

CENTRAL BANK OF NIGERIA  
(AMENDMENT) ACT, 1962



ARRANGEMENT OF SECTIONS

Section

- |   |  |
|---|--|
| 1. Section 11 of principal Act amended. | 6. Sections 26, 27 and 28 of principal Act repealed. |
| 2. Parity of Nigerian pound. Repeal.    | 7. Section 29 of principal Act amended.              |
| 3. Section 25 of principal Act amended. | 8. Section 40 of principal Act amended.              |
| 4. Value of external reserve.           | 9. Short title, etc.                                 |
| 5. Obligation in respect of currency.   |  |

1962, No. 17

AN ACT TO AMEND THE CENTRAL BANK OF NIGERIA ACT (CHAPTER 30)

[5th June, 1962]

Commence-  
ment.

BE IT ENACTED by the Legislature of the Federation of Nigeria in this present Parliament assembled and by the authority of the same as follows :—

1. Subsection (3) of section eleven of the Central Bank of Nigeria Act (which prescribes disqualifications in respect of certain appointments) is amended by substituting in paragraph (e) the words "the Commonwealth" for the words "Her Majesty's dominions".

Section 11  
of principal  
Act  
amended.  
Cap. 30.

2.—(1) Subject to the provisions of this section the parity of the Nigerian pound shall be equivalent to 2.48828 grams fine gold.

Parity of  
Nigerian  
pound.  
Repeal.

(2) The parity of the Nigerian pound may from time to time be changed by the Bank with the approval of the Governor-General in Council. Notice of the change shall as soon as possible thereafter be published in the Gazette.

(3) Section seventeen of the principal Act is hereby repealed.

3. Section twenty-five of the principal Act (which provides for maintenance of external reserves) is amended by repealing paragraphs (b) to (f) and substituting the following new paragraphs,—

Section 25  
of principal  
Act  
amended.

"(b) balances at any bank outside Nigeria where the currency is sterling or is freely convertible into gold or sterling, and in such currency any notes, coin, money at call and where they bear at least two good signatures and have a maturity not exceeding ninety days exclusive of days of grace, any bill of exchange ;

(c) Treasury Bills having a maturity not exceeding one hundred and eighty-four days issued by the Government of any country outside Nigeria whose currency is sterling or is freely convertible into gold or sterling ;

(d) securities of or guaranteed by a Government of any country outside Nigeria whose currency is sterling or is freely convertible into gold or sterling where the securities held under this paragraph do not exceed thirty per centum of the reserve of external assets and not more than two-thirds of the securities held will mature in a period exceeding five years."

Value of  
external  
reserve.

4. The value of the reserve of external assets shall be not less than forty *per centum* of the total demand liabilities of the Bank.

Obligation  
in respect of  
currency.

5.—(1) Unless otherwise prohibited by any law relating to the control of exchange the Bank shall, on demand at its head office in Lagos—

- (a) issue and redeem Nigerian currency against sterling, and
- (b) at its discretion issue and redeem Nigerian currency against gold or other currencies eligible for inclusion in the reserve of external assets under this Act: provided that the rates of exchange quoted by the Bank for spot transactions shall not differ by more than one *per cent* from the parity of the Nigerian pound with the parity of the other currency.

(2) Nothing in this section shall be construed to require the Bank to sell or buy sterling for an amount less than ten thousand pounds in respect of any one transaction.

Sections 26,  
27 and 28 of  
principal  
Act repealed.

6. Sections twenty-six, twenty-seven and twenty-eight of the principal Act are hereby repealed.

Section 29  
of principal  
Act  
amended.

7. Subsection (1) of section twenty-nine of the principal Act (which prescribes the general powers of the Central Bank) is amended in manner following that is to say—

(a) by substituting in paragraph (g) the words "thirty-three and one-third" for the word "twenty";

(b) by substituting in paragraph (i) the words "fifty per centum of the aggregate of the Bank's paid up capital and" for the words "twenty *per cent* of";

(c) in sub-paragraph (ii) of paragraph (k) by inserting the word "five" immediately after the word "twenty";

(d) by substituting in paragraph (l) the words "one hundred and eighty-four" for the words "ninety-three";

(e) by substituting in paragraph (n) the words "securities of or guaranteed by any Government whose currency is sterling or is freely convertible into gold or sterling or securities issued by international financial institutions, of which Nigeria is a member, which are also expressed in currencies which are sterling or are freely convertible into gold or sterling;" for all words immediately following the word "sell".

Section 40 of  
principal  
Act  
amended.

8. Section forty of the principal Act (which empowers the Central Bank to prescribe liquidity minimum) is amended in manner following that is to say—

(a) by substituting in subsection (1) the words "the minimum amount of specified liquid assets which each bank operating in Nigeria under the Banking Act is required to hold" for all words immediately following the word "Gazette"; and

Cap. 19.

(b) by substituting in subsection (2) the words "of the demand liabilities of each such bank, together with a percentage of the time liabilities of each such bank arising out of its time and savings deposits. No bank shall be required to maintain a higher percentage than any other bank" for all words immediately following the word "percentage" where it first occurs.

9.—(1) This Act may be cited as the Central Bank of Nigeria Amendment Act, 1962 and shall be construed as one with the Central Bank of Nigeria Act, in this Act called "the principal Act".

Short title,  
etc.  
Cap.

(2) This Act shall apply throughout the Federation.