



10 April 2019

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LETTER TO ALL NON-INTEREST FINANCIAL INSTITUTIONS

ISSUANCE OF FINAL GUIDELINES ON ISLAMIC FINANCIAL SERVICES BOARD STANDARDS FOR NIGERIAN NON-INTEREST FINANCIAL INSTITUTIONS

The Central Bank of Nigeria (CBN) in its effort to enhance financial system stability has adopted the Islamic Financial Services Board (IFSB) Standards 4, 15 and 16 on Disclosure Requirement, Capital Adequacy Computation and Supervisory Review Process respectively for the non-interest banking industry in Nigeria.

To facilitate the implementation of the standards, the Central Bank of Nigeria hereby issues the following Guidelines:

1. Guidance Notes on Regulatory Capital;
2. Guidance Notes on Calculation of Capital Requirement for Credit Risk (Standardized Approach);
3. Guidance Notes on Calculation of Capital Requirement for Market Risk (Standardized Approach);
4. Guidance Notes on Calculation of Capital Requirement for Operational Risk (Basic Indicator Approach and The Standardized Approach);
5. Guidance Notes on Supervisory Review Process;
6. Guidance Notes on Disclosure Requirements to Promote Market Discipline;
7. Guidelines on the Practice of Smoothing the Profit Payout to Investment Account Holders for Non-Interest Financial Institutions in Nigeria (NIFIs);
8. Guidelines on the Management of Investment Accounts; and
9. Capital Adequacy Ratio reporting template for NIFIs.

The Guidelines communicate minimum supervisory expectations for the implementation of the standards. A period of three months, from **July 1, 2019 to September 30, 2019** will be allowed for parallel run during which implementation challenges that may arise would be addressed. Accordingly, NIFIs would be required to submit their capital adequacy returns using both the Capital Adequacy Ratio Reporting template for NIFIs (to be provided) as well as the current conventional Capital Adequacy Ratio returns until **October 1, 2019**.

To ensure a seamless implementation, a help desk can be reached on abarau@cbn.gov.ng and ambarau@cbn.gov.ng.

Yours Faithfully,

K. O. BALOGUN
FOR: DIRECTOR OF BANKING SUPERVISION