



website: www.cenbank.org

09-3145313
09-2345325

March 10, 2003

BSD/3/2003

CIRCULAR TO ALL BANKS AND OTHER FINANCIAL INSTITUTIONS

**RE:MANUAL ON "KNOW YOUR CUSTOMER (KYC)" FOR
FINANCIAL INSTITUTIONS IN NIGERIA**

Following the CBN letter of 19/12/02 to the banks and discount houses on the above subject, we have received and appraised responses from some banks. The inputs have accordingly formed the basis of a few amendments to the draft manual.

Apart from some editorials intended to bring out the proper/full meaning of the affected provisions, the major areas of amendment include:

- The inclusion of a statement to emphasise that customer identification continues even after the point of application as far as the business relationship subsists.
- The addition of national identity card as an evidence of identity.
- Fine-tuning the minimum limits of transactions for individual and body corporate for which the identity of the customer must be verified and recorded if it had not been done previously to reflect recent amendments to the Money Laundering Act of 1995 i.e. US \$5,000 or its other currencies equivalent or N1 million for individual or N5 million for body corporate.
- Inclusion of the provision, calling for greater co-operation among financial institutions with regard to prompt response to inquiries relating to the identity of their customers.

- Reduction from twelve months to six, the period of no contact/correspondence with an existing customer which requires asking the customer to confirm relevant details relating to his identity as well as furnishing any missing KYC information.
- The inclusion of "notary public" and "court of competent jurisdiction" to the list of people who are qualified to certify identification documents. Certified documents should not only be sighted by a senior officer of the financial institution, they should also be stamped.
- Where certified copies are accepted as evidence of identity, the original documents would still be required to be presented.
- Search report by the financial institution's officer on a prospective customer's place of employment and residence have been included as the documentary evidence of address.
- Refugees have been classified with asylum seekers among those who require bank account but may not be able to provide evidence of identity. Apart from authentic reference from the Ministry of Internal Affairs, reference from any other appropriate government agency would be acceptable as evidence of identity for this category of people/customers.
- Finally, provision for sanctions in accordance with existing laws have been added for non-compliance with the provisions of KYC Manual.

All the above have been reflected in the final manual which can be downloaded from the CBN website, www.cenbank.org/supervisionPub.asp

In conclusion, we wish to thank the banks for their contributions and also solicit for co-operation in complying with the provisions of the manual to check money laundering activities in the financial/banking system.



O.I. IMALA
DIRECTOR OF BANKING SUPERVISION DEPARTMENT