

PREFACE

Why The Central Bank of Nigeria made the Cash-less Policy.

As part of our ambition to be one of the best 20 economies before the year 2020, CBN informed the world that Nigeria would commence the process of changing to a cash-less economy by January 2012. The main reason for the policy was to reduce the amount of Naira notes and coins (Cash) used for business but not to eliminate cash usage.

Our economy uses too much cash for transactions for goods and services, especially for buying and selling. This is not how it is done in other progressive countries of the world where there are other payment options like; Debit and Credit Cards, Bank Transfers, Bank Direct Debits, Automated Teller Machines (ATMs) , and even Mobile Phone Money. These achievements have been brought about by the changing needs of their people, competition among banks, and other companies, including changes in technology. Our major focus is to increase the volume of all available payments instruments in Nigeria.

There is therefore a need to enlighten the public to choose other available payment options instead of the excessive reliance on cash for transactions. This will promote end-to-end electronic payments in Nigeria.

The cash-less policy will help us in the following areas:-

- It will establish a change in our payments systems in Nigeria. This is very important for economic growth and ultimately attainment of the Nigeria's Vision 20:2020.
- It will reduce the huge costs of providing banking services. The money saved will be used to lend credit to Nigerians.
- It will help the Central Bank and commercial banks better manage our economy to ensure that our Monetary Policy works.

Cash-Less Policy – Key Terms

The Central Bank of Nigeria (CBN) has introduced a new policy on cash-based transactions which stipulates a 'cash handling charge' on daily cash withdrawals or cash deposits that exceed N500,000 for Individuals and N3,000,000 for Corporate bodies. The new policy on cash-based transactions (withdrawals & deposits) in banks, aims at reducing **(NOT ELIMINATING)** the amount of physical cash (coins and notes) circulating in the economy, and encouraging more electronic-based transactions (payments for goods, services, transfers, etc.)

Why was the policy introduced?

1. To drive development and modernization of our payment system in line with Nigeria's vision 2020 goal of being amongst the top 20 economies by the year 2020. An efficient and modern payment system is positively correlated with economic development, and is a key enabler

for economic growth.

2. To reduce the cost of banking services (including cost of credit) and drive financial inclusion by providing more efficient transaction options and greater reach.
3. To improve the effectiveness of monetary policy in managing inflation and driving economic growth.

What are the benefits of the Cash-Less Policy?

- **For Consumers:** Increased convenience; more service options; reduced risk of cash-related crimes; cheaper access to (out-of-branch) banking services and access to credit.
- **For Corporations:** Faster access to capital; reduced revenue leakage; and reduced cash handling costs.
- **For Government:** Increased tax collections, greater financial inclusion, increased economic development.

Definition of Key Terms

“alternative cash payments” includes Point-of-sale (POS) terminals, Mobile payment systems, Internet banking, Multi-functional ATM, Electronic Funds Transfer Systems, and Direct debit

“ATM” is an abbreviation for Automated Teller Machine. It is a cash point that can be used to withdraw cash, do Transfers, . A debit card or credit card is used at the machine to withdraw cash. The personal identification number (PIN) has to be entered along with credit or debit card to access cash. Some ATMs will allow for cash deposits and bill payments.

“Bank account” is a record of financial transactions between a bank and the customer which is maintained by the bank. In addition to financial transactions, a bank account also shows the resultant financial position of the customer with the bank

“Card association” is a network of issuing banks and acquiring banks that process payment cards of a specific brand.

“Card holder” is a person who owns the credit card issued by appropriate credit card company or financial institution

“Card Schemes” define the rules of the card system (e.g. interchanges, licenses, fraud responsibilities), and choices of technical functionalities (e.g. standards, protocols, security requirements)

“Cash in Transit (CIT)” Money that is being physically transferred from a business to the bank

“Competent Authorities” include Courts, Economic and Financial Crime Commission (EFCC), Independent Corrupt Practices Commission (ICPC), Regulatory Authorities such as the CBN, Nigeria Deposit Insurance Corporation (NDIC) etc.

“Commission on Turnover (COT)” Commission charged to the account holder and calculated on the basis of the current account turnover

“Debit Card” is a card issued by a bank to the account holders so as to enable them to gain access to their funds in electronic form. Debit cards are used to withdraw cash from ATMs. They are also used for electronic transactions like purchases done using Point of Sale (PoS) systems. The customer's account is immediately debited or credited.

“Deposit taking banks” means banks and other financial institutions that take cash deposits

“Electronic Fund Transfer” is a system of money transfer from one account to another within same bank or different banks using electronic mode of transfer without any manual interference

“EMV” (Europay, MasterCard and Visa) is the global standard that is helping ensure smart (Chip-and-PIN) cards, terminals and other systems to interoperate

“financial inclusion” refers to the task of making financial services reach out to the under and unprivileged people of the society at affordable costs and means

“Fraudulent card transaction” is one in which the rules and regulations are not properly followed. Generally such transactions are unauthorized by credit card holders and involve a lost, stolen, fabricated, counterfeit and fraudulent processing of a credit card

“Hot list” means list of deactivated cards that were reported missing, stolen, lost or damaged by the card holders

“Interconnectivity” means ability for reciprocal exchange of transactions/messages between two or more switching networks

“Interoperability” means ability to issue cards and deploy devices in such a way that all customers (card holders, merchants and issuers) perceive operations, while obtaining service, as if the interconnected networks were one

“Know Your Customer (KYC)” refers to both the activities of customers that financial institutions and other regulated companies must perform to identify their clients, ascertain relevant information pertinent to doing financial business with them and the bank regulation that governs those activities.

“Micro Finance Bank” (MFB) is any company licensed by the Central Bank of Nigeria (CBN) to carry on business of providing microfinance services such as savings, loans, domestic funds transfer, and other financial services that are needed by the economically active poor, micro, small and medium

enterprises to conduct or expand their businesses as defined in the guideline for MFB in Nigeria

“Merchant” means an organization or entity that contracts with a Merchant Acquirer for accepting payment by means of payment card or any other electronic payment instrument

“Merchant Acquirer” means a CBN licensed financial or non-financial institution that has agreement with the relevant card scheme to contract with merchants to accept payment cards as means of payment for goods and services

“Mobile Payment System” allows for point-of-sale payments to be made through a mobile device, such as a cellular phone or a smart phone or a personal digital assistant (PDA). Using mobile payment, a person with a wireless device can transfer money to another person in another city or another state without needing to go to the bank.

“Nigeria Interbank Settlement Systems” (NIBSS) provides the infrastructure for automated processing, settlement of payments and fund transfer instructions between Banks, Discount Houses and Card Companies in Nigeria. NIBSS is owned equally by all licensed banks in Nigeria, and the Central Bank of Nigeria. Discount Houses operating in Nigeria also hold substantial shares.

“Ombudsman” an institution set up to receive and deal with disputes related to banking and financial services.

“Operations” include facilitation of funds transfer, effecting payment and such other transactions that may be determined from time to time by means of an electronic payment instrument

“Payment Terminal Services Aggregator” establishes the communication network for reliable POS data traffic that shall satisfy the service and availability standards and expectations of the industry on a cost effective basis. The role is being fulfilled by NIBSS

“Payment Terminal Services Providers” (PTSP) deploy, maintain and provide support for POS terminals in Nigeria. PTSPs shall offer services to acquirers covering all aspects relating to terminal management and support, including but not limited to purchase and replacement of spare parts, provision of connectivity, training, repairs, and development of value- added services

“PA-DSS” stands for Payment Application Data Security Standard. PA-DSS compliant applications help merchants and agents mitigate compromises, prevent storage of sensitive cardholder data, and support overall compliance with the PCI DSS

“PCI DSS” stands for Payment Card Industry Data Security Standard. It was developed by the major credit card companies as a guideline to help organizations that process card payments prevent credit card fraud and various other security vulnerabilities and threats

“PCI PED” stands for Payment Card Industry Pin Entry Device. PCI PED security requirements are designed to secure personal identification number (PIN)-based transactions globally and apply to devices that accept PIN entry for all PIN based transactions

“PIN” means Personal Identification Number

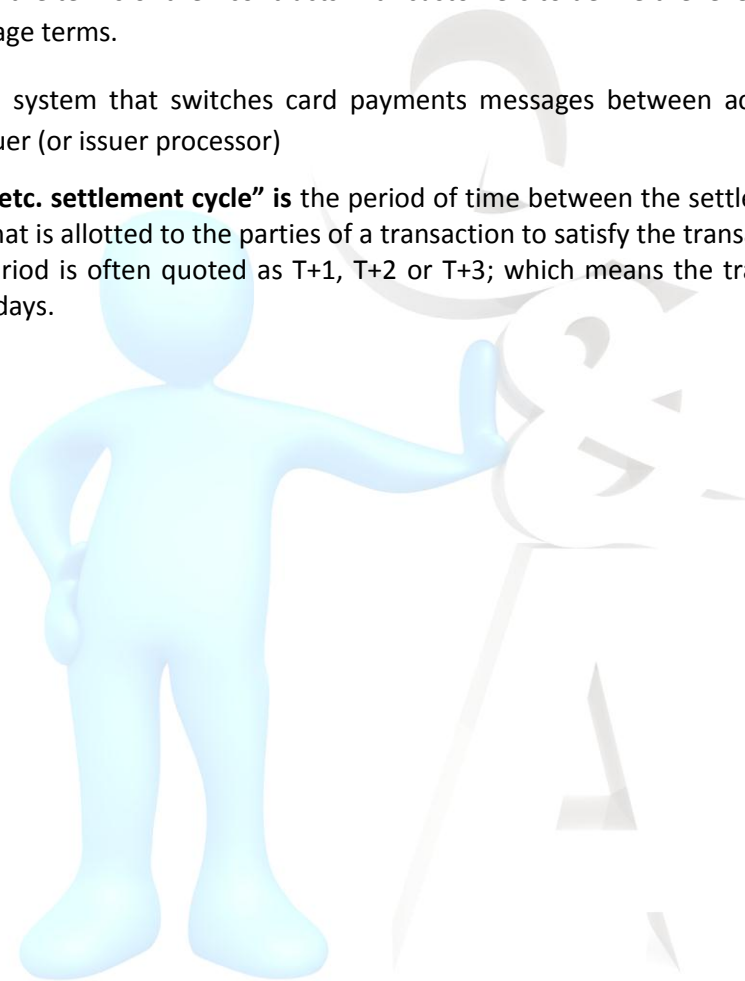
“Point of Sale” Point of Sale refers to the location at which a payment of a card transaction occurs, usually by way of a device such as a credit card terminal or cash register

“Processor” processes card transactions

“Service Level Agreement” an **(SLA)** is a part of a service contract where the level of service is formally defined. In practice, the term *SLA* is sometimes used to refer to the contracted delivery time (of the service) or performance. Service providers will commonly include service level agreements within the terms of their contracts with customers to define the level(s) of service being sold in plain language terms.

“Switch” means a system that switches card payments messages between acquirer (or acquirer processor) and issuer (or issuer processor)

“T+1, T + 2, T +3, etc. settlement cycle” is the period of time between the settlement date and the transaction date that is allotted to the parties of a transaction to satisfy the transaction's obligations. The settlement period is often quoted as T+1, T+2 or T+3; which means the transaction date plus one, two or three days.



	Questions	Answers									
1.	<p>What is the CBN cash policy?</p>	<p>The CBN cash policy requires a daily total limit of N500, 000 and N3, 000,000 on free cash withdrawals across all accounts owned by individual and corporate customers respectively. Individuals and corporate organizations that make cash withdrawals above the limits will be charged a service fee for amounts above the cumulative limits;</p> <table border="1" data-bbox="775 539 1273 721"> <thead> <tr> <th>Account Type</th> <th>Withdrawal /Deposit Limits</th> <th>Withdrawal Fee</th> </tr> </thead> <tbody> <tr> <td>Individual</td> <td>₦500,000</td> <td>3%</td> </tr> <tr> <td>Corporate</td> <td>₦3,000,000</td> <td>5%</td> </tr> </tbody> </table> <p>Furthermore, 3rd party cheques above N150, 000 shall not be eligible for payment over the counter with effect from March 30, 2012. Value for such cheques shall be received only through the clearing house. Banks will discontinue cash in transit deposit services rendered to merchant-customers with effect from January 1, 2012.</p>	Account Type	Withdrawal /Deposit Limits	Withdrawal Fee	Individual	₦500,000	3%	Corporate	₦3,000,000	5%
Account Type	Withdrawal /Deposit Limits	Withdrawal Fee									
Individual	₦500,000	3%									
Corporate	₦3,000,000	5%									
2.	<p>Why is CBN introducing the cash policy?</p> <p>What are the benefits of the new policy?</p>	<p>To increase convenience/access to payment (more payment options) To enable more transparency in payment systems, and allow for more effective monetary policy To reduce risk of robbery To reduce huge cost associated with cash handling (printing, storing, processing, distributing, etc) To enable the achievement of the nation’s vision 2020 objective</p>									
3.	<p>Does the cash policy mean there will not be cash in circulation or people are not allowed to use cash?</p>	<p>No. There will still be cash in circulation. The cash policy aims at reducing the use of cash while increasing the use of alternative forms of payment.</p>									
4.	<p>When is the cash policy taking effect?</p>	<p>The cash policy started on January 1, 2012 in Lagos as pilot. Phase 2 went live in Abia, Anambra, Rivers, Ogun, Kano and the FCT on July 1, 2013. Nationwide implementation of the policy will commence in 2015.</p>									
5.	<p>Does the cash policy mean bank customers won’t have access to their money?</p> <p>Are there any restrictions on the amount of cash customers can pay in or withdraw?</p> <p>As an account holder can I withdraw more than N150,000 over the counter?</p>	<p>No! The cash policy allows you to withdraw/deposit any amount of money from/to your account. However, if a withdrawal of cash is done above the daily free total limit of N500, 000 and N3 million across all accounts owned by Individuals and corporate organizations respectively, you will be charged a service fee only on amounts above the cumulative limits.</p>									

	Questions	Answers									
		<table border="1"> <thead> <tr> <th>Account Type</th> <th>Withdrawal</th> <th>Withdrawal Service Fee</th> </tr> </thead> <tbody> <tr> <td>Individual</td> <td>₦500,001</td> <td>(3% of N1.00)</td> </tr> <tr> <td>Corporate</td> <td>₦3,000,001</td> <td>(5% of N1.00)</td> </tr> </tbody> </table> <p>The policy does not restrict the amount of cash that an individual can withdraw. It only says that they will have to pay service fees on the excess cash.</p>	Account Type	Withdrawal	Withdrawal Service Fee	Individual	₦500,001	(3% of N1.00)	Corporate	₦3,000,001	(5% of N1.00)
Account Type	Withdrawal	Withdrawal Service Fee									
Individual	₦500,001	(3% of N1.00)									
Corporate	₦3,000,001	(5% of N1.00)									
6.	When did the charges begin?	The charges on cash withdrawal above the set limit began on March 30, 2012 in Lagos, October 1, 2013 in Abia, Anambra, Ogun, Rivers, Kano and the F.C.T.									
7.	How much will I be charged when I withdraw cash above the limit?	You will be charged 3% of the amount withdrawn as an individual or 5% as a corporate organization over the limit.									
8.	Will the charges be applied per transaction, daily or monthly?	Charges will be applied daily, since it requires the total daily amounts above the limit.									
9.	If I withdraw N550,000 which is above the limit how will I be charged?	You will be charged the processing fee on N50,000.00 ONLY									
10	Who owns the processing fee? CBN or banks?	The Processing fee goes to the CBN and Banks.									
11	Can 3 rd party cheques still be cashed over the counter?	3 rd party cheques greater than ₦150,000 can no longer be cashed over the counter.									
12	Can I issue multiple cheques of 150,000 each on the same day and not breach the policy.	No. The limit is on daily cumulative cash withdrawal AND NOT per withdrawal. So, if the cheques are going to be lodged into an account, it is allowed; but if the cheques are for over the counter withdrawals you would have breached the policy.									
13	Will a signatory to a corporate account be allowed to withdraw over N3,000,000 on the corporate account since he is one person?	If a representative and signatory to a corporate account presents a cheque on behalf of his company, it is considered a corporate withdrawal and he can cash up to N3,000,000 cumulatively on that account.									
14	Can I withdraw more than once but not exceeding N 500,000 each?	Yes, you can withdraw more than once and NOT breach the policy provided your total withdrawals per day do not exceed N500,000									
15	Are we going to be reported for depositing or withdrawing more than N500,000?	There will be no reports on individuals or corporates that exceed the limits. It is not illegal to exceed the limits; you will only be charged a processing fee on amount deposited/withdrawn exceeding the limit.									
16	What are the alternatives to cash payments?	Any of the under listed channels can be used for electronic transactions instead of cash; Point-of-sale (POS) terminals Mobile payment system Internet banking Multi-functional ATM									

	Questions	Answers												
		Electronic Funds Transfer Systems Direct debit for regular in nature bills payment												
17	How do I begin to use any of the alternative payment channels?	You can go to your bank and make enquiry on any of the channels, you will be guided accordingly. The CBN has also licensed mobile payment operators to roll out mobile payments.												
18	Must I use all the alternative payment channels?	You can use any one that suits your need You can equally use more than one or all depending on your needs, but you are not forced to use all.												
19	How do I get a POS as a merchant and what does it cost me to have it? Is there any charge on the amount spent by a customer in my shop?	<p>Your bank will give you a POS terminal on request (most likely free of charge depending on your transaction volumes).</p> <p>You will only be paying 1.25% of the transaction (amount spent by customer) subject to a maximum of N2000 per transaction.</p> <table border="1" data-bbox="772 900 1460 1050"> <thead> <tr> <th data-bbox="772 900 975 974">Transaction Amount</th> <th data-bbox="975 900 1460 974">Merchant Service Commission (1.25% of Transaction Amount)</th> </tr> </thead> <tbody> <tr> <td data-bbox="772 974 975 1010">N159,000.00</td> <td data-bbox="975 974 1460 1010">N1,987.50</td> </tr> <tr> <td data-bbox="772 1010 975 1050">≥N160,000</td> <td data-bbox="975 1010 1460 1050">N2,000.00</td> </tr> </tbody> </table>	Transaction Amount	Merchant Service Commission (1.25% of Transaction Amount)	N159,000.00	N1,987.50	≥N160,000	N2,000.00						
Transaction Amount	Merchant Service Commission (1.25% of Transaction Amount)													
N159,000.00	N1,987.50													
≥N160,000	N2,000.00													
20	What is the cost of POS?	The industry has endorsed four manufacturers for the supply of Point-of-Sale terminals - PAX, Bitel, Ingenico, and Verifone - with negotiated discounts and local support arrangements. A POS can be purchased from any of these four for as low as N45,000.00 per terminal. However, parties are free to purchase POS terminals from any manufacturer; so far they meet the POS specifications in the Point-of-Sale guidelines.												
21	Why should a merchant pay 1.25% of transaction fee subject to a maximum of N2000? Why is it not free?	<p>The fee is distributed to different parties for playing different roles in ensuring the POS system works well. The fee enable the parties to recover the cost of the POS, the cost for support, maintenance, connectivity of the POS system, amongst others</p> <table border="1" data-bbox="772 1554 1423 1778"> <thead> <tr> <th data-bbox="772 1554 1034 1590">Parties</th> <th data-bbox="1034 1554 1423 1590">Typical Share of 1.25% (%) **</th> </tr> </thead> <tbody> <tr> <td data-bbox="772 1590 1034 1626">Switch</td> <td data-bbox="1034 1590 1423 1626">5</td> </tr> <tr> <td data-bbox="772 1626 1034 1662">Processor</td> <td data-bbox="1034 1626 1423 1662">7.5</td> </tr> <tr> <td data-bbox="772 1662 1034 1697">Acquirer</td> <td data-bbox="1034 1662 1423 1697">32.5</td> </tr> <tr> <td data-bbox="772 1697 1034 1733">Terminal Owner</td> <td data-bbox="1034 1697 1423 1733">25</td> </tr> <tr> <td data-bbox="772 1733 1034 1778">Issuer</td> <td data-bbox="1034 1733 1423 1778">30</td> </tr> </tbody> </table> <p>**The share of 1.25% will depend on the network channel the PoS is connected through e.g. Interswitch, Visa, MasterCard e.t.c</p> <p>When you don't use the POS, you are exposed to service charges hidden in cash transactions you do. These charges can be in excess of the 1.25% service charge.</p> <p>Merchants should also recognise that there are other ways</p>	Parties	Typical Share of 1.25% (%) **	Switch	5	Processor	7.5	Acquirer	32.5	Terminal Owner	25	Issuer	30
Parties	Typical Share of 1.25% (%) **													
Switch	5													
Processor	7.5													
Acquirer	32.5													
Terminal Owner	25													
Issuer	30													

	Questions	Answers
		in which the POS terminal can benefit them – they can sell other services and earn a commission. For example, mobile credit can be sold through the terminals; or collect bill payments (e.g. PHCN bills).
22	Will customer or cardholder be charged 1.25% for using POS?	The 1.25% transaction fee will be paid by the merchant. Customers will only pay the price of the commodity or service.
23	How will using an alternative channel benefit me?	The main benefit is convenience and safety - It saves you from robbery, theft, cost of cash management, stress of counting cash, looking for change, getting more customers that do not have cash but card, access to more revenue from value added services of POS such as bills payment and airtime vending, etc
24	How soon will my account be credited when people pay with card?	Your account as a merchant that accept payments through POS will be credited on T+1. This means that amount for today's transactions ("T") will be credited into your account the next working day (i.e. Today + 1 day)
25	How fast are the POS be deployed?	PoS terminals are deployed based on demand and need by various banks. If you are interested in obtaining a POS, please talk to your Bank for details and timelines.
26	Who trains a merchant to know how to use a POS?	Training will be provided by the acquirer's payment terminal service provider (PTSP). Part of the deployment process is to ensure a practical training of how to use the POS for the merchant and their staff.
27	If a POS or mobile phone is stolen does it mean that money stored electronically on such devices has also been stolen?	No. The money is safe as the devices do not hold the money. The money is stored in the user's account in a bank. The person that stole the device cannot use them to access your account since they don't have your PIN number and other information.
28	What is the plan to create awareness of the cash policy?	Stakeholders interactive engagement is on-going Grass root sensitization is also going on at different levels in Nigeria Mass media campaign has commenced and will be intensified.
29	More than half of the Nigerian population are not literate. How will they use e-payments?	Even though a large number of Nigerians are not literate, there is a high level of numeracy as many Nigerians can use mobile phones, and engage in functions like recharging, PIN entry and SMS. These functions are all what is required to do mobile payments. In addition, biometrics is being used in some ATMs and POS; this will help in user identification and ease usage. It is important to note that literacy is different from numeracy; Nigerians are quite numerate especially when currency is involved; and what is required for these electronic systems is numeracy.
30	How prepared are we in terms of	In terms of infrastructure, CBN is working with The Nigeria

	Questions	Answers
	infrastructures that will support electronic payments such as network, power, etc.?	Communication Commission (NCC) and telecom service providers to ensure that there are dedicated communication links for the POS system. All POS's must have a minimum of 2 SIM slots. Although this does not guarantee 100% connectivity but it increases the uptime of the POS system. In terms of power, newly issued POS come with a minimum of 24 hours battery life. The POS terminals also come with car chargers. Infrastructure in Nigeria is not perfect but we are being creative and constantly working around the constraints.
31	There are risks involved in using the alternative channels. e.g. ATM fraud. What is CBN doing to address card fraud?	The ATM fraud was prevalent when Nigeria was using magnetic stripe cards. In Nigeria all cards have adopted the Chip and PIN technology which is more secured and has succeeded in reducing the fraud level by 99%. With Chip and PIN, the chances of fraud are reduced; provided you keep your PIN secret. The Nigeria electronic Fraud Forum (NeFF) an industry anti-fraud initiative comprising banks, EFCC, NIMC, Interswitch, Valucard, CPC, PCC and many others deliberate monthly to make our e-payments more secured.
32	What is CBN doing about many unresolved issues with the banks on ATM card fraud or dispense errors that drag for too long?	The CBN has stipulated 72 hours for responding to ATM complaints by banks, failing which the customer can escalate to the CBN. The CBN is also trying to establish a card arbitration panel that will act as a payments system ombudsman to fast track resolution of disputes. We should also note that card fraud particularly at the ATM have reduced drastically with the migration of cards to adopt the chip + PIN technology.
33	A situation where armed bandits get on a bus and force passengers to give their ATM cards and pins. How do you prevent such?	The industry has set daily limits to value and volume of transactions; this reduces the exposure in occurrences like this. Also, Banks have a number of short codes which can be used to deactivate your card from doing transactions in the event of theft. Ensure you inquire from your Bank on these services.
34	What of situations where you don't know who transferred funds into your bank account.	Customers are advised to always monitor their account activities, as a matter of good account management ethic. Always collect your receipts for transactions; have alerts on your account, review yours statements, etc.
35	How do you resolve a POS transaction dispute where customer's account was debited and the merchant has not received alert or receipt for that transaction? Will the merchant release the goods or will the customer go without the goods?	Neither the customer nor the merchant will lose his money or goods. Procedures for handling such disputes have been established by banks. The merchant can call his bank to find out the status of the transaction. Based on the response from his bank, he can release goods or customer will get a reversal of the debit in his account.

	Questions	Answers
36	What is CBN doing on enhancing the laws such as evidence Act to support electronic payments?	<p>The Payments System Management Bill and Financial System Ombudsman Bill are before the National Assembly for enactment</p> <p>A new Evidence Act has also been passed in June 2011.</p>
37	Some retailers experience people spending small amounts, e.g. N100 but these add up to about N3m - N5m daily. These retailers have multiple outlets across the nation but have one corporate account, e.g. Mr Biggs. Is CBN going to exempt them for deposit or remove limit on cash deposit?	We are reviewing this to ensure how various stakeholder needs can be addressed, while still ensuring the objective of the policy is achieved. Some retailers are looking at providing incentives to their customers to pay electronically (just like airlines who give discount on tickets that are paid for online) in order to encourage them to use mobile payments (or other electronic means) for these micro amounts.
38	How will casual labourers at construction sites be paid?	Casual labourers can be encouraged to open up accounts through Mobile Money agents where their wages can be transferred electronically leveraging on the mobile money platform. The casual workers can also have access to debit or prepaid cards from their banks to access their money 24/7, also ATMs are equipped to allow cash-out for users on the mobile money platform.
39	Some traders buy perishable goods from deep inside the bush, from different people in small quantities until they load a trailer. The rural dwellers that sell the perishable goods to them would not want to accept e-payments and the service charge for cash transaction is high. How will they cope? Buying a cow in Lagos cost more than N150, 000 and if you mention e-payment to the sellers they will think you want to dupe them. How do you address that?	CBN is equally doing grassroots awareness campaign and it will reach the rural dwellers/cattle rearers, in order to encourage them to avail themselves of the electronic options. We have already seen successes in the introduction of electronic systems in the agricultural sector through the acclaimed electronic wallet system used in distributing fertilizers to farmers.
40	The formal sector finds it easy to accept the new policy. How about the informal sector? For example people that collect money in the car parks. Will this policy not increase unemployment? Also what is being done to sensitize people who cannot read or write?	Market sensitization has been taking place in areas such as Alaba and Ojuwoye market. The grassroots are also being educated on the policy and it will continue intensively. CBN is also working with relevant stakeholders to ensure that markets that have not been covered yet are not left out. The new policy does not require high levels of literacy. The experience from use of phones will be translated to systems such as mobile banking. In terms of employment, it is not set to cut jobs but will increase them, the adoption of electronic channels will create job opportunities in the service sectors that will be deepened through the need for

	Questions	Answers
		merchants to train and ensure proper use of POS systems and other related jobs. POS systems can also be used to sell recharge cards.
41	How do you take a POS terminal to areas which have used it before and it has failed?	The Payment Terminal Service Providers (independent companies) were licensed to maintain/support POS. PSTPs have been mandated to ensure that deployed POS terminals are functional at all times. Appropriate mechanism has also been put in place to remotely detect failures which shall be rectified or replaced within 48 hours. The PTSPs will ensure the POS is working and conduct the merchant through the process by doing test transactions. This will be done in order to restore confidence especially in places where unpleasant experiences have occurred.
42	What is CBN doing about regulating commission? Banks still deduct COT in addition to the commission.	CBN is currently reviewing the guide to banking charges, to ensure an open and transparent view of the various banking charges. It is also important to note that some banks apart from already offering ZERO COT accounts are also reducing charges on electronic transactions.
43	Merchants do not get value from POS transactions into their account on T+1, If a VISA or MasterCard issued outside Nigeria is used. Is the T+1 settlement cycle going to apply on Visa and MasterCard?	T+1 only applies to cards issued in Nigeria. For card issued outside Nigeria, the settlement cycle should be about T+3 at most. CBN is reviewing this settlement cycle with the various key stakeholders to see how it can be aligned in line with the local settlement framework.
44	What is NIBSS Instant Payment?	NIBSS Instant Payment (NIP) enables people to transfer funds immediately between two accounts within the same bank or to different banks. This is currently being offered by most Nigerian banks.
45	Cash-In-Transit operations- What will happen to them? Are they going to close shop?	No. they will still be relevant. The cash policy means “less cash” not “no cash”. The amount of cash in the system will just reduce.
46	What is CBN doing to address the issue of only one card e.g. VISA is accepted in a shop while others like MasterCard are not?	CBN has already issued a circular to break exclusivity of card acceptance. Within Nigeria, all cards will now be accepted at any terminal. There will be no more “only MasterCard or VISA accepted here”; every POS terminal will accept any of the cards issued in Nigeria.
47	Will the Cash Policy devalue the Naira in anyway?	No. we are presently spending more money printing and destroying notes. It will bring efficiencies to bear on our payment system in future and will impact positively on the value of our currency.
48	How do you address the issue where a shop attendant hides the POS so as to get a tip from cash payments?	PTSPs/NIBSS monitor uptime and usage of all the POS, so they can checkmate why transactions are not being done on the POS It is possible to put incentives for shop attendants by giving

	Questions	Answers
		them gifts based on POS transaction volumes E-tips are also possible on POS, which should make attendants positively disposed towards POS. However, we are advised to insist on paying via an electronic means – perhaps when they see that they might lose the transaction all together they may bring it out.
49	What is being done about the people who are going to be laid off due to the new cash policy?	There will be no layoffs due to the cash policy. Banks will still need to operate cash; but the number of people needed to manage cash will reduce. These people will be trained and redeployed to other departments in the electronic area – for product development, support and other needs. These sentiments were also raised in other government reform programmes like the introduction of GSM, during the Bank consolidation and various government privatisation rounds.
50	If banks get reduction in cost of cash handling as a result of the policy are they going to pass such gains by reducing COT or other charges for their customers?	One of the main objectives of the cash policy is to reduce costs, with the intent of passing on the benefits to the customers – in the form of effective and efficient service at a reduced cost, lower lending rates, and increased financial inclusion, amongst other things.
51	Consider changing cashless to cash-less or cash lite	Noted, we have changed from “Cashless” to “Cash-less”
52	Who qualifies as a MDA?	All accounts of Ministries, Departments and Agencies of The Federal, State and Local Government in Nigeria will be exempt on lodgments for the purpose of revenue collections ONLY.
53	Are towns located on the boundaries of Nigeria covered by the policy?	Every part of Nigeria will have the effect of the Cash Policy enforced on it.
54	How prepared is CBN to enforce this policy?	CBN is putting plans in place to ensure that the policy is fully adhered to. There is going to be regular monitoring and oversight supervision of banks. Those who are found to be violating the policy will be dealt with accordingly.

Further enquiries on The Cash Policy - How to Contact Us



09-462780001, 09-46216609



sharedservices@cbn.gov.ng



[@GoCashlessLagos](https://twitter.com/GoCashlessLagos)



www.facebook.com/CashlessLagos

