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TRADE & EXCHANGE DEPARTMENT

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TED/FEM/FPC/GEN/01/026

February 26, 2009

**TO: ALL AUTHORISED DEALERS,
BUREAUX DE CHANGE OPERATORS AND THE
GENERAL PUBLIC**

**REFORMS OF THE BDC SEGMENT OF THE FOREIGN
EXCHANGE MARKET**

This is to inform all Authorized Dealers, Bureaux De Change (BDC) operators and the general public that the licensing requirements of BDCs have been reviewed. Henceforth, BDCs have been restructured into two categories.

- I. Class 'A' BDCs (are allowed to carry out the following transactions:
 - i) Sale and purchase of Forex
 - ii) Prepaid cards
 - iii) Travellers' cheques
 - iv) Authority to import foreign exchange (subject to compliance with Anti Money Laundering (AML) requirements)
 - v) Money transfer – inward and outward (subject to compliance with AML requirements)
 - vi) Participation in the CBN foreign exchange cash auction (CBN can only sell cash foreign exchange to this category of BDCs).

REQUIREMENTS:

- 1) Minimum paid-up capital of N500 million verifiable at all times.
- 2) Mandatory Deposit with the CBN of US\$200,000.00 – non-interest bearing.
- 3) Non-refundable application fee of N100,000.00.
- 4) Licensing fee of N1.00 million.

- 5) Annual Renewal (subject to satisfactory reporting requirements and performance) fee of N250,000.00.
 - 6) Minimum IT infrastructure that enables the BDC to make daily returns to CBN.
2. Class 'B' BDCs (are to operate under the existing guidelines and to carry out the following transactions):
- a) Business Travel Allowance (BTA)
 - b) Personal Travel Allowance (PTA)
 - c) Buy foreign exchange from autonomous sources only
 - d) Sale of foreign exchange to end-users subject to a maximum limit of USD5,000.00 per transaction

REQUIREMENTS:

a) Minimum paid-up capital	-	N10,000,000.00
b) Non-refundable application fee		N10,000.00
c) Non refundable licence fee	-	N100,000.00
d) Non-refundable annual licensing renewal fee		N10,000.00
e) Non-refundable change of name fee	-	N10,000.00
f) Mandatory caution deposit	-	N1,000,000.00

For the avoidance of doubt Class "B" BDCs are not allowed under any circumstance to carry out the transactions meant for Class "A" BDCs.

All Authorised Dealers and BDCs are enjoined to ensure compliance with the provisions of this circular as any infraction shall be appropriately sanctioned.


H.A. SALAKO

for: AG. DIRECTOR,
TRADE AND EXCHANGE DEPARTMENT

