

FINANCE UPDATE

**HIGHLIGHTS OF THE
CIRCULARS ISSUED IN
THE FINANCE INDUSTRY
IN JANUARY 2022**



Dear Esteemed Client,

Introduction

The Central Bank of Nigeria and the Security and Exchange Commission issued the following Circulars and notice in January 2022. We hope that you find some of the information useful in your operations.

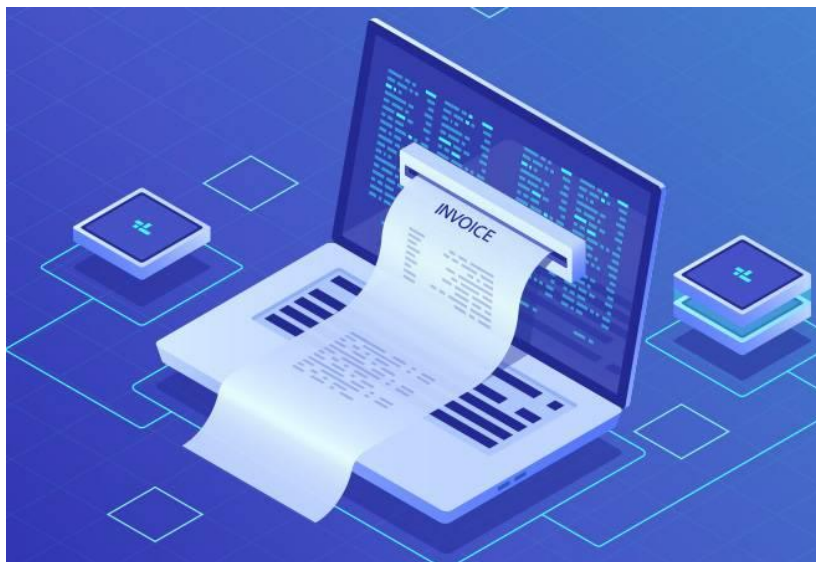
TED/FEM/FPC/PUB/01/001 – Guidelines on The Introduction Of E-Valuator E-Invoicing for Import and Export in Nigeria

FPR/DIR/PUB/CIR/001/039 – Circular to All Banks and Other Financial Institutions –Re Global Standing Instructions (GSI) Individuals

FFR/NIB/PUB/CIR/001`/038 – Circular to All Non-Interest Financial Institutions and stakeholders (COMPEDIUM OF RESOLUTIONS OF THE FINANCIAL REGULATION ADVISORY COUNCIL OF EXPERTS (FRACE)

FG'S OFFICIAL GAZETTE ON PROSCRIPTION OF BANDITRY AND SCREENING OF CLIENTS AGAINST SANCTION LISTS

1. **TED/FEM/FPC/PUB/01/001–Guidelines on The Introduction Of E-Valuator E-Invoicing for Import and Export In Nigeria**



The CBN has announced that effective 1st of February 2022, all import and export documentation will cease to be conducted using hard copy final invoices and replaced with e-Valuator and e-Invoice. All e-Invoices are now required to be authenticated by Authorized Dealer Banks (ADB) on the Nigerian Single window- Trade

Monitoring System (TRMS) which will operate on a global Price verification Mechanism.

The guideline further stipulates that imports and exports with unit prices above 2.5% of verified global checkmate prices will be denied access to complete the Form M or Form NXP as may be required. Further, an importer/exporter is required to ensure that its supplier/buyer follows this guideline and as part of the documentation for payment, an e-Invoice authenticated by an ADB is submitted. Some other requirements imposed by the guidelines include:

- Registration by importers/exporters on a dedicated portal provided by the CBN;
- Once the registration has been authenticated, a digital certificate will be provided to the importer/exporter and will be valid for a year; and
- An annual subscription fee of \$350 (approximately N145,600) will be charged per authentication.

According to the guideline, the following are exempted from submission of e-Invoice;

- Individual invoices of less than \$10,000 (approximately N4,160,000) except where the cumulative annual invoice is or exceeds \$500,000 (approximately N208,000,000);
- import and export transactions made by security agencies;
- supplies to diplomatic and consular missions and international agencies dependent of the United Nations;
- donations made by foreign governments or international organisations to charities and foundations; and
- goods directly supplied by a foreign government.

The introduction of the e-Valuator and e-Invoice is aimed primarily at obtaining accurate value of imports and exports in and out of Nigeria.

For more information on the circular please refer [here](#)

2. **FPR/DIR/PUB/CIR/001/039–Circular to All Banks and Other Financial Institutions –Re Global Standing Instructions (GSI) Individuals**

Sequel to the Operational Guidelines on Global Standing Instruction (GSI) issued by the CBN in [July 2020](#) the CBN has announced that the recovery attempts will no longer be restricted to a specific number but will now be continuous and remain in place until the loan has been repaid. This is an attempt by the CBN to reduce occurrence of non-performing loans and maintain the integrity of the Nigerian banking sector.

For more information on the circular please refer [here](#)

3. **FFR/NIB/PUB/CIR/001/038 – Circular to All Non-Interest Financial Institutions and Stakeholders (COMPEDIUM OF RESOLUTIONS OF THE FINANCIAL REGULATION ADVISORY COUNCIL OF EXPERTS (FRACE))**

The CBN has published a compendium of the resolutions made by the Financial Regulation Advisory Council of Experts to serve as a reference to the industry. The resolutions in the Compendium include issues on administrative charges on extending a Qard facility¹; charging on commission on turnover on current accounts deposits; modification, amendment, variation and cancellation of terms and conditions of the agreement; wakalah (Agency) investment product and agreement; what constitutes agency fee in a wakalah investment product; and extending restrictions applicable

¹ A qard facility refers to **an interest free loan** where the borrower repays the principal amount of the loan without interest, mark-up, or a share in the business for which the loan was used.

to assets tendered by the customer to the Non-Interest Financial Institutions and Stakeholders (NFIS) as security to other assets or properties owned by such customer amongst others. It is hoped that this compendium will not just facilitate better and a comprehensive understanding of Shariah rulings made by FRACE for the industry on the product and services developed by NFIS but will also bolster the CBN'S effort to ensure effective regulation and supervision of the NFIS For more information on the circular please refer [here](#)

UPDATES FROM SEC



1. **FG'S OFFICIAL GAZETTE ON PROSCRIPTION OF BANDITRY AND SCREENING OF CLIENTS AGAINST SANCTION LISTS**

The SEC has instructed all Capital Market Operators (CMOs) to henceforth screen and verify every client against the "YAN BINDIGA GROUP", YAN TA'ADDA GROUP and any other proscribed terrorist group(s), United Nation Security Council Resolutions (UNSCRs) list, Office of Foreign Assets Control (OFAC) list, and more. This screening should be carried out prior to the on-boarding of a new client and when carrying out one-off transaction(s). CMOs are also expected to screen existing clients prior to executing any transaction from the issuance of this notice and where the occasion so demands, file suspicious transaction reports (STRs) immediately with the Nigerian Financial Intelligence Unit (NFIU).

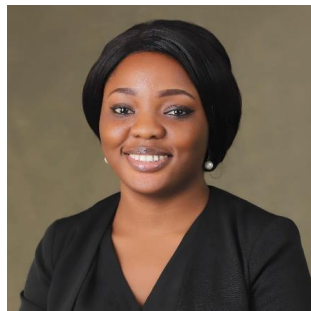
Further information on the notice and the Federal Governments official gazette can be accessed [here](#) and [here](#)

For further enquiries, please contact:



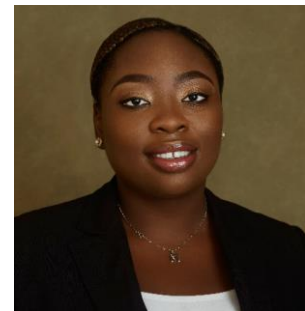
UCHECHI IBEKU

uchechi.ibeku@advocaat-law.com



GLORY OGUNGBAMIGBE

glory.ogungbamigbe@advocaat-law.com



MARGARET OKPO-MFON

margaret.okpo-mfon@advocaat-law.com