



Central Bank of Nigeria

Payments System Management Department

Plot 33, Abubakar Tafawa Balewa Way

Central Business District

P.M.B. 0187 Garki, Abuja - Nigeria.

E-mail: psmd@cbn.gov.ng

Website: www.cbn.gov.ng

Phone: +234 700 225 5226, +234 800 225 5226

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

RE: CYBERCRIMES (PROHIBITION, PREVENTION, ETC) (AMENDMENT) ACT 2024 – IMPLEMENTATION GUIDANCE ON THE COLLECTION AND REMITTANCE OF THE NATIONAL CYBERSECURITY LEVY

The earlier Central Bank of Nigeria (CBN) circular and Letter to all Banks dated June 25, 2018 (Ref: **BPS/DIR/GEN/CIR/05/008**) and October 5, 2018 (Ref: **BSD/DIR/GEN/LAB/11/023**) respectively on compliance with the Cybercrimes (Prohibition, Prevention, Etc.) Act 2015 refer. The recent public engagements by the Office of the National Security Adviser (ONSA) on the above subject, also refers.

Following the enactment of the Cybercrime (Prohibition, Prevention, etc) (amendment) Act 2024 and pursuant to the provision of Section 44 (2)(a) of the Act, “**a levy of 0.5% (0.005) equivalent to a half percent of all electronic transactions value by the business specified in the Second Schedule of the Act**”, is to be remitted to the National Cybersecurity Fund (NCF), which shall be administered by the Office of the National Security Adviser (ONSA).

Accordingly, all Banks, Other Financial Institutions and Payments Service Providers are hereby required to implement the above provision of the Act as follows:

1. The levy shall be applied at the point of electronic transfer origination, then deducted and remitted by the financial institution.
2. The deducted amount shall be reflected in the customer’s account with the narration: “**Cybersecurity Levy**”.

3. Deductions shall commence within two (2) weeks from the date of this circular for all financial institutions and the monthly remittance of the levies collected in bulk to the NCF account domiciled at the CBN by the 5th business day of every subsequent month.
4. System reconfigurations towards ensuring complete and timely submission of remittance files to the Nigeria Interbank Settlement System (NIBSS) Plc shall be completed as follows:
 - a. Within four (4) weeks of this circular - Commercial, Merchant, Non-Interest and Payment Service Banks; and Mobile Money Operators.
 - b. Within eight (8) weeks of this circular – all Other Financial Institutions (Microfinance banks, Primary Mortgage banks, Development Finance Institutions).
5. **Exemptions** - To avoid multiple application of the levy on the same transaction/transfer, Appendix 1 (attached) captures transactions currently deemed eligible and are exempted from the application of the levy.
6. **Penalties for Non-compliance**

Section 44 (8) of the Act prescribes that failure to remit the levy is an offence and is liable on conviction to a fine of not less than 2% of the annual turnover of the defaulting business, amongst others.

Finally, all institutions under the regulatory purview of the CBN are hereby directed to note and comply with the provisions of the Act and this circular.

Please be guided accordingly.


CHIBUZO A. EFOFI
DIRECTOR, PAYMENTS SYSTEM
MANAGEMENT DEPARTMENT


HARUNA B. MUSTAFA
DIRECTOR, FINANCIAL POLICY
AND REGULATION DEPARTMENT

APPENDIX 1

IMPLEMENTATION OF THE CYBERCRIMES (PROHIBITION, PREVENTION, ETC) (AMENDMENT) ACT 2024

SCHEDULE OF EXEMPTIONS FROM CYBERSECURITY LEVY

1. Loan disbursements and repayments
2. Salary payments
3. Intra-account transfers within the same bank or between different banks for the same customer
4. Intra-bank transfers between customers of the same bank
5. Other Financial Institutions (OFIs) instructions to their correspondent banks
6. Interbank placements
7. Banks' transfers to CBN and vice-versa
8. Inter-branch transfers within a bank
9. Cheques clearing and settlements
10. Letters of Credits (LCs)
11. Banks' recapitalization related funding - only bulk funds movement from collection accounts
12. Savings and deposits including transactions involving long-term investments such as Treasury Bills, Bonds, and Commercial Papers.
13. Government Social Welfare Programs transactions e.g. Pension payments
14. Non-profit and charitable transactions including donations to registered non-profit organisations or charities.
15. Educational Institutions transactions, including tuition payments and other transaction involving schools, universities, or other educational institutions.
16. Transactions involving bank's internal accounts such as suspense accounts, clearing accounts, profit and loss accounts, inter-branch accounts, reserve accounts, nostro and vostro accounts, and escrow accounts.

