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PRESS STATEMENT

INAUGURATION OF THE NATIONAL PAYMENTS SYSTEM COMMITTEE

A committee to ensure a smooth, effective and efficient Nigerian Payments System that is essential to the stability of the nation's financial system and the overall economy has been set up.

The body known as the National Payments System Committee has the Governor of the Central Bank of Nigeria (CBN) as its Chairman, with the Deputy Governor, Operations of CBN as the alternate Chairman. Other members include three representatives of the Bankers' Committee, the Accountant General of the Federation, Chairman of the Federal Inland Revenue Service (FIRS), Comptroller-General of Nigeria Customs and the Director of Banking Operations Department of Central Bank of Nigeria.

Indeed, Nigeria like other economies evolved from rudimentary payments system to paper, cheques and ultimately to today's emergent e-money including cards and other electronic payments channels.

The modernization of the Nigerian Payments System began with the setting up of the Bank of British West Africa in 1894. Today the ultimate objective of the National Payments System (NPS) is to ensure system availability, efficiency and safety.

The National Payments System Committee is therefore charged with the responsibility of promoting:

- Co-operation and foster timely improvements in the payments systems, including the institutional and organizational framework governing the payments system, by ensuring that the views of all participants are taken into account when the CBN exercises its authority in directing the payments system;
- The adoption of industry standards and practices that meet international standards and are appropriate to circumstances in Nigeria, and

- Organizational and institutional structure for payments system development that encourage appropriate risk management and economic efficiency and take due account of the monetary policy implications.

The task of the Committee will be facilitated by technical committees, whose tasks may include:

- Advising the National Payments System Committee on short, medium and long-term strategies on payments system reforms and developments;
- Working collaboratively with the payments system participants and stakeholders to identify barriers to innovation in the payment system;
- Identify strategies for enhancing the long term efficiency of the existing payments systems and migration into the more electronic forms of payment

The formal inauguration of the National Payments System Committee is scheduled to take place on Tuesday, 31st May, 2005 at CBN Head Office complex, Abuja

Tony Ede
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