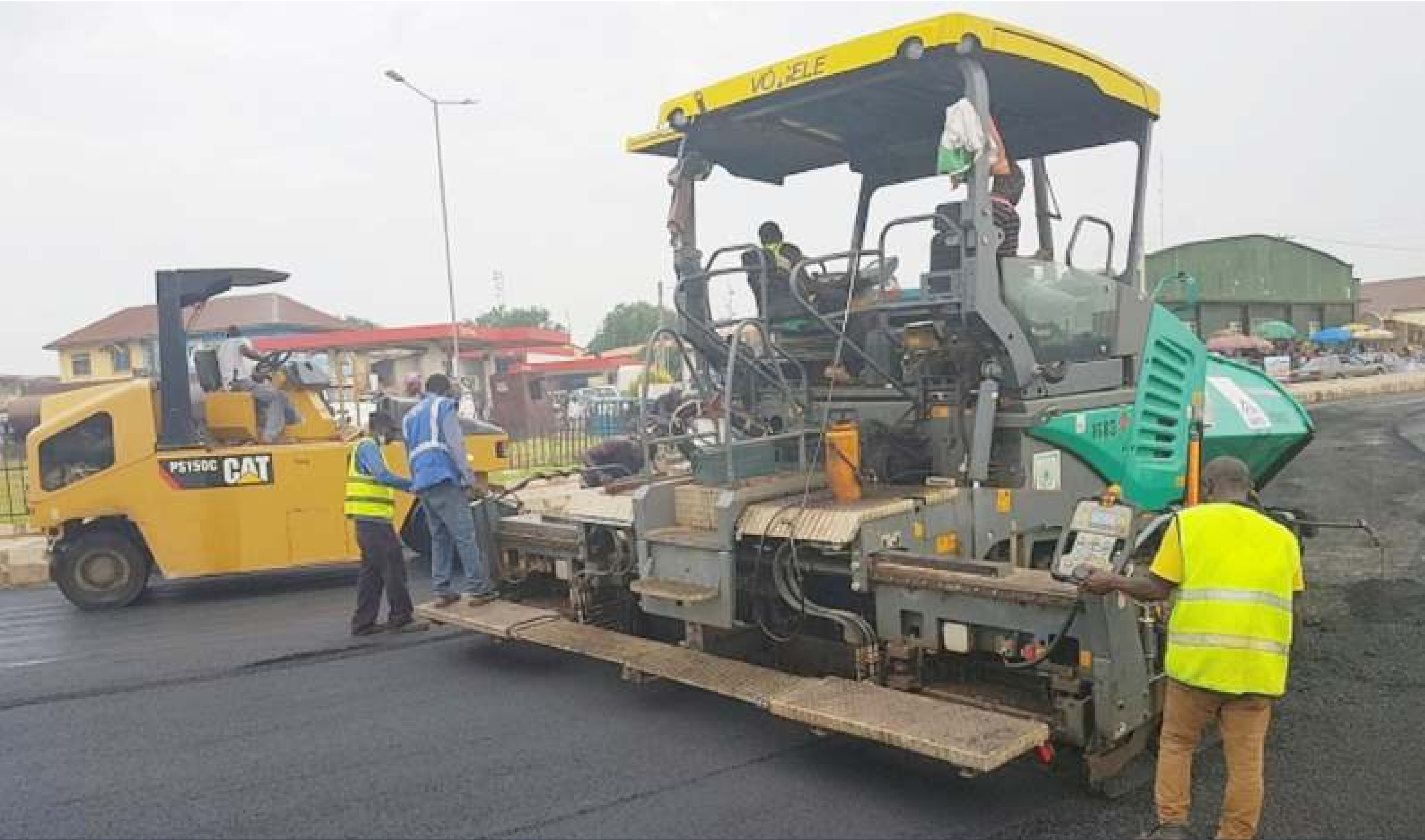

CBN Gets FG's Nod for N15tn InfraCo

INSIDE THIS EDITION:

- BOFIA Bill Sails Through Senate: Harmonises Banking Regulation
- CBN Goes Tough on Exporters over Non-Repatriation of Forex
- News Analysis: FOREX Diversion, A Disservice to our Commonwealth
- Forex: Speculators to Suffer Heavy Losses – CBN
- CBN Reviews Guidelines for Licensing & Regulation of Payment Service Banks in Nigeria

Contents

LETTERS TO THE EDITOR
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Editor's Note

We remain consistent and committed towards ensuring that we keep our dear readers abreast of happenings about the policies, programmes and initiatives of the Central Bank of Nigeria (CBN).

In this regard, we have packaged for your reading pleasure, the story showing the desire of the Bank to ensure liquidity in the foreign exchange market thus necessitating a directive to all deposit money banks to submit the details of exporters that have defaulted in repatriating their exports proceeds.

We equally bring to you the cheering story about the Federal Government's approval to the Central Bank of Nigeria to establish the Infrastructure Development Company (InfraCo). This, we believe will bring a ray of hope to entrepreneurs and other economic agents, given the acute infrastructure deficiency that has challenged the Nigerian business environment for many decades.

In line with its mandate to promote sound financial system in Nigeria and the need to enhance access to financial services for the low income earners, and the unbanked segment of the society, the CBN has reviewed the guidelines for licensing and regulation of Payment Service Banks (PSBs) in Nigeria.

Equally interesting is the story of CBN's warning to loan seekers and the general public to beware of the fraudulent twitter handle @YusufPhilipYila which purports to belong to the Director Development Finance Department, Mr. Philip Yila Yusuf.

We have a piece warning that currency speculators are likely to suffer heavy losses as Naira rallies against the dollar following the interventions made by the CBN in the Investors and Exporters (I&E) window.

A news analysis is included. It captures how some unscrupulous businessmen and investors have taken advantage of the friendly and liberal trade and foreign exchange policies to abuse and perpetrate acts of economic sabotage against the Nigerian economic interest.

These and other juicy stories have been packaged for your reading pleasure in this edition.

Thank you.

Isaac Okorafor
Editor -in- Chief

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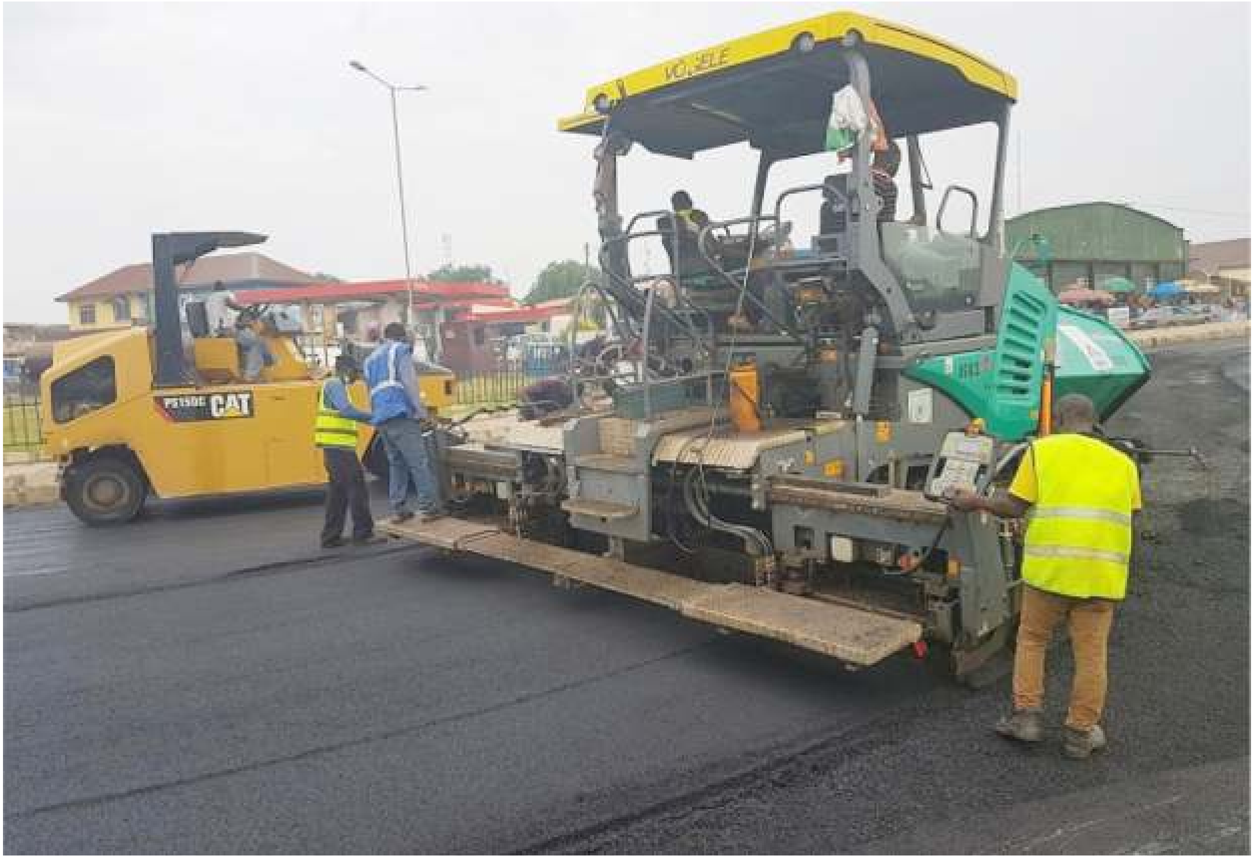
Opinions expressed herein do not necessarily reflect the views of the Bank's Management.

ISSN No: 2695-2394 | Vol. 2 | No. 8 | August 2020

CBN Gets FG's Nod for N15tn InfraCo

By: **Olusola Amadi**



The Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele says the Bank has received an approval from the Federal Government to establish the Infrastructure Development Company in order to deepen economic development.

According to the Governor, the \$39.4bn (N15tn) infrastructure development company would leverage local and international funds to rebuild critical infrastructure in the country over a five-year period.

This is timely as the fund will enable the fixing of the nation's dilapidated road network and railway lines that has made it difficult to move agricultural products from the rural areas or farms to processing plants and finished goods to the market.

He made this disclosure at the 274th meeting of the Monetary Policy Committee (MPC) where he noted that the company would be co-owned by the CBN, the Africa Finance Corporation (AFC) and the Nigeria Sovereign Investment Authority (NSIA).

He disclosed that the management of the company would be run by an Independent Infrastructure Fund Manager (IIFM) which would mobilise local and foreign capital to support the Federal Government in building the transport infrastructure required to move agriculture and other products to processors, raw materials to factories and finished goods to markets.

Meanwhile, the MPC noted with satisfaction, the CBN's immediate work on the updates and timelines for the establishment of the company while expressing the need for both the monetary and fiscal authorities to collaborate for the optimal synergy for measures targeted at reviving the economy▪

CBN Goes Tough on Exporters over Non-Repatriation of Forex

By: **Ademola Bakare**

As part of its effort to increase foreign exchange liquidity in the country, the Central Bank of Nigeria (CBN) has directed all banks in the country to submit the names, addresses and Bank Verification Numbers (BVN) of exporters that have defaulted in repatriating their exports proceeds, for further action.

The directive issued by the CBN Governor, Mr. Godwin Emefiele, on 25 August, 2020, during the Bi-monthly virtual meeting of the Bankers' Committee, comes barely 24 hours after the CBN announced the abolition of third-party "Form M" payment.

The move by the CBN followed the adoption of the strategy to discourage over-invoicing, which some businesses have allegedly used to divert foreign exchange from the country, through the opening of "Forms M" for which payment are routed through a buying company, agent, or other third parties.

The statement issued and signed by the Director, Trade and Exchange, Dr. Ozoemena Nnaji, also explained that the directive was aimed at ensuring prudent use of Nigeria's foreign exchange resources and the elimination of incidences of over-invoicing, transfer pricing, double handling charges and avoidable costs that are ultimately passed to the average Nigerian consumer.

It will be recalled that the CBN, in the past, had warned exporters conducting export activity in the country against diverting foreign exchange from the export proceeds, instead of repatriating same home.

The Bank, in collaboration with the Bankers' Committee, had threatened heavy sanctions against exporters who failed to repatriate foreign exchange proceeds from their international business. The CBN stressed that its Foreign Exchange Manual provided that all exporters should repatriate export proceeds back to the country to support the local currency and boost the economy

ISSN No: 2695-2394 | Vol. 2 | No. 8 | August 2020

News Analysis

Forex Diversion, A Disservice to Our Commonwealth

By: **Ademola Bakare**

Photo: FM

Globally, Nigeria is known to have a friendly and liberal free entry, free exit mechanism for the movement of foreign investment funds in and out of the economy provided all payment of relevant taxes are made. Overseas investors are also guaranteed unrestricted repatriation of their investment capital and proceeds, in any convertible currency, if such capital was brought into Nigeria under a Certificate of Capital Importation (CCI).

The efforts of the Central Bank of Nigeria (CBN) in defending and sustaining the value of the Naira, prompted by the global decrease in crude oil prices and the consequent fall in Nigeria's foreign currency reserves, has ensured the ease with which foreign investment capital and profits can be repatriated to and from Nigeria.

This, the Governor, Mr. Godwin Emefiele reiterated in May 2020 assuring investors interested in repatriating their funds from the country notwithstanding the drop in the revenue from crude oil and the ravaging COVID-19 pandemic.

He also assured that the Bank had put in place policies to ensure orderly exit for those that might be interested in doing so. He however urged investors to be patient as such repatriations are processed according to the Bank's policy of orderly exit of investments.

Recalling a similar situation that occurred in 2015 over declining revenue, Emefiele said that the CBN was able to settle all commitments in an orderly manner. According to the Governor, the foreign exchange available would be devoted to strategic importation or service obligations that are a priority.

CCI is a certificate issued by an authorised dealer, i.e. a Nigerian commercial bank, to a foreign investor at the time the investor brings capital, cash, either as debt, equity or goods, into Nigeria. A CCI confirms the inflow of foreign capital into Nigeria and should be issued to that investor within

24 hours of the capital inflow otherwise the investor may lose the benefits attached to that CCI.

The inflow and outflow of the capital investment to which a CCI relates must be carried out by the commercial bank that issued the CCI.

However, where prior approval is obtained from the Central Bank of Nigeria, the outflow may be conducted by a different bank. CCI is also a pre-requisite document for the transfer, in any convertible currency, of proceeds of an overseas capital investment out of Nigeria using the Nigerian foreign exchange market.

Any holder of a CCI can open a foreign currency-denominated account and a special non-resident Naira denominated account into which receipts of capital inflows from its Nigerian investment may be credited.

The investor's foreign currency denominated domiciliary account and non-resident Naira denominated account would usually be opened with the commercial bank that has issued the CCI.

However, remittances of the proceeds of a foreign investment made by providing services into Nigeria do not require a CCI.

Thus, such relevant contract especially for the provision of services, if such a contract involves a transfer of technology or technical expertise, will require registration with any agency of government concerned such as the National Office for Technology Acquisition and Promotion (NOTAP), so that payments made under that contract can be remitted out of Nigeria through the Nigerian foreign exchange market.

It is also possible to access foreign currency for repatriation of foreign investment capital and/or proceeds without a CCI or the agency's registration, i.e. by accessing the informal market for foreign exchange that exists in parallel to the Nigerian foreign exchange market.

However, it should be noted that such repatriation outside of the Nigerian foreign exchange market is expensive and plagued with practical difficulties including the risk of breaching anti-money laundering regulations.

Prior to September 2017 when the CBN introduced electronic CCis, CCIs were issued in hardcopy. Currently, e-CCIs are issued, managed, and monitored via an electronic platform administered by the Bank to which the commercial banks and investors have access.

> The efforts of the Central Bank of Nigeria (CBN) in defending and sustaining the value of the Naira, prompted by the global decrease in crude oil prices and the consequent fall in Nigeria's foreign currency reserves, has ensured the ease with which foreign investment capital and profits can be repatriated to and from Nigeria.

You then wonder why businesses in Nigeria are circumventing a transparent procedure giving the CBN worries. The e-CCI was introduced to address problems such as misplaced or inadvertently destroyed CCIs that resulted in investors being unable to repatriate the proceeds of their investment.

The CBN's efforts in combating depleting foreign reserves made it to impose a series of foreign exchange control measures, including a short-lived ban on receiving cash payments into foreign currency denominated domiciliary accounts, that have limited the use of, and access to, foreign exchange in Nigeria and restriction on 41 items (now 43) deemed “Not Valid for Forex”:

The list includes food items, private jets, incense, steel sheets, furniture, wooden doors, plywood and wood fiber boards, plastic and rubber products, cellophane wrappers, finished aluminum cans, textiles and clothes, steel drums, nails and pipes, and Eurobond/ foreign currency bonds and share purchases. Notable however is that, capital importation to invest in Nigerian debt or equity securities is encouraged by the Bank.

The earlier unfettered restriction on export proceeds on domiciliary accounts has also been limited for obvious reason. This is in respect to domiciliary accounts opened to receive foreign currency export proceeds, such that export proceeds can only be used to finance other export activities or transactions, or sold to an authorised dealer for uses as approved by the CBN.

Thus, an exporter who uses the funds in its export proceeds domiciliary account for any other purpose will be barred from the Nigerian foreign exchange market.

The Bank also placed a restriction on foreign denominated loans in which Nigerian banks were prohibited from granting foreign currency loans to non-foreign currency generating businesses, or a loan initially denominated in Naira cannot be converted to a foreign currency loan where the borrower does not have foreign currency receivables.

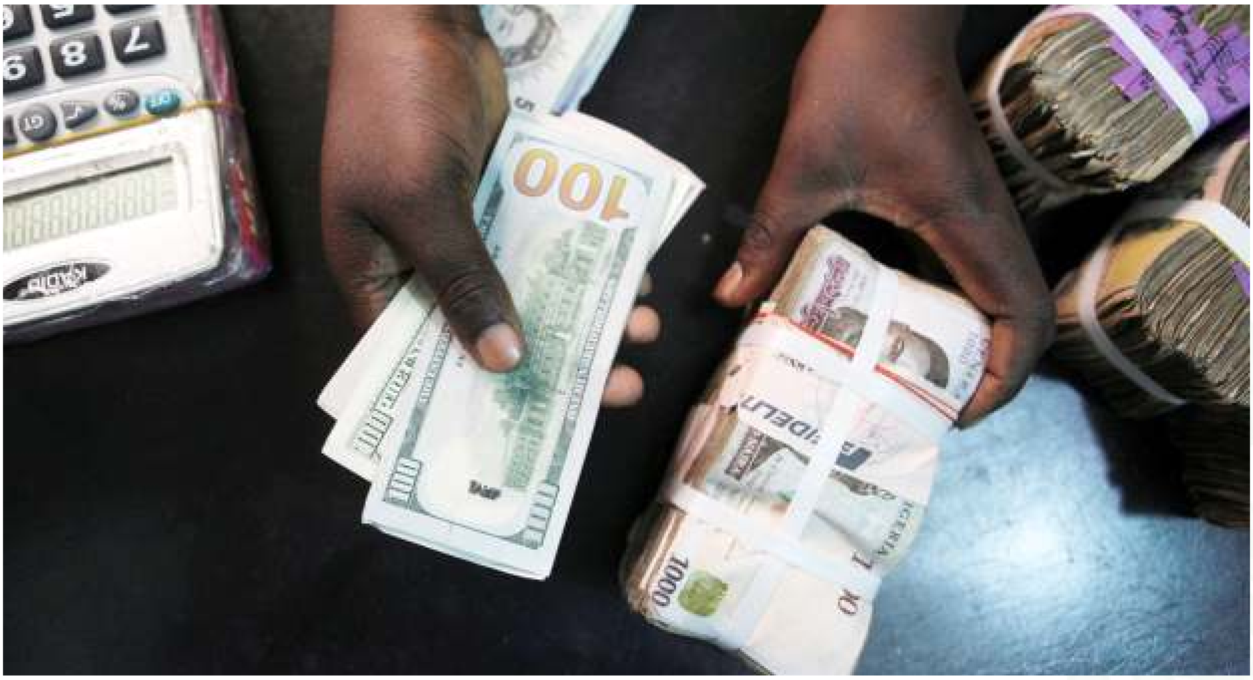
Thus, when all hands are expected to be on board to rebuild the economy due to the disruptive COVID-19 impact on the economy, the Central Bank of Nigeria is being distracted by the nefarious activities of some Nigerian business concerns and their foreign allies in subverting laid down regulation on forex exchange repatriation.

The Bank noted with dismay, the flagrant disregard and abuse of the system and therefore issued a directive to all banks in the country to submit the names, addresses and Bank Verification Numbers of exporters who have been defaulting in repatriating their exports proceeds.

The CBN Governor also has announced the abolition of third-party "Form M" payment after the Bank observed that foreign exchange was being illegally moved out of the country in total disregard to established regulation, coupled with over-invoicing by some businesses through which forex have been diverted from the country.

The Bank's Director of Trade and Exchange explained that the directive was aimed at ensuring prudent use of Nigeria's foreign exchange resources.

The Bank is collaborating with the Bankers' Committee and has threatened heavy sanctions against any exporter who failed to repatriate foreign exchange proceeds from their international business as provided in its Foreign Exchange Manual to support the local currency and boost the economy.



ISSN No: 2695-2394 | Vol. 2 | No. 8 | August 2020

Intervention in Agriculture to Moderate Rising Inflation

By: **Daba Olowodun**

The Central Bank of Nigeria (CBN)non-interest financing intervention in agriculture is a policy to rein in the rising inflation in the country. A Professor of Capital Markets at the Nassarawa University and former Commissioner for Finance, Imo State, Uche Uwaleke expressed this after the Bank unveiled the guidelines.

According to him, the rising inflation in the country is worrisome amidst downturn in economic activities due to the outbreak of the COVID-19 pandemic. Uwaleke said the launched non-interest financing schemes of the Bank for agriculture value chain was a good move that is expected to reflect as bountiful harvest, which will ultimately moderate inflation rate.

In his words, "It is stagflation that further complicates monetary policy against the backdrop of forex market illiquidity and rising unemployment similar to the 2016-2017 experience that eventually pushed the economy into recession". "This upward inflationary trend is the pass through to commodity prices of increase in Value Added Tax (VAT) and pump price of fuel, border closure, COVID-19 impact on supply chains and insecurity in the food belt regions of the country".

Professor Uwaleke also attributed the rising inflation to high exchange rate, which in his opinion calls for the monetary and fiscal authorities to synergise in addressing the major inflation driver, the food component, which is in the excess of 15 percent.The Capital Market expert urged the government to put on its fighting gloves to wrestle banditry and insurgent attacks on farming communities even if it entails changing the security architecture of the country, noting that the government has articulated good and massive agricultural programme in its Economic Sustainability Plan, and the time is now for aggressive implementation.

The University don however said the rising inflation may compel the CBN to further tighten policy given its primary mandate of price stability, which in his view may roll back any progress recorded in the area of stimulating economic growth.

Thus, he advised the Monetary Policy Committee of the CBN to continue to maintain status quo with regard to the policy parameters while focusing attention on how to improve liquidity in the forex market, inclusive of the on-going unification of the exchange rates."There is no doubt the CBN has done a lot in pursuit of its developmental function to stimulate the growth of the agriculture sector in particular".

He was however confident that in the coming months, the impact of these interventions will yield positive outcomes for the country.

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CBN Reviews Guidelines for Licensing and Regulation of Payment Service Banks in Nigeria

By: **Olusola Amadi**

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In furtherance of its mandate to promote a sound financial system in Nigeria and the need to enhance access to financial services for low income earners and unbanked segments of the society, the Central Bank of Nigeria (CBN) has reviewed the guidelines for the licensing and regulation of Payment Service Banks (PSBs) in Nigeria.

In a circular issued by the Director, Financial Policy and Regulation Department on August 27, 2020, the Bank noted that the Guidelines were reviewed and updated in response to market developments since its first issuance on October 26, 2020.

It can be recalled that with a view to ensuring that over 80 percent of bankable adults in Nigeria have access to financial services by 2020 and also reducing the exclusion rate to 20 per cent by 2020, the CBN in collaboration with stakeholders launched the National Financial Inclusion Strategy (NFIS) on 23rd October, 2012 and introduced several landmark initiatives such as Microfinance banking, Agent Banking, Tiered Know-Your-Customer Requirements and Mobile Money Operation (MMO).

In view of the challenges to effective outreach to rural and unbanked communities as well as the need to complement the services provided by other licensed entities, the CBN has therefore issued the regulation to provide for the licensing and operations of Payment Service Banks (PSBs) in Nigeria.

The key objective of setting up PSBs is to enhance financial inclusion and stimulate economic activities at the grassroots through the provision of financial services by increasing access to deposit products and payment/remittance services to small businesses, low-income households and other financially excluded entities through high volume, low-value transactions in a secured technology-driven environment.

Structurally, the CBN stipulates that PSBs shall: Operate mostly in the rural areas and unbanked locations targeting financially excluded persons, with not less than 25% financial service touch points in such rural areas as defined by the CBN from time to time; Enter into direct partnership with card scheme operators and such cards shall not be eligible for foreign currency transactions; Deploy ATMs in some of these areas; Deploy Point of Sale devices; Be at liberty to operate through banking agents (in line with the CBN's Guidelines for the Regulation of Agent Banking and Agent Banking Relationships in Nigeria); Roll out agent networks with the prior approval of the CBN;

PSBS shall also: Use other channels including electronic platforms to reach-out to its customers; Establish coordinating centres in clusters of outlets to superintend and control the activities of the various financial service touch points and banking agents; Be technology-driven and shall conform to best practices on data storage; security and integrity; and Set up consumer help desks (physical and online) at its main office and coordinating centres.


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PSBS are to carry out the following activities: accept deposits from individuals and small businesses, which shall be covered by the deposit insurance scheme; carry out payments and remittances (including inbound cross-border personal remittances) services through various channels within Nigeria; sale of foreign currencies realized from inbound cross-border personal remittances to authorized foreign exchange dealers; Issue debit and pre-paid cards on its name; operate electronic wallet; render financial advisory services; invest in FGN and CBN securities; and carry out such other activities as may be prescribed by the CBN from time to time.

The CBN also stipulates the following as non-permissible activities by PSBs: grant any form of loans, advances and guarantees (directly or indirectly); accept foreign currency deposits; deal in the foreign exchange market except as prescribed; insurance underwriting; undertake any other transaction which is not prescribed by the Guidelines; accept any closed scheme electronic value (e.g. airtime) as a form deposit or payment; establish any subsidiary except as prescribed in the CBN Regulation on the Scope of Banking and Ancillary Matters, No 3, 2010.

Eligible promoters of PSBs include: Banking Agents; Telecommunications companies (Telcos), through subsidiaries; Retail chains (supermarkets, downstream petroleum marketing companies); Postal services providers and courier companies; Mobile Money Operators (MMOs that desire to convert to Payment Service Banks shall comply with the requirement of this Guideline); Switching Companies; Financial technology companies (Fintech); Financial Holding Companies; and Any other entity on the merit of its application subject to the approval of the CBN. Where the promoter of a PSB is a regulated entity, it shall be required to obtain approval or a 'no objection letter' from its primary regulator and submit same at the licensing application stage to the CBN

BOFIA Bill Sails Through Senate: Harmonises Banking Regulation

By: **Ademola Bakare**

The Nigeria Senate on Wednesday, July 22, 2020 passed the Bill to repeal the Banks and Other Financial Institutions Act (BOFIA) CAP B3 Laws of the Federal Republic of Nigeria 2004 and to re-enact Banks and Other Financial Institutions Act (BOFIA) CAP B3 Laws of the Federal Republic of Nigeria 2004 (Amendment) Bill 2020. By this action, the new bill has set in motion the process to harmonise banking regulation in Nigeria.

The passage of the Bill through legislative processes started with the sponsors, Senators Uba Sanni (Kaduna Central) and Betty Joceylyn Apiafi (Rivers West) presenting the Bill for First Reading on May 12, 2020, and a Second Reading on May 19, 2020. Following the debate by the Senate in session, the Bill was referred to the Senate Committee on Banking, Insurance, and Other Financial Institutions for further legislative actions.

The passage of the Bill after clause-by-clause consideration by the Senate at its plenary, follows a public hearing by the Senate Committee on Banking, Insurance and Other Financial Institutions which held on Wednesday, July 15, 2020, to consider the opinions of stakeholders in the industry such as the Central Bank of Nigeria (CBN), Ministry of Finance, Budget and Planning, Body of Bank Chief Executives and the Nigeria Deposit Insurance Corporation (NDIC).

Others present at the hearing were Securities and Exchange Commission (SEC), Corporate Affairs Commission (CAC), the Chartered Institute of Bankers of Nigeria (CIBN), the Nigeria Labour Congress (NLC), the Financial Correspondents of Nigeria (FICAN), the Association of Senior Staff of Banks, Insurance and Financial Institution (ASSBIF) and the National Union of Banks, Insurance and Financial Institutions Employees (NUBIFE).

The Bill seeks to make provision for proper licensing, supervision and revocation of licenses of institutions by the Central Bank of Nigeria; update the enabling laws in response to developments and significant evolution in the financial sector; increase the appetite of banks and other financial institutions to channel much needed credit to the real sector to support economic recovery and promote sustainable growth. Also, the Bill will enable the creation of a Credit Tribunal to improve loan recovery to address the incidences of high non-performing loans rates in the financial sector which has been a key deterrent to lending by financial institutions.

It will also be recalled that the CBN at its presentation at a public hearing before the Senate Committee on Banking, Insurance and Other Financial Institutions, advocated for a review of the framework for managing failing institutions and a restriction remedy for successful actions against revocation of licenses in line with international standards.

The CBN also made a case for enhancement of regulatory measures for single obligor limits, transfer of significant holdings and strengthening of the sanctions regime to make it more deterrent. However, for the Bill passed by the Senate to become law, it has to be similarly passed by the House of Representatives; after which the reports will be harmonised and forwarded to the President, Muhammadu Buhari, for assent ■

Forex: Speculators to Suffer Heavy Losses - CBN

By: **Ademola Bakare**

Google Image

Currency speculators in Nigeria's foreign exchange market are set to count huge losses as the Naira continues its surge against the dollar, following the interventions made by the Central Bank of Nigeria (CBN) in the Investors and Exporters (I&E) window. Prior to CBN's renewed intervention in the I&E window on Monday, August 31, 2020, the Naira exchanged for as high as N480/$1, signalling fears that the Naira was in a free fall.

However, the Naira began to rebound against the dollar following the announcement by the CBN that it would resume the sale of foreign exchange to operators of Bureaux de Change (BDCs) from Monday, September 7, 2020. Compared to past sales, it is expected that the Naira will exchange less to a dollar in the BDC segment of the market, thus plunging speculators into huge losses, as they have failed to heed warning signs from the CBN.

Speaking on the issue, the Director, Corporate Communications Department, Mr. Isaac Okorafor reiterated that the Bank had concluded plans to inject liquidity into the foreign exchange market by selling forex to licensed BDC operators only.

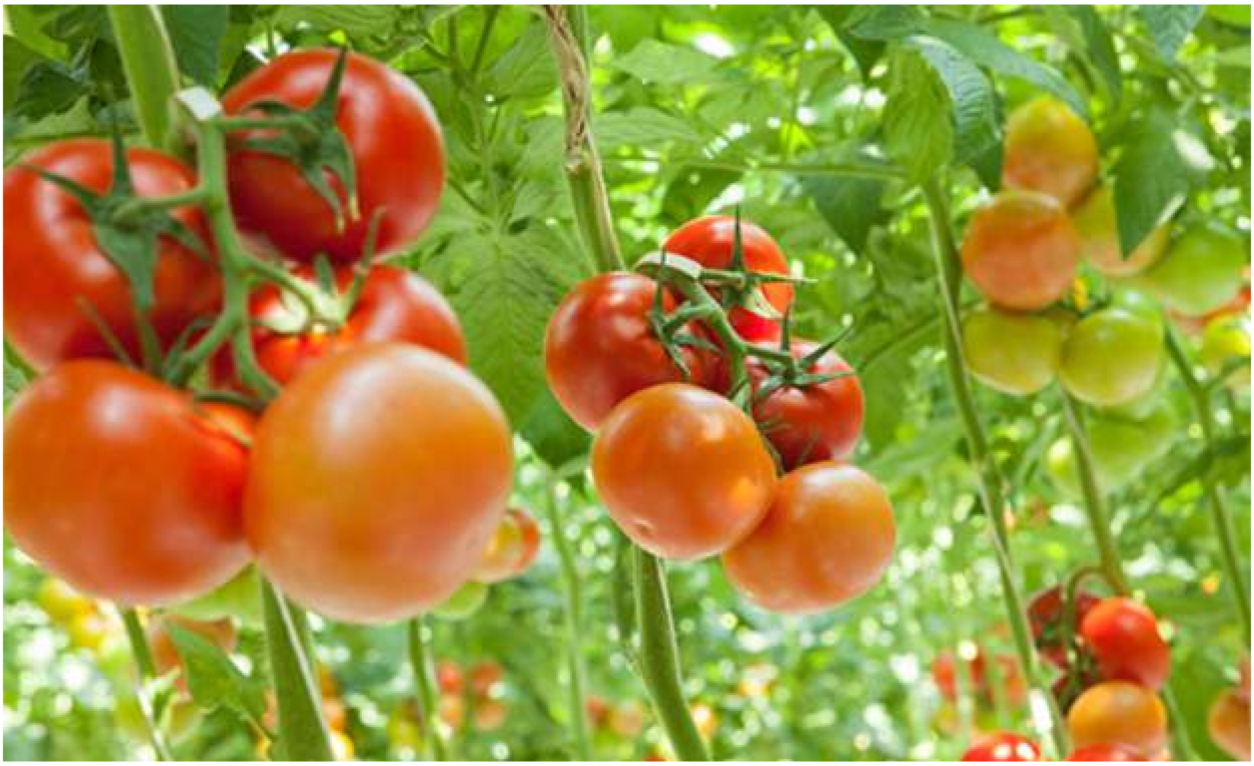
In his words, "the sale to BDCs would be gradual and be done twice a week – Mondays and Wednesdays, thus the BDCs had been directed to ensure that their accounts with their banks are adequately funded to ensure seamless transactions." While warning speculators to desist from what he termed unpatriotic tendencies, Mr. Okorafor urged registered BDCs to comply with the CBN's guidelines as the Bank would not hesitate to sanction any erring dealer. He also assured that those requiring foreign exchange for purposes of travel, educational fees and other invisibles could obtain such over the counter from their financial institutions.

Meanwhile, the President of the Association of Bureaux de Change Operators of Nigeria (ABCON), Alhaji Aminu Gwadabe, has expressed support for the CBN's action, noting that the anticipated intervention in the BDC sector would ensure stability in the foreign exchange market.

According to him, speculators in the forex market have been dealt a huge blow with the sharp drop in the exchange rate, which he said would continue a downward trend with the resumption of international flights in and out of the country. It will be recalled that the CBN, in a circular signed by the Director, Trade and Exchange Department, Dr. Ozoemena Nnaji, on Thursday, August 27, 2020, had disclosed plans by the CBN to resume the sale of foreign exchange to BDCs as part of effort to enhance accessibility to foreign exchange ■

N20bn Tomato Processing Factory: CBN Partners Kebbi State, GBfoods

By: **Louisa Okaria**



As part of its commitment to boosting the agricultural sector and achieving food security in Nigeria, the Central Bank of Nigeria (CBN) in partnership with the Kebbi State government and GBfoods has launched a N20bn tomato processing factory in the state.

The venture which boasts of drip irrigation and fertigation infrastructure, greenhouses, seed planting robots, incubation chambers and a plethora of agricultural machinery also houses the largest single tomatoes farm in Nigeria which will serve a dual purpose of producing industrial tomatoes in the dry season and soya beans in the raining season.

The operation has created an estimated 1,000 onsite farming, factory and construction jobs while intending to engage over 5,000 small holder farmers as out-growers to grow fresh tomatoes in the coming season. The farmers have undergone training on good agricultural practices, provided with tomatoes seedlings, agrochemicals and equipment such as water pumps and hose pipes to enable the farmers to gain access to water in the dry season.

In his speech during the inauguration of the factory, the Country Manager of GBfoods Nigeria, Mr. Vincent Egbe noted that the company is dedicated to reducing pre and post-harvest losses, and also developing the value chain so as to improve revenue streams for tomato farmers.

CBN Set to Review Payments System Vision Strategy

By: **Louisa Okaria**

Google Image

The Central Bank of Nigeria has unveiled plans to review its 10-year Payment Systems Vision (PSV-2030) strategy for a new 5-year strategy (PSV-2025).

This was disclosed by the Director, Payments System Management Department (PSMD), Mr. Musa Jimoh while speaking at the FinTech Summit 4.0 organised by the First Bank of Nigeria with the theme 'How Blockchain and Artificial Intelligence will Disrupt FinTech in Nigeria'.

He stated that the Bank was proposing the 5-year strategy in response to rapidly evolving blockchain technology and other payment systems disruptions as the Bank cannot wait for 10 years to review its strategies and initiatives planned for the 5-year span.

Speaking further, he stated that the CBN was working on harmonizing data in the financial sector; breaking down licenses for operators in the fintech sector to enable small players in the industry access markets as well as other initiatives that would deepen the payments systems framework in Nigeria.

He also noted that the CBN is working to create an environment where small companies that do not have the financial muscle to take license from CBN can also participate through a tier system that would enable the small companies participate in the ecosystem without going through stringent conditions imposed on big companies.

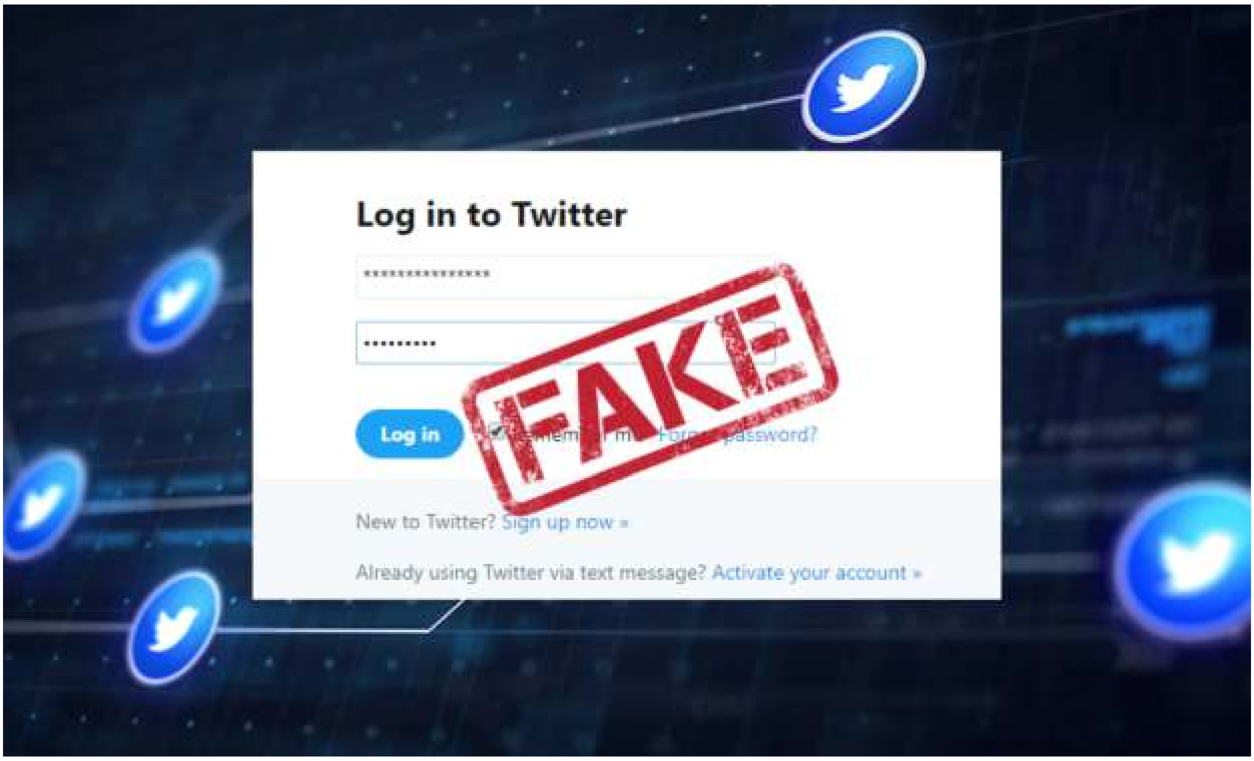
He added that the Bank was working with a financial conduct authority to develop regulatory sandbox that will be customized for the Nigerian environment to ensure that it fits into the financial ecosystem.

He revealed that another initiative of the Bank, the Open Banking Regime, would enable the entire ecosystem to work symbiotically as there would be no exclusivity on account data being held by banks.

The Director stated that banks should be able to open up their accounts database and allow fintech companies and other small companies add value-added services on account information they hold.

Don't Engage with Fake Twitter Handle - CBN Warns

By: **Ruqayyah Mohammed**



Google Image

The Central Bank of Nigeria (CBN) has warned all prospective loans seekers and the general public to desist from engaging with a fraudulent fake twitter handle @YusufPhilipYila which purports to belong to the Director, Development Finance Department, Mr. Philip Yila Yusuf.

A statement issued on 28 June, 2020 by the Director, Corporate Communications Department, Mr. Isaac Okorafor, noted that Mr. Yila does not operate a personal twitter handle and enjoined members of the public to disregard any posts on the fake twitter handle wooing unsuspecting loan seekers and owners of small-scale businesses.

He added that anyone who goes on to engage with the imposter does so at his/her personal risk. Mr. Okorafor added that CBN, through the NIRSAL Microfinance Bank (NMFB) had disbursed loans to successful applicants under the Targeted Credit Facility Scheme without having personal contacts with them.

He therefore advised members of the public seeking to apply for the TCF or any related Bank intervention programmes to approach the NIRSAL Microfinance Bank (NMFB) or CBN branches closest to them.

He also advised that tweets should be directed at the CBN and NMFB's social media handles on Twitter - @Cenbank or @NirsalMFB respectively for clarification on the procedures for accessing them

FREQUENTLY ASKED QUESTIONS (FAQs)

1. **Why is the CBN the only bank that can issue the Naira?**

   Section 2b and Section 17 of the CBN act gives the CBN the sole right to issue currency notes and coins throughout Nigeria and neither the Federal Government nor any state Government, Local Government, other person or authority shall issue currency notes, banknotes or coins or any document or token payable to bearer on demand being document or token which are to pass as legal tender. Section 18 of the CBN act also gives CBN the power to print banknotes and mint coins.

2. **Are machines for printing money available for purchase by the public?**

   No. The machines are only available to issuing authorities on request.

3. **What Department of the CBN is responsible for the printing of money?**

   Currency Operations Department.

4. **What is the purpose of printing polymer notes?**
   To extend the life span of the banknotes as the polymer notes lasts three times longer than the paper banknotes.

5. **How long does the polymer note last?**

   18 to 24 months.

6. **Where can one change currency notes?**

   Deposit Money Banks (DMBs) and CBN.

7. **Can coins be deposited in the Banks?**

   Yes.

8. **How are new currencies circulated?**
   CBN evacuates the finished banknotes form Nigerian Security Printing & Minting (NSPM) Plc for distribution to all CBN branches. The branch further distributes the banknotes to DMBs where they are finally released to the public via withdrawals.

9. **Why are there no new currencies in circulation?**
   Analysis of the currency in circulation showed that a large and increasing proportion of the Nigerian currency outside the commercial banking system (COB) is held by the general public who hoard a lot of the new banknotes.

10. **Why are the lower denomination banknotes scarce?**

    The scarcity of lower denomination could be linked to the fact that these notes are held by the public. Absence of Automated Teller Machines (ATM) dedicated to dispense lower denominations has also contributed to the dearth of lower denomination in circulation.

11. **Why are there huge numbers of dirty One Hundred Naira notes in circulation?**

    Handling habits of the general public such as, squeezing, staining, spraying etc. greatly contributes to soiling of the banknotes.

12. **In view of the fact that our politicians and leaders abuse the naira at rallies and public events, how do we expect the people to treat the naira with care?**

    CBN constantly sensitizes the general public, politicians and leaders through public enlightenment campaigns through the print and electronic media on how to properly handle the naira. Further sensitization campaigns are arranged to engage politicians, leaders and other respected elders to make them change champions of the Bank's Clean Notes Policy. This would enable the public follow suit.

? DO YOU KNOW

Discretionary Monetary Policy: These are deliberate actions taken by the monetary authority to influence money supply in the system with a view to achieving its mandates.

Direct Monetary Policy: This involves the use of quantitative monetary controls such as credit ceilings, credit rationing and statutory liquidity ratios to control the amount of money in circulation.

Indirect Monetary Policy: This involves the use of market based instruments such as open market operations for the implementation of monetary policy.

Price stability: In an economy this means the general price level does not change much over time. Prices neither goes up or down.

Exchange Rate Channel: This arises when the exchange rate become the intermediate policy variable for transmission of monetary policy impulses.

Interest Rate Channel: This is a monetary policy transmission mechanism channel where by changes to the policy are propagated through interest rates to inflation.

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

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

That if you make a complaint to your bank on account management issues and is not resolved after 14 days grace period stipulated the by Central Bank of Nigeria (CBN), you can contact the CBN by sending an email to: cpd@cbn.gov.ng, contactcbn@cbn.gov.ng or call +234 7002255226

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

Central Bank of Nigeria