

Appendix D

Policy Circulars and Guidelines Issued in 2011

1. BANKING SUPERVISION

S/N	Name of Circular	Reference No.	Date Issued
1.	Review of the prudential requirements of 1% provision on performing loans	BSD/DIR/GEN/CIR/04/013	7/1/2011
2.	Re: Monthly submission of credit portfolio classification by banks	BSD/DIR/GEN/CPC/04/026	2/2/2011
3.	Letter to all banks: Reporting of AMCON Bonds	BSD/DIR/GEN/AMC/04/034	18/2/2011
4.	Re: Reinstatement of capital verification for banks	BSD/DIR/GEN/CVB/04/001	15/3/2011
5.	Re: Circular to all banks on funds withdrawal by Federal, States, Local Governments and Parastatals	BSD/DIR/GEN/FWG/04/044	15/3/2011
6.	Supervisory intervention framework for the banking industry in Nigeria	BSD/DIR/GEN/SIF/04/043	15/3/2011
7.	Framework for Cross Border Supervision of banks	BSD/DIR/GEN/CBF/04/002	4/4/2011
8.	Guidance document to deposit money banks on the reinstatement of December 31, 2010 financial balances of IFRS-based figures as required by IFRS 1	BSD/DIR/GEN/AMC/04/034	11/4/2011
9.	Re: Data exchange agreements with at least two licensed credit bureaus in Nigeria	BSD/DIR/GEN/DEA/04/004	12/4/2011
10.	Request for information on capital exportation	BSD/DIR/GEN/ICE/04/005	13/4/2011
11.	Re: Treatment of loans fully provided for by banks	BSD/DIR/GEN/LWO/04/006	21/4/2011
12.	Re: Management and custody of pension funds by some licensed banks	BSD/DIR/GEN/LTB/04/007	3/5/2011
13.	Corporate account opening requirements – Tax Identification Number	BSD/DIR/GEN/LTB/04/070	13/6/2011
14.	Dial-up connectivity options for external stakeholders	BSD/DIR/GEN/DCO/04/080	20/6/2011
15.	Re: Treatment of loans fully provided for by banks	BSD/DIR/GEN/LPF/04/008	6/7/2011
16.	Request for information on terrorists and related accounts	BSD/DIR/GEN/TRA/04/088	1/8/2011
17.	The requirement for Credit Risk Management System (CRMS) checks for credit requests	BSD/DIR/GEN/CRM/04/089	2/8/2011
18.	Compliance with the provisions of the Fiscal Responsibility Act 2007	BSD/DIR/GEN/DMB/04/091	9/8/2011
19.	De-Marketing of Banks by Other Banks	BSD/DIR/GEN/DOB/04/104	22/9/2011
20.	Guarantee of Foreign Credit Lines	BSD/DIR/GEN/FCL/04/115	14/10/2011
21.	Re: Treatment of loans fully provided for by banks	BSD/DIR/GEN/LFP/04/010	18/10/2011
22.	Re: The need for banks to development and implement a risk-based pricing model	BSD/DIR/GEN/RPM/04/120	20/10/2011

2. FINANCIAL POLICY & REGULATION DEPARTMENT

S/N	Reference No.	Name of Circular	Date Issued
1.	FPR/DIR/CIR/AML/CFT/01/001	The Circular informed Stakeholders of the Gazetting of the AML/CFT Regulation. The Circular also m\Mandated Deposit Money Banks to Comply with the Provisions of the Regulation.	5/5/2010
2	FPR/DIR/GDL/01/002	The Circular Listed the Various Names	17/6/2010

		Associated with a Terrorist Group (AQI) and Required Banks to Render Returns upon Discovery of any Related Account within their Institutions.	
3	FPR/DIR/CIR/AML/CFT/01/002	This Circular Required Banks to Forward all AML/CFT Returns to the Director, Financial Policy & Regulation Department.	8/7/2010
4	FPR/DIR/CIR/CFP/Vol.1/003	The Circular Directed Banks to Review their Processes for Handling exited Staff Matters and to Issue Favourable/Adverse Clearances within 60 days of the date of receipt of the request for clearance.	15/7/2010
5		This Policy Listed the Terms/Conditions for the Grant of Liquid Asset Status to State Governmental Bonds.	9/9/2010
6	FPR/DIR/CIR/FXM/01/004	The Circular informed Stakeholders of the Revocation of the Licences of Class 'A' Bureaux De Change	02/11/10

FINANCIAL MARKETS DEPARTMENT

S/N	Name of Circular	Reference No.	Date Issued
1.	Guidelines for FX derivatives and modalities for CBN FX forwards	FMD/DIR/GUI/FXF/VOL/1/001	31/1/2011
2	Guidelines for the operation of the Foreign Exchange Market – Wholesale Dutch Auction System (WDAS-FWD)	FMD/FED/CIR/GEN/01/083/11	22/3/2011
3.	Guidelines for foreign Exchange Derivatives in the Nigerian Financial Markets	FMD/FED/CIR/GEN/01/084/11	22/3/2011
4.	Guidelines for the use of AMCON Bonds in CBN Operations	FMD/DIR/CIR/GEN/01/001	8/4/2011
5.	Suspension of reserve averaging scheme and change in cash reserve requirement	FMD/DIR/GEN/CIR/02/004	11/10/2011

TRADE AND EXCHANGE DEPARTMENT

S/N	Name of Circular	Reference No.	Date Issued
1.	The appointment of six (6) additional inspections Agent for the inspection of Oil and Gas export from Nigerian under the Nigerian Export Supervision Scheme (NESS).	TED/FEM/FPC/GEN/01/005	11/2/2011
2.	Director to all Authorised Dealer banks to endorse the Department of Petroleum Resources (DPR) permit used for importation of petroleum products. This was to reduce incidence of opening multiple L/Cs for importation of Petroleum Products.	TED/FEM/FPC/GEN/01/007	13/5/2011
3.	The lifting of restriction of foreign investors from investing in Federal Government Bonds with tenor of less than one year. The circular stipulated that foreign investors can now invest in Government Bond of any tenor.	TED/FEM.FPC/GEN/01/009	24/6/2011
4.	Foreign Exchange Cash Sales to Bureaux De Change (BDCs) by banks. Authorised Dealers are allowed to sale a maximum of US\$1,000,000.00 BDC per week and BDC are allowed to buy from only one Authorised Dealer per	TED/FEM/FPC/GEN/01/012	12/8/2011

	week from autonomous funds.		
5.	Foreign Exchange Cash Sales to Bureaux De Operators by CBN was increased from USD50,000.00 to USD100,000.00 with effect from Wednesday 17 th August, 2011.	TED/FEM/FPC/GEN/01/013	12/8/2011
6.	All Authorized Dealers were requested to submit relevant document evidencing the utilization of foreign exchange for the importation of the following products: <ul style="list-style-type: none"> • Petroleum Products, • Cement, • Rice, and • Wheat 	TED/FEM/FPC/GEN/01/014	15/8/2011
7.	Companies engaged in product SWAP arrangement with NNPC/PPMC are barred from acceding WDAS funds for consummation of petroleum products imports. Instead, they use the proceeds of the SWAP to fund the transactions.	TED/FEM/FPC/GEN/01/018	5/10/2011
8.	All remittance in respect of dividends, capital and proceeds of investment, proceeds of sales of international air ticket and consultancy services shall henceforth be consummated through the use of autonomous funds.	TED/FEM/FPC/GEN/01/020	13/10/2011
9.	Policy measure to streamline petroleum products importation. Authorised Dealers establishing Letters of Credit and Bills for collection for the Importation of Petroleum Products are required to obtain prior approval from the CBN and to submit shipping documents after the transaction.	TED/FEM/FPC/GEN/01/021	13/10/2011
10.	In the continuous effort to sustain stability in the foreign exchange market, the Central Bank of Nigerian shall from time to time intervene in the inter-bank market to either buy or sell. Any Authorised Dealer interested in participating in the CBN intervention will do so by submitting bid and offer rate for a specific amount and the spread between the bid and offer rates shall not exceed 20 pips (i. e 20 kobo)	TED/FEM/FPC/01/025	20/10/2011

5. BANKING AND PAYMENTS SYSTEM DEPARTMENT

S/N	Reference No.	Name of Circular	Date Issued
1.		<p>The Circular made Clarifications on the Policy of N10 million Maximum cap for single Cheque Payment as follows:</p> <ul style="list-style-type: none"> • Cheques (to include Bank Drafts and Manager Cheque) • In-House Cheques Drawn by all Classes of Account holders of the same Bank and or Branch • Across-the-Counter Cash Withdrawals with Cheque by Customers of Banks • Dividend/Interest Warrant • All Classes of Cheques Issued Prior to the Take-Off Date of the Policy with Value Higher than N10 Million, but yet to be paid after January 1, 2010. Cheques in this Category were Allowed to be Presented within Two Weeks from January 4, 2010. 	4/1/2010

2		<p>Circular on Accreditation of Cheque Printers : The Circular Notified the Public that the CBN has Approved the Accreditation and Re-accreditation of 14 Cheque Printers Under “Nigeria Cheque Printer Accreditation Scheme” (NICPA)</p>	1/3/2010
3		<p>Standards and Guidelines on Automated Teller Operations in Nigeria:</p> <ul style="list-style-type: none"> • No ATM Owner of Acquirer shall Discriminate Against any Card Scheme or Issuer • ATM Complaints to be Responded to within a Maximum of 72 Hours from the Date of Receipt the Complaints • PIN Change shall be Provided Free of Charge Throughout the Entire Value Chain • The ATM Downtime (Due to Technical Fault) is not more than Seventy-Two (72) Hours Consecutively and Helpdesk Contacts should be Adequately Displayed • All ATM Surcharges are to be fully Disclosed to Customers • Every ATM shall have Cameras which shall View and Record all Persons using the Machines and every Activity at the ATM. Where the User of an ATM Blocks His Image for Camera Capture, the ATM shall be Capable of Aborting the Transaction. • Liability Shifts in the Event of ATM Fraud is Provided. 	04/2010
4		<p>Nigerian Uniform Bank Account Number (NUBAN) Standards:</p> <ul style="list-style-type: none"> -The Proposed NUBAN is a 10-digit Bank Account Number format, with the Following Structure: <ul style="list-style-type: none"> - Account Serial Number - A Check Digit constructed to support a Modulus Check, which Enables the Presenting Bank to Perform Checks • The Check Digit is Derived from an Algorithm that Operates on a Combination of the 3-Digit CBN-Assigned Bank Code and the 9-Digit Account Serial Number. • Every Bank is Required to Create and Maintain a NUBAN Code for Every Customer Account (Current, Savings, etc) in its Customers Records Database, and the NUBAN Code should be the Only Account Number to be used at all Interfaces with a Bank Customer. • The Bank Customer should be provided with only the NUBAN Code Supplied by the Customer to the Relevant Internal Account Number within the Bank's Technology System. • Effective Date for the Implementation is 9 Months 	19/8/2010
5		<p>Circular on Interoperability and Interconnectivity of the Payments System Infrastructure in Nigeria: The Circular stipulated that all Parties to the Nigerian Switching Infrastructure shall ensure that:</p> <ul style="list-style-type: none"> • All Terminal Access Devices (POS and ATM etc) are Configured to Accept and Process All Payment Cards Schemes and other Electronic Payment Instruments that are Acceptable in Nigeria on or before 1st December 2010. 	25/8/2010

		<ul style="list-style-type: none"> Their Switching Systems connect to the Nigeria Central Switch and only One Other Private Switch of their Choice as Determined by their Business Case. All Participants with Multiple Connection to Private Switches are hereby given till December 1, 2010 to Terminate all multiple Connections as appropriate. 	
6		<p>Circulars on the Need to Combat Card Fraud:</p> <ul style="list-style-type: none"> No Debit Card should be Issued on an Account without a Written Request from the Account Holder. Henceforth, DMBs shall bear Liability for any Fraud Perpetrated with the Use of Cards Issued without written Request from the Account Holder, and such Card must be Delivered in such a Manner that the Confidentiality of the Information is not Compromised. DMBs should set and Implement Mandatory Daily Limits for ATM Cash Withdrawals. All other related Transactions, including POS and WEB Purchases should be Subject to Stringent Limits as Agreed and Documented between the DMBs and their Customers. It is the Responsibility of the DMBs to Ensure that the Agreements are Documented and that such Limits are Embedded with the Card so as to Automatically initiate a trigger when Limits are exceeded. The Use of 2nd Level Authentication for Internet Transactions is now Mandatory for all Payment Cards. It is the responsibility of the Issuer to Ensure that Transactions Emanating from its WEB Merchants are Properly Scrutinized and Operations are Permitted Only After 2nd Level Verification. DMBs must Send SMS Alerts to the Telephone/emails Addresses of Cardholders whenever there is a Debit Transaction via Payment Card. Evidence of the Dispatch of such Messages would be required in Cases of no-receipt of the Alerts by Account Holders as a Result of Telephone Network Failures. Cardholders should be Provided with a Facility to Block their Accounts Immediately from their Mobile Phones whenever the SMS Alert is received in Respect of Suspicious Transactions so as to Prevent Further Fraudulent Transactions from being Perpetrated. All Card Issuing Banks should deploy Fraud Monitoring Tools that have the Capability to Monitor the normal spending trends of a Card Holder as well as Automatically Stop Abnormal Transactions that are Perceived to be Fraudulent. The Block shall only be Lifted by Express Instruction by the Card Holder. The Use of Temporary Staff, i.e Students on Industrial Attachment/Vacation Job, NYSC Members and Contract Staff for Card Management and Issuance/Distribution of PIN Mailers should be stopped forthwith. 	30/8/2010
7		<p>Circular on Compliance with Due Diligence in the Deployment of Point of Sale (POS) Terminals: The Circular Stipulated that the Deposit Money Banks should:</p> <ul style="list-style-type: none"> Conduct Proper KYC on all their Merchants with POS 	19/10/2010

		<ul style="list-style-type: none"> • Set Merchants Limits Based on the Volume of Business/Commercial Activities • Set Customer Limit Based on Card Class • Instruct Merchants to Enforce Cardholder's Identification at the Point of Payment for Transactions above a Specific Limit as Agreed Between the Bank and the Merchant. 	
8		<p>Circular to All Approved Mobile Payments Scheme Operators: The Circular Stipulated that the Sixteen Mobile Payment Scheme Operators should observe the following:</p> <ul style="list-style-type: none"> • A four-month, closed pilot run in no more than four Locations, one Urban Area and Three Rural Area • The Pilot run should be limited to not more than 5,000 Participants and not more than 100 agents. • Not to commence Media Campaign during the Pilot Run. 	13/12/2010

6. CURRENCY OPERATIONS

S/N	Name of Circular	Reference No.	Date Issued
1.	<p>List of Armoured Vehicles deployed by Deposit Money Banks Issued 8th February, 2011:</p> <ul style="list-style-type: none"> • The circular was issued to inform all Deposit Money Banks and the Registered Cash-In-Transit Companies that all existing bullet proof and armoured cash in transit vans should undergo a re-certification process with Standards Organization of Nigeria (SON) to ensure that they meet the requirements for operations. 	COD/DIR/GEN/CIT/04/048	8/2/2011
2.	<p>Approval of Registration of Cash-in-transit and Currency Sorting Operators by the Central Bank of Nigeria issued on the 23rd March, 2011:</p> <ul style="list-style-type: none"> • The circular was issued to inform all Deposit Money Banks that the under listed companies have been given full registration and as cash-in-transit operators and Approval-In-Principle as Currency Sorting (Processing) Operators with effect from November, 2010: <p>a Bankers Warehouse Limited b Integrated Cash Management Limited (ICMS)</p>	COD/DIR/GEN/CIT/04/052	23/3/2011
3.	<p>Industry Policy on Retail Cash Collection and Lodgment (IITP/C/001) issued 20th April, 2011:</p> <ul style="list-style-type: none"> • The goal of the policy was to reduce the high usage of cash, moderate the cost of cash management and also encourage the use of electronic payment channels, particularly Point of Sales (POS). • The circular stated a daily cumulative limit of 	COD/DIR/GEN/CIT/05/031	20/4/2011

	₦150,000 and ₦1,000,000 of free cash withdrawals and lodgment by individuals and corporate customers respectively with DMBs.		
4.	<p>Modalities on Implementation of Cash Policy for Cash-Less Lagos:</p> <ul style="list-style-type: none"> The circular provides clarifications on the implementations strategy and other relevant information of the Cash Policy for the Cash Less Lagos Pilot Scheme which commenced on 1st January 2012. 		19/12/2011