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May 7, 2010

LETTER TO ALL BANKS

DISBURSEMENT OF THE PROCEEDS OF FOREIGN FUNDS TRANSFER

The CBN has observed with concern the high incidences of abuse of foreign money transfer in Nigeria. In order to curb the malpractice and also ensure that the proceeds of crime are not received through the banking system, it has become expedient to issue the following directive:

1. All in-bound money transfers to Nigeria shall only be disbursed to beneficiaries through bank accounts.
2. Where the beneficiary does not have a bank account, payments shall only be made upon the provision of a satisfactory reference from a current account holder in a bank, confirming that the beneficiary is the bona fide owner of the funds.

Banks are encouraged to continue to observe the Know-Your-Customer (KYC) principles.

This directive takes effect from May 5, 2010.

SAMUEL A. ONI
DIRECTOR OF BANKING SUPERVISION