

**REGULATORY UPDATE**

**HIGHLIGHTS OF THE CIRCULARS,  
PRESS RELEASE, AND NOTIFICATIONS  
ISSUED IN THE FINANCE INDUSTRY  
IN AUGUST, 2024**



 LAGOS | ABUJA

**Dear Esteemed Client,**

The Central Bank of Nigeria (“CBN”), the Securities and Exchange Commission (“SEC”), and the Federal Competition & Consumer Protection Commission (“FCCPC”) issued the following Press Releases, Circulars, and Guidelines in August 2024, containing information and directives for the Banking Industry and Financial Markets. We hope that you find the information useful in your operations.

**Please find the highlights below:**

**CBN PRESS RELEASE: CBN APPROVES FINANCIAL ACCOMMODATION FOR UNITY BANK AND PROVIDUS BANK- DATED 6<sup>TH</sup> AUGUST 2024**



The Central Bank of Nigeria (CBN) has approved financial accommodation to facilitate the merger between Unity Bank Plc, and Providus Bank Limited. This strategic move aims to strengthen the stability of Nigeria's financial system by reducing potential systemic risks. By combining these two banks, the CBN seeks to create a larger, more resilient financial institution that can better serve the needs of the economy. This action is also intended to protect the interests of depositors in both banks and promote confidence in the Nigerian banking sector.

For more information, please refer [here](#):

**CBN PRESS RELEASE: THE RESULT OF THE RETAIL FOREIGN EXCHANGE (FX) SALE TO END USERS THROUGH RETAIL DUTCH AUCTION UNDERTAKEN BY THE CENTRAL BANK OF NIGERIA (CBN): (rDAS) DATED AUGUST 07, 2024**

The Central Bank of Nigeria (CBN) conducted a Retail Dutch Auction System (DAS) on Tuesday, August 6, 2024, to address the growing pressure on the foreign exchange (FX) market and promote price discovery. Authorized Dealer

Banks were required to submit a comprehensive template containing details of Form A and Form M for outstanding trade-backed unmet FX demand of their customers. The CBN opened and collated the password-protected bids, and end users were to fund their accounts with the naira equivalent of their bids by Wednesday, August 7, 2024. Successful bids were settled on Thursday, August 8, 2024 (T+2).

For more information, please refer [here](#)

**CBN CIRCULAR TO ALL AUTHORISED DEALER BANKS AND THE GENERAL PUBLIC: MEMORANDUM 20 - 22 OF THE FOREIGN EXCHANGEMANUAL TED/FEM/PUB/FPC/001/025- 8<sup>th</sup> August, 2024**

The Trade and Exchange Department (“TED”) of the CBN has clarified that the provisions of the Foreign Exchange Manual, Memorandum 20, section 2 (vi) apply to both divestments and repatriations of all transactions related to Certificates of Capital Importation (CCIs). To ensure compliance, all divestments or repatriations of foreign investments must be accompanied by evidence of the electronic Certificate of Capital Importation (eCCI) and evidence of the redemption of local currency assets. This clarification aims to provide clear guidelines for individuals and businesses involved in foreign investment transactions.

For more information, please refer [here](#)

**CBN PRESS RELEASE: RE-INTRODUCTION OF PUBLICATION OF KEY ECONOMIC REPORTS - 13<sup>TH</sup> AUGUST 2024**



The Central Bank of Nigeria (CBN) has resumed the publication of several key economic reports, including the Purchasing Managers' Index (PMI), Business Expectation Survey (BES), and Inflation Expectation Report. The CBN aims to enhance transparency, promote informed decision-making, and foster a better understanding of Nigeria's economic performance through the publication of these reports. The reports provide valuable insights into the health of various sectors, business sentiment, and inflation expectations. This information can help policymakers make informed decisions, businesses plan their operations, and investors assess economic conditions.

For more information, please refer [here](#)

**CBN PRESS RELEASE: PUBLICATION OF THE PURCHASING MANAGERS' INDEX REPORT FOR JULY 2024**

Sequel to its previous release, the Central Bank of Nigeria (CBN) has resumed the publication of several key economic reports, with the Apex Bank publishing the July 2024 Purchasing Managers' Index (PMI) survey which was on 15-19 July, 2024. This survey will assess the direction of economic activities in Nigeria and is based on responses from Purchasing and Supply Executives in the agriculture, industry, and services sectors. The PMI is computed based on responses regarding the direction of change in

different aspects of respondents' business activities. An index above 50.0 points indicates an expansion in business activities while below 50.0 points indicates a contraction in business activities. An index of 50.0 indicates a no-change situation.

For more information, please refer [here](#)

**CBN PRESS RELEASE: CBN REPORTS ALL-TIME HIGH REMITTANCE INFLOWS AT US\$553 MILLION FOR JULY 2024- 20<sup>TH</sup> AUGUST 2024**

The Central Bank of Nigeria (CBN) has reported a significant increase in remittance inflows, reaching a record high of \$553 million in July 2024. This surge is attributed to policy measures implemented by the CBN to enhance liquidity in the foreign exchange market, including granting licenses to new International Money Transfer Operators (IMTOs) and implementing a willing buyer-willing seller model. Diaspora remittances are crucial for Nigeria's economy, supplementing foreign direct investment and portfolio investments. The CBN's initiatives have supported continued growth in these inflows, aligning with the institution's goal of doubling formal remittance receipts within a year.

The increase in remittances is a testament to the success of the CBN's efforts to bolster public confidence in the foreign exchange market and promote economic stability. Recent data shows a decline in Nigeria's inflation rate, indicating the effectiveness of the CBN's monetary policy measures. The CBN will continue to monitor market conditions and adjust policies to facilitate greater remittance flows into Nigeria.

For more information, please refer [here](#)

**CBN PRESS RELEASE: BUSINESS EXPECTATIONS SURVEY (BES) REPORT FOR JULY 2024.**

The July 2024 Business Expectations Survey (BES) found that Nigerian businesses are generally optimistic about the future. Respondents from the Agriculture Sector were particularly positive.

The survey also indicated improved employment prospects in the coming months, especially in the agricultural sector. However, challenges such as insecurity, high interest rates, insufficient power supply, and high/multiple taxes continue to constrain business activities. Respondents expect the exchange rate to depreciate and borrowing rates to rise in the near future.

For more information, please refer [here](#)

**CBN CIRCULAR TO AUTHORISED DEALERS: THE STANDING LENDING FACILITY TO BE AT 31.75 PERCENT AS APPROVED AT THE 296TH MEETING OF THE MONETARY POLICY COMMITTEE (MPC). - FMD/DIR/PUB/CIR/001/016 - 26<sup>TH</sup> AUGUST 2024**



The Central Bank of Nigeria (CBN) has increased the interest rate for borrowing from its lending window to 31.75%. This is part of its efforts to reduce excess money in circulation and control inflation. The higher interest rate means banks will have to pay more to borrow money, which could lead to higher interest rates on loans for businesses and consumers.

The CBN also adjusted the rates for deposits at the central bank. This encourages banks to deposit surplus money with the CBN, reducing the amount of money available for lending. This could make it harder for businesses and consumers to get loans and could increase the cost of borrowing.

In summary, the CBN's actions aim to reduce inflation by making it more expensive to borrow

money and reducing the amount of money available for lending. However, these measures could also have negative consequences for businesses and consumers, as they may find it more difficult and expensive to borrow money.

For more information, please refer [here](#)

**SEC ISSUES AN UPDATE ON ACCELERATED REGULATORY INCUBATION PROGRAM AND REGULATORY INCUBATION PROGRAM - 29<sup>TH</sup> AUGUST 2024.**

The Securities and Exchange Commission (SEC) has granted "Approval-in-Principle" to two Digital Assets Exchanges and admitted five firms to the Regulatory Incubation (RI) Program. These initiatives aim to promote innovation in the capital market while protecting investors. The Accelerated Regulatory Incubation Program (ARIP) and RI Program are designed to assess the business models and technologies of digital assets firms and test their products and services in a real-time market environment. The current cohort focuses on firms utilizing distributed ledger technology (DLT) to create and trade crypto assets. The Approvals-in-Principle are a precursor to full registration and ensure appropriate protection and transparency for investors. The SEC will continue to work with the participating firms to agree on testing parameters and consumer safeguards.

For more information, please refer [here](#)

**FCCPC UNCOVERS MISLEADING MARKETING PRACTICES OF COCA-COLA NIGERIA AND NIGERIAN BOTTLING COMPANY**

The Federal Competition and Consumer Protection Commission (FCCPC) investigated Coca-Cola Nigeria and Nigerian Bottling Company for allegedly misleading consumers with their branding and marketing practices. The investigation found that the companies introduced Coke Less Sugar without clearly differentiating it from Coke Original on the

packaging. Additionally, the limca lemon-lime flavoured drink had two variants with identical packaging but different tastes, ingredients, and nutritional values.

These practices may violate the Federal Competition and Consumer Protection Act, 2018 (FCCPA). The FCCPC also investigated allegations of price discrimination and varying product quality across different locations in Nigeria.

For more information, please refer [here](#).

## CONTACTS



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