



Central Bank of Nigeria

MODALITIES ON IMPLEMENTATION OF CASH POLICY FOR CASH-LESS LAGOS

This is to provide clarifications on the application of the Cash Policy for the Cash-Less Lagos pilot which is set to commence on January 1st 2012. Please note the following:

- **Cash-less Lagos will commence on January 1st 2012.**
- **The following aspects of the policy shall apply from January 1st 2012 in Lagos:**
 - Only CIT licensed companies shall be allowed to provide cash pick-up services. Banks will cease cash in transit lodgment services rendered to merchant-customers in Lagos from December 31st 2011. **Any Bank that continues to offer cash in transit lodgment services to merchants shall be sanctioned accordingly.**
 - 3rd party cheques above N150, 000 shall not be eligible for encashment over the counter. Value for such cheques shall be received through the clearing house.
- **The service charges/fees will not apply until March 30th, 2012**, in order to give people time to migrate to electronic channels and experience the infrastructure that has been put in place. Therefore, banks should continue to encourage their customers to migrate to available electronic channels, and where possible demonstrate the costs that will accrue to those that continue to transact high volumes of cash after March 31st in Lagos.

In addition, find below some pertinent clarifications on the policy, based on the questions that we have received.

- **Location**

- The pilot shall be run in Lagos State.
- **Account Application**
 - The cash-policy applies to all accounts, including COLLECTION accounts. Banks should therefore work with their corporate customers to arrange for suitable e-collection options.
- **Limits**
 - The limits are cumulative daily limits each for withdrawal, and for deposits (e.g. for Individuals, the daily free withdrawal limit is N150,000; while the daily free deposit limit is N150k)
 - The limits apply to the account so far as it involves cash, irrespective of channel (e.g. over the counter, ATM, 3rd party cheques encashed over the counter, etc) in which cash is withdrawn or deposited (e.g. if an individual withdraws N50,000 over the counter, and N150,000 from the ATM on the same day, the total amount withdrawn by the customer is N200,000, and the service charge will apply on N50,000 - the amount above the daily limit). The limit also applies to cash brought through CIT companies, as the CIT company only serves as a means of transportation.
- **Charges**
 - The charges shall apply from March 30th 2012 in Lagos.
 - The service charge for daily cumulative deposits above the limit into an account shall be borne by the account holder. However, during the pilot in Lagos, individuals paying money from Lagos, into an account outside Lagos, shall bear the charges for any single transaction above the daily limit.
 - The service charge for daily withdrawals above the limit into an account shall be borne by the account holder.
- **Interstate Transactions**
 - Charges/fees shall apply for all transactions in Lagos, and on Lagos State based accounts.
 - Transactions initiated out of Lagos State, and affecting a Lagos based account shall not attract charges/fees, and shall not be counted as part of the daily cumulative amount on that account since the policy has not been activated outside Lagos. (E.g. A deposit above the limit

made from Onitsha into a Lagos state account shall not attract charges/fees).

- Transactions initiated from Lagos State, and affecting an account outside Lagos, shall attract charges/fees (when the specific transaction is above the limit), since the policy has been activated in Lagos. (E.g. A deposit made from Lagos State above the limit, into an account in Abuja, shall result in the initiator paying the relevant charges/fees, while the account into which its paid outside Lagos shall not be impacted).

For further clarification refer to sharedservices@cbn.gov.ng or FAQ on www.cenbank.org

Any bank found to contravene the guidelines or the intentions of this policy shall be sanctioned accordingly.

Please be guided.

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