

# CENTRAL BANK OF NIGERIA

## PROPOSALS ON THE IMPLEMENTATION OF NUBAN SCHEME (Version 0.4)

### 1. INTRODUCTION

The CBN released the Guidelines on Nigeria Uniform Bank Account Number (NUBAN) scheme in August, 2010, to achieve uniform customer bank account numbering structure among all Deposit Money Banks in Nigeria, within 9 months. NUBAN has great potentials to resolve the observed problems with electronic payments in Nigeria, as many of them are related to specification of wrong beneficiary account numbers.

However, a number of operational modalities need to be released to the market by the CBN, to facilitate smooth and successful implementation of the scheme. Accordingly, the Cheques and ACH Working Group (CAWG) met and deliberated on these issues and hereby recommend the foregoing.

### 2. IMPLEMENTATION MODALITY

#### a. CHECK DIGIT ALGORITHM

The approved NUBAN format ABC-DEFGHIJKL-M  
where ABC is the 3-digit bank code assigned by the CBN  
DEFGHIJKL is the NUBAN Account serial number  
M is the NUBAN Check Digit, required for account number validation

We hereby recommend the following as the Check Digit Algorithm

- Step 1. Calculate  $A*3+B*7+C*3+D*3+E*7+F*3+G*3+H*7+I*3+J*3+K*7+L*3$**
- Step 2. Calculate Modulo 10 of your result i.e. the remainder after dividing by 10**
- Step 3. Subtract your result from 10 to get the Check Digit**
- Step 4. If your result is 10, then use 0 as your check digit**

The Table below shows the 3-digit codes of all banks.

BANK	3-Digit Code	BANK	3-Digit Code	BANK	3-Digit Code
1. Access Bank	044	9. Fidelity Bank	070	17. StanbicIBTC	221
2. Afribank	014	10. Finbank	085	18. Standard Chartered Bank	068
3. Citibank	023	11. Guaranty Trust Bank	058	19. Sterling Bank	232
4. Diamond Bank	063	12. Intercontinental Bank	069	20. United Bank for Africa	033
5. Ecobank	050	13. Oceanic Bank	056	21. Union Bank	032
6. Equitorial Trust Bank	040	14. BankPhb	082	22. Wema bank	035
7. First Bank	011	15. Skye Bank	076	23. Zenith Bank	057
8. FCMB	214	16. SpringBank	084	24. Unity bank	215

#### Example 1:

The NUBAN code of a typical customer bank account in First Bank of Nigeria Plc would be derived as follows:

- ◆ The 3-digit code assigned to First Bank in the Bankers Clearing System is 011
- ◆ Assume a NUBAN serial number of 000001457
- ◆ The check digit would be computed as follows:
  - Step 1.  $0*3+1*7+1*3+0*3+0*7+0*3+0*3+0*7+1*3+4*3+5*7+7*3 = 81$
  - Step 2. **Module 10 of 81 is 1 i.e. 1 is the remainder when you divide 81 by 10**
  - Step 3. **Subtract 1 from 10 to get Check Digit 9**

Therefore the NUBAN code for this example account is 0000014579

#### Example 2:

- ◆ Assume a NUBAN serial number of 000000022 in First Bank
- ◆ The check digit would be computed as follows:
  - Step 1.  $0*3+1*7+1*3+0*3+0*7+0*3+0*3+0*7+0*3+0*3+2*7+2*3, 10=30$
  - Step 2. **Module 10 of 30 is 0 i.e. 0 is the remainder when you divide 30 by 10**
  - Step 3. **Subtract 0 from 10 to get 0**
  - Step 4. **So the check digit is 0**

Therefore, the NUBAN code for this example account is 0000000220

All Deposit Money Banks are advised to adopt this uniform algorithm to obtain the check digit component of the NUBAN codes of their customer account numbers.

#### **b. TRANSITION**

The mode of transition from the present situation to the NUBAN scheme has to be handled carefully to ensure the success of the scheme.

The NUBAN codes should be communicated to existing customers as soon as the codes become available. Also, the owners of all new bank accounts opened from January 01, 2011, should be provided with NUBAN codes at the onset.

The NUBAN scheme requires that the account number field in the cheque MICR code line should feature only NUBAN numbers. Accordingly, all new cheques issued to customers should carry NUBAN codes.

With this transition method, the present account numbers and NUBAN codes would co-exist in the electronic payment and cheque clearing systems from January 2011 to June 2011. *This implies that banks have to build in the required intelligence in their respective in-clearing systems to distinguish NUBAN codes from old account numbers while processing inward cheque items and electronic payment instruments, during this transition period.*

The deadline for full NUBAN compliance is June 2011. Therefore only instruments (paper and electronic) that carry NUBAN codes and pass the NUBAN validation test (that is, instruments with correct check digit) would be allowed in the automated clearing system as from this date.