



09 616 37 804

09 616 37 802

## Central Bank of Nigeria

Central Business District

P.M.B. 0187

Garki, Abuja

E-mail: [ted@cenbank.org](mailto:ted@cenbank.org)

February 21, 2007

**OUR REF: TED/FEM/GEN/01/022**

**TO: ALL AUTHORISED DEALERS AND  
GENERAL PUBLIC**

**RE: PURCHASE OF MONEY MARKET INSTRUMENTS  
AND FEDERAL GOVERNMENT BONDS**

In furtherance to the liberalization efforts of the Bank, and the need to clarify the concerns of investors on Memorandum 21 of the Forex Manual, all Authorized Dealers are advised of the following clarification on the provisions of the Memorandum.

- (a) Investment in the Nigerian Treasury Bills (NTB) and Federal Government Bond (FGB) by foreign entities still remains restricted to NTBs and FGBs that have a maturity of not less than one (1) year;
- (b) However, prior to the maturity of these instruments, foreign investors are allowed to discount their investment in the secondary market to either a local or foreign investor.
- (c) Where the new investor is local, the CCI issued to the initial foreign investor who is now divesting, shall be cancelled after the repatriation of the proceeds of the divestment. The new investor (local) will now receive interest payment and on maturity collect the principal in Naira.
- (d) In the case where a foreign investor is buying over the instrument from the investor divesting, the CCI issued to the foreign investor (seller of CCI) will be cancelled. A new CCI will be issued to reflect the name of the buyer. The new investor in this case is guaranteed easy remittance of interest that shall accrue from the investment as well as the remittance of the principal at the maturity of the instrument.

For the avoidance of doubt, it should be noted that in both the cases in (c) and (d), the repatriation and or repayment of the principal will only be effected to the holder of the instrument after its maturity.

Authorised Dealers are enjoined to bring these clarifications to the attention of their customers and investors.

A handwritten signature in blue ink that reads "O. O. Akanji (Mrs)".

**O. O. AKANJI (MRS)  
DIRECTOR  
TRADE & EXCHANGE DEPARTMENT**