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**CIRCULAR TO ALL BANKS:**

**THE UNPROFESSIONAL ROLES OF BANKS IN FUNDS TRANSFER**

In recent times the media has been replete with stories of unprofessional activities by banks in facilitating the movement of criminally acquired funds.

The release of the Know Your Customer (KYC) Guidelines and Manual Ref: BSD/DO/CIR/VOL.I/01/24 of November 28, 2001 and BSD/14/2002 of December 19, 2002 respectively, by the CBN, was intended to guide banks in ensuring that they were not used as conduits for moving such funds. Furthermore, the reports of the CBN examiners on several '419' and other irregular transfer cases had led to the imposition of penalties on the affected banks, to serve as a deterrent.

The reports of the unprofessional roles of banks in the 'bad business' is increasingly becoming embarrassing to the industry and should be totally checked.

While it is expected that the on-going consolidation and the strengthening of the capital base of the banks will lead to sound, more professional and better managed institutions, all the operators in the industry are hereby advised in their own interest to diligently review their processes in total compliance with the KYC guidelines and manuals referred to above.

They are also advised to note that the CBN Governor's special e-mail address [[governor@cenbank.org](mailto:governor@cenbank.org)] for capturing information on malpractices by banks is still available to the public. Only the Governor of CBN has access to this web address, and information sent to it is treated with utmost confidentiality.

The Chairmen, Board members and Chief Executives of the banks, in line with their oversight functions, are therefore advised to take these matters very seriously as they will not be spared if their institutions are found to have been used as vehicles for the transfer of proceeds of crime.

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