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## CIRCULAR TO GOVERNMENT REVENUE COLLECTING BANKS

### ENSURING TIMELY REMITTANCE OF GOVERNMENT REVENUE BY DEPOSIT MONEY BANKS

It would be recalled that the Central Bank of Nigeria (CBN), in 1999 delegated its retail banking role with government to the deposit money banks. Since then banks have been the main revenue collecting agents for government and its agencies. Under this arrangement all appointed banks are required to remit all revenue collections into the pool accounts at the CBN, within an agreed timeline.

The CBN is however worried that notwithstanding the appeals to the revenue collecting banks, some do not remit their collections as and at when due especially the collection on behalf of the Nigeria National Petroleum Corporation (NNPC) from its depots all over the country. This has led to the postponement of the Federation Accounts Allocation Committee (FAAC) meeting dates in some instances; thus disrupting the distribution of revenue to the federating units. In addition, this unethical practice undermines the effective conduct of monetary policy given the size of the NNPC account.

The CBN warns that it would no longer tolerate this attitude. *Thus, all revenue deposits collected on behalf of NNPC from all its depots should be paid into the CBN within twenty-four (24) hours of the exact value date indicated on the NNPC payment instruction to banks, failing which the CBN shall debit the accounts of the affected banks in the CBN. Banks, whose accounts get overdrawn because of the direct debit, shall pay double the penalty for overdrawn accounts. In addition, defaulting banks risk being stopped from collecting revenue for NNPC and other parastatals.*

We will continue to count on your support and cooperation.

J.K.A. Olekah  
Director, Banking Operations Department