

FINANCE UPDATE

NOVEMBER 2017



ADVOCAT
LAW PRACTICE

3RD FLOOR, LAW UNION & ROCK BUILDING
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HIGHLIGHTS OF THE CIRCULARS AND GUIDELINES ISSUED BY THE CENTRAL BANK OF NIGERIA IN NOVEMBER, 2017

Dear Esteemed Clients,

Introduction

The Central Bank of Nigeria (“CBN”) issued the below Circular in the month of November 2017. We hope that you find the information contained in the Circular useful in your operations.

✚ BPS/DIR/CIR/GEN/02/039: EXTENSION OF SETTLEMENT BANKING ARRANGEMENT TO ALL CLEARING SESSIONS

1. BPS/DIR/CIR/GEN/02/039: EXTENSION OF SETTLEMENT BANKING ARRANGEMENT TO ALL CLEARING SESSIONS

This circular was issued to all Deposit Money Banks (DMBs) and the Nigeria Inter-Bank Settlement System (NIBSS) to inform them of the extension of the settlement banking arrangement to all the clearing sessions which is to take effect from the 1st January, 2018. This is in furtherance to the settlement banking framework introduced by the CBN on the 1st April, 2004.

By the Circular, the settlement of net clearing obligations from CSCS, Cheques, Cards, ACH, NIP, NEFT, and all other clearing instruments shall be through the accounts of Settlement Banks only.

In this regard, the Settlement Banks have been advised to update the agency agreements with their respective non-settlement banks. Merchant banks that do not have settlement banks have been directed to appoint a settlement bank and inform the Director, Banking & Payments System Department, CBN Abuja on or before 15th December, 2017 with a copy of the letter from the settlement bank, accepting to settle for them.

Please refer to the circular for comprehensive details at:
<https://www.cbn.gov.ng/Out/2017/BPSD/EXTENSIONOFCENTRALBANKINGARRANGEMENT.pdf>