

FINANCE UPDATE

**HIGHLIGHTS OF THE CIRCULARS
PRESS RELEASE AND NOTIFICATIONS
ISSUED IN THE FINANCE INDUSTRY
IN OCTOBER, 2023**

 **LAGOS | ABUJA**

Dear Esteemed Client,

The **Central Bank of Nigeria (CBN)** issued the following circulars and press releases in October, 2023, as guidelines in regulating the Banking Industry and Foreign Exchange Market. We hope that you find the information useful for your operations.

Please find below the highlights of the circulars and press releases:

TED/FEM/PUB/FPC/001/010 - APPOINTMENT OF DESIGNATED BANK FOR THE COLLECTION OF FEES UNDER THE NIGERIAN EXPORT SUPERVISION SCHEME (NESS)



As a background, CBN had released a number of circulars, outlining the list of designated Banks appointed for the collection of fees under the Nigerian Export Supervision Scheme (NESS).

By this circular dated 6th October 2023, the CBN notifies all authorized dealers, service providers and the general public of the appointment of three additional banks for the collection of fees under the Nigerian Export Supervision Scheme (NESS) following the approval of the Minister of Finance, Budget and National Planning. The said banks are Coronation Merchant Bank Limited, Paralex Bank Limited and Lotus Bank. For more information on the circular, please refer [here](#)

BKS/DIR/CIR/GEN/001/003- CIRCULAR ON THE REVISED NIGERIA CHEQUE STANDARD (NCS) AND NIGERIA CHEQUE PRINTERS ACCREDITATION SCHEME (NICPAS): MICR REJECTS

Vide an old circular dated September 18, 2018, CBN had released the Nigerian Cheque Standards and Nigeria Cheque Printers Accreditation Scheme, version 2.0. ; in an effort to improve the effectiveness and security of the Nigeria Clearing System.

Following a notice to the Apex bank that MICR (Magnetic Ink Character Recognition) rejects

have been on the increase and the need to reduce the number, Deposit Money Banks (DMBs) have been directed by this new circular dated 9th October 2023 to contact their personalizers (individuals/entities for whom the codeline details have been personalized) to reiterate the need to revalidate the MICR codeline details in accordance with the NCS and NICPAS version 2.0.

Please note that the Apex bank will monitor compliance and any bank with MICR rejects from 1st November 2023 will face appropriate sanctions. For more information on the circular, please refer [here](#)

**PRESS RELEASE DATED 9TH OCTOBER, 2023 -
“ENAIRA, NO THREAT TO FINANCIAL STABILITY”**



By this press release, the CBN refutes the report from certain media platforms that the country's Central Bank Digital Currency (CBDC), the eNaira, poses a threat to the country's financial stability. Following a review of the reports, the CBN noted that the misinformation seems to have arisen from a lack of understanding of portions of the Foreword, and some articles, in the bank's recently released *“Economics of Digital Currencies: A Book of Readings”*.

Thus, the Press release is to assure Nigerians that the eNaira structure continues to evolve and undergo modifications targeted at improving the user experience across all interfaces. For more information on the press release, please refer [here](#)

**PRESS RELEASE DATED 12TH OCTOBER, 2023 -
“CBN RESTATES COMMITMENT TO BOOST LIQUIDITY IN FOREX MARKET”**



The Apex Bank in its ongoing efforts to encourage orderliness and professional conduct among foreign exchange market participants, has issued a press release wherein it reiterated that the current foreign exchange rates should be consulted from sources like the CBN website,

FMDQ, and other authorized or recognized trading systems.

The Press release was issued amongst other things to restate the CBN's commitment to ensure price stability, promote transparency and build greater credibility in the Nigerian Foreign Exchange Market by interventions from time to time.

It is pertinent to note that CBN will continue to make interventions in the FX market from time to time until liquidity improves. For more information, please refer [here](#)

**PRESS RELEASE DATED 13TH OCTOBER, 2023 -
WHAT YOU NEED TO KNOW ABOUT CBN'S
LIFTING OF FOREX RESTRICTIONS ON 43 ITEMS**



CBN had in a 2015 Circular referenced TED/FEM/FPC/GN/01/010 placed 41 product categories on a list of items not valid for FOREX (FX) in the Nigerian Foreign Exchange market, with an additional 2 items added in later years. Some of the affected goods include, Rice, Cement, Palm kernel, Meat and processed meat products, Poultry, Soap, Tinned fish in sauce (Geisha)/sardine; Cold rolled steel sheets; and Cosmetics.

The restriction aimed at reducing foreign exchange demand for products that could be locally produced, improve employment generation and conserve foreign reserves. However, in this press release, the CBN noted that the implication of the restriction was that it forced importers into the parallel market, which increased the surplus demand for foreign exchange and weakened the parallel-market exchange rate, driving up prices. instead.

The Apex Bank identified that the implications of removing the FX restriction creates the willing-buyer and willing-seller system which allows the exchange rate to adjust to clear the market and ensure that there is always supply. The lifting of the restriction will also benefit local production in that consumers will benefit from cheaper retail products; there will be employment generation as closed factories re-open and more price stability. For more information on the press release, please refer [here](#)

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