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CENTRAL BANK OF NIGERIA

Press Release

Use of BVN for FOREX Transactions

The Central Bank of Nigeria (CBN) recently mandated all banks and licensed Bureaux de Change (BDCs) operating in Nigeria to provide Bank Verification Numbers (BVN) as part of the requirement for the sale of foreign exchange to their customers. It has however come to our notice that some customers are reluctant in disclosing their BVN to authorised dealers and buyers because of claims that there are attendant risks to the disclosure.

It is therefore imperative for the Bank to make the following clarifications:

The adoption of BVN as a condition for the purchase of FOREX is expected to reduce the incidence of multiple purchases, round tripping and illicit transfer of funds, facilitate enforcement of authorized limits of forex sales to end users, sanitize the retail segment of the market and engender policies that will facilitate better allocation of the forex, based on genuine demands.

The BVN is neither a payment instrument nor an account number and therefore could not be used to access any account by unauthorized users. The banks, BDC operators and even regulators use the BVN to validate the identity of a customer using some biometric information such as finger prints and photograph obtained at the point of enrolment.

The BVN provides the unique identity of each customer for the purpose of achieving effective "Know Your Customer" (KYC) principle and fraud prevention.

For the avoidance of doubt, the provision of BVN by customers at the point of Forex purchase or for any legitimate banking transaction with any of the above named institutions does not attract any security risk. Rather it protects the customer against identify theft.

Customers can easily get their BVN from the mobile phone number submitted during the enrolment by dialling *565*0#.

Please be guided properly.

A handwritten signature in blue ink, appearing to read 'Ibrahim Mu'azu'.

Ibrahim Mu'azu,
Director, Corporate Communications