



CENTRAL BANK OF NIGERIA

PRESS RELEASE

STEMMING THE SCOURGE OF ILLEGAL FUND MANAGERS/ WONDER BANKS

As part of the efforts to stem the menace of “Wonder Banks,” the Inter-Agency Committee On illegal Fund Managers recently met and deliberated on issues relating to the activities of illegal fund managers and wonder banks with a view to addressing the scourge.

The Committee, comprising Central Bank of Nigeria (CBN), Nigeria Deposit Insurance Corporation (NDIC), Security and Exchange Commission (SEC), Economic and Financial Crime Commission (EFCC), Corporate Affairs Commission (CAC) and the Police disclosed that a total of 560,882 claims amounting to ₦106.9 billion had been submitted by members of the public against 440 illegal companies/‘wonder banks’. Out of these, 36 illegal fund managers accounted for ₦104 billion, or 97.3 per cent of the total collated claims. Nospetco Oil and Gas Ltd, one of the illegal fund managers, accounted for 48 per cent of these claims.

The Committee also deliberated on measures to confront the challenge posed by the stripping of assets by the promoters of the ‘wonder banks’, many of who have gone underground. In the case of Sefteg Company Nigeria Ltd, where a liquidator had been appointed by a court, the liquidator was able to realize a sizeable sum of money from the assets of the company and has commenced payment to verified depositors of the company. This approach of using court appointed liquidators will be replicated in all cases to ensure early resolution.

The Committee has also mapped out strategies to address the menace in a comprehensive and sustainable manner through enhanced public

communication, the use of court appointed liquidators and intensive surveillance by the law enforcement agencies to resolve the problem.

Members of the public are once again strongly advised to refrain from dealing with unlicensed or illegal operators, who offer astronomical or extra-ordinary returns on investments to extort money and lure undiscerning people into dubious pyramid schemes. Members of the public, who choose to deal with these unscrupulous individuals and companies, despite these warnings, do so at their own risk. Where in doubt, enquiries should be made at the CBN, SEC and other member-institutions of the Inter-Agency Committee.

(Signed)

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