



Cardoso Unveils Strategic Reforms to Revitalise Nigeria's Economy

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Editor's Note

The end of the year offers a unique opportunity to reflect on the strides made and the vision for Nigeria's economy. In this December edition of CBNUUpdate, we spotlight Central Bank of Nigeria's efforts to address economic challenges and foster sustainable growth through bold reforms and innovative policies.

Governor Olayemi Cardoso's call for a resilient African financial system underscores the Bank's leadership in shaping regional economic stability, while transformative initiatives, such as the unification of the exchange rate and the launch of new EFEMS guidelines, demonstrate a commitment to enhancing transparency and investor confidence.

Other highlights of this edition include the epoch-making unveiling of the redesigned CBN website by the Deputy Governor, Economic Policy, Mr. Abdullahi Muhammad Sani. The website redesign symbolises progress in accessibility and stakeholder engagement. Also in this December package is the CBN's renewed emphasis on cybersecurity, efficient cash disbursements, and crisis management to bolster financial system integrity.

As the year 2025 begins in few days, the CBN's commitment to fostering trust, innovation, and inclusivity in Nigeria's financial landscape remains resolute. We thank you, our esteemed stakeholders, for your continued partnership and look forward to achieving even greater milestones together.

Season's greetings and warm wishes for a prosperous New Year! ■

A handwritten signature in black ink, appearing to read 'H. Ali'.

Hakama Sidi Ali
Editor-in-Chief

Cardoso Unveils Strategic Reforms to Revitalise Nigeria's Economy

By: Titilayo Oluwasina



CBN Governor, Mr. Olayemi Cardoso

The Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, has outlined the Bank's transformative economic agenda to foster stability, drive growth, and revitalise confidence in Nigeria's economy. Speaking at a high-level stakeholder engagement in Abuja, he highlighted the Bank's efforts to address economic challenges and drive sustainable growth.

He detailed the challenges that marked the period preceding his appointment in October 2023, including surging inflation, dwindling external reserves, and declining capital inflows. He further explained that structural issues such as multiple exchange rate systems and excessive deficit financing had undermined market confidence and policy effectiveness. In response, he said the CBN implemented urgent reforms to stabilise the macroeconomic environment and strengthen the financial system.

The reforms included unifying exchange rate windows, clearing a backlog of foreign exchange commitments worth \$7 billion, and recalibrating monetary policy tools, including raising the Monetary Policy Rate to combat inflation. The Bank also discontinued quasi-fiscal interventions and increased the Cash

Reserve Ratio for banks to maintain liquidity. These measures, he noted, were critical to curbing inflation, boosting foreign reserves and improving Nigeria's trade balance.

Mr. Cardoso underscored the need for international collaboration, inviting foreign partners to invest in high-potential sectors such as agriculture, the digital economy, manufacturing, fintech, and renewable energy. He also highlighted opportunities for trade facilitation, regional economic integration within ECOWAS, and capacity-building initiatives to equip Nigerians with skills for global competitiveness, stressing that recent reforms had created a more transparent and stable economic environment conducive to foreign direct investment and trade partnerships.

While acknowledging ongoing challenges, the Governor expressed optimism about Nigeria's economic renewal. He called for collective efforts to achieve sustainable growth and reiterated the CBN's commitment to monetary and price stability, fostering a sound financial system, and advancing development goals.

In his welcome remarks, the Deputy Governor, Economic Policy, Mr. Muhammad Sani

Abdullahi, noted that the Bank organised the event to foster collaboration and reflect on efforts toward building a resilient Nigerian economy. He underscored the importance of partnerships among households, businesses, government institutions, and international allies in achieving shared economic goals.

He acknowledged the challenges Nigeria had faced, including exchange rate volatility, inflation, and structural economic issues, emphasising that bold reforms implemented by the Management team had been pivotal in navigating these complexities, as detailed in the publication "Promoting Stability in an Era of Economic Reforms: The Journey So Far", which highlights strategies implemented to ensure economic stability and foster sustainable growth over the past one year.

Mr. Abdullahi expressed gratitude to stakeholders for their contributions, recognising the support of the Bank's Deputy Governors, members of the Monetary Policy Committee, Departmental Directors, and staff for their dedication. He also lauded the role of Nigeria's fiscal authorities and international partners in driving emerging economic successes. He expressed optimism that the event would serve as an opportunity to strengthen relationships, share perspectives, and reaffirm a shared commitment to Nigeria's economic prosperity and resilience.

In his goodwill message, the Chairman, Senate Committee on Banking, Insurance and Other Financial Institutions, Mukhail Adetokunbo Abiru, congratulated Governor Olayemi Cardoso and the CBN's leadership team on their first anniversary in office.

He commended their progress in implementing reforms and fostering transparency through stakeholder engagement. He highlighted improved financial system stability, strong prudential ratios, positive ratings from international agencies, and increased investor confidence.

He also acknowledged the challenges of tackling elevated inflation and boosting

liquidity in the foreign exchange market. He urged the Bank to sustain its reform efforts, prioritise productivity-enhancing policies, and enhance collaboration between monetary and fiscal authorities to drive sustainable economic growth.

Also delivering a goodwill message, the Chairman, House Committee on Banking Regulations, Hon. Bello El-Rufai, commended Governor Cardoso, the Deputy Governors, and the Bank's staff for the bold reforms over the past year.

He assured continued support from the House of Representatives, expressing confidence in the Management team's efforts to drive Nigeria towards a trillion-dollar economy while urging them to persist in addressing fundamental issues for sustainable growth.

In her vote of thanks, the Deputy Governor of Operations, Ms. Emem Usoro, expressed gratitude to the CBN Management team, distinguished guests, and stakeholders, including government officials, lawmakers, diplomats, and corporate leaders, for supporting the Bank's mission.

She highlighted the collective efforts in fostering economic resilience and sustainability. She acknowledged the contributions of the Monetary Policy Committee and the Central Bank of Nigeria's Board in promoting financial inclusion and market confidence.

Ms. Usoro lauded Governor Cardoso's visionary leadership in addressing Nigeria's economic challenges and driving transformative reforms. She commended the organising team for ensuring the event's success and emphasised the importance of continued collaboration and innovation to achieve Nigeria's economic goals.

The strategic engagement convened a gathering of key stakeholders, including senior government officials, representatives from international organisations, Central Bank Board Members, the diplomatic corps, and members of the academia. ■

Africa Needs Stronger, Resilient, Financial Architecture - Cardoso

By: Emike Ikhumhi



CBN Governor, Olayemi Cardoso (middle, in white) with dignitaries at the 5th African Union Extraordinary Specialized Technical Committee (STC) meeting on Finance, Monetary Affairs, Economic Planning, and Integration, held in Abuja

The Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, has stressed the importance of reforms to strengthen Nigeria's financial markets and contribute to a resilient African financial system.

Speaking at the 5th African Union Extraordinary Specialized Technical Committee (STC) meeting on Finance, Monetary Affairs, Economic Planning, and Integration, held in Abuja, Mr. Cardoso outlined the CBN's efforts to foster economic stability, including the unification of the exchange rate, enhancing transparency, and boosting investor confidence in the country's foreign exchange markets.

He highlighted the critical roles of the African Monetary Institute (AMI) and the African Financing Stability Mechanism (AFSM) in promoting macroeconomic convergence, financial stability, and resilience across the continent. He noted that the AMI's establishment marks a significant step toward a common currency for Africa, while the AFSM is designed to safeguard financial stability amid global economic uncertainties.

During the meeting, the Governor also commended the experts who finalised the draft statute for the AMI and the AFSM framework, noting that their professionalism, dedication, and collaborative spirit had brought the body closer to achieving its shared vision.

In his keynote address, Nigeria's Finance Minister and Coordinating Minister for the Economy, Mr. Wale Edun, stressed the need for African countries to work cohesively to overcome economic challenges, including poverty, inequality, and dependence on foreign aid. He underscored that Africa could only navigate these challenges and build a stronger economy through collective action. The Minister expressed confidence that the resolutions from the meeting would lead to the approval of the AMI and AFSM frameworks by African Heads of State in February 2025.

Also speaking, the Executive Vice President for Governance, Legal and Corporate Services at the African Export-Import Bank (AFREXIMBANK), Dr. George Elombi, warned that efforts to hinder the establishment of the AMI must be countered. He, therefore, called for intensified collaboration to ensure the

realisation of a more robust African economy through the AMI framework.

Earlier in his opening statement, the Deputy Executive Secretary and Chief Economist of the United Nations Economic Commission for Africa (UNECA), Dr. Hanan Morsy, urged African leaders to remain focused on empowering national economies for all Africans.

Similarly, the Vice President and Chief Economist of the African Development Bank (AfDB), Professor Kevin Urama, emphasised that the AFSM's goal was to provide sustainable debt refinancing and ensure African ownership while considering the potential inclusion of non-African members. During the meeting, consensus was reached on the AFSM's technical and operationalisation aspects, including membership, capital, and legal structures.

This agreement follows consultations with member countries after the 7th STC meeting in Tunisia.

Meanwhile, at an earlier session, the CBN Governor, represented by his Deputy in charge of Economic Policy, Mr. Muhammad Abdullahi, welcomed delegates, stressing the need for a mechanism that supports local currency trade and debt settlement. He noted that such a mechanism would reduce dependency on foreign exchange and protect African economies from global market volatility.

He reiterated Nigeria's readiness to collaborate with other African nations to establish a financial stability mechanism reflecting unity, collaboration, and shared prosperity. He thanked the African Union Commission (AUC), the African Development Bank Group (AfDB), and other partners for their leadership in advancing this vital initiative for Africa's future. ■

CBN to Lead Policy Dialogues, Thought Leadership in 2025 – Cardoso

By: Mohammed Haruna



CBN Governor, Mr. Olayemi Cardoso delivering a Keynote address at the 30th edition of the Annual CBN Executive Seminar, held at the CBN Head Office, Abuja.

The Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, has reaffirmed the Bank's commitment to

being at the vanguard of policy dialogues and thought leadership in 2025.

Mr. Cardoso made these comments while



CBN Deputy Governors, Operations (4th from left) and Economic Policy (4th from right) in a group photograph with some CBN Executives at the seminar.

delivering a Keynote address at the 30th edition of the Annual CBN Executive Seminar, which was held recently at the Bank's Head Office Auditorium, Abuja, on the theme "Pathways to a \$1 Trillion Nigerian Economy: From Crisis to Sustainable Growth."

The Governor emphasised the importance of sharing insights and distilling economic issues to help stakeholders understand and rebuild trust in the system. He said the platform would be at the CBN, stressing that "we (CBN) do not intend to cede that position to anyone".

He praised the seminar organisers for their apt choice of theme and the quality of resource persons engaged in technical presentations and panel discussions. He described the participating executives as "key drivers of the Bank's vision" and urged them to produce far-reaching and impactful recommendations on the Bank's policy initiatives.

He also commended the Bank's Annual Executive Seminar for impactful engagements and innovative recommendations, which have continued to set the standard for contemporary policy dialogues and influence policy decisions within the Bank and beyond.

Commenting on the theme, Governor Cardoso noted its timeliness and alignment with Nigeria's goal of achieving a \$1 trillion economy by 2030 through annual economic growth of 7 per cent. He said the theme strongly focuses on economic growth, supported by fiscal and monetary policy measures.

Governor Cardoso expressed delight that foreign investors' perception of Nigeria was "slowly but surely changing". He cited the recently launched \$2.2 billion Eurobond in the international market, which attracted an impressive \$9 billion in investor interest, as evidence that the past year's hard work and policy consistency were "beginning to pay off."

However, he observed that "the capacity of the Nigerian economy to achieve the one trillion-dollar mark is predicated on reforms that prioritise a stable macroeconomic environment, technological innovation, resilient financial system, strong institutions, efficient public service delivery, human and physical capital development, private sector investments, and competitive trade, among other critical factors or enablers."

Earlier in his special remarks, the Deputy

Governor, Economic Policy Directorate, Mr. Muhammad Sani Abdullahi, reminded participants that as they deliberated on the pathways to a US\$1 trillion Nigerian economy by 2030, the seminar offered a unique opportunity to redefine policy priorities and implement necessary reforms to create a robust, diversified, and sustainable economic model for achieving the goal.

The Director, Research Department, Ms. Aderinola Shonekan, commended the participants and recalled that the CBN Annual Executive Seminar had, over the years, become an invaluable platform for the Bank's executives to engage in rigorous discussions on some of the most pressing economic and monetary policy issues confronting the nation. Similarly, the Director, Capacity Development

Department, Mr. Musa Jimoh, thanked CBN's Management for supporting the seminar over the years.

The hybrid seminar featured executives from all the Bank's Departments and Branches. Ten paper presentations were given across five technical sessions, and experts from the academia, public, and private sectors delivered the presentations.

The event's high point was a policy dialogue chaired by the Deputy Governor, Economic Policy Directorate.

The 30th edition of the Annual CBN Executive Seminar underscores the Bank's commitment to fostering thought leadership, shaping policy priorities, and driving Nigeria's economic transformation. ■

Central Bank Unveils New Website

By: Titilayo Oluwasina



DG Economic Policy, Mr. Muhammad Sani Abdullahi speaking at the unveiling

The Central Bank of Nigeria (CBN) has unveiled a redesigned version of its official website, www.cbn.gov.ng, as part of activities commemorating the first

anniversary of the Olayemi Cardoso-led Management team. The unveiling in Abuja recently was a significant milestone in the Bank's ongoing efforts to enhance



CBN Deputy Governors, Economic Policy and Operations (5th and 4th from right respectively) in a group photograph with members of the Web Team in the Corporate Communications Department.

transparency and accessibility and improve stakeholder engagement.

In his remarks, the Deputy Governor, Economic Policy, Mr. Muhammad Sani Abdullahi, emphasised the importance of modernising the Bank's communication platforms to align with its role as a central bank in one of Africa's largest economies. He noted that the revamped website, which was the first significant update since 2014, addressed critical challenges of the previous platform, including an outdated user interface, legacy technology, and performance issues that had impacted user experience and the CBN's brand image.

Mr. Abdullahi emphasised that the Bank was leveraging cutting-edge web technologies to set clear expectations and strengthen trust among its stakeholders, adding that the new website, designed and built in-house by the Bank's Corporate Communications and Information Technology teams, offers enhanced navigation, sophisticated data visualisation, and advanced security features.

He observed that the platform provides seamless access to vital resources such as economic data, policy updates, financial literacy tools, and up-to-date information on monetary policies, regulatory guidelines, and financial reports. This aligns with Governor

Cardoso's strategic vision to strengthen communication, deliver forward guidance, and promote meaningful public engagement.

The Deputy Governor expressed optimism that the new platform would draw a broader audience, improve public understanding of monetary policy, and deepen the Bank's engagement with Nigeria's digitally savvy population. He thanked the Bank's Directors and staff, notably the Corporate Communications and Information Technology teams, for their pivotal roles in the project's successful completion. Emphasising the importance of user feedback, he highlighted that the redesigned website embodies a key element of the Bank's commitment to maintaining a forward-thinking approach in an ever-evolving economic environment.

Delivering the vote of thanks, the Ag. Director, Corporate Communications Department, Mrs. Hakama Sidi Ali, expressed gratitude to the Deputy Governor, Economic Policy, for his leadership and unwavering support in guiding the project to fruition. She also appreciated the Governor and the Management Team for fostering an environment that prioritises innovation and transparent communication, showcasing the Bank's collective commitment to excellence.

Mrs. Sidi Ali acknowledged the Information

Technology Department's invaluable contributions to seamlessly integrating advanced features into the website and thanked the Internal Audit, Risk Management, and Strategy Management teams for their collaborative efforts. She extended heartfelt appreciation to the Corporate Communications team for their creativity, dedication, and resilience in crafting a platform that reflects the Bank's core values and stakeholder needs.

She also urged all staff members to promote the redesigned website as a trusted source of information and a symbol of the Bank's commitment to transparency and excellence, emphasising that feedback and engagement are invaluable in refining and optimising the platform to serve stakeholders better. Earlier in his welcome address, the Head,

Communication Management and Strategy Division, Mr. Ibrahim Abbas, underscored the transformative impact of the redesigned website on the Bank's communication strategy.

He highlighted that the milestone reflected the Bank's unwavering commitment to leveraging technology and enhancing accessibility and transparency. Mr. Abbas noted that the new platform's intuitive design and advanced functionalities would empower stakeholders globally to engage with the Bank's policies, initiatives, and resources more effectively, reinforcing the CBN's role as the apex regulatory institution within Nigeria's financial ecosystem.

The ceremony's highlight was the formal inauguration of the redesigned website by the Deputy Governor, Economic Policy, accompanied by the Deputy Governor, Operations, Ms. Emem Usoro. ■

Ikeazor Reaffirms Commitment to Cybersecurity, Financial Systems Integrity

By: Ibilola Balogun and Daniel Nwangwa



Deputy Director, Banking Supervision Department, Mr. Adekunle Adeniji, representing the DG, Financial Systems Stability, CBN, Mr. Philip Ikeazor at the Q4 General Meeting of the Nigeria Electronic Fraud Forum (NeFF), held at the CIBN House, Victoria Island, Lagos.

The Deputy Governor of Financial System Stability (FSS) at the Central Bank of Nigeria (CBN), Mr. Philip Ikeazor, has reaffirmed the Bank's commitment to

enhancing cybersecurity and safeguarding the integrity of the nation's financial system. He made the statement during his opening remarks at the fourth quarter General Meeting of the



The Acting Director of Payment Systems Management Department, CBN, and Chairman of the Nigeria Electronic Fraud Forum (NeFF), Mr. Taiwo Oladimeji.

Nigeria Electronic Fraud Forum (NeFF), held recently at the CIBN House in Victoria Island, Lagos, with the theme: "Social Engineering Financial Fraud and Cybersecurity in Nigeria."

The Deputy Governor, who was represented by the Deputy Director, Banking Supervision Department, Mr. Adekunle Adeniji, highlighted the rapidly evolving digital financial landscape and the urgent need for constant innovation to ensure the Nigerian payment system is secure and resilient. He observed that as digital transactions became more prevalent, the sophistication of threats targeting them also increased. He highlighted social engineering fraud as a particularly deceptive and damaging form of financial crime that posed growing risks to financial stability and individual security by exploiting the trust and confidence inherent in the payments system.

He emphasised the importance of financial institutions implementing enhanced Know Your Customer (KYC) procedures and adopting Regtech solutions as key priorities for 2025, noting that the CBN would mandate financial institutions, including banks and fintechs, to adopt Regtech solutions to meet regulatory requirements more efficiently and cost-effectively. Additionally, he encouraged stakeholders to foster a culture of vigilance

and resilience.

Mr. Ikeazor emphasised aligning the financial sector with global e-payment development trends to enhance efficiency while prioritising staff training and capacity building in key areas such as compliance, customer service, and audit. He commended the Forum's commitment to strengthening the financial system against social engineering fraud. He expressed optimism that stakeholders would collaborate further to enhance cybersecurity, build robust defences against cybercrime, and reinforce trust and integrity in the nation's financial system.

Earlier in his welcome remarks, the Acting Director of the Payment Systems Management Department (PSMD) and Chairman of the NeFF, Mr. Taiwo Oladimeji, underscored the significance of the carefully curated and impactful theme, emphasising its timeliness in addressing evolving threats in the digital payment landscape. He called for a more robust and unified fight against the growing menace of cyber fraud, stressing the importance of proactive measures to outpace fraudsters. Mr. Oladimeji highlighted the critical need for synergy and collaboration among financial institutions, regulatory bodies, law enforcement agencies, and technology providers, urging all stakeholders to leverage collective expertise and resources to safeguard the nation's payment systems.

During his keynote presentation on cybercrime trends in Nigeria, the Chief Executive Officer of the Nigerian Interbank Settlement System (NIBSS), Mr. Premier Oiwoh, underscored the correlation between the expansion of digital payments and the increase in cyber security threats, citing anecdotal evidence and data-driven insights. He identified significant challenges in Nigeria's digital financial system, including limited internet access, low cybersecurity awareness, institutional lapses, insufficient KYC practices, restrictive transaction limits, lack of enterprise fraud management tools, and poor reporting mechanisms.

He enumerated opportunities to enhance cybersecurity through proactive strategies, including fostering partnerships between traditional banks and fintechs, promoting innovative payment options and layered identity verification, and leveraging AI and ML for fraud detection. Other proactive strategies are exploring open banking use cases, mandating the adoption of enterprise

fraud management tools, reviewing agency banking enforcement, and prioritising employee training and capacity building, Mr. Oiwoh noted.

The meeting featured an engaging panel discussion titled "Building Resilience and Collaboration in Cybersecurity for Nigerian Financial Institutions". It also included two insightful presentations: "Decoding Social Engineering with AI: Strategies to Detect and Mitigate Fraud in Nigeria" by the Chief Operating Officer of Autogon AI; and "Cyber Awareness and Education: The First Line of Defence Against Financial Crimes in Nigeria" delivered by Mr. Rotimi Ogunyemi, Partner at BOC Legal.

NeFF, a dedicated platform established to combat electronic fraud in Nigeria, brings together financial institutions, law enforcement agencies, and industry stakeholders to address and mitigate the risks associated with electronic fraud collaboratively. ■

Naira Scarcity: CBN Announces Fine for Illicit Distribution

By: Louisa Okaria

The Central Bank of Nigeria (CBN) has issued a stern warning to Deposit Money Banks (DMBs) involved in the illicit distribution of mint Naira notes to currency hawkers and unscrupulous economic agents who commodify the currency. The apex bank stated that violators would face a penalty of ₦150 million per offending branch for a first offense.

This directive was contained in a circular dated December 13, 2024, and signed by the Acting Director of the Currency Operations Department, Mr. Solaja Mohammed J. Oleyemi.

According to the CBN, such practices are undermining the efficient and effective distribution of cash to customers and the

general public. To curb these irregularities, the Bank has announced plans to intensify periodic spot checks in banking halls and ATMs. Additionally, it will conduct mystery shopping exercises at identified cash hawking locations across the country.

The circular further outlined that repeated violations could lead to the application of the full weight of relevant provisions in the Banks and Other Financial Institutions Act (BOFIA) 2020.

The CBN urged all Deposit Money Banks and financial institutions to strengthen their internal controls, particularly in cash management centers, branch operations, and teller activities, to ensure compliance and uphold the integrity of the Naira. ■

PHOTO CAPTURES AT THE 2024 ANNUAL BANKERS' COMMITTEE RETREAT



CBN Governor, Mr. Olayemi Cardoso, presenting his welcome remarks at the 2024 Annual Bankers' Committee retreat with the theme, "Contract and Commitment to National Development and Economic Growth", at the Transcorp Hilton Hotel, Abuja, on Friday, December 6 to Sunday, December 8, 2024.



L-R: The MD/CEO, Nigeria Deposit Insurance Corporation (NDIC), Mr. Bello Hassan, MD/CEO, Standard Chartered Bank Mr. Dalu Ajene and the Governor, Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso.



The Special Adviser to the President on Economic Affairs, Vice President's Office, Dr. Tope Fasua, delivering the speech of the Vice President of the Federal Republic of Nigeria, Sen. Kashim Shettima, at the retreat.



Cross section of Bank MDs and CEOs at the retreat.



Cross section of Bank MDs and CEOs at the retreat.



CBN Governor, Mr. Olayemi Cardoso and the DG, FSS, CBN, Mr. Philip Ikeazor at the retreat.

GLOBAL TIT BITS

AfDB, Others Reaffirm Commitment to Strengthen Resilience

By: Ogochukwu Ikeagwuonu



source: www.bing.com

The African Development Bank (AfDB), the Mano River Union (MRU) Secretariat, and the United Nations (UN) have reaffirmed their commitment to enhancing resilience and addressing fragility in West Africa. The unions recently convened a high-level meeting in Abidjan, Côte d'Ivoire, where key stakeholders discussed targeted projects and strategies to tackle the root causes of economic instability and prevent conflict across the region.

In his remarks, the Secretary-General of the MRU, Ambassador Simeon Moribah, emphasised that the strategic discussions focused on addressing the underlying drivers of fragility and economic challenges. He stressed the need to integrate conflict prevention measures into ongoing and future initiatives and reviewed the region's strategic priorities for peace and stability.

Mr. Riadh Ben Messaoud, the AfDB's lead coordinator, highlighted the meeting's groundbreaking nature, noting that it marked the first comprehensive regional assessment of fragility and resilience. He reaffirmed the AfDB's commitment to operationalising the key findings from the assessment, in close collaboration with the UN and MRU, to prevent the recurrence of conflict.

Ms. Barrie Freeman, Deputy Special Representative of the UN Secretary-General for West Africa and the Sahel, addressed the pressing challenges faced by the region, underscoring the need for strengthened regional cooperation, good governance, and peacebuilding efforts. She expressed optimism that the region's challenges could be transformed into sustainable development and stability opportunities.

The meeting took place on the sidelines of the MRU Member States statutory meeting and builds on ongoing collaboration that began in 2020 with the launch of the Fragility and Resilience Assessment for the Mano River Basin. This effort resulted in the 2022 publication *Fragility and Resilience in the Mano River Union Sub-region: Consolidating Peace Dividends Amid Persistent Challenges*.

Recall that the Mano River Union is an international association established between Liberia and Sierra Leone in 1973 under the Mano River Declaration. The Union now includes Guinea and Côte d'Ivoire. The AfDB, UN, and MRU collaboration seeks to foster regional peace, stability, and sustainable development amid persistent challenges in West Africa. ■

GLOBAL TIT BITS

IMF Reaffirms Support for Nigeria's Economic Reforms

By: Mukhtar Maigamo



source: www.bing.com

The Managing Director of the International Monetary Fund (IMF), Kristalina Georgieva, has applauded President Tinubu's economic reforms in Nigeria, saying that the positive results of these reforms are already visible.

Georgieva made this known when she paid a courtesy visit to the Nigerian President, Ahmed Bola Tinubu, on the sidelines of the G20 Leaders' Summit in Rio de Janeiro, Brazil. During the meeting, she praised Nigeria's decisive efforts to accelerate economic growth and create job opportunities for the country's vast youth population. She said that the IMF was entirely in support of these laudable reforms.

In his response, President Tinubu assured that his administration would prioritize the welfare of the poor and most vulnerable even as the economic reforms begin to yield fruitful results.

He said, "We have started seeing positive results from our reforms, and the Nigerian people now understand the need for them, but we have to reduce the hardship resulting from the implementation." The President recognized the unintended consequence of the reforms, as it reduced Nigerians' purchasing power, but assured that his

government would continue to provide social safety nets to mitigate the difficulties. The President also stressed the need for increased access to education, emphasizing that significant resources must be allocated to drive the much-needed infrastructural development in the country.

"We have too many children out of school, and we know that education is a way out of hunger and poverty. That is why we are designing ways and incentives to keep these children in school, and we need your support for these kids who want to stay in school," he told the IMF Chief. He further noted that Nigeria is working on tax reforms to stimulate the economy.

"We are engaging stakeholders and sensitizing Nigerians to expand the economy's tax base for inclusive developmental growth. We are doing this without necessarily increasing the taxes on our people who have already given a lot. We will require your support on this," he stated. He also congratulated the IMF Chief on her re-election for a second term, expressing gratitude for her support in implementing the reforms.

The IMF chief expressed her willingness to provide technical support to Nigeria in budgeting, noting that it would help the country achieve the best possible outcomes from its loans.

G20 is an international forum that brings together the world's leading economies to discuss global economic issues. Established in 1999 in response to the global financial crisis, the Group of Twenty (G20) is the primary forum for international economic collaboration. It plays a crucial role in shaping and enhancing the global economic architecture and governance on key international economic issues. ■

CBN Reiterates Validity of all Naira Notes

By: Ogochukwu Ikeagwuonu



source: www.bing.com

The Central Bank of Nigeria (CBN) has dispelled the misinformation regarding the validity of the old Naira Notes in circulation and reiterated that the old ₦1000, ₦500, and ₦200 banknotes remain valid.

This was contained in a circular released on Friday, December 13, 2024, and signed by the Acting Director, Corporate Communications Department, Mrs. Hakama Sidi Ali.

The Circular stated that in line with the Bank's previous clarifications and to offer further assurance, the CBN wishes to reiterate that the subsisting Supreme Court ruling granted on November 29, 2023, permits the concurrent circulation of all versions of the ₦1000, ₦500, and ₦200 denominations of the Naira indefinitely.

It further noted that for the avoidance of doubt, all versions of the naira, including the old and new designs of ₦1000, ₦500, and ₦200 denominations, as well as the commemorative and previous designs of the ₦100 denomination, remain valid and continue to be legal tender without any deadline.

The CBN, therefore, advise the public to disregard any claims that the old series of the banknotes will cease to be legal tender on December 31, 2024, and urges Nigerians to continue accepting all Naira banknotes (both old and redesigned), while encouraging the alternative modes of payment, such as e-channels, to reduce pressure on using physical cash. ■

CBN Deputy Governor Lauds Progress in Healthcare Excellence

By: Adaeze Alaribe



DG Corporate Services, CBN, Dr. Bala Mohammed Bello speaking at the event.

The Deputy Governor, Corporate Services of the Central Bank of Nigeria, Dr. Bala Mohammed Bello (MON), has expressed his satisfaction with the significant progress made by the Medical Services Department (MSD). He praised the Department's efforts in reducing operational costs and improving medical service delivery for staff and their dependents.

Dr. Bello stated this at an event themed "Our DTC: Achieving Healthcare Excellence Together," held recently in Abuja. Reiterating

the importance of the Bank's medical professionals, he stressed that they should remain at the forefront of any initiative to improve employee welfare physically and mentally. "The peace of mind of employees and their families hinges on your ability to provide quality care," he said.

In her welcome address, Ag. Director, Medical Services Department, Dr. Adenike Ojumu, commended the Management for its strong backing, enabling MSD to introduce groundbreaking services, such as 254 successful surgical procedures with 106 in-house childbirths, marking milestones in the Department's history. She acknowledged the challenges faced by MSD, including high medical costs, underutilised equipment, and perception issues. Still, she praised the bold reforms implemented by Management that have led to the current successes.

Papers presented at the event were: "Team Building and Synergy (Effective Collaboration in Healthcare and Strategies for Success)" by Mr. Tunde Bamgboye; "Wellness and Burnout Prevention (Selfcare and Management of Stress Among Healthcare Workers)" by Olusegun Shoyombo; "Optimising Healthcare Delivery and Improving Patient Experience to the Modern-Day Central Banker" by Dr. Adedamola Dada. ■



CBN Deputy Governor, Corporate Services in a group photograph with members of staff at the event.

CBN Hands over CENEF to UNEC

By: Dominic Yammah



The Branch Controller, CBN Enugu, Mr. Justice Otutubuike Agbaeze (left), presenting documents to the representative of the Acting Vice Chancellor, University of Nigeria.

In a strategic move to fully focus on its core mandate, the Central Bank of Nigeria (CBN) has officially handed over the Centre for Economics and Finance (CENEF) to the University of Nigeria, Enugu Campus (UNEC). The structure was built to host the CBN's Collaborative Postgraduate Programme (CBN-CPP) in Accounting, Banking and Finance, Economics, and Business Administration. Following the handover ceremony recently in Enugu, the Centre now falls under the management of UNEC.

The Branch Controller, CBN Enugu, Mr. Justice Otutubuike Agbaeze, affirmed a continued collaboration between the CBN and UNEC regarding the new development. He emphasised that the partnership remained intact. He also noted that the University had produced some of the CBN's most productive staff, underscoring the institution's ongoing contribution to the Bank.

The Acting Vice Chancellor of the University of Nigeria, Professor Polycarp Emeka Chigbu, represented by the Deputy Vice-Chancellor, Prof. Daniel Chukwu Nwachukwu, expressed gratitude for the CBN's commitment to advancing education. He acknowledged the CBN-CPP as a valuable initiative and

appealed to the Bank for continued support in optimising the facility's operational capacity.

Also, the Director of the CBN Centre for Economics and Finance in UNEC, Prof. Ifeoma Stella Madueme, commended the CBN for its significant and far-reaching investment in Nigeria's educational sector. She emphasised the positive impact the CBN CENEF in Nigeria offer specialised Master's degree programmes in Economics, Banking and Finance, Accountancy, and Business Administration, which empowers students to pursue world-class education.

She further stated that the centres had provided students with access to lecturers and consultants from across the country, creating lasting positive impacts on their lives. She added that the institute successfully graduated its first cohort in 2023, with the current group set to graduate in 2025.

The event's highlight was the official signing of the handover documents between CBN and UNEC representatives, followed by a facility tour with Deans, Heads of Departments, and other officials present to mark the occasion. ■

University of Ibadan Takes over CENEF Facility

By: Adetola Adeleke



Representative of the DG, Corporate Services, CBN, Dr. Eme Dada (left), presenting documents to the representative of the Vice Chancellor, University of Ibadan.

The Central Bank of Nigeria (CBN) has officially transferred the CBN Centre for Economics and Finance (CBN-CENEF) building complex, hostel, and related facilities to the management of the University of Ibadan, marking the culmination of a long-standing collaboration.

Speaking at the official handover ceremony, which was held in Ibadan on Wednesday, December 4, 2024, the Deputy Governor, Corporate Services, Dr. Bala Bello, explained that the decision aligned with the Bank's strategic focus on streamlining operations and achieving its core mandates.

Dr. Bello, who was represented by his Special Assistant, Dr. Eme Dada, disclosed that the agreement, which was established on May 21, 2019, was designed to create a Centre of Excellence to train skilled professionals for the financial system in alignment with the Financial System Strategy 2020 (FSS 2020).

With the official handover, he noted that the University of Ibadan assumes full responsibility for the management and maintenance of the facilities, including

compliance with any government levies, rates, or dues imposed on the structure, relieving the Bank of any obligations related to the structure.

Dr. Bello commended both institutions for their collaborative efforts and dedication, which contributed to the successful transition, describing the handover as the culmination of months of planning and coordination, ensuring the seamless continuation of the Centre's purpose under the University's leadership.

In his remarks, the Vice-Chancellor of the University of Ibadan, Prof. Kayode Adebawale, represented by the Deputy Vice-Chancellor (Administration), Prof. Peter Olapegba, commended the CBN for its vision and partnership. He assured attendees that the Centre would continue to evolve and meet the needs of Nigeria's financial sector, leveraging the University's expertise to maintain the programme's excellence.

The event featured a tour of the facility, which includes a state-of-the-art faculty building, lecture theatres, syndicate rooms, a 500-seat auditorium, lecture offices, a library, an e-library, a telepresence room, a cafeteria and residential amenities.

The event's highlight was signing the handover note and the formal transfer of the structures to the University of Ibadan's management. The ceremony was attended by the Director of the CBN Centre of Excellence, the Dean and Heads of Departments from the Faculty of Economics and Management Sciences, staff of the Central Bank of Nigeria, and students of the Centre. ■

Finance Houses Charged on Consumer Credit Integration

By: Gbemisola Akinmokun



The Acting Director, Other Financial Institutions Supervision Department (OFISD), CBN, Mr. Abayomi Arogundade, speaking at the bi-annual consultative meeting with the Finance Houses Association of Nigeria (FHAN) held in Lagos.

The Central Bank of Nigeria (CBN) has reaffirmed its stance on the need for financial institutions to collaborate and integrate consumer credit schemes to promote economic stability.

The Acting Director, Other Financial Institutions Supervision Department (OFISD), Mr. Abayomi Arogundade, stated this during a bi-annual consultative meeting with the Finance Houses Association of Nigeria (FHAN) at Providence Hotel, Ikeja, Lagos.

Mr. Arogundade expressed his enthusiasm for the federal government's commitment to integrating consumer credit scores into the financial system. He noted that the initiative is designed to simplify life for citizens by enabling them to plan credit around their income and offering the flexibility to spread payments. According to him, access to credit will empower individuals to meet their essential needs and reduce the likelihood of resorting to theft, fraud, and corruption.

He noted that the CBN also has a supervisory role in ensuring the soundness and stability of the financial system, making it necessary for the Bank to spearhead and facilitate the integration of consumer credit and provide a

conducive environment for finance companies to thrive.

He reiterated the need for finance companies to collaborate with regulators as stakeholders and partners in progress to foster a seamless working and business relationship.

Speaking further, Mr. Arogundade expressed concern over numerous reports received by the CBN regarding the disruptive trend of permissible activities by operators and some finance companies encroaching into areas traditionally outside their scope. He emphasized that the Bank disapproves of such practices and reiterated the necessity for checks and balances to maintain order and prevent confusion within the system. He urged operators to adhere to the established guidelines, assuring them of the Bank's continuous support and backing.

While updating finance companies about the anticipated increase in capital, Mr. Arogundade enjoined all finance institutions to acquaint themselves with the paper lite portal and ensure the timely submission of their returns. He noted that a comprehensive list of all finance companies will be uploaded on the Central Bank

of Nigeria website.

Also speaking at the event, Mrs. Aisha Abdullahi of the Nigerian Consumer Credit Corporation revealed that Nigeria's consumer credit accounts for only 14 per cent of the GDP, compared to higher percentages in other countries. She attributed this low figure to several factors, including the reluctance of finance companies to grant loans due to fears of defaults, difficulty in tracing and apprehending debtors, high interest rates, and costly insurance. Consequently, she noted that these challenges contribute to the prevalence of corruption in the country, as Nigerians have limited access to funds.

Mrs. Abdullahi stated that the federal government's mandate is to ensure that at least 15 per cent of Nigerians have access to consumer credit by creating citizen opportunities. She stressed that this goal could be achieved by developing credit infrastructure, harmonizing the credit score system, ensuring integrity to prevent loan shopping, and providing credit guarantees of up to 50 per cent, depending on the capital. Additionally, she emphasized the importance of cultural reorientation to change people's perceptions of borrowing and to reinforce the responsibility of repaying borrowed funds. ■



Cross section of participants at the event.

Ikeazor Urges BSD to Uphold Confidence, Integrity

By: Mohammed Haruna



DG Financial Systems Stability, CBN, Mr. Philip Ikeazor

The Deputy Governor, Financial Systems Stability Directorate, Central Bank of Nigeria (CBN), Mr. Phillip Ikeazor, has called on the Banking Supervision Department (BSD) staff to uphold the highest standards of ethical conduct, professionalism, and compliance. He emphasised that the Department must adhere to these principles and serve as standard-bearers of these values across the financial sector.

Mr. Ikeazor made this assertion during his keynote address at an event held in Abeokuta,

Ogun State. He noted that the theme of the event, "Reinventing the Banking Supervision Department for Contemporary Developments and Regulatory Challenges", aligns closely with the Bank's shared mission.

Highlighting global economic challenges, Mr. Ikeazor remarked that the current landscape is marked by high inflation, slow growth, and elevated interest rates. He stated, "Two major bank failures in the US and Switzerland have underscored the urgent need for increased surveillance and regulation of the financial sector."

He stressed the critical importance of enhancing the supervisory capabilities to address emerging challenges and maintain confidence in the financial system. Addressing the ongoing recapitalisation of banks, Mr. Ikeazor underlined the pivotal role of supervisors in ensuring that financial institutions are adequately capitalised to withstand unexpected shocks. He stated: "A number of banks have already commenced their capital raise, and I am aware that examiners have begun capital verification exercises for some of these institutions. This

underscores the critical role you all play in safeguarding the growth and integrity of our banking system."

He urged the leadership of the Bankers' Committee to enhance communication with the public so that banks are not viewed as villains in an era of high inflation. Mr. Ikeazor emphasised the need to educate citizens on the importance of a strong and profitable financial sector as a foundation for economic growth and prosperity.

Speaking further, Mr. Ikeazor stressed the importance of ethics, professionalism, and a robust compliance culture, particularly for the BSD examiners.

In his welcome address, the Acting Director of the Banking Supervision Department, Dr. Adedeji Adetona, described the gathering as a valuable forum for exchanging insights and said that the theme was carefully chosen to highlight the need to adapt to the evolving supervision and regulatory landscape driven by digital innovation, customer expectations, and sustainability trends. ■

CBN Calls for Enhanced Crisis Management in Banking Oversight

By: Gbemisola Akinmokun



The Acting Director of the Banking Supervision Department, CBN, Dr. Adetona Adedeji (seated middle), in a group photograph with participants at the Capacity Building Workshop of the CABS WG, held recently in Lagos.

The Central Bank of Nigeria (CBN) has charged the Community of African Banking Supervisors Working Group (CABS WG) to strengthen crisis management

and banking and fintech resolution to ensure the stability and effectiveness of banking supervision across jurisdictions.

This call was made by the Acting Director of the Banking Supervision Department, Dr. Adetona Adedeji, during his address at the Capacity Building Workshop of the CABS WG held recently in Lagos. The event, themed "Crisis Management and Banking Resolution, and Fintech Regulation and Supervision," emphasized the group's critical role in managing financial crises and regulating fintech operations.

Dr. Adedeji underscored the importance of proactive measures in banking supervision, acknowledging that financial crises are often inevitable due to economic cycles. He, however, stressed that strong frameworks are essential for ensuring financial system resilience and equipping banks and fintech firms to navigate challenges effectively.

"Some crises are inevitable as they may result from the highs and lows of the economic cycle. Recognizing this, the Basel Committee on Banking Supervision highlights the need for a robust framework for crisis management, recovery, and resolution as a prerequisite for effective banking supervision in any jurisdiction," he stated.

Reflecting on the global banking challenges of 2023, the Acting Director praised the timely release of the CABS Crisis Management and Banking Resolution Framework and the Fintech

Regulation and Supervision Framework in August 2023. He emphasized the high cost of financial crises and the need for strategic, proactive planning to mitigate their impact.

The workshop was convened to enhance participants' skills in managing banking crises and foster cross-border collaboration. It served as a platform for sharing best practices in crisis management and fintech regulation while addressing the vulnerabilities posed by emerging technologies. Members were also briefed on the Working Group's mandate and the expectations set by the Association of African Central Banks (AACB) Assembly of Governors.

Key sessions at the workshop included discussions on the CBN's experience with early warning systems and case studies designed to improve crisis management strategies. Topics such as artificial intelligence, cyber fraud, data governance, regulatory compliance, consumer protection, and governance infrastructure were also explored. Plans for the 2025 Fintech Forum and other initiatives were deliberated upon.

The CABS WG was established to promote collaborative efforts between home and host authorities, as well as among AACB member countries, to manage crises and ensure the orderly resolution of cross-border banks and financial institutions. ■

New Guidelines for EFEMS Released

By: Pearl Ogbonna



CBN Headquarters, Abuja.

To ensure transparent, fair and efficient foreign exchange (FX) trading, minimize counterparty risk and ensure compliance with regulations, the Central Bank of Nigeria (CBN) has issued new guidelines for the Electronic Foreign Exchange Matching System (EFEMS).

A circular signed by the Director, Financial Markets Department of the CBN, Dr. Omolara Duke, stated that the guidelines regulate interbank FX trading operations via the Electronic Foreign Exchange Matching System (EFEMS). The circular noted that the Bank had approved the Bloomberg BMatch as the

designated platform to support the EFEMS for interbank trading.

The guidelines list the participants to include all authorized dealer banks licenced by the CBN; other participants who have secured CBN's approval to access the EFEMS platform and execute agreements with the platform provider; and participants responsible for maintaining accurate and updated profiles; amongst others.

Trading and operational requirements and Governance and Data Reporting requirements are also highlighted. For instance, the minimum tradable amount is US\$100,000.00, with incremental clip sizes of US\$50,000.00. Participants must comply with the Nigerian Foreign Exchange Code and other CBN regulations.

According to the guidelines, EFEMS shall be used exclusively for executing spot FX transactions involving the Nigerian Naira (NGN) against the United States Dollars (USD). Other currency pairs may be introduced upon the CBN's directive.

Participants are advised to note that the CBN shall monitor all transactions on EFEMS to

ensure market integrity and transparency, and all trade data generated on EFEMS shall be owned by the CBN, which reserves the right to publish aggregated or disaggregated data for data analysis, subject to confidentiality agreements. Violations of the guidelines or other applicable regulations shall attract penalties, including suspension or revocation of EFEMS access rights.

For dispute resolutions, the guidelines mandate that any dispute arising from EFEMS transactions must first be resolved bilaterally between counterparties. If unresolved, they can be escalated to the Financial Markets Dealers Association (FMDA) for arbitration. Final appeals may be submitted to the CBN for resolution, and decisions reached by the Bank shall be binding on the parties.

All market participants are required to comply strictly with the guidelines and are called to note that the CBN reserves the right to amend the guidelines as necessary to align with market developments or regulatory changes. Furthermore, such amendments will take effect upon issuance, and participants will be duly notified. ■

CBN Reiterates Directive on Cash Disbursement

By: Daba Olowodun

The Central Bank of Nigeria (CBN) has issued a circular emphasising its directive to Deposit Money Banks (DMBs) to enhance the efficiency of cash disbursements over-the-counter (OTC) and through Automated Teller Machines (ATMs).

The circular, titled "Cash Availability Over-the-Counter in Deposit Money Banks (DMBs) and Automated Teller Machines (ATMs)," became effective on December 1, 2024, and was jointly signed by Acting Director of the Currency Operations Department, Mr. Mohammed Olayemi Solaja, and Acting Director of the Branch Operations Department Dr. Aisha Isa-Olatinwo.

Reiterating the CBN's commitment to enforcing the directive, the circular stated that the regulator would intensify oversight to ensure full compliance by DMBs. The circular, therefore, urged the public to exercise their right to report non-compliance with the directives to the CBN Branches nearest to them. According to the circular, "members of the public who cannot obtain cash Over-the-Counter or through ATMs at DMBs, are encouraged to report these instances, using the designated reporting channels and format provided."

Customers are requested to provide their account name, the name of DMB where cash could not be accessed, the amount requested,

and the date and time of the incident when they report non-compliance to the CBN.

The circular provided a list of email addresses and phone numbers of all 37 Branches of the CBN across the 36 states and the Federal Capital Territory. Customers can access the circular and the list of designated contact

details on the CBN's official website at www.cbn.gov.ng.

This directive underscores the CBN's efforts to address challenges related to cash availability and improve access to banking services nationwide. ■

New Whistle-blower Policy Launched



Central Bank of Nigeria

In furtherance of management's commitment to promoting an organization with high ethical standards, honesty, and integrity, the Central Bank of Nigeria (CBN) is launching a new externally hosted platform to manage whistleblowing.

This marks a significant step toward creating a safe environment for employees, vendors, consultants, executives and other stakeholders to report incidences of personal and professional misconduct, unethical behaviour, or violations of the law without fear of retaliation.

This initiative reinforces the CBN's

commitment to upholding the highest standards of integrity and transparency internally and, by extension, the Nigerian Financial System.

All reports made via this channel will be investigated by the Bank promptly and treated with utmost confidentiality and professionalism, ensuring that every concern is taken to protect the whistle-blower.

The new reporting channel will go live on 1st January 2025, and further details will be shared soon as the Bank continues to promote a culture of operational excellence. ■

FREQUENTLY ASKED QUESTIONS (FAQS) ON THE ELECTRONIC FOREIGN EXCHANGE MATCHING SYSTEM (EFEMS)

1. What is the Electronic Foreign Exchange Matching System (EFEMS)? EFEMS is an electronic platform introduced by the Central Bank of Nigeria (CBN) for conducting foreign exchange (FX) transactions in the Nigerian Foreign Exchange Market (NFEM). It is designed to match buy and sell orders automatically, enhancing transparency and governance in FX trading.

2. When will EFEMS be implemented?

EFEMS will be fully implemented in the interbank foreign exchange market by December 1, 2024. A two-week test run will take place in November 2024 to ensure smooth integration and operation.

3. What are the key benefits of adopting EFEMS for Nigeria's FX trade?

- EFEMS provides real-time pricing and visibility of buy/sell orders, reducing the opacity in the FX market.
- Automated matching of orders ensures that market participants transact at the best available prices, reducing price manipulation and market distortions.
- The system limits speculative trading and reduces the volatility caused by market distortions.
- It enhances oversight, allowing better regulation and monitoring of FX activities.
- Real-time data will be accessible to the public, contributing to a more informed and efficient market.

4. How will EFEMS work in the Nigerian foreign exchange market?

Authorised Dealers will use EFEMS to place buy and sell orders in real-time. The system will automatically match corresponding orders based on predetermined rules, ensuring swift execution of transactions. All transactions will be reflected immediately in the system for market participants and regulators.

5. What changes will EFEMS bring to the current FX trading process?

EFEMS replaces the manual or less-automated trading processes with a streamlined, fully electronic system. It introduces real-time transaction visibility and ensures that all trades are processed through a single, regulated platform. This eliminates inefficiencies and manual interventions that may previously have led to market distortions.

6. What impact will EFEMS have on market rates?

EFEMS is expected to promote a market-driven exchange rate. This means rates will reflect actual market conditions, leading to a more efficient and stable pricing mechanism in the Nigerian FX market.

7. Will EFEMS affect speculative activities in the FX market?

Yes, EFEMS is expected to reduce speculative activities by ensuring that all trades are conducted transparently and in real-time. This minimizes the opportunity for traders to exploit market inefficiencies or create artificial price movements.

8. Who will oversee and regulate EFEMS?

The CBN, in collaboration with the Financial Markets Dealers Association (FMDA), will regulate the system. They will publish guidelines, rules, and real-time data to ensure compliance with the Nigerian FX Code and the revised Market Operating Guidelines for the Nigeria Foreign Exchange Market.

9. How can Authorized Dealers prepare for the adoption of EFEMS?

Authorised Dealers are required to ensure that all necessary documentation, training, and system integration efforts are completed before the go-live date. Dealers should familiarize themselves with the Nigerian FX Code and the revised guidelines to comply with regulatory requirements.

10. What role will the public play in the EFEMS framework?

The public will benefit from improved transparency, as real-time market prices and data will be accessible. This allows market

participants, businesses, and individuals to make more informed decisions when engaging in foreign exchange transactions.

11. How will EFEMS contribute to Nigeria's FX market stability?

EFEMS will help eliminate speculative activities and price manipulation. It ensures that FX rates reflect actual demand and supply conditions, leading to improved market stability and better regulation.

12. The FX market currently trades on Refinitiv FXT. How will the adoption of EFEMS affect that?

With the introduction of EFEMS, Authorized Dealers (ADB's) will transition from the current trading platform (Refinitiv FXT) to EFEMS for all interbank FX transactions. EFEMS will become the central platform for trade execution and matching, ensuring all trades are conducted under the CBN's new governance framework. However, the existing platforms like Refinitiv FXT may still serve as supplementary tools for conversational dealings.

13. How will EFEMS promote price discovery in the Nigerian FX market?

EFEMS will enhance price discovery by providing real-time visibility into buy and sell orders across the market, allowing all participants to see the true demand and supply for foreign exchange and exchange rates reflecting actual market conditions, rather than being influenced by speculative behaviour or market distortions.

14. What matching platform is being proposed: can this be communicated to the market in writing?

The CBN is yet to announce the specific platform selected for EFEMS. Platforms such as Bloomberg, Refinitiv and EBS all offer matching solutions, but the final decision would be communicated to the market in writing.

15. Scope of trade to be dealt on the EFEMS (all FX or Just Interbank)?

EFEMS is expected to cover all FX transactions including interbank and trades with clients.

16. Is there going to be a minimum threshold in terms of notional trades, if there is will that be for CBN to decide or FMDA?

The FMDA and the CBN will collaborate on setting appropriate threshold and guidelines.

17. Are banks still allowed to voice trade or close bilateral outside the EFEMS platform?

No, all FX transactions, including bilateral deals and clients' trades must be conducted through EFEMS. This is to ensure market-driven pricing. Exceptions (if, any) will be outlined in the system's operating guidelines.

18. What's the contingency plan for business continuity in the event of EFEMS failure/glitch? Can the market fall back to usual conventional means of closing trades?

A robust contingency plan will be in place in case of system failures. The market is still expected to maintain access to the conventional dealings as alternative options where there is need to do so. This will be with permission of the CBN.

19. CBN said they will publish real time rates etc, on what platform will those be published? Will the published rate be considered as of reference rates for the prevailing rate of USDNGN? If so, any details on how the CBN intends on computing the rate before they publish would be beneficial.

Real-time rates and other key data from EFEMS will be published on the selected platform as well as the CBN official websites and other financial information services. The rates would serve as reference rate for USDNGN and the methodology for computing and updating these rates will be communicated to market participants.

● DID YOU KNOW

- The Clean Note Policy was instituted by the Central Bank of Nigeria in a bid to improve the physical appearance and lifespan of the banknotes in circulation. The concept of Clean Note Policy requires that the production, issuance of new banknotes and re-circulation by the DMBs/CPCs must conform to the predetermined standards.
- It also aims to ensure that the quality of Naira banknotes in circulation must be in good condition to allow for processing and free acceptability by the general public.
- Did you know that according to the CBN clean notes policy, it is illegal to abuse or sell the Naira? The value of our currency should not be undermined.
- Did you know that according to the CBN clean notes policy, is it illegal to staple, trample upon, write on, spray on, or squeeze the naira note? The Naira is our symbol of national pride and nationhood, the Naira should be treated with respect.
- A counterfeit currency is an imitation of currency produced without the legal sanction of the state or government. Producing or spending counterfeit currency is a form of fraud or forgery.
- Did you know that a mutilated Naira note, that is a banknote, partially or permanently damaged by fire, water, dye, insects, torn or destroyed by a natural disaster, and more than half of the original size can be returned to your bank, and any Central Bank of Nigeria branch across the states.
- You can detect counterfeit Banknotes by the look, feel, or tilt of the banknotes. Compare the bill with another of the same denomination and series. Look carefully at the printing quality and examine the serial numbering. Fake notes often carry the same serial numbers.
- You can familiarise yourself with the security features on the banknotes, and help in currency management by reducing high-volume cash transactions to the barest minimum.
- The penalty for the abuse of the Naira is a penalty of N50,000.00 or a jail term of six (6) months or both.
- The penalty is a five-year imprisonment, with no option of bail.



Central Bank of Nigeria