Senate Confirms New Management for CBN

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Editor's Note

As the third quarter of 2023 draws to a close, the Central Bank of Nigeria (CBN) welcomes a new management team following the successful screening and confirmation of Mr. Olayemi Cardoso as CBN Governor, along with his four deputies — details inside.

In the spirit of partnering for success, we bring you reports of collaborative efforts between the CBN and the Nigerian Electricity Regulatory Commission (NERC), National Collateral Registry (NCR) and Deposit Money Banks (DMBs).

There are cheering reports from the National Bureau of Statistics (NBS) on the growth in export value alongside a news analysis on the role of the CBN in the recorded growth of the Nation’s GDP despite the prevailing headwinds. We look at non-oil exports’ performance within the second quarter of 2023.

This edition also contains reports on efforts by the CBN to stabilise the forex market, from warnings against illegal forex operators to challenging Bureau de Change operators within the Nigerian market to embrace technology capable of simplifying processes and promoting transparency and accountability.

As the eNaira continues to gain traction, CBNUPDATE brings you reports from various tertiary institutions nationwide, sharing testimonials on how the eNaira simplifies their processes and enhances their statutory collections.

On the global scene, we bring you a report on climate change and the roles of the International Monetary Fund (IMF) and the World Bank (WB) in supporting efforts to save the environment.

These and many more are served in the September 2023 edition of CBNUPDATE for your reading pleasure.

Happy reading!

Isa AbdulMumin PhD
Editor-in-Chief
Mr. Olayemi Cardoso has been confirmed by the senate as the new Governor of the Central Bank of Nigeria (CBN), along with his colleagues who will serve as Deputy Governors.

The confirmation took place at the hallowed chambers of the Senate on Tuesday, September 26, 2023. Also confirmed with Mr. Cardoso were Ms. Emem Usoro, Mr. Muhammad Sani Abdullahi, Mr. Philip Ikeazor, and Dr. Bala Bello as Deputy Governors (DG) of the CBN.

The newly confirmed CBN Governor, boasts of a robust background in economics and finance. He has served in various capacities in the private sector and government. Prior to his nomination, Mr. Cardoso was the Chairman of the Board of Citibank Nigeria and a member of the Cities Alliance’s Africa Think Tank Group. His expertise in macroeconomic policy and financial stability is widely acclaimed.

With over two decades of experience, Mr. Cardoso has authored several influential papers on monetary policy, economic development, and financial regulation. During his screening at the Senate, he pledged to uphold a high standard of compliance to ensure that the Central Bank focuses on and achieves its mandate.

He however cautioned that the challenges currently facing the nation’s economy would not disappear overnight and appealed for patience. He assured that he and his colleagues would do their best to justify the confidence reposed on them.

Similarly, Ms. Emem Usoro, who has now been named Deputy Governor Operations, brings a wealth of experience in banking supervision and regulation. With a Master’s degree in Finance from the London School of Economics and Political Science, she was until her appointment, an Executive Director, North, at the United Bank for Africa (UBA).

The new Deputy Governor, Corporate Services, Dr. Bala Bello also has an impressive foundation in...
accounting and finance. An alumnus of Ivey Business School at Western University Ontario, Canada, as well as Harvard and Wharton Business Schools, USA. Dr. Bello served as the Executive Director, Corporate Services at the Nigerian Export Import Bank (NEXIM). He brings a demonstrated history of working in the investment management industry, and is skilled in business planning, management and leadership.

Taking over the role of Deputy Governor, Economic Policy, is Mohammad Sani Abdullahi who has served as a policy adviser at the Executive Office of the United Nations Secretary-General, Ban Ki Moon, in New York. He was part of the core team that developed the Sustainable Development Goals. He had worked in public service as a Commissioner for Budget and Planning in Kaduna State. His passion for the emergence of a viable economy led to the publication of his book “Disruption: Rethinking Governance to work for the Poor”. Mr. Abdullahi resumes the role of Deputy Governor with extensive financial management experience and strategic acumen and promised before the Senate to tackle the issues headlong in partnership with his colleagues.

The new Deputy Governor, Financial System Stability, Philip Ikeazor comes with over 30 years of experience in the financial services industry, having served as CEO, Keystone Bank Limited; CEO, Ecobank Kenya Limited; Executive Director, Union Bank Nigeria; Director, Union Bank UK PLC; and Director, Orient Bank Uganda. With a degree in Economics from the University of Buckingham UK, and several professional memberships, he pledged to face the task ahead albeit acknowledging that it would not be an easy task. He however expressed confidence and delight in the opportunity to work with an erudite professional like Mr. Cardoso, while soliciting the support of the Senate upon their confirmation.

The confirmation of these highly qualified individuals underscores the commitment of President Bola Ahmed Tinubu’s administration to ensuring the continued stability and growth of the Nigerian economy. Their collective experience and expertise in monetary policy, banking supervision, economic policy, and financial system stability are expected to bring fresh perspectives and innovative solutions to the nation’s financial landscape.

It could be recalled that the new CBN Governor and his deputies were nominated to their offices by President Bola Ahmed Tinubu on September 15, 2023. They assumed office in acting capacities on Friday, September 22, 2023.

Embrace Technology, Shonubi Charges BDCs

By: Onyemakonor Ogbe

The Acting Governor of the Central Bank of Nigeria (CBN), Mr. Folashodun Shonubi has disclosed that the Bank would clamp down on Bureau De Change (BDC) operators involved in illegal transactions.

Mr. Shonubi also urged the BDCs operators to adopt technology for transaction as the CBN aims to reduce reliance on cash.

The Acting Governor stated this at a media briefing in Lagos on the challenges in the foreign exchange market. He noted that the Bank has been investigating several players in the market who were complicit in bringing money into the country and selling it in unofficial ways.

The Acting Governor disclosed that a BDC agent has been found to be working with international collaborators to circumvent the normal system and sell to Nigerian companies. He warned that Crown Agents and other BDCs involved and culpable in illegal transactions would face the consequences soon.

He also said that BDCs that are unable to embrace technology will gradually fade out of the system as going forward, the CBN will engage in electronic transactions for forex businesses.

Mr. Shonubi also revealed that the CBN was working in conjunction with Deposit Money Banks (DMBs) to clear the backlog of foreign exchange in the country. He estimated the unmet forex backlogs for investors and exporters to the tune of $10 billion. He added that this has resulted in huge losses by many firms,
According to market players.

In a related development, the National President of the Association of Bureau De Change Operators of Nigeria (ABCON), Mr. Aminu Gwadabe has expressed support for the CBN measures on reforms and standardisation of operational procedures.

Mr. Gwadabe affirmed that ABCON members have already embraced digitisation, with online interfaces for timely reporting to the CBN and integration with the NIBSS platform for client verification.

He stated that CBN’s clampdown on erring BDC operators aims to ensure compliance with regulations and promote transparency in the foreign exchange market.

Mr. Gwadabe admitted that penalizing erring members of the ABCON was germane. He assured the CBN of the Association’s readiness to be on the same page on their aspirations for the strengthening of the Naira and the elimination of volatility in the market.

According to him, the Association as a self-regulatory organisation was collaborating with the regulators and the security agencies on awareness of money laundering and terrorism financing vulnerabilities and threats with a view on how to mitigate the vulnerabilities.

By: Louisa Okaria

CBN Launches Online License Platform for MFBs

By: Louisa Okaria

The Central Bank of Nigeria (CBN) has unveiled a new online platform where applications for license can be submitted. This is an effort to ease the process of registration for Microfinance Banks (MFBs). The platform known as Licensing, Approval and Other Requests Portal (CBN LARP) aims to save time, enhance communication, and offers robust security.

CBN UPDATE obtained this information from a recent press release signed by the Director, Corporate Communications Department, Dr. Isa AbdulMumin. The Bank stated that the online platform would replace the current manual process and hopes to extend the platform to other categories of license, subsequently.

CBN UPDATE also gathered that submission of applications would commence on September 25, 2023 and end on December 31, 2023 even as applicants are required to submit both hardcopy and online applications as part of a parallel run. Subsequently, manual submissions of hardcopy MFB licence applications would no longer be required and accepted.

In the statement, prospective MFB applicants were urged to log on to www.larp.cbn.gov.ng to submit their applications. Applicants were also referred to a dedicated helpdesk via email at cbnlarp-helpdesk@cbn.gov.ng.

By: Mukhtar Maigamo

CBN Warns Illegal FX Operators

The Acting Governor of the Central Bank of Nigeria, Mr. Folashodun Shonubi, had sounded a word of warning to illegal forex operators whose actions cause spike in the dollar demand in the parallel market.

Mr. Shonubi made the warning after meeting with President Bola Ahmed Tinubu at the Presidential
Villa in Abuja. While speaking to the State House correspondents after the meeting, he said, "We do not believe that the changes going on in the parallel market are driven by pure economic demand and supply, but are topped by speculative demand from people”.

“Mr. President is very concerned about some of the goings-on in the foreign exchange market. One of the things we discussed is what could be done to stabilise it, and what could be done to improve the liquidity in the market and also the goings-on in the various other markets, including the parallel market”, he added.

“He’s concerned about its impact on the average person. Unfortunately, a lot of activities that we do, which are purely local, are still referenced to exchange rates in the parallel market. We’ve discussed, and I’ve shared with him what we’re doing to improve supply”, Mr. Shonubi stated.

The Acting Governor further said that Government would put strong measures to checkmate currency speculators in the foreign exchange market, who do clandestine activities in the parallel market. He however concealed some of the plans he intended to carry out against these speculators.

“Some of the plans and strategies, which I’m not at liberty to share with you, means sooner, rather than later, the speculators should be careful because we believe the things we’re doing when they come to fruition may result in significant losses to them.

“If you look at the official market, you’ll find that that the market has been fairly stable and the spreads of the difference have not fluctuated as much.

“We do not believe that the changes going on in the parallel market are driven by pure economic demand and supply, but are touched by speculative demand from people,” he declared.

The anticipated policy of the Central Bank is expected to wipe out existing disparities in the exchange rate market.

CACS: CBN Records High Recovery Rate

By: Ify Nwankwo

The Central Bank of Nigeria (CBN) has recorded a 90% recovery rate of loans disbursed under the Commercial Agriculture Credit Scheme (CACS).

Information obtained by the CBN UPDATE from the Development Finance Department revealed that out of N745,762,536,003.50 provided to farmers, the sum of N635,130,128,577.06 has been recovered.

The Commercial Agriculture Credit Scheme (CACS) is a special credit intervention fund created by the CBN in collaboration with the Federal Government of Nigeria to fast track the development of the agricultural sector by providing credit facilities to commercial agricultural enterprises at a single digit interest rate.

CACS is a sub-component of the Federal Government of Nigeria’s Commercial Agriculture Development Programme (CADP) financed from the proceeds of the N200bn seven (7) year bond raised by the Debt Management Office (DMO).

The Scheme was established in 2009 to provide finance for the country’s agricultural value chain and the objective of the agricultural scheme was to improve farmers’ access to, and use of agricultural knowledge, technologies, marketing systems and infrastructure, for the purpose of contributing to higher productivity, profitability and farm incomes. It is also aimed at promoting low food inflation; generating employment, generating surplus for export, diversifying national revenue base, increasing foreign exchange earnings and providing input for the industrial sector on a sustainable basis.
CBN and the Growth of National GDP

By: Daba Olowodun

Defying the odds, the nation’s GDP recorded a 2.5% growth in its Gross Domestic Product (GDP) in the second quarter of 2023, despite the challenging global economic landscape. This encouraging development can be attributed to the diligent efforts of the Central Bank of Nigeria (CBN) in nurturing the non-oil sector, which played a crucial role in sustaining the nation’s economic momentum.

According to the National Bureau of Statistics (NBS), the performance of the GDP was driven by the services sector which recorded a growth of 4.42% and contributed 58.42% to the aggregate GDP. It is worthy of note that these successes were recorded amidst global economic uncertainty, and local political vagaries.

Evidently, the Bank’s strategy to emphasise a diversification away from the traditional reliance on oil revenue has proved fruitful with the non-oil sector, registering a growth rate of 3.58%. The sector, encompassing industries such as agriculture, manufacturing, and services has therefore emerged as a beacon of hope.

It could be recalled that the CBN had implemented a series of innovative policies to bolster non-oil industries. These measures included targeted financing for agriculture, incentives for local manufacturing, and initiatives to boost the technology, and creative sectors. These initiatives such as 100 for 100 Policy on Production and Productivity; Creative Industry Financing Initiative and the Tertiary Institutions Entrepreneurship Scheme, did not only stimulated economic activity, but also created jobs for the teeming youth population of the country and reduced the nation’s dependence on oil exports.

Furthermore, the agricultural sector witnessed significant growth, fuelled by initiatives like the Anchor Borrowers' Program, Commercial Agriculture Credit Scheme, and the long-standing Agricultural Credit Guarantee Scheme Fund which supported both established and smallholder farmers and increased food production.

Additionally, efforts to promote "Made in Nigeria" goods encouraged local manufacturing, reducing import dependency, while programmes like the RT200 Non-oil Export Proceeds Repatriation Rebate Scheme greatly encouraged improved participation in the non-oil sector.

Nigeria’s GDP growth of 2.5% is a testament to the resilience and adaptability of its economy in the face of global challenges. The nation’s commitment to diversification, spearheaded by the CBN, has provided a sturdy foundation for continued economic growth and reduced vulnerability to external shocks.

Dividends on Direct Market Rise by 12.1% – CBN

By: Tina John

The Central Bank of Nigeria (CBN) in its recent Economic report obtained from the Bank’s website has stated that money rates were consistent with the liquidity trajectory in the banking system.

CBN UPDATE findings from the report reveal that the deficit in the primary income account widened by 18.7 per cent to US$2.69bn in the first quarter of 2023, due primarily to the 34.9 per cent increase in investment income payment, which amounted to US$3.09bn from US$2.77bn in the fourth quarter of 2022. Similarly, income on direct investment in the form of dividends rose by 12.1 per cent to US$2.71bn, relative to US$2.42bn in the fourth quarter of 2022.
In an effort to tackle the existential threat of climate change as the world grapples with economic challenges, the World Bank (WB) and the International Monetary Fund (IMF) have reiterated their commitment in helping member countries address challenges elicited by climate change, and digital transition.

The Managing Director of IMF, Kristalina Georgieva, and President of the World Bank, Ajay Banga, stated this during a joint briefing at the G20 Summit in India. They noted that the Bretton Woods institutions have a crucial role in supporting countries through these challenging and transitional phases with their expertise.

They harped that growth in the global economy has slowed, with the medium-term outlook at its lowest, while progress in poverty eradication has significantly declined. However, the two leaders pledged to collaborate more closely to help prevent future debt vulnerabilities.

In addition, they averred they would increase aid for countries to “reap the benefit of new digital technologies while mitigating the risks, including on ways to improve cross-border payments.”

They also acknowledged that emerging technological transformations are creating new challenges and opportunities, adding that “with well-designed and appropriately sequenced reforms, the digital and green transitions can bring tremendous economic, social and environmental gains, and add to welfare and prosperity.”

In their separate remarks, they reassured their commitment to a robust partnership to deliver positive benefits for people, corporations, and institutions of member countries.

It was also discovered that interest payments on portfolio investments rose to US$0.09bn from US$0.05bn in the fourth quarter of 2022 and interest earnings on reserve assets increased by 35.7 per cent to US$0.2bn from US$0.15bn in the fourth quarter of 2022. In addition, the surplus in the secondary income account increased by 11.4 per cent to US$5.5bn from US$4.95bn in the fourth quarter of 2022.

The market however, recorded a net reduction in personal transfers, diaspora remittances and interest payment on loans within the period covered by the report.
CBN NEW MANAGEMENT

MR. MUHAMMAD SANI ABDULLAHI
DEPUTY GOVERNOR, ECONOMIC POLICY DIRECTORATE

MR. OLAYEMI CARDOSO
GOVERNOR
CENTRAL BANK OF NIGERIA

MR. PHILIP IKEAZOR
DEPUTY GOVERNOR, FINANCIAL SYSTEMS STABILITY DIRECTORATE

DR. BALA BELLO
DEPUTY GOVERNOR, CORPORATE SERVICES DIRECTORATE

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CBN Debunks Fake News on Redenomination

By: Chioma Udeogu

The Central Bank of Nigeria (CBN) has disclaimed the news making rounds on media platforms that the Bank plans to introduce a new policy that will redenominate the Naira.

The misinformation reports that the Bank planned to replace the old units by removing zeros from a currency or moving some decimal points to the left with the aim of correcting perceived misalignment in the currency and pricing structure, and enhancing the credibility of the local currency.

CBN has described the story as “fake news” adding that there were no such plans to redenominate the currency, and thus advised members of the public to disregard the misleading information.

Financial System Remains Resilient – CBN

By: Mohammed Haruna

The Central Bank of Nigeria (CBN) has affirmed that the Nigeria Financial System remains sound and resilient. This declaration was contained in a data made available to CBN UPDATE from the last released quarterly economic report on the Bank’s website.

According to the report, the resilience of the financial system is anchored on the back of sustained supervision and implementation of prudential guidelines, ample liquidity, and positive investors’ sentiment.

The information further reveals that in the period under review, banking system liquidity increased, resulting in decreased activity in the Standing Lending Facility (SLF) window, increased subscription in both the Nigerian Treasury Bills (NTBs) and Federal Government of Nigeria (FGN) bonds segments, and credit expansion to key sectors of the economy.

It is further observed that owing to increase in both net foreign and domestic assets, the broad money supply (M3) grew even as activity on the Nigerian Exchange (NGX) Limited was bullish, arising from strong buying interest in the equities market in the period covered by the report.

The CBN Economic Report, presents economic developments in Nigeria for the primary objective of dissemination to the public. The Report provides insights on current developments in the real, fiscal, financial, and external sectors of the Nigerian economy, as well as on global issues of interest. It also reflects the policy initiatives of the CBN in pursuit of its mandate.
Non-Oil Earnings Receives Boost

By: Louisa Okaria

Nigeria's non-oil export earnings has recorded significant boost in the first quarter of 2023.

Data sourced from the Nigerian Export Promotion Council (NEPC), showed that the country generated $2.54 billion from non-oil exports in the first half of the year (H1 2023).

The report however showed a slight decline of 0.09 per cent compared to the $2.59 billion recorded in H1 2022, which was attributed to the February/March 2023 general election and subsequent transition in government which possibly affected economic activities.

The CBN Economic Outlook Report corroborated further that the economy grew at a slower pace in the first quarter of 2023, driven mainly by activities in the non-oil sector. Growth was driven by election-related expenditures which fueled economic activities, though constrained, mainly, by supply shocks that accompanied the currency redesign exercise, amid other headwinds. Headline inflation surged further resulting in higher energy prices, and limited access to cash that exacerbated supply shocks.

Export Value Grows in Q2 – NBS

By: Ruqayyah Mohammed

Nigeria has recorded N1.3 trillion trade surplus in the second quarter of 2023 (Q2, 23) which is a 38 per cent rise compared to N927.15 billion in Q1,23. CBN UPDATE notes that this trade surplus was however the highest in nearly four years. A trade surplus is an economic measure of a positive trade balance in which exports of a country outweighs its imports.

CBN UPDATE findings from the National Bureau of Statistics (NBS), Nigeria's exports totaled N13.5 trillion and total imports stood at N11.3 trillion, which gave a surplus of N2.22 trillion in the first half of 2023.

The report further showed that total exports which contributed 55.1 per cent to total merchandise trade (N12.7 trillion) grew by 8.2 per cent to N7.01 trillion in Quarter 2 from N6.48 trillion in Quarter 1.

Export trade was dominated by crude oil exports valued at N5.57 trillion which accounted for 79.6 per cent of total exports while non-crude oil exports value stood at N1.43 trillion or 20.4 per cent of total exports of which non-oil products contributed N688.7 billion representing 9.82 per cent of total exports.

The National Bureau of Statistics (NBS), said the balance of trade in Q2 2023 was N1.29 trillion. In addition, the report further showed that the top five export partner countries in Q2, 2023 were the Netherlands with N788.85 billion (11.25 per cent) and the United States of America at N718.63 billion (10.24 per cent). Indonesia with 7.84 per cent share, France with 7.71 per cent while Spain got 7.19 per cent of total exports.
Non-Compliance: CBN Cautions IMTOs
By: Onyemakonor Ogbe

The Central Bank of Nigeria (CBN) has cautioned International Money Transfer Operators (IMTOs) operating within the country against selling foreign exchange (FX) above the approved rates.

The approved rates are the Nigerian Autonomous Foreign Exchange (NAFEX) rates plus or minus 2.5 per cent. The warning addresses recent violations and breaches by some IMTOs and outlines potential sanctions for further non-compliance. The CBN referenced an earlier circular where it issued guidelines for International Money Transfer Operators (IMTOs). It enumerated terms and conditions, including payment mode, pricing and rate quote that must be complied with while performing International Money Transfer Services.

The Bank noted several infractions following routine checks on the activities of money transfer operators and observed that arbitrary rate quotes outside the permissible range and other sharp practices are a violation of the extant regulations.

The circular noted that such deviations from the rules compromise the stability of Nigeria’s financial markets and have the potential to introduce unfair practices that may pose a disadvantage to consumers.

The CBN stated that it would sanction any IMTO that contravened this specific regulation, including sale of proceeds to the Bank, suspension from engaging in international money transfer operations and loss of operation license.

eNaira: Stakeholders Laud CBN Advocacy Campaign
By: Ify Nwankwo

The Central Bank of Nigeria (CBN), in its concerted effort of promoting the use of alternative payment platforms in the financial sector, continued to hold sensitization campaign with stakeholders in different tertiary institutions across the country.

The Bank urged Nigerians to embrace the e-currency as it is a legal tender and the direct liability of the CBN, pointing out that it has offered a platform for the government to conduct all its transactions.

In Kano, the Vice Chancellor of Aliko Dangote University of Science and Technology said the school already uses other e-channels for payment and embracing eNaira would not be a challenge as it is easy for the students to adopt this E-era.

Similarly, in Kaduna, the District Head of Kawo, Alhaji Mohammed Jibril Magaji, urged the traders to take advantage of the eNaira, as it worked in other parts of the world, and if adequately supervised, it could work in Nigeria.

Whilst in Benin, Acting Vice Chancellor, Benson Idahosa University (BIU) Prof. Johnson Oyedeji, appreciated the CBN for the awareness, and assured of the institution’s support in promoting the use of eNaira and other digital payment platforms.

An expert in the Capital Market, Professor Uche
In accordance with the Bank’s core value of ‘Partnership’ and the CBN strategy slogan ‘Partnering for Success’, the Central Bank of Nigeria (CBN) has hosted the Nigerian Electricity Regulatory Commission (NERC) to a knowledge sharing session on Strategy Management targeted at strengthening the organisational strategy of the NERC.

Speaking at the knowledge sharing session held at the CBN Head Office in Abuja, on Tuesday, 5th September 2023, the Director Strategy Management Department, Mr. Clement Buari, commended the NERC for acknowledging the crucial roles that the CBN has played in national development. He noted the critical role energy plays in Nigeria’s economic development and expressed readiness to assist the NERC in developing revolutionary methods to revitalise the power industry and enhance the living standard of Nigerians. He further pledged the Department’s full support to NERC, stating that the meeting was the start of a strategic cooperation between the two organisations.

On his part, the NERC team lead, Mr. Jonathan Okoronkwo expressed delight at the opportunity for collaboration, noting that a partnership with the CBN holds great potential for development and innovation. The corporate planning and strategy unit of the electrical commission was positioned to gain significant insights from CBN’s strategic accomplishments, he enthused.

Furthermore, he reaffirmed the commitment of the NERC to improve Nigeria’s energy regulatory structure, with a focus on openness and efficiency. According to him, the collaboration with CBN was a testament to NERC’s dedication to national development. In his words, “we think that by combining our efforts, we can create a future in which everyone has access to dependable and affordable electricity.”

The session featured presentations from SMD on the history of strategy at the Bank, the strategy development process, strategy execution preparedness, and strategic initiatives.

Recall, eNaira, Africa’s first Central Bank Digital Currency (CBDC) was inaugurated and launched by the CBN on October 25, 2021 by the former President, Muhammadu Buhari, with the aim of promoting financial inclusion, increase cross border transactions, facilitate diaspora remittances, complement existing payments system and improve economic activities.

Due to the successes recorded thus far in Nigeria, some countries have come into Nigeria to understudy the CBN for its adoption and operations of the CBDC.

CBN and NERC: Partnering for Success

Zaharaddeen Sarkin-Pawa writes from Strategy Management Department

NCR Trains DMBs on Modalities for Postpaid Settlements

By: Adetola Adeleke

The National Collateral Registry (NCR), in a bid to establish excellent service delivery, and promote the adoption of the Secured Transactions in Movable Assets Act (STMA), has conducted a training for credit officers and administrators of the NCR Portal from Deposit Money Banks (DMBs) in Lagos.
By: Ogochukwu Ikeagwuonu

**USSD Debt: Telcos, DMBs Reach Agreement**

The Central Bank of Nigeria (CBN) has intervened in the accumulated Unstructured Supplementary Service Data (USSD) debt conflict between Telecommunications Operators (Telcos) and Deposit Money Banks (DMBs).

The Executive Vice Chairman of the Nigerian Communications Commission (NCC), Prof. Umar Danbatta stated this during the Telecom Executives and Regulators Forum (TERF) recently held in Lagos. According to Danbatta, the agreement to clear the debt and renew the relationship between the two entities was made possible through the intervention of the Acting Governor of the CBN, Mr. Folashodun Shonubi.

Recall that DMBs and Telcos had been at loggerheads over the non-remittance to Telcos for all USSD fees charged by banks for the past few years. The dispute was caused by differing preferences over billing methods.
Some major central banks across the world have been observed to pause the hike of benchmark rates after their latest monetary policy committee meetings with the Federal Reserve and Bank of England leaving their rates unchanged (BoE).

It can be recalled that central banks worldwide adopted an aggressive rate-hiking run meant to restrain a surge of inflation triggered by the residues of COVID-19 pandemic and Russia's war in Ukraine.

In a sign that it is moderating its fight against inflation due to an ease of price pressures, the Federal Reserve left its benchmark interest rate unchanged for the second time in its past three meetings even though it indicated that it still expects one more hike before the end of the year, along with fewer cuts in 2024 than previously anticipated.

In a related development, the BoE which had been hiking rates consistently since December 2021 in a bid to rein in inflation, taking its main policy rate from 0.1% to a 15-year high of 5.25% in August 2023, has ended its run of 14 straight interest rate hikes after new data disclosed inflation as running below expectations.

“There are increasing signs of some impact of tighter monetary policy on the labour market and on momentum in the real economy more generally. The MPC will continue to monitor closely indications of persistent inflationary pressures and resilience in the economy as a whole,” the bank said in a statement.
What is eNaira?
eNaira is a central bank digital currency (CBDC) issued by the Central Bank of Nigeria as a legal tender. It is the digital form of the Naira and will be used just like cash.

What is an eNaira wallet?
The eNaira wallet is a digital storage that holds the eNaira. It is held and managed on a distributed ledger. The eNaira wallet is required to access, hold and use eNaira.

What makes eNaira different from the money in my bank account?
eNaira is the digital form of the cash and is a direct liability on the Central Bank of Nigeria while the customer deposits are direct liabilities on the financial institutions.

In a typical transaction, what is the difference between an online bank transaction and eNaira wallet?
There are intermediaries for the typical online bank transactions, whereas for eNaira transactions, there are no intermediaries.

What are the benefits of eNaira?
The benefits of the eNaira are:
- Fast, cheap, reliable and available payment channel.
- Support digital economy.
- Improved economic activities.
- Simplified and easy cross border payments and trade.
- Inclusion of excluded people in the financial system.
- Improved effectiveness of monetary policies.
- Ease in tax remittance and collection to support the Country’s growth.
- Ease in targeted social interventions to support Nigerians.

What is the primary role of the CBN with respect to eNaira?
In line with Section 2 of the CBN Act 2007, the CBN is the issuing authority of all forms of Naira. The Central bank will also be responsible for determining the technical, regulatory and operational standards for eNaira.

Will eNaira replace cash?
No, it will circulate alongside cash. The eNaira will complement cash as a less costly, more efficient, generally accepted, safe, and trusted means of payment.

Is eNaira safe?
eNaira is safe and secured with cryptographic techniques against counterfeiting, cloning, and other forms of attack.

As an eNaira holder, am I assured of data privacy?
Yes. Similar to the privacy enjoyed by current online banking patrons, the eNaira system has been designed to ensure data and user privacy. There are also operational policies and procedures in place to protect users’ identity and privacy.

Who can access eNaira?
Similar to cash, any person or business can have access to eNaira as long as they have the requirements for on boarding.

What is the exchange rate between eNaira and physical naira?
The eNaira will have the same value as the physical naira. As such, it will be exchanged one to one.

Why should an individual download and fund the eNaira wallet?
= 99.9% service availability.
= Low charges.
= Nationwide acceptance.
= No dispensing errors.
= Advanced data privacy and security.

Why should a business/corporate operate the eNaira wallet?
= Instant settlement
= 99.9% service availability and reliability
= Low charges
= No dispensing errors
= No reconciliation issues

How do I access eNaira?
Customers will be able to access eNaira via the eNaira wallet in app stores such as Google Play store and the Apple App store. Users can also dial a USSD short code and follow the required steps to perform transactions.

Culled from: https://www.enaira.com/
Central Bank of Nigeria

Whistle-blowing HOTLINE

0800 002 03040

See Something, Say Something

www.cbn.gov.ng
CBN SabiMONI Courses

1. **National Peer Group Educator Programme (NAPGEP):** This programme leverages on the platform of the National Youth Services Corps (NYSC) to train selected Volunteer Corps Members (VCMs) on Financial Literacy in order to deliver financial education in rural communities and environs during their Community Development Service (CDS).

2. **Certified Financial Literacy Trainer (CFLT):** This programme is for individuals who are interested in becoming Certified Financial Literacy Trainers. A trainer certificate is given to an individual who has taken all the Financial Literacy Modules and Learning Methodology on the SabiMONI platform, obtained a mark of 60% and undergone an assessment session (physical/virtual) to demonstrate that he or she can teach and transfer the knowledge to others.

3. **Shared Agent Network Expansion Facility (SANEF):** The SANEF training aims to equip its Agents with basic financial literacy knowledge to better serve their clients, improve their businesses and their level of financial literacy with the goal of promoting the uptake of financial services, especially at the grassroots.

For more information, contact SabiMONI at contact@sabimoni.org.ng or at support@sabimoni.org.ng