



Central Bank of Nigeria

Payments System Management Department

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CIRCULAR TO ALL COMMERCIAL, MERCHANT, NON-INTEREST AND PAYMENT SERVICE BANKS; OTHER FINANCIAL INSTITUTIONS, AND MOBILE MONEY OPERATORS.

- A. TIER-1 WALLETS AND ACCOUNTS: MANDATORY USE OF BANK VERIFICATION NUMBER (BVN) OR NATIONAL IDENTIFICATION NUMBER (NIN),**
 - B. GUIDANCE NOTE: ENROLMENT OF NEW CUSTOMER ACCOUNTS/WALLETS WITH VALIDATED BVN/NIN, AND**
 - C. PROFILING OF ALL CUSTOMERS' ACCOUNTS/WALLETS IN NIBSS' INDUSTRY CUSTOMER ACCOUNT DATABASE (ICAD)**
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As part of its effort in promoting financial system stability, it becomes necessary to strengthen the Know Your Customer (KYC) procedures in financial institutions under the purview of the Central Bank of Nigeria (CBN). Accordingly, the CBN hereby issues an amendment to Section 1.5.3 of the Regulatory Framework for Bank Verification Number (BVN) Operations and Watch-List for the Nigerian Banking Industry (The Guidelines).

In this regard:

1. it is mandatory for **ALL Tier-1** bank accounts and wallets for individuals to have BVN and/or NIN
2. it remains mandatory for Tiers 2 & 3 accounts and wallets for Individual accounts to have BVN and NIN;
3. the process for account opening shall commence by electronically retrieving BVN or NIN related information from the NIBSS' BVN or NIMC's NIN databases and for same to become the primary information for onboarding of new customers, and
4. all existing customer accounts/wallets for individuals with validated BVN shall be profiled in the NIBSS' ICAD immediately and within 24hrs of opening accounts/wallets.



Consequently, implementation shall be as follows:

- a. Effective immediately, no new Tier1 accounts and wallets should be opened without BVN or NIN,
- b. For **ALL** existing Tier1 accounts/wallets without BVN or NIN:
 - i. Effective immediately, any **unfunded** account/wallet shall be placed on "Post No Debit or Credit" until the new process is satisfied.
 - ii. **Effective March 1, 2024, all funded** accounts or wallets shall be placed on "Post No Debit or Credit" and no further transactions permitted.
- c. The BVN or NIN attached to and/or associated with **ALL** accounts/wallets must be electronically revalidated by **January 31, 2024**.

To ensure uniform and full compliance, the Executive Compliance Officers, Chief Compliance Officers or Heads of the Compliance Functions are advised to acquaint themselves with the attached Guidance Notes which becomes applicable to **ALL** institutions regulated by the CBN.

Also, a comprehensive BVN and NIN audit shall be conducted shortly and where breaches are identified, appropriate sanctions shall be applied.

Finally, all financial institutions regulated by CBN are required to apply strict compliance on restrictions on Tier1 accounts/wallets as they relate to limits on transaction values and cumulative balances.

Please be guided accordingly.


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Guidance Notes on Implementation of Amendments to Section 1.5.3 of Regulatory Framework for Bank Verification Number (BVN) Operations and Watch-List for the Nigerian Banking Industry, relevant sections of the Tiered KYC Policy and Uniform Account Opening Forms & Minimum Information Requirements for Three-Tier KYC

1. Existing Customers (Individuals)

Ensure all operated accounts/wallets, including accounts/wallets created through Agents, are fully profiled in the NIBSS ICAD and tagged with valid and correct BVN and/or NIN

2. New Customers (Individuals)

a. Enrolment of new customers by manually creating a customer profile and subsequently attaching a BVN or NIN is hereby strictly prohibited.

b. Where a BVN or NIN exists for a new customer, the regulated financial institution shall:

- i. use same to electronically check the BVN database at NIBSS' portal and NIN at NIMC portal
- ii. electronically retrieve and retain the underlying details (Names, DoB, Gender, Phone No, etc) as the authentic customer's details, and
- iii. where authentication is successful, other procedures and customer information required to complete the onboarding process can continue.

NOTE: Where any or all of the underlying details of the BVN or NIN are inconsistent with the details provided by the potential customer, that onboarding process shall cease immediately. The potential customer may wish to follow established protocols and seek to update the BVN or NIN details.

c. Where a potential customer does not have a BVN or NIN, the regulated financial institution may wish to:

- i. For BVN - commence the process of enrolling the individual onto the BVN database and be guided by the extant protocols issued by NIBSS,
- ii. For NIN – advise the customer to visit the nearest NIN enrolment centre,
- iii. upon receipt of the BVN or NIN, follow the process described in 2 (b) above to complete the onboarding process.

NOTE: The use of any 'placeholder BVN or NIN' to support the creation of any customer profile is strictly prohibited and shall be sanctioned accordingly.

3. Additionally, regulated financial institutions are required to profile ALL their customers' accounts/wallets on NIBSS' ICAD, tag them with their unique identifiers within 24hrs of generating and assigning an account number to a customer (new or existing).

4. Other requirements of the Guidelines and related regulations remain valid and applicable.