



09 61636401
09 61635404

BSD/10/2004

August 23, 2004

**CIRCULAR TO ALL BANKS ON THE NEED FOR THE
PRESERVATION OF BANKS' ASSETS**

The attention of the Central Bank of Nigeria (CBN) has been drawn to possible insider abuses including fraudulent conversion and assets stripping, as an unintended consequence of the on-going restructuring/consolidation efforts in the banking system.

The CBN is obviously concerned about such developments and therefore seeks to remind all officers and directors of banks of their fiduciary responsibilities and the provisions of the Code of conduct for Directors of licenced banks.

Furthermore, the attention of all directors and Chief Executives of banks is drawn to the provision of Section 20(2)(f) of Banks and Other Financial Institutions Act (BOFIA) and relevant sections of the Economic and Financial Crimes Commission Act. Accordingly, any sale or transfer of any bank's assets shall be subject to the prior approval of the CBN in writing.

Consequently, the Chairmen and Chief Executive Officers of banks shall be held liable and would be appropriately sanctioned including prosecution under the Economic and Financial Crimes Commission (EFCC) Act, 2004 for the sale or transfer of any bank's asset without due authorization from the CBN.

**O. I. IMALA
DIRECTOR OF BANKING SUPERVISION**