

Appendix B1

SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies are adopted by the Bank in the preparation of its financial statements and are consistently applied:

a. Basis of presentation

These are the financial statements of the Central Bank of Nigeria (CBN or the Bank), a body corporate established by the Central Bank of Nigeria Act of 1958 as amended by the CBN Act No. 7 of 2007. The financial statements are prepared under the historical cost convention as modified by the valuation of certain fixed assets and comply with the accounting policies set out below:

b. Consolidation

Subsidiary undertakings, which are those companies in which the Bank, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over their operations, have not been consolidated. These entities are not consolidated because their activities and accounting policies are different from those of the Bank. Such entities are accounted for as long-term investments.

c. Foreign currency activities

Foreign currency transactions are recorded in Naira using the exchange rates prevailing at the dates of the transactions. Differences arising at the dates of settlements are recognized in the income and expenditure account.

At the balance sheet date, assets and liabilities denominated in foreign currencies are converted to Naira using the closing rate except where a balance is to be settled at a contracted rate, then that rate is used. All differences arising on conversion are taken to the income and expenditure account, except differences on long-term foreign currency monetary items which are deferred and taken to the income and expenditure account on a systematic basis over the remaining lives of the monetary items concerned.

d. External reserves

Gold reserves are held for long-term purposes and are not being traded. It is carried at cost.

External reserve balances at year-end are converted into Naira in accordance with the policy in "c" above. All gains and losses realized on external reserve balances are recognized as follows: revaluation gains and losses on reserves due to the Federal Government of Nigeria (FGN) are for the account of the FGN and consequently all translation profits and losses are transferred to the respective deposit accounts of the FGN; revaluation gains and losses on external reserve balances of the Bank are transferred to its Foreign Currency Revaluation Reserve.

e. Loans and receivables

The following assets have been classified as loans and receivables for the purposes of assessing their recoverability: loans and advances; amounts due by liquidator of distressed banks; and other assets.

A specific credit risk provision is established to provide for Management's estimate of credit losses as soon as the recovery of an exposure is identified as doubtful. This provision is made for each account that is not performing in accordance with the terms of the related facility. The basis is as follows:

<u>Interest and/or principal outstanding for over</u>	<u>Classification</u>	<u>Provision</u>
90 days but less than 180 days	Substandard	10%
180 days but less than 360 days	Doubtful	50%
360 days and over	Lost	100%

In addition, a provision of 1% is made for all performing risk assets to recognize losses in respect of risks inherent in any credit portfolio. The 1% provision is applicable to only loans and advances.

Provisions for losses on doubtful receivables are recognized in the income and expenditure account.

When a loan is deemed not collectible, it is written off against the related provision for loan losses and subsequent recoveries are credited to income.

Risk assets in respect of which a previous provision was not made are written directly to income statement when they are deemed to be not collectible.

f. Investment securities

The Bank's investments in securities are categorized into: long-term investments and short-term investments.

(i) Long term investments

Long-term investments are equity and debt held by the Bank over a long period of time to earn income.

Long-term investments are carried at cost. When there has been a permanent decline in value of an investment, the carrying amount of the investment is written down to recognize the loss. Such a reduction is charged to the income statement. Reduction in carrying amount is reversed when there is an increase, other than temporary, in the value of the investment, or if the reasons for the reduction no longer exist.

(ii) Nigerian Government Securities

Nigerian Government Bonds represent debt instruments issued by the Federal Government of Nigeria (FGN) in which the Bank has invested. These bond issues are normally underwritten by the Bank and the investments arise as a result of crystallization of its underwriting commitment.

Treasury bills of the Federal Government of Nigeria are initially recorded at cost and subsequently measured at amortized cost.

Treasury bonds and development stocks are initially recorded at cost plus incidental cost of acquisition and subsequently measured at amortised cost. A decline in value is not taken into account unless it is considered to be permanent. Where a permanent decline in the value of such bonds and development stock are deemed to have occurred, the carrying amounts of these bonds are written down to recognize the loss.

Interest earned on investment securities is reported as interest income. Dividend received is reported as dividend income.

g. Fixed Assets

All items of fixed assets are initially recognized at cost. Cost includes expenditure that is directly attributable to the acquisition of the item.

Subsequent measurement –fixed assets at historical cost

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the income and expenditure account during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on a straight line basis to write down the cost/valued amounts of fixed assets to their residual values over their estimated useful life at the following rates:

Land and Buildings	-2.0%
Motor Vehicles:	
-Buses	-12.5%
-Cars	-20.0%
-Lorries	-10.0%
Plant and equipment	
-Air conditioners, generators and water pumps	-15.0%
-Currency processing machines	-10.0%
Furniture and Fittings	-20.0%
Computer software/hardware	-33.3%

Costs related to fixed assets under construction or in the course of implementation are disclosed as capital work-in-progress. The attributable cost of each asset is transferred to the relevant category immediately the asset is put into use and then subjected to depreciation.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the income and expenditure account for the year.

h. Borrowings (loans)

Borrowings are recognized initially at their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Interest paid on borrowings is recognized in the income and expenditure accounts for the year on prorata basis.

i. Currency in circulation

Currency issued by the Bank represents a claim on the Bank in favour of the holder. The liability in respect of notes and coins in issue at the balance sheet date is stated at the nominal value of the currency.

j. Central Bank of Nigeria instruments

Central Bank of Nigeria instruments comprise Promissory Notes and Open Market Operations Bills.

Central Bank of Nigerian Promissory Notes represent short to medium term debt instruments issued by the Bank to commercial banks assuming net liabilities under the Purchase and Assumption distress resolution programme for banks which could not meet the minimum capital

requirement for licensed banks.

Promissory Notes are recognized at the face value of the instrument.

Open Market Operations Bills represent short term debt instruments of the Bank issued to commercial banks as a liquidity management tool. They are recognized at cost less any unamortized premiums/discounts.

Interest paid on these instruments are recognized in the income and expenditure account for the year.

k. Retirement benefits

The Bank operates a defined benefit plan and a contributory retirement savings scheme as required by the Pension Reforms Act of 2004. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the bank and the employees pay fixed contributions into a separate entity. The Bank contributes 15% of basic salary, housing and transport allowances of the qualifying employees while the employees contribute 7.5% on the same basis towards the pension plans.

For the defined benefit plan, the defined benefit obligation is calculated biennially by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial deficit arising from adjustments and changes in actuarial assumptions are to be amortised systematically over a period of not more than three (3) years.

For defined contribution plans, the Bank pays contributions to privately administered pension plans on a mandatory basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense in the income and expenditure account. The Bank has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

l. Provisions

Provisions are recognized when the Bank has a present obligation, whether legal or constructive as a result of a past event for which it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

i. Internal Currency insurance

This provision is accumulated to cover possible losses that could arise on currency stock held within the Bank and in transit. The provision is determined as premium payable to provide insurance cover over such losses.

ii. Contingency

Contingency provision is determined on the basis of expert's valuation (where applicable) and/or the best estimate by Directors of the Bank of the probable resources required to meet the Bank's

present obligations not accounted for in the financial statements.

iii. Self insurance schemes

The Bank operates self-administered insurance schemes through duly constituted trustees for all potential losses for currency in transit and in vaults and for replacement and major repairs for its fleet of vehicles. Annual appropriations are made based on past experience.

These schemes are fully funded and managed independent of the Bank's operation

m. Sale and repurchase agreements

The Bank has entered into repurchase agreements as part of its monetary policy activities. Securities purchased under agreements to resell are recorded under the heading "Loans and Advances" as loans and receivables. Securities sold under agreement to repurchase are disclosed as reverse repurchase agreements included in deposit accounts. The underlying Securities purchased under repurchase agreements are not recorded by the Bank. Likewise, underlying securities sold under repurchase agreements; are retained in the books of the Bank.

The differences between the purchase and sale prices are treated as interest and recognized on an accrual basis.

n. Appropriations

In accordance with Section 5(2) of the Central Bank of Nigerian Act No.7 of 2007 the Bank makes an annual appropriation representing one-quarter of the operating surplus of the Bank for the year to a general reserve fund.

All remaining surplus after the statutory appropriation to the general reserve fund is payable to the Federal Government of Nigerian on a semi-annual basis. This is in accordance with section 5(3) of the Central Bank of Nigeria Act No. 7 of 2007.

o. Cash flow

For the purpose of the cash flow statement, cash and cash equivalents comprise sundry currency balances and bank balances with foreign banks.

p. Revenue recognition

Interest income and expenses are recognised on a time proportion basis, taking account of the principal outstanding amount and the rate over the period to maturity.

Interest income and expenses are recognized in the income and expenditure account for all interest-bearing instruments on an accrual basis. Where the instrument is deemed to be non-performing, interest income is suspended and recognized on a cash basis. Interest income and expense include the amortization of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its determined amount at maturity.

Fees and commissions, where material, are amortized over the life of the related service. Otherwise fees, commissions and other income are recognized as earned upon completion of the related service. Dividends are recognized when the right to receive payment is established. Other revenue arising from the provision of services to clients is recognized on the accrual basis in accordance with the substance of the relevant transaction.

q. Currency issuance and management expenses

Note printing and coin-minting expenses include ordering, printing, minting, freight, insurance and handling costs. These costs are recorded as prepaid expenses and subsequently released to the income and expenditure account when the currency is delivered to the Bank.

Appendix B2

Notes to the Financial Statements For the year ended 31 December 2008

1. General Information

The Central Bank of Nigeria (CBN or the Bank) is the apex regulatory authority of the financial system in Nigeria. It was established by the Central Bank of Nigeria Act of 1958, as amended by the CBN Act No 7 of 2007. It commenced operations on 1 July 1959.

The issued share capital of the Bank is wholly owned by the Federal Government of Nigeria. The principal objectives of the Bank are to ensure monetary and price stability, issue legal tender currency in Nigeria, maintain external reserves to safeguard the international value of the legal tender currency, promote a sound financial system in Nigeria and act as banker and provide financial advice to the Federal Government of Nigeria.

2. External reserves

	2008 N' Million	2007 N' Million
Convertible Currencies (see (a) and (b) below)	7,334,097	6,548,776
International Monetary Fund:		
- Reserve tranche	23	23
- Special Drawing Rights	156	103
Gold	19	19
	7,334,295	6,548,921
(a) Convertible currencies comprise:		
Current account with foreign banks	1,222,698	1,225,378
Time deposits and money employed	3,888,202	3,984,065
Domiciliary accounts	446,651	587,028
Other foreign securities	1,569,535	652,771
Sundry currencies and travelers' cheques	207,011	99,534
	7,334,097	6,548,776

Included in convertible currencies is an amount of N3,646.27 million, (2007 - N2,626.36 million), which represents the Naira value of foreign currencies held on behalf of customers in various foreign accounts for letters of credit transactions and other purposes. The corresponding liability for this amount is included in deposits. (see Note 9b)

Appendix B2 (Cont'd)

	2008 N' Million	2007 N' Million
(b) Convertible currencies are further analysed by Currency		
United States Dollar	6,608,337	5,645,780
British Pounds Sterling	144,096	143,428
Euro	574,526	387,629
Japanese Yen	2,066	364,988
Others	5,072	6,951
	7,334,097	6,548,776
3. Nigerian Government securities		
Nigerian Treasury Bills	410	5,951
Nigerian Treasury Bonds	271,909	78,428
Nigerian Development Stocks	88	124
	272,407	84,503
4. Loans and advances		
Overdraft balances & short term advances	561,704	362,390
Staff loans	5,763	10,109
Advances to Federal Mortgage Bank of Nigeria	9	9
Other loans	33,983	33,996
Long term loans (see 4(a))	7,127	8,865
	608,586	415,369
Provision for loan losses:		
General	(5,876)	(3,651)
Specific	(79,683)	(42,870)
	523,027	368,848

Overdraft balances and short term advances

Overdraft balances represent lending to customers and are collateralized by Treasury Bills.

Other loans

Other loans represent accommodation to distressed and liquidated banks. These have been fully provisioned.

Appendix B2 (Cont'd)

4. Loans and advances (Cont't)

	2008 ₦ Million	2007 ₦ Million
(a) Long term loans:		
At 1 January	8,865	9,958
Repayments during the year	(1,738)	(1,093)
	<u>7,127</u>	<u>8,865</u>

In 2001, the Bank approved the reduction of the interest rate on loans to some banks from 13.5% to 3%, extended the moratorium period to two years and increased the repayment period to five years. Balances outstanding have been fully provided for.

		2008 ₦ Million	2007 ₦ Million
5. Investments			
Investments in subsidiaries and associates:	%		
Bank of Industry	40	7,995	7,995
Abuja Commodity Exchange	57	408	408
Nigeria Deposit Insurance Corporation	60	1,380	1,380
Nigeria Agricultural Cooperative and Rural Development Bank	40	4,027	4,027
Nigeria Export Import Bank	50	7,972	7,972
Africa Finance Corporation	46	57,958	-
Nigeria Security Printing and Minting Company Plc	77	13,250	13,250
		<u>92,990</u>	<u>35,032</u>
Provision for diminution in value of investments		(2,715)	(2,715)
		<u>90,275</u>	<u>32,317</u>
Other Investments:			
Agricultural Credit Guarantee Scheme Fund		1,200	1,200
Federal Mortgage Bank of Nigeria		60	60
Nigerian Interbank Settlement System		26	26
		<u>1,286</u>	<u>1,286</u>
		<u>91,561</u>	<u>33,603</u>

Appendix B2 (Cont'd)

	2008 N' Million	2007 N' Million
6. Amount paid out in respect of the following distressed banks		
All States Trust Bank	15,166	11,457
Lead Bank	4,344	3,112
Assurance Bank	4,475	3,438
Hallmark Bank	107	107
Trade Bank	8,102	3,911
Metropolitan Bank	-	162
City Express Bank	4,595	3,691
African Express bank	332	185
Gulf Bank	3,516	1,773
	40,637	27,836
Provision for doubtful balances	(40,637)	(27,836)

The Bank entered into Purchase and Assumption arrangements with the Nigerian Deposit Insurance Corporation (NDIC) and some Banks over private sector deposits and certain capital assets of some distressed banks in liquidation. Accordingly the Bank issued promissory notes for the net liabilities assumed. See Note 10.

7. Other assets

Due from Agricultural Credit Guarantee Scheme Fund	914	543
Africa Finance Corporation	-	57,958
Accrued interest receivable	18,070	35,128
Accounts receivable	30,687	27,874
Sundry receivables (see (a) below)	346,736	345,063
	396,407	466,566
Provision for doubtful balances	(118)	(118)
	396,289	466,448

(a) Sundry receivables are further analysed as:

CBN Small and Medium Enterprises (SME) accounts	-	4,717
International Monetary Fund local currency subscription	622	622
Deferred interest and prepayments	10,439	47,558
Consumables	9	6
IMF Interest Bearing Securities	328,467	278,444
Others	7,199	13,716
	346,736	345,063

Appendix B2 (Cont'd)

8. Fixed Assets

	Land & buildings	Plants & equipments	Furniture & fittings	Computers	Motor vehicles	Capital work in progress	Total
	N'M	N'M	N'M	N'M	N'M	N'M	N'M
2008:							
Cost/valuation:							
At 1-January	66,572	31,430	3,780	6,492	13,309	50,808	172,391
Additions	1,737	2,563	25	746	750	18,454	24,275
Disposals	(273)	-	-	-	(43)	-	(316)
Adjustments	(1,719)	(14,434)	(1,799)	(1,044)	(11,310)	-	(30,306)
At 31-December	66,317	19,559	2,006	6,194	2,706	69,262	166,044
Accumulated depreciation:							
At 1 January	5,870	19,689	3,506	5,790	3,841	-	38,696
Charge for the year	1,654	3,928	76	374	679	-	6,711
Disposals	(28)	-	-	-	(43)	-	(71)
Adjustments	(156)	(14,434)	(1,799)	(1,044)	(3,286)	-	(20,719)
At 31-December	7,340	9,183	1,783	5,120	1,191	-	24,617
Net book value	58,977	10,376	223	1,074	1,515	69,262	141,427

During the year, the Bank conducted a fixed asset verification exercise and effected adjustments as deemed necessary. Fully depreciated assets are carried at nominal values.

8. Fixed Assets

2007:

Cost/valuation:

At 1 January	90,377	21,646	4,180	6,076	5,721	28,040	156,040
Additions	-	3,835	195	376	1,384	29,993	35,783
Transfers in/(out)	-	331	-	-	6,894	(7,225)	-
Disposals	(24,186)	(132)	-	-	(462)	-	(24,780)
Adjustments	381	5,750	(595)	40	(228)	-	5,348
At 31-December	66,572	31,430	3,780	6,492	13,309	50,808	172,391
Accumulated depreciation:							
At 1 January	6,563	10,571	2,848	5,207	2,953	-	28,142
Charge for the year	1,887	3,613	711	788	872	-	7,871
Disposals	(2,396)	(79)	-	-	(393)	-	(2,868)
Adjustments	(184)	5,584	(53)	(205)	409	-	5,551
At 31-December	5,870	19,689	3,506	5,790	3,841	-	38,696
Net Book Value	60,702	11,741	274	702	9,468	50,808	133,695

In 2003, the Bank re-instated items of fixed assets that had been previously written off. Accordingly, all assets except motor vehicles and the Head Office building were valued by Messrs Onakanmi and Partners, Supo Ojo and Co, Ora Egbunike and Associates, Bello and Co, Adamu Muhammed and Partners, Olatoye Ogundana and Partners, Dosu Fatokun and Co, and Mohammed and Co. The assets were valued as at 31 December 2002 on either open market basis assuming a willing seller and an able buyer or depreciated replacement cost basis where market information was not available. Subsequent additions have been incorporated at cost.

Appendix B2 (Cont'd)

9. Deposit accounts

	2008 ₦' Million	2007 ₦' Million
Government deposits:		
Current/settlement accounts	2,115,805	1,807,268
Domiciliary accounts	446,651	587,029
Other Accounts (see (a) below)	3,199,623	2,039,335
Financial Institutions:		
Current/settlement accounts	291,082	139,845
Bank's reserve accounts	153,820	136,117
	6,206,981	4,709,594

(a) Other accounts are further analysed as follows:

FGN PPT Naira funding account	1,378,195	984,765
Special reserve account	550	481
FGN excess crude oil proceeds (Naira funding) account	1,477,442	678,349
Letters of credit consolidated account	197,219	228,147
FGN (External creditors) funding account	91,665	85,311
NNPC/ NAPIMS cash call account	6,353	6,353
Deposits for Naira draft account	18,098	23,930
Monetary policy stabilization account	4,618	4,617
Sundry accounts	25,483	27,382
	3,199,623	2,039,335

(b) Foreign currency deposits held on behalf of customers for letters of credit transactions and other purposes are analysed below:

Domiciliary accounts	446,651	587,029
Other accounts	3,199,623	2,039,335
	3,646,274	2,626,364

10. Central Bank of Nigeria instruments

Central Bank of Nigeria Promissory Notes (see (a) below)

At 1 January	20,585	14,156
Issues during the year	9,389	11,826
Claim awaiting issue of promissory notes	5,961	2,071
Redemption in the year	(16,719)	(7,565)
Accrued interest	127	97
At 31 December	19,343	20,585

Open Market Operations - CBN bills (see (b) below):

At 1 January	1,543,781	935,250
Issued during the year	2,310,143	3,818,749
Redemption during the year	(3,246,199)	(3,210,218)
	607,725	1,543,781
At 31 December	627,068	1,564,366

Appendix B2 (Cont'd)

(a) The CBN issued Promissory Notes to Ecobank Nigeria Plc, Afribank Plc and United Bank for Africa Plc as part of a Purchase and Assumption Arrangement over the private sector deposits and certain assets of Allstates Trust Bank Plc African International Limited and Hallmark Bank Plc (Ecobank Nigeria Plc), Lead Bank Plc and Assurance Bank Plc (Afribank Nigeria Plc) and Trade Bank Plc, Metropolitan Bank Ltd, City Express Bank Plc, African Express Bank, Liberty Bank Limited and Gulf Bank Plc (United Bank for Africa Plc). The Promissory Notes have tenors of 1 – 2 years and carry coupon rates of 7.79% - 13.50%. The last instrument will mature on 10 April 2010.

(b) Central Bank of Nigeria Bills represent bills of the Bank issued to commercial banks as a liquidity management tool. These instruments have tenors ranging from 7 days – 365 days and carry discount rates ranging from 5.96% - 9.55% per annum.

	2008 N' Million	2007 N' Million
11. Notes and coins in circulation		
Notes	1,151,776	959,833
Coins	3,274	657
	1,155,050	960,490
12. Employment benefit liabilities		
Defined benefit scheme:		
At 1 January	5,435	-
Contributions	2,249	1,528
Provision for actuarial deficit	44,560	5,435
Remittances/Transfers to trustees	(12,081)	(1,528)
At 31 December	40,163	5,435
Defined contributory scheme:		
At 1 January	-	-
Contributions	31	901
Remitted to trustees	(31)	(901)
At 31 December	-	-

The Bank operated a non-contributory defined benefit pension scheme (Legacy scheme) for existing pensioners and staff. The scheme was funded by contributions of 50% of the employees' annual salary and certain allowances. An annual actuarial valuation is conducted by qualified independent actuaries and any resulting deficit recognized in the income and expenditure statement.

In accordance with the Pension Reform Act of 2004 and following approval from the National Pension Commission, the Bank introduced contributory defined benefit and defined contribution schemes (both referred to as the hybrid scheme) to replace the legacy scheme. The Hybrid scheme allowed members of the Legacy scheme to elect to either continue with the defined benefit scheme or join a defined contribution scheme. For members electing to join the defined contribution scheme element of the Hybrid scheme, the balance due to them under the defined benefit scheme was determined and remitted to a pension fund administrator chosen by the member. Subsequent to 31 December 2007, new employees of the Bank would join the defined contribution scheme element of the hybrid scheme.

Under the terms of the hybrid scheme, the Bank contributes 15% of basic salary, housing and transport allowances of qualifying employees while the employees contribute 7.5% on the same basis. Contributions to the Hybrid scheme are remitted to pension fund administrators through deposit accounts maintained by trustees of the scheme. An actuarial valuation of the defined benefit element of the Hybrid scheme is conducted by qualified independent actuaries and the Bank has agreed to make good any deficit arising from the actuarial valuation.

The defined benefit element of the Hybrid scheme was actuarially assessed by the firm of Alexander Forbes Consulting

Actuaries Nigeria Limited as at 31 March 2008 and an actuarial deficit of ₦89.12 billion was established as at 31 March 2008.

₦44.56 billion representing 50% of the actuarial deficit has been charged to these financial statements while the balance will be amortised in the future financial statements of the Bank in line with its accounting policy.

During the year, the Bank changed its accounting policy for the treatment of actuarial shortfall arising from the actuarial valuation of the obligations under the defined benefit plan. Previously, the Bank recognised immediately any identified actuarial shortfall. Management judges that this policy is consistent with local practice. This change in accounting policy has been accounted for retrospectively but this does not result in a restatement of the comparative statements for 2007 because the actuarial shortfall arising from the last actuarial valuation of 30 June 2006 had been recognised.

The trustees maintain a deposit account with the Bank with respect to contributions and as at 31 December 2008, the balance was ₦11.2 billion (2007: ₦813 million).

Appendix B2 (Cont'd)

	2008 N' Million	2007 N' Million
13. Other financial liabilities		
Interest payable	172	1,414
Accrued charges	2,669	18,539
Surplus payable to Federal Government of Nigeria	6,536	21,696
Sundry payables	185,726	141,412
Cheques in clearing	15,499	9,698
International Bank for Reconstruction and Development - SME Loan	-	4,717
Bank of Tokyo - Commodity loan	1	1
Other provisions (Note 15)	40,374	40,349
	250,977	237,826

14. Surplus payable to Federal Government of Nigeria

At 1 January	21,696	26,232
Transfer from income and expenditure account	6,239	24,262
Paid during the year	(21,399)	(28,798)
At 31 December	6,536	21,696

15. Other provisions

	At 1 January N' Million	Additional charge N' Million	At 31 December N' Million
2008:			
Contingency (see (a) below)	32,709	(475)	32,234
Internal currency insurance funds (see (b) below)	7,300	500	7,800
Agricultural credit fund (see (c) below)	340	-	340
At 31 Dec	40,349	25	40,374
2007			
Contingency	32,709	-	32,709
Internal currency insurance funds	6,800	500	7,300
Agricultural credit fund	340	-	340
At 31 december	39,849	500	40,349

- (a) Contingency provisions are determined on the basis of expert's valuation (where applicable) and/or the best estimate by Management of the Bank of the probable resources required to meet the Bank's present obligations. Outstanding provision is in respect of promissory notes to be issued to liquidators of distressed banks.
- (b) The Bank makes provisions for Internal currency insurance based on the premium that would be payable to external insurer had they been engaged. Losses incurred are indemnified against these provisions.
- (c) The Agricultural Credit Guarantee Fund, was set aside to provide guarantees to third party lenders on behalf of participating agricultural enterprises. Amounts provided were based on the guarantees issued by the Bank. Following the creation of the Nigerian Export-Import Bank (NEXIM), this function was transferred out of the Bank. No additional provisions have been made in the current year.

	2008 N' Million	2007 N' Million
16. Share capital		
Authorised share capital	100,000	100,000
Issued and fully paid up:		
At 1 January and 31 December	5,000	5,000
17. General reserve fund		
At 1 January	58,808	50,721
Transfer from appropriation account	2,080	8,087
At 31 December	60,888	58,808
18. Fixed assets valuation reserve		
At 1 January	70,928	95,246
Realised on disposal/verification exercise carried out during the year	(7,785)	(24,318)
At 31 December	63,143	70,928
19. Foreign currency revaluation reserve		
At 1 January	-	174,198
Net gain/(loss) on revaluation during the year	385,942	(246,631)
	385,942	(72,433)
Realized (gain)/loss transferred to income and expenditure account	(27,812)	72,433
At 31 December	358,130	-

The foreign currency revaluation reserve is used to record exchange movements on long term monetary assets of the Bank. Unrealised losses or gains on revaluation of these assets are recorded in the account and upon realisation of the asset, the corresponding gain or loss is released to the income and expenditure account.

	2008	2007
20. Interest income		
Analysis by type		
Time deposits and money employed	153,894	188,743
Federal Government Securities	36,621	31,562
Loans and advances	16,319	2,616
	206,834	222,921
<i>Analysis by geographical location:</i>		
Domestic	52,940	34,178
External	153,894	188,743
	206,834	222,921
21. Interest expense		
Central Bank of Nigeria Instruments	123,345	77,267
Interest on Treasury Bonds	9,882	8,378
Deposit accounts	-	4,700
	133,227	90,345
All interest was paid locally		

22. Other operating income

	2008	2007
Fees	1,739	24
Foreign exchange earnings	96,265	45,029
Commissions	230	113
Profit on sale of fixed assets	277	15,718
Liquidity Management subvention from FGN	-	25,000
Other income	1,685	434
	100,196	86,318

23. Operating costs

Currency issue expenses	19,133	39,980
Salaries and wages	21,428	17,841
Gratuity	2,898	398
Other staff expenses	3,176	2,690
Pension costs	50,776	6,963
Provision for bad and doubtful balances	51,364	14,367
Administrative expenses	27,869	14,649
Fixed assets adjustment	1,903	-
Depreciation charge	6,711	7,871
Repairs and maintenance	7,064	8,408
Consultancy fees	108	68
Bank charges	175	113
Auditor fees	100	100
Directors' related expenses	52	74
Computer systems development costs	39	90
	192,796	113,612

Included in pension costs is an amount of ₦44.56 billion (2007: ₦5.435 billion) being 50% provision for the actuarial deficit in the Bank's defined benefit scheme. See Note 12 for further details.

24. Cash generated from operating activities*Reconciliation of surplus for year to cash generated from operating activities:*

	2008	2007
Surplus available for appropriation	8,319	32,349
Adjustments for:		
Depreciation	6,711	7,871
Fixed assets adjustment	1,903	-
(Profit)/loss on disposal of fixed assets	(277)	(15,718)
Realised (gain)/Loss on foreign exchange currency	(27,812)	72,433
Net cash (utilised)/generated from operating activities	(11,156)	96,935

Changes in working capital:

Increase in external reserves (IMF balances)	(53)	(45)
Decrease/(increase) loans and advances	(154,179)	(267,032)
Increase/(Decrease) in foreign currency revaluation reserve	385,942	(246,631)
Decrease/(increase) in other assets	12,201	(55,724)
Increase in deposit accounts	1,497,387	408,913
Increase in Central Bank of Nigeria instruments	(937,298)	607,612
Increase in notes and coin in circulation	194,560	181,236
Revaluation gain/(loss) on IMF allocation of SDR	2,763	(280)
Increase/(decrease) in other financial liabilities	28,482	169,313
Cash generated from/ (utilised by) changes in working capital	1,029,805	797,362
Cash generated from/(utilised by) operating activities	1,018,649	894,297

Appendix B2 (Cont'd)

25. Contingent liabilities and commitments

(a) Legal proceedings

There were a number of legal proceedings outstanding against the Bank as at 31 December 2008 with contingent liabilities of ₦370.845 billion (2007 – ₦158.589 billion). No provision has been made as professional advice indicates that it is unlikely that any significant loss will arise.

The Directors are also of the opinion that all known liabilities and commitments which are relevant in the assessment of the state of affairs of the Bank have been taken into consideration in the preparation of these financial statements.

(b) Capital commitments

	2008 ₦ Million	2007 ₦ Million
Capital Commitments	15,726	24,430

These capital commitments are in respect of fixed assets and will be funded from internal resources.

26. Related party information

The Bank entered into banking transactions with related parties in the normal course of business. These transactions include sale and purchase of currencies, services, loans, deposits, and foreign currency transactions.

All transactions with related parties were however carried out at arm's length.

27. Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Appendix B3

REPORT OF THE INDEPENDENT JOINT AUDITORS TO THE BOARD OF DIRECTORS OF CENTRAL BANK OF NIGERIA

We have audited the accompanying financial statements of the Central Bank of Nigeria as at 31 December 2008 set out on pages 145 to 147 which comprises the balance sheet, the income and expenditure account, the statement of cash flow and the related notes. The financial statements have been prepared on the basis of the significant accounting policies on pages 148 to 152.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Central Bank of Nigeria Act No.7 of 2007. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We have obtained all the information and explanations that, to the best of our knowledge and belief were, necessary for the purposes of our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Bank has kept proper accounting records and the financial statements are in agreement with the records in all material respects and comply with the provisions of the Central Bank Act. No. 7 of 2007. The financial statements have been properly prepared in accordance with the accounting policies set out on pages 148 to 1152 and on this basis give a true and fair view of the financial position of Central Bank of Nigeria as at 31 December 2008 and of its financial performance and cash flow for the year then ended in accordance with the Central Bank of Nigeria Act No. 7 of 2007.

Chartered Accountants
Abuja, Nigeria
27 February 2009

Chartered Accountants
Lagos, Nigeria
27 February 2009

APPENDIX C GLOSSARY OF SELECTED TERMS

Approval in Principle: This refers to the grant of an initial permit/permission to any financial institution pending the time it would meet the necessary requirements for operation, that would qualify it for a formal licence.

Balance of Payments (BOP): These are records of economic transactions between the residents of a country and the rest of the world during a given period of time. The major components of the BOP are the **current account, the capital account and the official settlement balance**. The current account comprises transactions arising from the sale or purchase of goods and services and unrequited transfers, while the capital account is the record of assets and financial transactions. The official settlement account is used to equalise any imbalance that may exist in the current and capital accounts so that all the BOP accounts sum to zero.

Bank Credit is a major determinant of the money supply and it embraces the amount of loans and advances given by the CBN as well as deposit money banks to economic agents. This is the banking system credit to the economy which can be broken down into bank credit to government and the private sector.

Capital Expenditure: Payment for non financial assets used in production process for more than one year. Loan amortisation (capital repayment) is included.

Cost of Capital is the cost incurred in securing funds or capital for productive purposes. The costs include interest rate, legal administrative and information search charges. This means that cost of capital is likely to be greater than or equal to interest rates on loans.

Cost of Funds: This refers to net expenses incurred in raising funds including a reasonable profit margin. The expenses include the interest on deposits, reserve requirements and other administrative expenses, as a proportion of total funds borrowed.

Credit Risk

Credit risk arises from potential that an obligor is either unwilling to perform an obligation or its ability to perform such obligation is impaired, resulting in loss to the bank. In addition to direct accounting loss, credit risk should be viewed in the context of other economic exposures which include opportunity costs, transaction costs and expenses associated with non-performing assets over and above the accounting loss.

Debentures are fixed interest-bearing securities. They are usually of two types, debenture with floating charge and debenture with fixed charge. Debenture holders are creditors to the company rather than owners.

Debt Stock/GDP: This measures the level of domestic indebtedness relative to the country's economic activity.

Discount House is a financial institution devoted to trading in government secondary instruments (treasury bills and certificates and other eligible instruments). The discount house submits bids from authorised dealers, including its needs for OMO instruments to the Central Bank and facilitates the payments and settlement of the transactions.

Distressed Banks: These are banks with problems relating to illiquidity, poor earnings and non-performing assets. The extreme case of distress is referred to as insolvency, which implies that a bank's liabilities are more than its assets.

Dutch Auction System (DAS): This is a method of exchange rate determination through auction where the bidders pay according to their bid rates. The ruling rate is arrived at with the last bid rate that clears the market where the authorities elect to operate a single exchange rate.

Exchange Rate: This is the price of one currency in terms of another.

External Assets: These are the reserves held by the monetary authorities as well as the banking and non-bank public in foreign countries. Thus, external assets are external reserves and private sector holdings of foreign exchange.

External Reserves: These are portions of foreign exchange receipts saved by the monetary authorities for the purpose of enhancing the creditworthiness of the economy, protecting the international value of the domestic currency and financing temporary shocks in the balance of payments. Reserves are held in the form of monetary gold, reserve position at the International Monetary Fund (IMF), Special Drawing Rights (SDRs) and foreign bank balances.

Federation Account: This is an account opened by the Federal Republic of Nigeria into which all revenues of the Federation are paid for eventual distribution to all tiers of government in Nigeria.

Fiscal Deficit refers to the excess of expenditure over revenue of the government. It is usually assessed by its size in relation to nominal Gross Domestic Product (GDP). The fiscal deficits may be financed in various ways – external borrowing and internal borrowing (banking system and non-bank public). It is inflationary when financed by the banking system, especially the central banks.

Fiscal Operations: This refers to government financial transactions involving collection, spending and borrowing of the government for a given period.

Fixed Deposit Rate: When deposits are for a fixed period of time, say 90 or 180 days, the interest rates paid are called fixed deposit rates. They normally attract higher interest rates, while early withdrawals may attract interest penalties.

Foreign Exchange and Balance of Payments Position: Foreign exchange position is the difference between foreign exchange receipts and foreign exchange disbursements. If receipts are higher than

disbursements, there is a net inflow or an accretion to reserves. On the other hand, if receipts are lower, there is a net outflow and the reserves would be depleted. Balance of payments position is the difference between the receipts by the residents of one economy from the rest of the world and the payments by these residents to the rest of the world. An excess of receipts over payments shows a balance of payments surplus, while the reverse represents a deficit. When foreign exchange receipts and payments are adjusted for valuation changes in reserves, the net position would be identical to the balance of payments position.

Foreign Exchange: This is a means of international payments. It includes currencies of other countries that are freely acceptable in effecting international transactions.

Government Expenditure: Payment or flow of financial resources out from government.

Inter-bank Interest Rate: This is the rate that applies to transactions among banks, mostly for overnight and other short-term funds.

Interest Rate is the price of money. It is the opportunity cost of holding money and the return for parting with liquidity.

Internal Balance: This refers to a state of convergence between domestic output and absorption or expenditure. When output is identical with expenditure, internal balance is considered achieved and the rate of inflation is expected to be stable. The achievement of the savings-investment identity is also viewed as internal balance. Monetary and fiscal policies and external debt management measures are usually applied to achieve internal balance.

Liquidity Ratio: This ratio is defined as the ratio of total specified liquid assets to total current liabilities and reflects the liquidity position of a bank.

Market Capitalisation is the market value of a company's issued share capital. It is the product of the current quoted price of shares and the number of shares outstanding. The term is also used as performance indicator of the capital market.

Market Risk

Market risk is the risk that the value of on-and off-balance sheet positions of a bank will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and /or commodity prices resulting in a loss to earnings and capital. Some of the common market risks in our environment include the following:

Interest Rate Risk

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. Interest rate risk is usually assessed from two perspectives; earnings perspective which focuses on the impact of variation in interest rate on

accruals or reported earnings, and economic value perspective, which reflects the impact of fluctuation in the interest rates on economic value of a financial institution.

The interest rate risk also includes risks associated with the term structure of interest rates and basis risk. Basis risk is also known as spread risk and it arises when a bank prices its assets and liabilities using different interest rate basis. On the other hand, risks associated with term structure of interest rates are also known as yield curve risk. The impact of shifts in the yield curve on earnings is evaluated using stress tests.

Foreign Exchange Risk

Foreign exchange risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. Foreign exchange risk may also arise as a result of exposures of banks to interest rate risk arising from the maturity mismatching of foreign currency positions.

Equity Price Risk

Equity price risk is the risk to earnings or capital resulting from adverse changes in the value of equity related portfolios of a financial institution. The price risk could relate to changes in the overall level of equity prices or with price volatility that is determined by firm specific characteristics.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk is present in virtually all banking transactions and activities.

Liquidity Risk

Liquidity risk is the potential loss to a bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable costs or losses. Liquidity risk should not be seen in isolation, because financial risks are not mutually exclusive and liquidity risk is often triggered by consequences of other bank risks such as credit, market and operations risks.

Key Risk Indicator

A key risk indicator is a risk item that has been assessed to be important, given all relevant factors. This indicator is used to monitor exposure to risks and could be qualitative or quantitative in nature. It should be forward looking in order to serve as an effective risk mitigant.

Maximum Lending Rate: This refers to the rate charged by banks for lending to customers with a low credit rating.

Minimum Rediscount Rate: This refers to the amount that is charged by the CBN for lending to banks in the performance of its function of lender of last resort and also as a signal of the desired direction of monetary policy.

Monetary Base or High-powered Money or Reserve Money comprises certain liabilities of the CBN and includes currency with the non-bank public and total bank reserves. The main sources of the monetary base are net foreign assets of the CBN, net claims on government, claims on government, claims on deposit money banks and other assets (net) of the CBN.

Money Supply or money stock refers to the total value of money in the economy and this consists of currency (notes and coins) and deposits with deposit money banks (DMBs). For purposes of policy, there are two variants of money supply in Nigeria – M1 and M2. M1 is the narrow measure of money supply which includes currency in circulation with the non-bank public and demand deposits (current accounts) at the deposit money banks. M2 is the broad measure of money supply and includes M1 and savings and time deposits at the DMBs. Savings and time deposits are also called quasi-money. M2 measures total liquidity in the economy. Excess liquidity is the amount of liquidity over and above the optimum level of liquidity determined by the levels of output and prices.

Net Foreign Assets (NFA) constitute the foreign exchange holdings of the CBN and the deposit money banks after netting out the claims of foreigners. Changes in NFA should reflect developments in the balance of payments. A deficit in the balance of payments will lead to a decrease in foreign asset holdings and ultimately the money stock. A surplus in the balance of payments produces the opposite effect.

New Issues are securities raised in the primary market for the first time.

Nominal Interest Rate: This is the actual rental value paid for the use of money or credit. It includes the effects of inflation and uncertainty.

Offer for Sale is an offer to sell existing shares by shareholders to the public. The sale is effected usually through stockbrokers and does not affect the capital base of a company.

Offer for Subscription is an invitation by a company to the public to subscribe to new issues. This increases the capital base of the company.

Open Market Operations involve the discretionary power of the CBN to purchase or sell securities in the financial markets in order to influence the volume of liquidity and levels of interest rates which ultimately will affect the money supply. When the CBN sells financial instruments, the liquidity (excess reserves) of the banking system reduces. This restricts the capacity of banks to extend credit or induce monetary expansion. On the other hand, when the CBN purchase such instruments, it injects money into the system and banks' ability to expand credit is enhanced.

Other Assets (net) is the other assets of CBN, deposit money banks less (their) other liabilities.

Preference Shares are shares of companies on which dividends must be paid before any other shares.

Prime Lending Rate: This is the interest rate applied to loans made to customers with the highest rating. For each bank, this rate also represents the minimum lending rate.

Prudential Guidelines: These are guidelines and practices which all licensed banks are required to adhere to in reviewing and reporting their performance, particularly in the areas of credit portfolio classification and disclosure; provision for non-performing facilities, interest accrual; classification of other assets; and off-balance sheet engagements.

Real Interest Rate: This is the nominal interest rate adjusted for expected inflation. To encourage savings, real interest rate is expected to be positive.

Recurrent Expenditure: Expenditure on goods and services (other than capital assets) used in the process of production within one year. Interest on loan is included.

Required Reserves are a fraction of commercial and merchant banks' money held for the purpose of backing up their deposit operations and partly to control the level of liquidity in the economy. They are made up of cash reserves and liquid assets and specified in the form of ratios. The cash reserves ratio is the percentage of deposit money banks cash deposits with the CBN in relation to their total demand, savings and time deposits. The liquidity ratio is the percentage of banks' liquid assets to their total deposits liabilities.

Reserve Requirement refers to the proportion of total deposit liabilities which the deposit money banks are expected to keep as cash in vaults and deposits with the CBN. The CBN can control the money stock by varying the requirement as desirable. Usually, banks keep reserves over and above the legal requirement for safety. The cash ratio requires the deposit banks to keep a certain proportion of their total deposit liabilities in cash balances with the CBN, while the liquidity ratio stipulates the proportion of total deposits to be kept in specified liquid assets mainly to safeguard the ability of the banks to meet depositors' cash withdrawals and ensure confidence in the banking system. The CBN also has powers to call for special deposits from banks for the purpose of controlling liquidity.

Rights Issues are shares offered to companies' existing shareholders in proportion to the number of shares held and usually at below market price to make the offer attractive.

Savings Deposit Rate: The savings deposit rate is the amount paid by banks for funds withdrawable after seven days' notice. This restriction is however, seldomly applied.

The Nominal, and Real Exchange Rate: The nominal exchange rate is the price of one currency relative to another. The real exchange rate is the nominal exchange rate deflated by changes in relative prices.

Total Reserves – the sum of required reserves and excess reserves.

Vault Cash: Deposit money banks keep "petty cash" in their vaults for emergency transactions before they can access their accounts with the CBN. The amount so kept is called vault cash.

Ways and Means Advances constitute a portion of credit by the CBN to the government. These are temporary loans to government to bridge shortfall in revenue. Statutorily, the CBN is not to give more than 12.5 per cent of government's current revenue.

Yield Curve: Shows the relationship between the rate of interest and the time to maturity of different financial assets.



APPENDIX D

MONETARY POLICY COMMITTEE DECISIONS IN 2008

Meeting Number	Meeting Date	Decisions
201 st MPC Meeting	February 5, 2008	<p>The Monetary Policy Committee of the Central Bank of Nigeria met on 5th February 2008 to review the major domestic and international macroeconomic developments and observed that the outlook for 2008 while being positive has many elements of uncertainty.</p> <p>The Committee, therefore, decided:</p> <ol style="list-style-type: none"> 1. To leave the Monetary Policy Rate (MPR) unchanged at 9.5 per cent 2. To continue the use of open market operations (OMO) for liquidity management and appropriate exchange rate policies
202 nd MPC Meeting	April 1, 2008	<p>The Committee noted that despite the stability in the economy during the quarter, there were many uncertainties that could threaten the single digit inflation objectives of the Bank. These include; the impact of the growth of monetary aggregates in 2007 on the first quarter of 2008; the impact of the continued inflow of foreign private capital into the economy and the actual and potential effect of the recent sharing of the naira equivalent of the excess crude oil revenue as well as the scheduled distribution of the second round in June, 2008. The significant increase in expenditure in the proposed budget which would lead to fiscal deficits in the next two quarters.</p> <p>The Committee decided as follows to:</p> <ol style="list-style-type: none"> 1. raise the MPR by 50 basis points from 9.5 per cent to 10 per cent; 2. issue treasury bills for liquidity management; and 3. increase the sale of foreign exchange as the need arises.
203 rd MPC Meeting	June 2, 2008	<p>The Committee noted the upward oil and food price movements, the fiscal expansion, and the international financial market conditions that could threaten the Central Bank's objective of low and single digit inflation.</p> <p>The Committee decided as follows:</p> <ol style="list-style-type: none"> 1. strengthen the use of instruments such as open market operations and special sale of foreign exchange; 2. raise the MPR by 25 basis points from 10.0 per cent to 10.25 per cent; 3. increase the CRR by 100 basis points from 3.0 per cent to 4.0 per cent with effect from June 09, 2008; and 4. set up a technical committee to work out other intervention securities to further strengthen the effectiveness of liquidity management.
204 th MPC Meeting	August 5, 2008	<p>The Committee observed that despite the stability in the exchange rate of the naira, the macroeconomic outcomes were mixed as the key interest rates and inflation maintained an upward trend.</p> <p>The Committee decided as follows:</p> <ol style="list-style-type: none"> 1. The MPR will remain unchanged at 10.25 per cent since the core inflation is expected to remain at a relatively moderate level. 2. After reviewing developments in the financial market and the misplaced perceptions that the interest rate trends are linked to the requirement of a common year-end, the MPC decided that the common year-end for banks would no longer be a requirement and therefore left to the decision to the discretion of the banks. <p>In order to ensure a transparent pricing regime in the money market and</p>

		thereby foster healthier competition, banks are required to fully disclose to the public their deposit rates as well as their base lending rates and other charges for all the sectors of the economy. These should be published on their respective websites and updated daily. The banks are required to report these rates to the CBN to enable the Bank to publish a summary of the rates for each deposit money bank every month.
205 th MPC Meeting	September 18, 2008	<p>The Committee noted that Nigeria's economic fundamentals remained strong despite the global financial turmoil. In order to ensure the smooth functioning of the financial markets and the economy in general, the Committee decided to lubricate the system.</p> <p>The Committee, thus, decided to:</p> <ol style="list-style-type: none"> 1. reduce the MPR from 10.25 per cent to 9.75 per cent; 2. reduce CRR from 4 per cent to 2 per cent with immediate effect; 3. reduce the liquidity ratio from 40 per cent to 30 per cent; 4. allow repo transactions against eligible securities for 90 days, 180 days and 360 days; and 5. the CBN will now buy and sell securities through the two-way quotes.
206 th MPC Meeting	December 11, 2008	<p>The Committee noted that despite the stability in the economy during the period, there were challenges in the international oil market involving slack demand from advanced economies and declining oil prices that could weaken Nigeria's fiscal and external payments positions in 2009.</p> <p>The Committee, thus, decided to:</p> <ol style="list-style-type: none"> 1. Leave the MPR unchanged at 9.75 percent; 2. Reduce banks' foreign exchange net open position from 20.0 to 10.0 percent of shareholders funds with effect from Monday December 15, 2008; and <p>CBN to participate actively in the daily inter-bank foreign exchange market by buying and selling through the 2-way quotes.</p>

APPENDIX E

POLICY CIRCULARS AND GUIDELINES ISSUED IN 2008

1. BANKING OPERATIONS

S/N	Reference No.	Name of Circular	Date Issued	Remarks
1.		Harmonization of Participants' Codes on the CIFTS Database at CBN and Participants' TAD	January 2, 2007	<p>It has been observed that the codes on the cheque books of some CIFTS participants are different from that on the CBN Inter-bank Funds Transfer System (CIFTS). In view of this, the Central Bank of Nigeria is in the process of harmonizing the codes for all the CIFTS participants.</p> <p>All the CIFTS participants are therefore required to collect the 'sql' scripts and the procedure from the CBN Lagos, Information Technology Department on January 4, 2008, for effective harmonization of the codes thereafter.</p> <p>Please note that it is mandatory that all the participants implement the 'sql' script on Saturday January 5, 2008.</p>
2.		Clearing House Operations in the New Awka Clearing Zone	February 14, 2008	<p>Further to the meeting held with deposit money banks in Lagos on February 6, 2008 where the operational issues connected with the opening new CBN branches discussed; please be informed that the new CBN Branch, Awka would be commissioned on Thursday, February 21, 2008.</p>
3.		Observed Irregularities in Portfolio Holdings of Banks and Discount Houses	February 27, 2008	<p>The Central Bank of Nigeria has observed some irregularities in the portfolio holdings of some banks and discount houses as a result of their Open Buy Bank (OBB) and other transactions carried out using the Temenos Internet Banking (TIB). These irregularities were due to the challenges experienced in T24.</p> <p>Although some of these problems and their causes have been discovered and resolved, we however request all Banks and Discount Houses who had OBB and other transactions during the period to fully reconcile their portfolio positions by auction identification number and maturity dates and report any shortfall or over-stated portfolio balances in any of the instruments to the Director, Banking Operations Department, Central Bank of Nigeria Abuja or Lagos on or before the close of business on Friday, February 29, 2008 (see attached template as a guide).</p> <p>Any shortfall in portfolio holdings that is not detected and reported to the CBN after this deadline will not be treated, while any over-stated portfolio holdings not detected and reported will attract severe sanctions.</p> <p>While we regret the inconveniences the challenges experienced in the operation of T24 may have caused your organization during the period, we wish to solicit your full cooperation in resolving any outstanding issues on your portfolio holdings.</p>
4.		New Appointments of Money Market Dealers in Money Market Instruments	April 10, 2008	<p>The Money Market Dealers (MDDs) in money market instruments, which was appointed in 2007, have operated for twelve months. The CBN has therefore concluded a review of the performances of the MDDs in accordance with the criteria set in the guidelines.</p>

				<p>Following the outcome of the review, the CBN hereby invites new applications for a limited number of MMDs. Interested MDDs may therefore obtain application forms for new membership from the office of the Director, Banking Operations Department CBN Abuja or Lagos.</p> <p>Copies of the guidelines on MDDs will also be issued along with the applications forms as from April, 14, 2008. Duly completed application forms should reach the Director, Banking Operations, CBN Abuja not later than April 21, 2008.</p>
5.		Clearing at the New CBN Currency Centres	April 1, 2008	<p>As you are aware, the Central Bank of Nigeria had recently opened four new branches at Awka, Lokoja, Umuahia and Asaba. Two others are scheduled to be opened soon at Oshogbo and Gombe. Enhancing the efficiency of the payments system is a key consideration in the drive to embark on the expansion of the branch network of the Bank.</p> <p>To this end, all clearing banks are reminded of the need to apply for membership of the new clearing houses of these new currency centres forthwith. Please note that clearing by banks' branches located in the new clearing zones at their former clearing centres shall cease, with effect from Monday, April 21, 2007, except Gombe which shall be with effect from April 27, 2008.</p>
6.		Harmonisation of Clearing Cycles to Three Working Days	April 22, 2008	<p>Recall that on July 2, 2007, the Central Bank of Nigeria, in collaboration with the Bankers Committee, reduced the clearing cycle for up-country payment instruments from six (T+5) to four (T+3) working days. In order to build on the success of that initiative, the deposit money banks were informed in a letter that the two clearing cycles would be collapsed into one. As a follow-up to that letter, a meeting with the banks and other stakeholders was held on Tuesday April 22, 2008 at which it was agreed that the up-country clearing cycle should be merged with the local clearing cycle of three working days.</p> <p>Consequently, the Management of the Central Bank of Nigeria has approved the harmonization of the two clearing cycles to three working days with effect from 5th May 2008. As from that date there would be three working days uniform clearing cycle for the country and the dichotomy between up-country and local clearing cycles would cease to exist. The harmonization exercise, as in the reduction in up-country clearing cycle, is expected to positively impact business processes and reduce the waiting period for the receipt of value for instruments lodged in banks.</p> <p>The deposit money banks are therefore requested to note the commencement date and the need for cooperation with the monetary authorities to make this initiative succeed as in the past.</p>
7.		Re: Issues with Portfolio Position of Financial Institutions	September 03, 2008	<p>Our circular, Ref. No. BOD/DIR/CIR/2008/GEN/03/07 dated February 27, 2008 requesting financial institution with differences on their securities portfolio refers.</p> <p>While acknowledging responses on portfolio positions with shortfalls, it has been observed that no institution report on excess portfolio.</p>

				<p>By this circular therefore, all institutions with excess securities portfolio, are requested to forward detailed reports accordingly.</p> <p>The report should be forwarded to the office of the Director, Banking Operations Department not later than September 12, 2008.</p>
8		Simultaneous Login of an Originator and Approver on the RTGs	September, 05, 2008	<p>Following complaints received from CIFTS participants on the inability of at least two users (approver and originator or two approvers) to login and work simultaneously on the RTGS, the CBN has examined the issue and resolved the challenges. It has also simulated the situation and successfully created a minimum configuration for each participants' database to enable at least one (1) approver and one (1) originator to work simultaneously.</p> <p>Attached herewith is the procedure to enable each participant carry out the same configuration on its RTGS system.</p>
9		Extension of Timeline for Migration from Magnetic Stripe to CHIP+PIN/EMV	September 11, 2008	<p>Recall that section 1.4.2c of the e-banking guidelines issued in August 2003 by the CBN stipulates that "in view of the demonstrated weaknesses in the magnetic stripe technology, banks should adopt the chip (smart card) technology as the standard, within 5 years".</p> <p><i>You are by this circular therefore required to cease the issuance of new magnetic strip cards with effect from April, 2009. However, previously issued magnetic stripe cards should be withdrawn on expiration of the cards and not as at April, 2009.</i></p> <p><i>Please note that no further extension would be granted.</i></p> <p>Failure to comply with this directive will attract severe sanctions which would include but not limited to withdrawals of approval and imposition of penalty.</p>
10		Maximum Cap on Cheque Payment	September 11, 2008	<p>In line with its drive to enhance the efficiency of the payments, system and after due consultation with the stakeholders in the industry, the CBN hereby set the maximum cap on cheque payments at N10 million with effect from October, 2 2008.</p> <p>Any payment for value than 10 million should therefore pass through electronic mode such as the CBN Inter-Bank Funds Transfer System, NIBSS Fast Funds, etc.</p> <p>The maximum cap serves as a risk reduction measure in the net settlement arrangement in compliance with international best practice.</p> <p>The DMBs are advised to educate their customers towards ensuring a successful implementation of the policy.</p>
11		Amendment to the Central Bank of Nigeria Expanded Discount Window Guidelines - CBN REPO	September 23, 2008	<p>Following the decision of the Monetary Policy Committee at its special meeting of September 18, 2008 to extend the tenured Repo at the CBN Discount from 1-7 days, to 360 days, the Operational Guidelines of the Central Bank of Nigeria Discount Window (July 2005), Section 3 (iii) is hereby amended as follows:</p>

				<p>Financial facility at the Discount Window of the CBN shall be for a period not exceeding 360 days.</p> <p>This amendment, however, is without prejudice to other provisions in the said guidelines.</p>														
12		Expansion of the Tenor of CBN REPO	October 8, 2008	<p>Following a review of recent developments in the financial market, especially the current liquidity crunch, the CBN hereby expands the tenor of repo instruments at the CBN window from 1-7 days to 1-360 days.</p> <p>The report operations would continue to be in treasury securities i.e. Treasury Bills and Bonds issued by the Federal Government.</p> <p>The expansion will afford all CBN counterparties the opportunity to access relatively long term funds from the CBN window with the prescribed eligibility securities.</p> <p>The CBN shall provide the repo facility for the different tenors at rates specified below. The rates would however be subject to review depending on prevailing market conditions.</p> <p>REPO RATES FOR CBN DISCOUNT WINDOWS</p> <table> <tr> <td>1-3 days</td> <td>MPR</td> </tr> <tr> <td>4-7 days</td> <td>MPR Plus 25 bps</td> </tr> <tr> <td>30 days</td> <td>MPR Plus 125 bps</td> </tr> <tr> <td>60 days</td> <td>MPR Plus 175 bps</td> </tr> <tr> <td>90 days</td> <td>MPR Plus 195 bps</td> </tr> <tr> <td>180 days</td> <td>MPR Plus 300 bps</td> </tr> <tr> <td>360 days</td> <td>MPR plus 400 bps</td> </tr> </table>	1-3 days	MPR	4-7 days	MPR Plus 25 bps	30 days	MPR Plus 125 bps	60 days	MPR Plus 175 bps	90 days	MPR Plus 195 bps	180 days	MPR Plus 300 bps	360 days	MPR plus 400 bps
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13		Expanded Discount Window Operations	October 28, 2008	<p>In order to ensure a robust operation of the discount window and in the process provide effective and efficient guidance for the conduct of monetary operations, the Central Bank of Nigeria hereby expands its discount window operations.</p> <p>The key elements of the Expanded Discount Window operations include:</p> <ul style="list-style-type: none"> • The provision of two categories of facilities, namely: the overnight standing facility and the fixed tenor repo; • The increase in the tenor of borrowing from the window from the window from overnight to 360 days; • The increase in the number of financial instruments acceptable as collateral in the Window to include non-federal government securities. • The widening of the base of the financial markets from which the instruments are drawn; and • The broadening of financial innovations to support the operations of the Discount Window. <p>Details of the Guidelines on the Expanded Discount Window Operations are as contained in the attached document.</p> <p>All operations in the money market are to be guided by the provisions in the Guidelines, and may wish to contact the undersigned clarifications are needed.</p>														

2. BANKING SUPERVISION

S/N	Reference No.	Name of Circular	Date Issued	Remarks								
1.	BSD/DIR/GEN/CIR/01/001	Re Moderation of Interest Rates	February 25, 2008	<p>It will be recalled that the CBN on July 31, 2002 issued a circular with the above title. This was based on the developments in the economy as at that time as it sought to moderate interest rates in the system. The circular, in reference to a tripartite agreement between the Federal Government, the CBN, and the banks reminded banks to keep faith with their agreement to restrict their lending rates to a maximum of 400 basis point above the Minimum Rediscount Rate (MRR).</p> <p>Subsequent developments in the economy led to the adoption of a market based framework for monetary policy management with the Monetary Policy Rate (MPR) replacing the MRR.</p> <p>Although the new regime of monetary policy management had since become operational, this circular is intended to formally confirm to banks that the policy of restriction in banks lending rates to a maximum of 400 basis points above the Minimum Rediscount Rate (MRR) had long ceased to be operational.</p>								
2	BSD/DIR/GEN/CIR/02/004	Circular to all Banks and Discount Houses on Common Accounting Year End	May 16, 2008	<p>In order to further enhance the level playing field, past banking sector reforms, it has become necessary to adopt a uniform accounting year end in the industry. As agreed at the Bankers' Committee meeting of January 2008, December 31, has been adopted as a common accounting year end, which should take effect from 2008.</p> <p>Consequently, the directors of all banks and discount houses are hereby advised, as a first step, to pass a resolution to that effect and inform the relevant agencies in line with S.334 (4) of Companies and Allied Matters Act (CAMA) 1990, as amended.</p> <p>Furthermore, directors of bank and discount houses are reminded to streamline the year ends of their subsidiaries in line with S.334 (5) of CAMA, 1990 as amended.</p> <p>Banks and discount houses are to note that internationally accepted accounting practice provides for a maximum accounting period of eighteen (18) months. In the circumstance, banks whose year ends, coincide with December 31, should forward their full year's account for the CBN approval not later than three months after the year end. Those whose year ends fall between January - May, 2008 are advised to submit the normal audited accounts (12 months) for the CBN approval and thereafter, submit the pro-rated period to December 31, 2008 as follows:-</p> <table border="0"> <thead> <tr> <th>Current year end dates</th> <th>Period to December 31, 2008</th> </tr> </thead> <tbody> <tr> <td>January 31, 2008</td> <td>11 Months</td> </tr> <tr> <td>February 29, 2008</td> <td>10 Months</td> </tr> <tr> <td>March 31, 2008</td> <td>9 Months</td> </tr> </tbody> </table>	Current year end dates	Period to December 31, 2008	January 31, 2008	11 Months	February 29, 2008	10 Months	March 31, 2008	9 Months
Current year end dates	Period to December 31, 2008											
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				<p>April 30, 2008 8 Months May 31, 2008 7 Months June 30, 2008 Option 12 Months or 18 Months July 31 to Nov. 30 2008 Elongate to Dec. 31,2008</p> <p>The audited accounts for the pro-rated period should be submitted not later than three months after the year end for the CBN appraisal and approval for publication in line with S.27 & 28 of BOFIA, 19991, as amended.</p> <p>The accounts for December 31, 2008 should be submitted latest my March 31, 2009, while failure to comply with the deadline will attract appropriate sanctions.</p>
3.	BSD/DIR/DIR/GEN/02/005	Re: Treatment of Goodwill and Merger and Acquisition Expenses.	July 16, 2008	<p>It will be recalled that the Central Bank of Nigeria (CBN) issued a circular number BSD/24/2006 dated October 17, 2006 titled “CIRCULAR TO ALL BANKS ON THE TREATMENT OF GOODWILL AND MERGER AND ACQUISITION EXPENSES”. The circular required banks desiring to pay dividend to apply for CBN approval to write off goodwill that arose from the December 2005 consolidation from Share Premium or General Reserve. WE have however, noted that the current business environment and the Statement of Accounting Standard (SAS) 26 recently issued by the Nigerian Accounting Standard Board (BASB) make it inappropriate to allow the above provision to subsist.</p> <p>Consequently, the said circular has been reviewed and item 5(iii) in the circular under reference is lo longer applicable. Banks are henceforth required to adhere strictly to the provisions of SAS 26 and other relevant subsisting enactments or regulations in their financial reporting with respect to the treatment of goodwill and Merger and Acquisition Expenses.</p> <p>All operators are to note that sections 511) & 5(ii) of the stated circular are still in force.</p>
4	BSD/DIR/GEN/CIR/02/006	Re: Circular to all Banks and Discount Houses on Common Accounting Year End	July 31, 2008	<p>It will be recalled that the Central Bank of Nigeria vide its Circular reference BSD/DIR/GEN/CIR/VOL.2/004 dated May 16, 2008, in order to further enhance the level playing field past banking sector reform, adopted December 31, 2008 as common accounting year end for banks and discount houses. This decision was in line with the agreement reached at the Bankers' Committee meeting of January 2008.</p> <p>However, the Banks has observed with concern the desperate behavior of some banks especially in the area of deposit mobilization, which ahs resulted in the hiking of interest rates at levels that are not only inconsistent with economic fundamentals, but have become a threat to market stability.</p> <p>Consequently, the CBN has postponed the requirement for the adoption of a uniform accounting year-end in the banking industry from December 2008 to December 2009.</p>
5	BSD/DIR/CIR/GEN/02/008	Circular to all Banks and Discount Houses on Cancellation of	August 6, 2008	<p>The CBN vide its earlier circular ref: BSD/DIR/CIR/GEN/02/004 of May 16, 2008 had conveyed the agreement reached at the Bankers' Committee meeting of January2008 to adopt December 31, 2008 as common accounting year end for banks and</p>

		Common Accounting Year End		<p>discount houses in Nigeria.</p> <p>The commencement of this policy in the industry was however postponed via a follow-up circular ref: BSD/DIR/CIR/GEN/02/006 of July 31, 2008 as a result of the observed unhealthy trend/development in the industry whereby some banks were mobilizing deposits at very high interest rates that were inconsistent with economic fundamentals which was becoming a threat to market stability.</p> <p>The CBN had at its Monetary Policy Committee meeting of 5th August 2008 further reviewed the policy in the light of the developments in the economy and the misplaced perception that the interest rate trends are linked to the requirement of common year end and therefore decided that the common year end will no longer be a requirement. Consequent, each bank and discount houses is now at liberty to adopt its own accounting year end as it deems appropriate and inform the CBN accordingly.</p> <p>This circular supersedes our earlier circular erroneously dated 25th August 2006, on the same subject.</p>
6	BSD/DIR/CIR/02/007	Reduction in the Period for Submission of Statutory Returns to the CBN and NDIC	August 13, 2008	<p>Further to our circular BSD/DIR/CIR/GEN/01/014 of November 01, 2007 on the above subject, all banks and discount houses are hereby informed that, the period for the submission of daily returns to the CBN and NDIC through the eFASS has been reduced. Henceforth, all such returns shall ball due not later than 10.00 a.m. of the following day instead of the previous 3.00 p.m.</p> <p>The circular takes immediate effect.</p>
7	BSD/DIR/CIR/GEN/02/009	Return on Interest Rates on Deposits and Loans	August 26, 2008	<p>With the deregulation of interest rates on deposits and lending by banks, there is the need to engender greater transparency in the pricing and provision of banking services.</p> <p>Consequently, all banks are required to submit on monthly basis (25th of every month) to the CBN their interest rates on deposits and lending. Lending rates (prime and maximum) should be inclusive of all charges and commissions. The information which should be provided in the attached template would be pasted monthly on the CBN website for the information of the general public. The individual banks are to ensure that the same is posted on their website as well.</p>
8	BSD/DIR/CIR/GEN/02/010	Re-Scheduling of Specific Debts	October 2, 2008	<p>Several banks have recently indicated their desire to re-schedule some of their capital market related exposures.</p> <p>Their desire was informed by the strict consideration of section 2.3 of the Prudential Guidelines which provides the grounds for reclassifying non-performing facilities.</p> <p>Given that the facilities should have been structured for a much longer period from the beginning, the CBN is, by this circular allowing such facilities to be restructured for a longer period between now and December 31, 2009.</p> <p>It should be NOTED that the forbearance is specifically for only loans made for the purchase of shares in the Nigerian</p>

				Stock Exchange.
9	BSD/DIR/CIR/GEN/02/014	Circular to all Banks on Off-Shore Expansion	October 7, 2008	<p>The Central Bank of Nigeria has observed with serious concern the aggressive expansion by banks, particular cross border, in the recent past. These involve additional risks.</p> <p>While, the Central Bank of Nigeria appreciates the need for Deposit Money Banks (DMBs) to grow their banks and improve profitability as they seek to deliver value to stakeholders, it is imperative to have in place guidelines that would further strengthen the system and ensure safety and soundness of the financial institutions, both at home and offshore.</p> <p>In the light of the current realities in the banking industry and in line with CBN's risk-based approach to supervision, guidelines on offshore expansion by banks have been approved by the Management of the Central Bank of Nigeria.</p> <p>Consequently, all banks are by this circular, enjoined to adopt the requirements as contained in the attached Guidelines as the minimum requirements for offshore expansion.</p> <p>Minimum Requirements for Offshore Expansion by Banks Documentation:</p> <p>(a) Application Requirements</p> <p>(i) The parent bank should formally request for the consent of the home country regulator to establish a foreign branch or subsidiary</p> <p>(ii) Realistic Feasibility Study should accompany the formal request. All cost elements indicated in the feasibility studies should be critically appraised to ascertain the viability of the proposed subsidiary. The feasibility study should be accompanied by a market survey to support the projected market share.</p> <p>(iii) Extract of the parent bank's board resolution authorizing the establishment of the foreign branch/subsidiary.</p> <p>(iv) Details of the shareholding structure of the proposed affiliate/subsidiary including the minority shareholders.</p> <p>(v) Memorandum and Articles of Associate of the proposed affiliate/subsidiary.</p> <p>(vi) Copy of Certificate of Incorporation of the proposed affiliate/subsidiary.</p> <p>(vii) Organogram and detailed profit of the directors and key management personnel of the proposed subsidiary.</p> <p>(viii) An undertaking by the host regulator to make future examination reports, management letters, audited reports and any other reports, on the</p>

				<p>subsidiary considered necessary to aid the supervision of the entity available to the Director of Banking Supervision.</p> <p>(ix) Pro-form consolidated financial statement</p> <p>(x) Pro-forma consolidated regulatory capital calculation</p> <p>(xi) Host country capital computation rules</p> <p>(xii) Provision put in place to keep records of the activities of the branch/subsidiary in English where it is located outside English speaking environment.</p> <p>(xiii) Due diligence report on the investee company (where existing company is to be acquired in whole or in part).</p> <p>(b) Prudential/Statutory Requirements</p> <p>(i) Financial Condition of the parent bank for the past 12 months should be sound in terms of liquidity, capital adequacy etc.</p> <p>(ii) The parent bank should have operated profitably for the past two years, should be reflected in the bank's Audited Accounts.</p> <p>(iii) Availability of free funds.</p> <p>(c) Risk Management System Requirement</p> <p>(i) The management should submit a detailed Enterprise Risk Management framework of the Proposed subsidiary, highlighting the impacts on the parent bank.</p> <p>(ii) Operational Control: The parent bank should give details of how the operations of the subsidiary would be monitored from the home country.</p> <p>(d) Business Plan & Strategy</p> <p>(i) The Parent bank should forward the Branch Subsidiary's expansion Strategic plan covering a minimum period of 5 years stating clearly the phase and timelines for implementation.</p> <p>(ii) The provision of BOFIA requires that the parent bank's aggregate investment in all its subsidiaries is subject to a limit of 25% of the paid up capital and statutory reserves.</p> <p>(e) Supervisory Obligations</p> <p>(i) No subsidiary bank would (whether foreign or local) be allowed to open another subsidiary/associate without the express permission of the CBN.</p> <p>(ii) The bank should furnish the CBN with a status report on previously approved expansion in respect of branches/subsidiaries..</p> <p>(iii) The bank should have substantially complied</p>
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				<p>with key provisions of the Code of corporate governance for banks in Nigeria before new request for foreign branch expansion and establishment of subsidiaries are processed.</p> <p>(iv) Banking laws and guidelines for the licensing of Financial Institutions issued by the host country regulator should be included in the application for review. Where this is found inadequate, onsite visitation of the subsidiaries should be carried out to complement the supervision of the host country supervisors.</p> <p>(v) Report on the regulatory environment of the host country highlighting any possible restrictions which could limit CBN's ability in exercising its regulatory powers on the subsidiary.</p> <p>(vi) CBN should enter into an MU with the host country regulator in order to facilitate exchange of information if none is available at time of application.</p> <p>(vii) The existence and implementation of Enterprise Wide Risk Management Framework approved by the Board of the bank is a prerequisite for further branch/subsidiaries investment/expansion.</p> <p>(viii) The parent bank should accompany its application for investments in subsidiaries with an internal Capital Adequacy Assessment Process (ICAAP) in the host country.</p> <p>B Procedure</p> <p>(a) The application would be examined against the following</p> <ul style="list-style-type: none"> <input type="checkbox"/> Benefit (justification) accruable from the location <input type="checkbox"/> The capacity of the parent bank to cope with further expansion considering its free funds, capital adequacy liquidity and management effectiveness. <p>(b) The detailed feasibility report would be critically reviewed considering among others things the following areas:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Viability of the proposed branch/subsidiary; <input type="checkbox"/> Range of products; <input type="checkbox"/> Estimated initial capital expenditure and other operational costs, in naira and foreign exchange, for the proposed branch/subsidiary, with breakdown of the estimates. <input type="checkbox"/> Sources of foreign exchange to finance the establishment and running of the branch/subsidiary for the initial period of operations; <input type="checkbox"/> Financial projections for at least 3 years-including balance sheet and profit and loss accounts and notes and assumptions on the projections. <input type="checkbox"/> Appraise the personnel requirements and the Curriculum Vitae (CV) of the proposed staff to ensure that they have the requisite experience and skills for
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				<p>effective management of branch/subsidiary;</p> <p>(c) The parent bank's enterprise risk management framework should be reviewed in relation to the impact of the subsidiary on the parent and mechanism put in place to monitor the operations of the branch/subsidiary;</p> <p>(d) There shall be focus on Corporate Governance to ensure key provisions have been substantially complied with.</p> <p>(e) Status report on previous approvals as regard foreign subsidiary/branch shall be reviewed to ascertain the level of institution. Revalidation shall come by way of fresh application with appropriate documentation.</p> <p>(f) The existence of an MOU with the host country would be ascertained. If none exist, the attention of the CBN Management would be drawn to the need to put one in place.</p> <p>(g) The bank's submission shall be appraised to determine the capability of host country supervisor. Where this is found to be inadequate, onsite visitation of the subsidiary shall be recommended to complement the supervision by the host supervisor.</p> <p>(h) Based on the above, a report with an appropriate recommendation shall be prepared for the consideration of the CBN Management.</p>
10	BSD/DIR/CIR/GEN/02/008	Request for Information on Loans from and Assets held in foreign Financial Institutions by Nigerian Bank	October 9, 2008	<p>It is important that the Central Bank of Nigeria has accurate and complete information on the exposure of foreign institutions to Nigerian banks and the value of assets held by Nigerian banks in foreign financial institutions. This will put the CBN in a better position to take appropriate regulatory actions to protect the Nigerian financial and banking system.</p> <p>To this end, all banks are requested to forward to the Director of Banking Supervision Department not later than Monday October 13, 2008, accurate and complete information on the exposure of foreign financial institutions to them directly and indirectly, and also their assets held in foreign financial institutions in line with MBR 331 and MBR 335, respectively.</p> <p>The requested returns should be signed by the managing Director/CEO and the Financial Controller. Subsequently, the returns should be rendered to the Director of Banking Supervision, monthly as required by the eFASS.</p>
11	BSD/DO/CIR/GEN/02/013	Reform of Discount Houses in Nigeria	October 9, 2008	<p>In view of the developments in the financial system and the need to deepen the money and capital markets, the Central Bank of Nigeria has approved the following changes with regard to the operations of discount houses in Nigeria.</p> <ol style="list-style-type: none"> Without prejudice to Section 13 of the existing guidelines for discount houses dated April 27, 2004 the ownership base of the discount houses

				<p>has been expanded to include individuals and other corporate bodies.</p> <p>2. Further, discount houses are now allowed to undertake other financial services besides those specified in Section A4 of the existing guidelines, subject to meeting the risk-based supervisory requirements and the statutory capital as may be specified by the relevant regulatory bodies.</p> <p>The revised operational guidelines will be issued shortly.</p>
12	BSD/DO/CIR/GEN/02/011	Additional information Requirements and Directive on Western Union Money Transfer Operations in Nigeria (WUMT)	October 10, 2008	<p>Given the absence of a fool-proof means of personal identification and the need to ensure that WMT operations in Nigeria are carried out in a transparent and safer manner, banks are required to put in place in the following additional safeguards and communicate these to WMT international and their customers:</p> <ol style="list-style-type: none"> 1. Funds transferred shall only be collected in the designated town for payment and nowhere else; 2. Bank shall investigate customers complaint within one week before referring the beneficiary to the sender for onward complaint to WMT international: and 3. The copy of beneficiary's photograph forwarded by WUMT to the banks should be personally produced by the beneficiary at the point of collection before payment is made. <p>In cases where these safeguards are not strictly applied, banks will be held liable and shall be made to refund any amount paid to wrong beneficiaries.</p>
13	BSD/DIR/CIR/GEN/02/015	Directive to Forward the Account Details of the Following Illegal Fund Managers/"Wonder Banks" to the CBN	October 15, 2008	<p>You may recall that the Securities and Exchange Commission (SEC) had obtained a favourable judgment by the Investments and Securities Tribunal (IST) against the following companies:</p> <ol style="list-style-type: none"> 1. Art Master & Co. Ltd 2. Cyber International Ltd 3. Fortune Access Interlinks Network 4. Gold Power Unique Service Ltd 5. Gorutrans Nigeria Co. Ltd 6. Interglobal Investment Ltd 7. Money Field Ltd 8. New Freedom Diversified Investment Ltd 9. Open Gate Multipurpose Investors Ltd 10. Orion Express Global Services Ltd 11. Pennywise Investment Ltd 12. Positive Move International Nigeria Ltd 13. Precious Golden Profile 14. Real and Cool Wealth International Ltd 15. Shola Olarenwaju Ayinke (Sefteg Nigeria Company); 16. Silvertrust Global Investment 17. Successpoint International Investment Ltd 18. Torid Investment Ltd 19. Treasured Fund Assets Ltd 20. Vikel Petroleum Ltd 21. Wealth Concepts Global Ltd 22. Wealthgage Multibiz Int. Ltd 23. Wealth Interlink Agency Ltd 24. Wealth Solution Ltd 25. Wealth Transfer and Logistic Ltd

				<p>26. Wilson O. Wilson (Doing business in the name and style of Wilamas Ventures 27. Wisdom Investment Nig Ltd and 28. Nospetco Oil and Gas Ltd</p> <p>You are please requested to forward to us the account details of the above listed companies from 4th December, 2007 to date. The details should include the account numbers, number of accounts held, branches they were opened, names and addresses of the signatories to the accounts, the balances as at 4/12/07; 31/12/07 and 30/9/08. You are however required to provide a NIL return where no account has been opened in your bank in any of the above names. Similar information should also be provided on related accounts to these companies, their owners and operators to avoid any type of information-gap.</p> <p>You response should reach the Director of Banking Supervision within 7 days (22nd October, 2008) of the date of this Circular.</p>
14	BSD/DIR/CIR/GEN/02/016	De-Marketing of Banks by Other Banks	October 21, 2008	<p>It will be recalled that the CBN had earlier issued a circular reference BSD/08/2006 on the above subject titled "The unethical and Unprofessional Practice of De-Marketing Colleagues/Other Banks in the Industry by Spreading False Rumours", dated 12, 2006. The CBN has again noted with serious concern the recent practice whereby some officers of deposit money banks engage in the de-marketing of other banks though disparaging comments and the use of negative test messages.</p> <p>This development, which constitutes a threat to the safety and soundness of the banking system, is unprofessional, unethical and unacceptable. Banks and their staff are by this circular reminded that the responsibility of ensuring the safety and soundness of the banking system is a collective one for all stakeholders.</p> <p>Banks are therefore advised to caution their staff on this practice and henceforth, any staff of a bank found to be involved in such an act will be summarily dismissed and blacklisted. Also, if another staff of the same bank is involved in such a practice, the institution will face severe sanctions including but not limited to a monetary fine of ₦10 million (Ten million naira only). Appropriate channel will be opened by the CBN for the report of such unwholesome practice by banks' customers and the general public.</p> <p>Furthermore, in the overall interest of the banking system, all banks are advised to enthrone an appropriate corporate culture that would guide against such practices in the future.</p>
15	BSD/DIR/CIR/GEN/V.02/017	Exclusivity Clauses in the Agreements signed by Nigerian Banks with International	November 20, 2008	<p>The attention of the Central Bank of Nigeria has been drawn to the inclusion of exclusivity clauses in the agreements between International Monetary Transfer Operators and their agent banks in Nigeria. Such exclusivity clauses aimed at protecting the interest of the International Money Transfer Operators, constitute a restraint on competition and unnecessarily increase the</p>

		Money Transfer Operators		<p>cost of money transfer services to the users.</p> <p>In the light of the above, all deposit money banks are hereby notified that the Central Bank of Nigeria, henceforth, will no longer approve any money transfer agreements between International Money Transfer Operators and agent banks that contain exclusivity clauses. Consequently, the Central Bank of Nigeria directs all deposit money banks to ensure that exclusivity clauses are not longer included in agreements between them and International Money Transfer Operators and that all existing agreements are reviewed to expunge such clauses. These directives take immediate effect and all banks offering international money transfer services are required to bring this to the attention of their respective International Money Transfer partners, and ensure strict compliance.</p>
16	BSD/DIR/CIR/GEN/V.02/018	Re; Returns on Interest Rates on Deposits and Loans	December 15, 2008	<p>It has been observed that some banks do not submit the above named returns to the Central Bank of Nigeria (CBN) on time to enable it publish it in the Newspapers as earlier agreed with all stakeholders.</p> <p>We wish therefore to remind all banks to submit this information to the CBN on or before the 5th day after the month end to which it relates and to also publish some on their website where the 5th day falls on a week-end or a public holiday, the returns should be submitted on the working day preceding the week-end or public holiday.</p> <p>Any bank that does not comply with this requirement shall be appropriately penalized.</p>
17	BSD/DO/CIR/GEN/V.2/012	Circular to all Banks and International Money Transfer Operators in Nigeria	December 17, 2008	<p>Given the absence of a fool-proof means of personal identification and the need to ensure that money transfer operators in Nigeria are carried out in a transparent and safe manner, all International Money Transfer Operators and their agent banks are required to put in place the following additional safeguards and communicate these to their customers:</p> <ol style="list-style-type: none"> 1. Funds transferred shall only be collected in the designated town for payment and nowhere else; 2. All the money transfer operators in Nigeria should introduce a second level pin/code to the prided by the beneficiaries after confirming the availability of their transactions/funds before payment could be made; 3. All the money transfer operators should ensure adequate information dissemination to enlighten the customers and the beneficiaries of the services, and 4. Banks shall investigate customers' complaints within the shortest possible time before referring the beneficiary to the sender for onward complaint to the money transfer operator. <p>In cases where these safeguards are not strictly applied, banks will be held liable and shall be made to refund any amount paid to wrong beneficiaries.</p>

				This circular supersedes the earlier circular No. BSD/DO/CIR/GEN/V.2/011 dated October 10, 2008.
18	BSD/DO/CIR/V02/12/08	Deployment of Resident Examiners to Banks	December, 31, 2008	<p>The Central Bank of Nigeria will with effect from January 5, 2009 commence the deployment of Resident Examiners to deposit money banks in Nigeria to monitor the observance of safe and sound banking practices and compliance with banking laws, rules and regulations, guidelines/circulars issued by the Bank.</p> <p>The Resident Examiners will continuously monitor and assess the bank's financial condition and risk management system through participation in meetings as observers, review of management reports and discussions with banks official as and when necessary. Pursuant thereto, banks are to note that in addition to powers conferred on bank Examiners by Section 30 of the Banks and Other Financial Institutions Act 1991 as amended, Resident Examiners are also authorized to</p> <ul style="list-style-type: none"> o Attend Board, and Management meetings (including their committees) as observers without hindrance; o Query banks' systems as and when necessary and; o Carry out all other functions necessary to accomplish the objectives of supervision of banks. <p>In view of the above, banks' cooperation is hereby solicited for the provision of adequate and conducive office accommodation for Resident Examiners at their Head Offices.</p> <p>Please, note that no form of entertainment or remuneration should be provided for the Resident Examiners as this will be catered for by the CBN.</p> <p>Finally, banks are to ensure that maximum co-operation and unfettered access to all records and documents are accorded the Resident Examiners.</p>

3. FOREIGN OPERATIONS

<p>Highlights of the special guidelines for Deposit Placement with Nigerian Banks Operating Offshore</p>	<p>October 16, 2008</p>	<p>The object of the Guidelines is to spell out the criteria for the selection of offshore subsidiaries/branches of Nigerian banks as counterparties for CBN for the purpose of deposit placements. These guidelines become necessary as it may be difficult for the Nigerian Banks to meet the stringent CBN investment Guidelines as they affect Foreign Banks/Asset Managers.</p> <p>The Guidelines defined among other things, the following criteria:</p> <ul style="list-style-type: none"> (a) Minimum capitalization requirement of the CBN as may be specified from time to time; (b) Establishment of a subsidiary or branch in any of the OECD countries where the currency is freely convertible. (c) Satisfactory examination report by all relevant supervisory authorities; (d) Maximum exposure of the Bank to any foreign branch/subsidiary of a Nigeria bank shall not exceed US\$100 million or 30 per cent of the branch's/subsidiary's average total monthly deposits over a period of one year, whichever is higher; (e) The maximum maturity of CBN deposits with foreign branch/subsidiary of a Nigerian Bank shall not exceed a period of three months; and (f) The Nigerian Bank Parent Company shall guarantee the deposits placed with its foreign subsidiary.
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4. TRADE AND EXCHANGE

Reference No.	Name of Circular	Date Issued	Remarks
<p>TED/FEM/GEN/01/021</p>	<p>Standards Organization of Nigeria Conformity Assessment Programme (SONCAP) – Addition of New Regulated Products</p>	<p>February 21, 2008</p>	<p>Further to the circulars ref: TED/FEM/GEN/FPC/01/021 and TED/FEM/GEN/FPC/01/091 dated February 21 and July 30, 2007, respectively, all Authorized Dealers and the General Public are hereby informed that the underlisted products have been added to the list of regulated products covered under the Standard Organization of Nigeria Conformity Assessment Programme (SONCAP). The affected products are listed below:</p> <p>GROUP 1 – TOYS Pr. No. 1-01 ITEM: Children Hair Slides and Bands</p> <p>Pr. No. 1-03 ITEM: Baby Crib, Baby Rocker</p> <p>Pr. No. 1-04 ITEM: Sports, Outdoor Games and Other Recreation related Products</p>

			<p>GROUP II – ELECTRICAL & ELECTRONICS</p> <p>Pr. No. 11-06 ITEM: Stationary Cooking Ranges, Hobs Ovens and similar Appliances Remark: Not subject to wattage limit. All types are regulated.</p> <p>Pr. No. 11-09 ITEM: Grills, Toasters and similar portable cooking appliances Remark: Not subject to wattage. All types are regulated.</p> <p>Pr. No. 11-10 ITEM: Floor Treatment Machines and Wet Scrubbing Machines Remark: Not subject to wattage. All types are regulated.</p> <p>Pr. No. 11-13 ITEM: Deep Fat Fryers, Frying Pans and similar appliances Remark: Not subject to wattage. All types are regulated.</p> <p>Pr. No. 11-14 ITEM: Kitchen Machines Remark: Not subject to wattage. All types are regulated.</p> <p>Pr. No. 11-153 ITEM: Electric door bells of all types including those which are DC operated</p> <p>GROUP IV – CHEMICAL PRODUCTS</p> <p>Pr. No. IV-24 ITEM: Flasks, Vacuum ware Remark: All types are regulated.</p> <p>Pr. No. IV-25 ITEM: Bituminous Products including Asphalt</p> <p>GROUP V – MECHANICAL MATERIAL AND GAS APPLIANCES</p> <p>Pr. No. V-12 ITEM: Non-Galvanised Steel and Stainless Steel Bars, Rods, Beams, Angles, Sheets, Pipes including Iron Wire Gauze and</p>
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			<p>Fence Security Barb Steel Wires</p> <p>Pr. No. V-15 ITEM: Ceramic Products, Tiles Sanitary Ware Appliances, Stainless Steel Hand Wash Basin, Pipes and Fittings Remark: All types of ceramic products, tiles, sanitary ware appliances are regulated</p> <p>Pr. No. V-28 ITEM: Hand Tools and similar Products including Screw Driver, Tester, Hydraulic Jack, Bottle, etc</p> <p>Pr. No. V-34 ITEM: Saw Blades and Cutting Discs</p> <p>Pr. No. V-35 ITEM: Measuring devices including Scales, Tapes, Vernier Calipers, etc</p>
TED/FEM/GEN/FPC/01/065	Inclusion of Ilorin International Airport in the Destination Inspection of Imports Scheme	June 30, 2008	<p>This is to notify all Authorised Dealers, Service Providers for Destination Inspection of Imports, Nigeria Customs Service and the general public that the Federal Government of Nigeria has approved with effect from 17th June, 2008 the inclusion of Ilorin International Airport in the Destination Inspection of Imports Scheme. The approval is an addition to lot II currently covered by Messrs SGS Scanning Limited.</p> <p>Consequently, Authorised Dealers are hereby required to accept duly registered Forms 'M' with Ilorin International Airport as "port of discharge".</p>
TED/FEM/FPC/GEN/01/066	Requests for Issuance of Certificate of Capital Importation on Inflows not previously reported	July 1, 2008	<p>This is to inform all Authorised Dealers that request for approval for waiver to issue Certificate of Capital Importation after the mandatory 24 hours, must be supported by evidence that the inflow was previously reported in the statutory returns viz: MTR301, MTR213, MTR214 or MTR306 via eFASS to the CBN.</p> <p>Please ensure compliance accordingly.</p>
TED/FEM/FPC/GEN/01/067	Re: Rendition of Returns by Bureaux De Change through eFASS	July 1, 2008	<p>Further to our circular Ref: TED/FEM/FPC/GEN/01/082 of July 10, 2007 all BDCs are reminded that rendition of the monthly returns is a condition for participation in the direct foreign exchange cash sales.</p> <p>Consequently, with effect from August 1, 2008 all BDCs that are in arrears of their monthly returns rendition would be suspended from the foreign exchange market until they make up all the outstanding returns.</p> <p>Please be guided accordingly.</p>

TED/FEM/FPC/GEN/01/069	Compliance with Destination Inspection of Imports Scheme Guidelines Re: Registration of Forms "M"	July 2, 2008	<p>It has been observed that the incidence of shipping documents predating the registration date of Forms "M" is on the increase. This is contrary to the existing guidelines on import transactions. Accordingly, Authorised Dealers and the general public are hereby reminded that Forms "M" should be duly registered and approved by the Service Providers for Destination Inspection before the commencement of the other import processed, failing which such transactions shall be considered ineligible.</p> <p>For avoidance of doubt, any request for the waiver for the guidelines shall be declined.</p> <p>Please be guided accordingly.</p>
TED/FEM/FPC/GEN/01/074	Submission of List of unclaimed Risk Assessment Report (RARs)	July 15, 2008	<p>It has been observed that some importers have formed the habit of not promptly collecting their Risk Assessment Reports (RARs) from the processing banks. Consequently, all Authorised Dealers that are in receipt of RARs which have remained uncollected after three months are hereby requested to forward the list to the Director, Trade & Exchange Department, CBN, Abuja.</p> <p>The list which should be submitted in soft copy using excel and in the format attached is to be received on or before Wednesday July 30, 2008.</p> <p>Please ensure compliance.</p>
TED/FEM/GEN/FPC/01/075	Clarification on Multi-Country Listed Equities	July 16, 2008	<p>In order to facilitate transactions in the multi-country listed equities that may be crossed from other countries to the floor of the Nigerian Stock Exchange (NSE), Authorised Dealers are hereby advised that the following requirements shall apply precedent to the issuance of the relevant Certificate of Capital Importation (CCI).</p> <ol style="list-style-type: none"> 1. The investor will first submit his share certificate, representing his interest in the company (i.e. company with multiple listing) to the registrar of the company at the alternate jurisdiction with an instruction to transfer comparative value to Nigeria. Thereafter, he will issue a receipt instruction to his Nigerian custodian/bank to receive the share certificate from the alternate Registrar. 2. The alternate registrar will: <ol style="list-style-type: none"> (i) forward the surrendered share certificate to the investor's nominated custodian in Nigeria with authority to facilitate the issuance of comparative or agreed value of shares to the investor in Nigeria; and (ii) send a copy of the letter of authority, notifying the Nigerian registrar. 3. The investor's custodian/bank in Nigeria will submit the share certificate, through a nominated stockbroker, to the relevant Nigerian registrar for

			<p>verification and dematerialization duly supported with the following documents:</p> <ol style="list-style-type: none"> a. Copy of the investor's letter of instruction to the custodian/bank to receive the shares on his behalf. b. Letter of authority by the alternate registrar empowering the custodian to facilitate the transfer of the shares to Nigeria. c. Original copy of the client's Power of Attorney empowering the Nigerian registrar to dematerialize the shares in the case of an individual investor and a Board Resolution in the case of corporate investor. <ol style="list-style-type: none"> 4. The Nigerian registrar will submit the verified share certificate of the Central Securities Clearing System (CSCS) for dematerialization into the client's nominee or segregated account at the CSCS. 5. CSCS will issue a letter of confirmation to the investor's custodian/bank, stating that the shares have been dematerialized into the relevant account maintained for that purpose. 6. On receipt of a letter of confirmation, the investor's custodian/bank will issue a CCI for the value of the dematerialized shares in line with CBN extant guidelines/policy on the subject. 7. The investor can thereupon, at anytime of his choice, issue a sale order to his broker to trade the shares on the floor of the Nigerian Stock Exchange. 8. The proceeds of the divestment can be repatriated or re-invested in accordance with the existing regulations. <p>Authorised Dealers are enjoined to note and ensure compliance accordingly.</p>
TED/FEM/FPC/GEN/01/87/08	Implementation of the year 2008 Fiscal Policy Measures and Tariff Amendments	August 21, 2008	This is inform all Authorised Dealers and the General Public that the Federal Government has approved some Fiscal Policy Measures and Tariff Amendments for 2008 Fiscal year, the details of which are attached herewith.
TED/FEM/FPC/GEN/01/091	Increase in the Amount of USD sold to Bureaux De Change Operators	September 1, 2008	<p>Further to the Circular Ref: TED/AD/62/2006 of April 4, 2006, Authorised Dealers and Licenced Bureaux de Change Operators are hereby notified that Management has approved the increase in the maximum amount sold to each BDC from US\$200,000.00 to US\$300,000.00 per market session. This increase takes effect from Thursday, September 4, 2008.</p> <p>In addition, all BDCs are once again enjoined to operate in strict compliance with the provisions of extant guidelines as well as the provisions of the</p>

TED/FEM/PFC/GEN/01/121	Re-Pre-shipment Inspection of Crude oil Exports	November 11, 2008	<p>Money Laundering Act.</p> <p>Further to the CBN circulars referenced TED/AD/117/2004, TED/AD/126/2004 and TED/FEM/GEN/FPC/011/07 dated 11th October and 8th November, 2004 and 26th January, 2007, respectively, Authorised Dealers and general public are hereby notified that the Federal Government of Nigeria has ratified the appointment of Messrs Cobalt International Services Limited for the Pre-shipment Inspection of oil exports in Nigeria with effect from November 1, 2008. Consequently upon that, the following clarifications and amendments to the circulars under reference are made to guide the implementation of the inspection scheme:</p> <p>A. Circular Ref. No. TED/AD/126/2004 dated 8th November, 2004</p> <p>(i) Appointment of Designated Bank In addition to the list of appointed designated banks provided in the circular dated November 8, 2004, Ecobank and Unity Bank Plc are also designated banks</p> <p>B. Circular No TED/FEM/EPC/01/011/07 of 26/01/07</p> <p>(i) Messrs Cobalt International Services Limited shall inspect Crude Oil in addition to inspection of non-oil exports. Consequently, all sections/ subsections that indicate oil and gas stand amended accordingly.</p> <p>(ii) NESS Fee for Crude Oil Export The payable NESS fee of 0.15% stated in section 5 of the circular under reference is now 0.1% of the assessed FOB Value of the crude oil cargo. The NNPC and independent crude oil exports as NESS fee into the new NESS Account opened for oil and gas exports.</p> <p>(iii) Section C(2) of the Circular under reference is amended to read as follows:</p> <p>Without prejudice to the provisions of the relevant contracts, all exports (crude oil and non-oil) out of Nigeria shall be on Free on Board (FOB) or Cost and Freight (CFR) basis.</p> <p>It should be noted that except for the amendments and clarifications stated in this circular, the provisions of the circulars referred to in the first paragraph of this circular still remain valid.</p> <p>All Authorised Dealers are advised to bring the provisions of this circular to the attention of their customers for appropriate guidance and compliance, please.</p>
TED/FEM/FPC/GEN/01/102	Upward Review of	September 25, 2008	This is to inform all Authorised Dealers and the

	Prices of Foreign Exchange Forms		<p>general public that the prices of foreign exchange forms have been reviewed upward as follows:</p> <table> <thead> <tr> <th>Form Type</th> <th>Selling Price per Booklet</th> </tr> </thead> <tbody> <tr> <td>Form 'A'</td> <td>₦1,500.00</td> </tr> <tr> <td>Form 'M'</td> <td>₦3,000.00</td> </tr> <tr> <td>Form 'MC'</td> <td>₦3,000.00</td> </tr> <tr> <td>Form 'NXP'</td> <td>₦3,000.00</td> </tr> <tr> <td>Form 'NCX'</td> <td>₦3,000.00</td> </tr> </tbody> </table> <p>The revised prices take effect from October 1, 2008, please.</p>	Form Type	Selling Price per Booklet	Form 'A'	₦1,500.00	Form 'M'	₦3,000.00	Form 'MC'	₦3,000.00	Form 'NXP'	₦3,000.00	Form 'NCX'	₦3,000.00
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Form 'NCX'	₦3,000.00														
TED/FEM/FPC/GEN/01/127	Addition of Lagos Free Trade Zone(s) (LFTZ) to LOT III of Destination Inspection Scheme	November 24, 2008	<p>This is to inform all Authorized Dealers, Scanning Service Providers and the General Public that the Federal Government has approved the review of lot III being covered by Messrs Global Scan Systems Limited.</p> <p>Consequently, Lagos Free Trade Zone(s) is hereby added to Lot III. With this development, areas of coverage by Messrs Global Scan Systems Limited include, Warri and Calabar Seaports, Ikeja Airport, Grimaldi Concession Terminal, Seme Border Post and Lagos Free Trade Zone(s).</p> <p>Messrs Global Scan Systems Limited has already been directed to put in place all necessary infrastructures and commence operations in the Lagos Free Trade Zone as soon as possible.</p> <p>Authorized Dealers are enjoined to bring to the attention of their customers this new development.</p>												
TED/FEM/FPC/GEN/01/132	Reduction in the Net Open Position of Banks	December 12, 2008	<p>This is to inform all Authorized Dealers that after a careful review of the developments in the foreign exchange market, Management of the Central Bank of Nigeria has approved the reduction of the foreign exchange Net Open Position (NOP) of all banks from 20% to 10% of shareholders funds with effect from December 15, 2008.</p> <p>For the avoidance of doubt, all Authorized Dealers are enjoined to ensure strict compliance with the advised limit in their daily foreign exchange transactions failing which appropriate sanction shall apply.</p>												