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GUIDELINES ON ADVERTISEMENTS BY DEPOSIT TAKING FINANCIAL INSTITUTIONS

1. An advertisement for this purpose includes any form of advertising which contains information calculated to lead directly or indirectly to the deposit of money by the public. Such advertisement could either be in a publication, by the display of notice by means of a circular, other documents, exhibition of photographs, and cinematographs, by way of sound broadcasting or television.

2. The following guidelines which all licensed deposit taking institutions are required to strictly adhere to when issuing advertisements are put in place for the following reasons:

   (a) The need to prevent unhealthy competition among financial institutions.

   (b) To ensure that an institution has the capacity and capability to provide the product(s), service(s) being advertised, and that all the information provided in the advertisement is correct, so that unwary members of the public are not misled.

   All these are geared towards ensuring a fair and stable financial system that is capable of sustaining the confidence of the banking public.

3. The requirements for good advertisements acceptable to the CBN include:

1. The contents of the advertisement should not:

(a) be directly or indirectly misleading in anyway or form.

(b) Be directly or indirectly offensive to the public or competitors

(c) Use superlative and/or comparative words and /or phrases which will tend to falsely portray the advertising institution, its products or services or whatever is being advertised as better or safer than others or those of other financial institutions.

(d) Be injurious to the operations or products/services of other financial institutions or the financial system.

(e) Contain figures from un-audited financial statements of the institution advertising.

(f) Involve the use of vague statements.

2. In addition:

(a) No advertisement should be issued by any bank or deposit taking institution for the opening, closure or relocation of offices, branches or cash centers without the prior written approval of the CBN.

(b) Any claims made in advertisements should be factual and statements that cannot be substantiated should be avoided.

(c) The use of words/phrases that depict lottery or gambling, such as raffle, raffle draws, bonanza, win, in advertisements should be avoided.

(d) Where insurance-linked products and/or products with scholarship benefits are to be advertised, the actual values of such insurance and/or scholarship benefits should be clearly stated.

3. With the issuance of these guidelines, lincensed deposit taking financial institutions are no longer required to obtain the prior approval of the Central Bank of Nigeria for advertisements except in 2(a) above before placing such advertisements. They are however, required to forward to the CBN not less than five working days before the advertisement is carried in the media the following for its information and monitoring:

(i) Press/Billboard/Posters/Handbills

One copy of the text as it will appear in the media

(ii) Radio

A copy of the television story board and a video cassette containing the television commercial.

iii *Television Commercial*

One copy of the television story board and a video cassette containing the television commercial.

4. Failure to abide by the contents of this circular or adhere to any of the above guidelines will attract the appropriate penalty. The CBN will also be at liberty to disown publicly any misleading advert placed in contravention of the above guidelines by any bank or financial institution.

5. For the purpose of this circular an advertisement issued by any person on behalf of or to the order of another person shall be treated as an advertisement issued by that other person. An advertisement inviting the public to deposit money with an institution specified in the advertisement shall be presumed, unless the contrary is proved, to have been issued by the institution.

O.I. IMALA
DIRECTOR OF BANKING SUPERVISION