



CENTRAL BANK OF NIGERIA

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Letter to All Deposit Money Banks

Further Guidance on Operational Changes to the Foreign Exchange Market

Following the Central Bank of Nigeria (CBN) press statement of June 14, 2023 on the above subject, an extraordinary Bankers' Committee meeting held to discuss its implementation and implications for the banking public.

These policy changes aim to promote transparency, liquidity and price discovery in the FX market in order to improve FX supply, discourage speculation, enhance customer confidence and ensure overall stability in the FX market.

In line with deliberations at the meeting, the CBN hereby provides further guidance to Deposit Money Banks (DMBs) as follows:

1. All visible and invisible transactions (medicals, school fees, BTA/PTA, airline and other remittances) are eligible for the Investors' and Exporters' (I & E) window.
2. DMBs shall ensure expeditious processing of all eligible invisible transactions on behalf of their customers using the applicable rate at the I & E window.
3. Ordinary domiciliary account holders shall have unfettered and unrestricted access to funds in their accounts. Domiciliary account holders are permitted to utilize cash deposits not exceeding USD\$ 10,000 per day or its equivalent via telegraphic transfer. DMBs shall provide returns to the CBN including the "purpose" for such transactions.
4. Cash deposits into domiciliary accounts will not be restricted, subject to DMBs conducting proper KYC, due diligence and adhering to the spirit and letter of extant AML/CFT laws and other relevant rules and regulations.
5. The CBN will prioritize orderly settlement of any committed FX forward transactions as they fall due in order to further boost market confidence.
6. The Bank will normalize its CRR maintenance processes and ensure equity in its implementation across the banking industry.

Banks are encouraged to notify their customers of the above developments. The CBN will continue to engage stakeholders and issue further guidance as it implements the ongoing reforms.

Please be guided accordingly.

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HARUNA B. MUSTAFA
DIRECTOR, BANKING SUPERVISION DEPARTMENT