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CENTRAL BANK OF NIGERIA
Business Central Area District
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CIRCULAR TO ALL BANKS

HARMONISATION OF CLEARING CYCLES TO THREE WORKING DAYS

Recall that on July 2, 2007, the Central Bank of Nigeria, in collaboration with the Bankers Committee, reduced the clearing cycle for up-country payment instruments from six (T+5) to four (T+3) working days. In order to build on the success of that initiative, the deposit money banks were informed in a letter that the two clearing cycles would be collapsed into one. As a follow-up to that letter, a meeting with the banks and other stakeholders was held on Tuesday April 22, 2008 at which it was agreed that the up-country clearing cycle should be merged with the local clearing cycle of three working days.

Consequently, the Management of the Central Bank of Nigeria has approved the harmonisation of the two clearing cycles to three working days with effect from 5th May 2008. As from that date there would be three working days uniform clearing cycle for the country and the dichotomy between up-country and local clearing cycles would cease to exist. The harmonisation exercise, as in the reduction in up-country clearing cycle, is expected to positively impact business processes and reduce the waiting period for the receipt of value for instruments lodged in banks.

The deposit money banks are therefore requested to note the commencement date and the need for cooperation with the monetary authorities to make this initiative succeed as in the past.

A handwritten signature in black ink, appearing to read 'James K. A. Olekah'.

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