

# FINANCE UPDATE

JULY AND AUGUST 2018



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14 HUGHES AVENUE,  
ALAGOMEJI,  
YABA,  
LAGOS,  
NIGERIA.

## HIGHLIGHTS OF THE CIRCULARS AND GUIDELINES ISSUED BY THE CENTRAL BANK OF NIGERIA FOR JULY AND AUGUST 2018

Dear Esteemed Clients,

### **Introduction**

The Central Bank of Nigeria (CBN) issued the following Circulars/Guidelines in the months of July and August 2018. We hope that you find some of the information useful in your operations.

## **JULY 2018**

- ✚ TED/FEM/FPC/GEN/01/004 – INTRODUCTION OF THE REVISED FOREIGN EXCHANGE MANUAL**
- ✚ BPS/DIR/GEN/CIR/05/007 – AMENDMENT TO THE REGULATORY FRAMEWORK FOR BANK VERIFICATION NUMBER OPERATORS AND WATCHLIST FOR THE NIGERIAN BANKING INDUSTRY**
- ✚ BPS/DIR/GEN/CIR/05/009 – SHARED AGENCY NETWORK EXPANSION FUND INITIATIVE: REGULATORY DATA RENDITION REQUIREMENTS**
- ✚ BPS/DIR/GEN/CIR/05/008 – COMPLIANCE WITH THE CYBERCRIME (PROHIBITION, PREVENTION, ETC.) ACT 2015: COLLECTION AND REMITTANCE OF LEVY FOR THE NATIONAL CYBERSECURITY FUND**

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### **1. TED/FEM/FPC/GEN/01/004 – INTRODUCTION OF THE REVISED FOREIGN EXCHANGE MANUAL**

This circular was issued by the CBN to all Authorised Dealer Banks and the general public informing them that further to a review of the Foreign Exchange Manual to incorporate policy changes which are intended to streamline documentation requirements, enhance transparency of transactions and engender compliance by stakeholders, the CBN has introduced the revised Foreign Exchange Manual and its provisions will take effect from 1<sup>st</sup> August, 2018.

Please refer to the circular for additional information at:  
<http://www.cbn.gov.ng/Out/2018/TED/TED.FEM.FPC.GEN.01.004.pdf>

### **2. BPS/DIR/GEN/CIR/05/007 – AMENDMENT TO THE REGULATORY FRAMEWORK FOR BANK VERIFICATION NUMBER OPERATORS AND WATCHLIST FOR THE NIGERIAN BANKING INDUSTRY**

This circular was issued by the CBN to all Deposit Money Banks, Switches, Mobile Money Operators, Payment Solution Service Providers, Micro-Finance Banks and others informing them that the provision of a valid Court Order is one of the pre-requisites for the release of Bank Verification Number (BVN) information to applicants and the circular takes immediate effect.

The circular is issued further to the circular on Regulatory framework for Bank verification (BVN) operations and watch list for the Nigerian Financial System referenced BPS/DIR/GEN/CIR/04/010 dated October 18, 2017.

Please refer to the circular for additional information at: [http://www.cbn.gov.ng/Out/2018/BPSD/circular on the amendment to the regulatory framework for bank verification number operators and watchlist for the Nigerian banking industry.pdf](http://www.cbn.gov.ng/Out/2018/BPSD/circular%20on%20the%20amendment%20to%20the%20regulatory%20framework%20for%20bank%20verification%20number%20operators%20and%20watchlist%20for%20the%20Nigerian%20banking%20industry.pdf)

**3. BPS/DIR/GEN/CIR/05/009 – SHARED AGENCY NETWORK EXPANSION FUND INITIATIVE: REGULATORY DATA RENDITION REQUIREMENTS**

This circular was issued by the CBN to all Banks, Mobile Money Operators and Super Agents directing that all banks (including Microfinance Banks and Primary Mortgage institutions) that appoint or have agents, Mobile Money Operators and Licensed Super Agents are to render daily returns, through the Nigeria Inter-Bank Settlement System (NIBSS) Plc. to CBN, in the mode and template prescribed by NIBSS. The transaction data is required daily so as to plot the growth and type of services being offered across the Country.

It must be noted that failure to comply with this directive may lead to revocation of operating license of the affected Bank or other entity.

Please refer to the circular for additional information at: [https://www.cbn.gov.ng/Out/2018/BPSD/shared agency network expansion fund initiative: regulatory data rendition requirement.pdf](https://www.cbn.gov.ng/Out/2018/BPSD/shared%20agency%20network%20expansion%20fund%20initiative%3A%20regulatory%20data%20rendition%20requirement.pdf)

**4. BPS/DIR/GEN/CIR/05/008 – COMPLIANCE WITH THE CYBERCRIME (PROHIBITION, PREVENTION, ETC.) ACT 2015: COLLECTION AND REMITTANCE OF LEVY FOR THE NATIONAL CYBERSECURITY FUND**

This circular was issued by the CBN to Mobile Money Operators and other payment service providers directing them to comply with the statutory provision for the collection and remittance of the 0.005%levy on all electronic transactions by the businesses specified in the second schedule of the Cybercrime (Prohibition, Prevention, etc) Act 2015.

Please refer to the circular for additional information at: [https://www.cbn.gov.ng/Out/2018/bpsd/circular on compliance with the Cybercrime \(Prohibition, Prevention, etc.\) Act 2015](https://www.cbn.gov.ng/Out/2018/bpsd/circular%20on%20compliance%20with%20the%20Cybercrime%20(Prohibition,%20Prevention,%20etc.)%20Act%202015)

## AUGUST 2018

🚩 **CCD/GD/01/23-08-2018 – GUIDELINES FOR ACCESSING REAL SECTOR SUPPORT FACILITY (RSSF) THROUGH CRR AND CORPORATE BONDS**

🚩 **BPS/DIR/GEN/CIR/05/10 – NIGERIA BANKERS' CLEARING SYSTEM RULES (REVISED)**

### 1. **CCD/GD/01/23-08-2018 – GUIDELINES FOR ACCESSING REAL SECTOR SUPPORT FACILITY (RSSF) THROUGH CRR AND CORPORATE BONDS**

The CBN has issued Guidelines for Accessing Real Sector Support Facility (RSSF) through CRR and Corporate Bonds.

Some of the salient provisions of the NESF guidelines are as follows:

S/N	Item	Provisions
1.	Objectives	<p>The objectives of the facility are to:</p> <ol style="list-style-type: none"> <li>1. Improve access to affordable finance to the manufacturing, agricultural, and other related sectors that are employment and growth stimulating to the economy.</li> <li>2. Stimulate growth in employment-elastic sectors.</li> </ol>
2.	Activities to be covered	<ol style="list-style-type: none"> <li>1. The activities to be covered shall be greenfield (new) and expansion (brownfield) projects in manufacturing, agriculture and other related sectors approved by the CBN. Emphasis will however be placed on greenfield (new) projects.</li> <li>2. Priority shall be accorded projects with high local content, import substitution, foreign exchange earnings and potential for job creation.</li> <li>3. Trading activities are prohibited under the facility and any attempt by a Deposit Money Bank to falsify through presentation of projects that do not meet the eligibility criteria/specified terms and conditions shall attract severe penalties from CBN.</li> </ol>
3.	Types of Facilities	<ol style="list-style-type: none"> <li>1. Differentiated CRR (DCRR): This shall comprise of loans to greenfield or expansion projects using CRR. Emphasis shall be on new projects.</li> <li>2. Corporate Bonds (CBs) Program:</li> </ol>

		These are financing instruments issued by corporates and that meet eligibility criteria as specified by the CBN.
4.	Modalities of the Facility	Maximum amount: the maximum facility shall be N10 billion per project.
5.	Interest Rate	Facilities are to be administered at an all interest rate/charge of 9% per annum. Bank customers are therefore encouraged to report any bank to the CBN's Director of Banking supervision, where such DMB may have charged interest rates above the prescribed maximum of 9% per annum.
6.	Repayment	Repayment shall be authorised and remitted on quarterly basis to the CBN.
7.	Participating Financial Institutions (PFIs)	<ol style="list-style-type: none"> <li>1. Only CRR contributing DMBs shall be eligible to participate under DCRR.</li> <li>2. For CBs, all financial Institutions and general public are eligible to participate in Corporate Bonds.</li> </ol>
8	Borrower under the CB programme	A borrower shall be an entity incorporated in Nigeria under the Companies and Allied Matters Act of 1990. Such borrower must not have a non performing facility with any financial institution.
9	Enquiries and Returns	<p>All enquiries and returns should be addressed to:</p> <p>The Director, Development Finance Department, Central Bank of Nigeria, Corporate Headquarters, Central Business District, Abuja.</p> <p>Telephone No. 234-09-46238600</p>

Please refer to the circular for additional information at: <http://www.cbn.gov.ng/Out/2018/CCD/ Guidelines For Accessing Real Sector Support Facility RSSF Through CRR And Corporate Bonds Final.pdf>

## 2. BPS/DIR/GEN/CIR/05/10 – NIGERIA BANKERS' CLEARING SYSTEM RULES (REVISED)

This circular was issued by the CBN to all Deposit Money Banks, Micro Finance Banks, Other Financial Institutions, Mobile Money Operators and Payment Service Providers informing them about the revised Nigeria Banker's Clearing System (NBCS) Rules and that the revised NBCS Rules will take effect on 1<sup>st</sup> of September, 2018.

Please refer to the circular for additional information at: [http://www.cbn.gov.ng/Out/2018/BPSD/ nigeria bankers' clearing system rules \(revised\).pdf](http://www.cbn.gov.ng/Out/2018/BPSD/ nigeria bankers' clearing system rules (revised).pdf)