



Central Bank of Nigeria Decree
Decree No 24 of 1991
Laws of the Federation of Nigeria

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**Central Bank of Nigeria Decree
Decree No 24 of 1991
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20th June 1991

The Federal Military government hereby decrees as follows: -

Part 1

Establishment and general provision relating to the Central Bank of Nigeria

1. (1) There shall continue to be for Nigeria a body known as the Central Bank of Nigeria (hereafter in this Decree referred to as "the Bank").

(2) The Bank shall continue to be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

(3) Subject to the limitations in this decree, the Bank may acquire, hold and dispose of movable and immovable property for the purpose of its functions.

2. The principal objects of the Bank shall be to -

(a) issue legal tender currency in Nigeria;

- (b) maintain external reserves to safeguard the international value of the legal tender currency;
- (c) promote monetary stability and a sound financial systems in Nigeria; and
- (d) act as banker and financial adviser to the Federal Government.

3. The Bank shall have its head office in any location which is by law the capital of the Federal Republic of Nigeria, and may open branches in any part of Nigeria and appoint agents and correspondents abroad in accordance with the decisions of the Board.

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Part II

Capital and Reserve.

4. (1) The authorised capital of the Bank shall be three hundred million naira.
- (2) All the capital of the Bank shall be subscribed and held only by the Federal Government.
 - (3) The paid-up capital may be increased by such amount as the Board may, from time to time, resolve with the approval of the President, and shall be subscribed by the Federal Government and paid up at par.
5. (1) The Bank shall -
- (a) in respect of each financial year, determine its operating surplus which shall be the remaining sum from its income and other receipts after meeting all current expenditures;
 - (b) as approved by the Board for that year, make provision for the contribution to staff superannuation fund and for any other purpose specifically approved by the President.
- (2) The Bank shall establish a general reserve fund and shall allocate thereto at the end of each financial year one-sixth of its operating surplus for the year.
 - (3) The balance of the operating surplus shall be paid to the Federal Government half-yearly.

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Part III

Administration

6. (1) There shall be for the Bank, a Board of Directors (hereafter in this Decree referred to as "the Board") which shall be responsible for the policy and general administration of the affairs and business of the Bank.
- (2) The Board shall consist of a Governor, five Deputy Governors and five Directors.
7. (1) The Governor or in his absence of the Deputy Governors nominated by him, shall be in charge of the day-to day management of the Bank and shall be answerable to the Board for his acts and decisions.

(2) The provisions of subsection (1) of section 6 of this Decree shall apply in relation to the general policy pursued or intended to be pursued on any administrative matters, including staff pensions, salaries, allowances and any other similar matters.

8. (1) The Governor shall keep the President informed of the monetary and banking policy pursued or intended to be pursued by the Bank.

(2) The President after due consideration may, in writing, direct the Bank as to the monetary and banking policy pursued or intended to be pursued and the directive shall be binding on the Board which shall forthwith take all steps necessary or expedient to give effect thereto.

9. (1) The Governor and Deputy Governors shall be persons of recognised financial experience and shall be appointed by the President by instrument under the public seal and on such terms and conditions as may be set out in their respective letters of appointment.

(2) The Governor and Deputy Governors shall be appointed in the first instance for a term of five years and shall each be eligible for re-appointment for another term not exceeding 5 years.

(3) Notwithstanding subsection (1) or (2) of this section, the President may extend the tenure of office of the Governor, any Deputy Governor or any other Director of the Bank whose term of office has expired until a successor to such Governor, Deputy Governor or Director is appointed.

10. The Governor and the Deputy Governors shall devote the whole of their time to the service of the Bank and while holding office shall not occupy any other office or employment whether remunerated or not:

Provided that the Governor or any of the Deputy Governors may by virtue of his office be appointed with the approval of the Board to -

(a) act as member of any commission established by the Federal Government to enquire into any matter affecting currency or banking in Nigeria;

(b) become Governor, Director or member of the Board or by whatever name called, of any international bank or international monetary institution to which the Federal Government shall have interest or given support or approval;

(c) become Director of any corporation in Nigeria in which the Bank may participate under paragraph (i) of subsection (1) of section 27 of this Decree.

11. (1) The five Directors of the Bank shall be appointed by the President.

(2) A Director appointed pursuant to this section shall be a person of recognised standing and experience in financial or banking affairs, but whilst a Director of the Bank, he shall not be regarded or act as a delegate on the board of any Federal, State or Local Government or of any commercial, financial, agricultural, industrial, or other interest with which he may have been connected before his appointment as a Director of the Bank.

(3) A Director appointed pursuant to this section shall -

(a) hold office for three years and shall be eligible for re-appointment for another term of three years only;

(b) be entitled to such fees and allowances as may be prescribed by rules made in that behalf by the Board and approved by the President.

12. (1) No person shall be appointed or shall remain Governor, Deputy Governor or Director of the Bank if he is

(a) a member of any Federal or State legislative house;

(b) a Director, officer or employee of any bank licensed under the Banks and Other Financial Institutions Decree 1991.

(2) The Governor, any Deputy Governor or any Director shall cease to hold office in the Bank if he -

(a) becomes of unsound mind or, owing to ill health, is incapable of carrying out his duties;

(b) is convicted of any offence involving dishonesty or any other offence the maximum penalty of which exceeds imprisonment for six months;

(c) is guilty of a serious misconduct in relation to his duties under this Decree;

(d) is disqualified or suspended from practising his profession in Nigeria by order of a competent authority made in respect of him personally;

(e) becomes bankrupt or suspends payments or compounds with his creditors.

(3) The Governor or any Deputy Governor may resign his office by giving at least three months notice in writing to the President of his intention to do so; and any Director may similarly resign by giving at least one month's notice in writing to the President of his intention to do so.

(4) If the Governor, any Deputy Governor or any Director of the Bank dies, resigns or otherwise vacates his office before the expiry of the term for which he has been appointed, there shall be appointed a fit and proper person to take his place on the Board for the unexpired period of the term of appointment in the first instance -

(a) if the vacancy is that of the Governor or a Deputy Governor, the appointment shall be made in the manner prescribed by section 9(1) of this Decree; and

(b) if the vacancy is that of any Director, the appointment shall be made in the manner prescribed by section 11(1) of this Decree.

13. (1) Meetings of the Board shall take place as often as may be required, but not less than six times in every financial year of the Bank.

(2) The Governor shall preside at every meeting of the Board and in his absence, a Deputy Governor designated by him shall preside at such meeting.

(3) Five members of the Board, two of whom shall be Directors other than the Governor or the Deputy Governors, shall form a quorum at any meeting.

(4) Unless otherwise provided in this Decree, decisions shall be a simple majority of the votes of the members present, but in case of any equality of votes, the person presiding shall have a casting vote.

14. (1) Appointment of employees of the Bank shall only be to positions created by decisions of the Board and on such terms and conditions as may be laid down by the Board.

(2) No salary, fee, wage, allowance or other remuneration paid by the Bank shall be computed by reference to the operating surplus of the Bank.

(3) The salaries, fees, wages or other remuneration or allowances (including pensions and other retirement benefits) payable to or in respect of employees of the Bank, other than the Governor or Deputy Governors, shall be as stipulated, from time to time, by the Board.

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Part IV **Currency**

15. The unit of currency in Nigeria shall be the naira which shall be divided into one hundred kobo.

16. The exchange rate of the naira shall be determined, from time to time, by a suitable mechanism devised by the Bank for that purpose.

17. The Bank shall have the sole right of issuing currency notes and coins throughout Nigeria and neither the Federal Government nor any State Government nor any Local Government nor any other person or authority shall issue currency notes, bank notes or coins or any documents or tokens payable to bearer on demand being documents or tokens which are likely to pass as legal tender.

18. The Bank shall -

- (a) arrange for the printing of currency notes and the minting of coins
- (b) issue, re-issue and exchange currency notes and coins at the Bank's offices and at such agencies as it may, from time to time, establish or appoint;
- (c) arrange for the safe custody of un-issued stocks of currency notes and for the preparation, safe custody and destruction of plates and paper for the printing of currency notes and disc for the minting of coins;
- (d) arrange for the destruction of currency notes and coins withdrawn from circulation under the provisions of section 20 (3) of this Decree or otherwise found by the Bank to be unfit for use.

19. (1) Currency notes and coins issued by the Bank shall be -

- (a) in such denominations of the naira or fractions thereof as shall be approved by the President on the recommendation of the Board;
- (b) of such forms and designs and bear such devices as shall be approved by the President on the recommendation of the Board.

(2) The standard weights and composition of coins issued by the Bank and the amount of remedy and variation shall be determined by the President on the recommendation of the Board.

20. (1) Currency notes issued by the Bank shall be legal tender in Nigeria at their face value for the payment of any amount.

(2) Coins issued by the Bank shall, if such coins have not been tampered with, be legal tender in Nigeria at their face value up to -

- (a) an amount not exceeding forty naira in the case of coins of denomination of 10k or less;

(b) an amount not exceeding one hundred naira in the case of coins of denomination above 10k but not more than 50k;

(c) an amount not exceeding two hundred naira in the case of coins of denomination above 50k but not more than N1.

(3) Notwithstanding subsections (1) and (2) of this section, the Bank shall have power, if directed to do so by the President and after giving reasonable notice in that behalf, to call in any of its notes or coins on payment of the face value thereof and any notes of coins with respect to which a notice has been given under this subsection, shall, on the expiration of the notice, cease to be legal tender, but, subject to section 22 of this Decree, shall be redeemed by the Bank upon demand.

(4) It shall be an offence punishable under the provisions of subsection (1) and (2) of section 1 of the Counterfeit (Special Provisions) Decree 1984 for any person to falsify, make or counterfeit any bank note or coin issued by the Bank which is legal tender in Nigeria.

21. A coin shall be deemed to have been tampered with if the coin has been impaired, diminished or lightened otherwise than by fair wear and tear or has been defaced by stamping, engraving, mutilating or piercing whether the coin has or has not been thereby diminished or lightened.

22. (1) No person shall be entitled to recover from the Bank the value of any lost, stolen, mutilated or imperfect note or coin.

(2) The circumstances in which and the conditions and limitations subject to which the value of the lost, stolen, mutilated or imperfect note or coins may be refunded ex gratia shall be within the absolute discretion of the Bank.

23. The Bank shall not be liable for the payment of any stamp duty under the Stamp Duties Act in respect of its notes issued as currency.

24. The Bank shall at all times maintain a reserve of external assets consisting of all or any of the following -

(a) gold coin or bullion;

(b) balance at any bank outside Nigeria where the currency is freely convertible and in such currency, notes, coins, money at call any bill of exchange bearing at least two valid and authorised signatures and having a maturity not exceeding ninety days exclusive of days of grace;

(c) treasury bills having a maturity not exceeding one year issued by the Government of any country outside Nigeria whose currency is freely convertible;

(d) securities of or guarantees by, a government of any country outside Nigeria whose currency is freely convertible and the securities shall mature in a period not exceeding ten years from the date of acquisition;

(e) securities of, or guarantees by, international financial institutions of which Nigeria is a member if such securities are expressed in currency freely convertible and maturity of the securities shall not exceed five years;

(f) Nigeria's gold tranche in the International Monetary Fund;

(g) allocation of Special Drawing Rights made to Nigeria by the International Monetary Fund.

25. The Bank shall use its best endeavour to maintain external reserves at level considered by the Bank to be appropriate for the monetary system of Nigeria.

26. Unless otherwise prohibited by law relating to the control of exchange, the Bank shall issue and redeem on demand at its head office, Nigeria currency against other currencies eligible for inclusion in the reserve of external assets under this Decree.

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Part V Operations

27. (1) The Bank may -

- (a) issue demand drafts and effect other kinds of remittance payable at its own offices or at the offices of agencies or correspondents;
- (b) purchase and sell good coin or bullion;
- (c) open accounts for and accepts deposits from the Federal, State and Local Government, and from funds, institutions and corporations of Local Government, and from funds institutions and corporation of all such Governments, banks and other credit or financial institutions;
- (d) purchase, sell, discount and rediscount inland bills of exchange and promissory notes arising out of bona fide commercial transactions bearing two or more valid and authorised signatures and maturing within ninety days, exclusive of days of grace, from the date of acquisition;
- (e) purchase, sell discount and rediscount inland bills of exchange and promissory notes bearing two or more valid and authorised signature drawn or issued for the purpose of financing seasonal agricultural operation or the marketing of crops, semi-manufacturing or manufacturing operation designed for export or the marketing of these products and maturing within 180 days, exclusive of days of grace, from the date of acquisition;
- (f) (i) purchase, sell, discount or rediscount treasury bills of the Federal Government which have been publicly offered for sale and are to mature within 184 days;
 - (ii) purchase, sell, discount or rediscount treasury certificates maturing within such a period as may be determined by the Federal Government and specified by an instrument made by the Federal Government;
 - (iii) discount and rediscount project-tried bonds issued by State Governments, Local Governments, corporations owned by the Federal or State Government, being bonds which have been publicly offered for sale and with maturity not exceeding three years;
- (g) purchase and sell securities of the Federal Government maturing in not more than twenty-five years which have been publicly offered for sale or form part of an issue which is being made to the public at the time of acquisition, so however that the total amount of such securities of maturity exceeding two years in the ownership of the Bank other than securities held in terms of paragraph (h) or held by the Bank as collateral under sub-paragraph (ii) of paragraph (k) of this subsection shall not together at any time exceeding seventy-five per cent of the total demand liabilities of the Bank;

(h) invest in securities of the Federal Government for any amount; and to mature at any time, on behalf of staff superannuation funds and other internal funds of the Bank;

(i) subscribe to, hold and sell shares of any corporation or company or debentures thereof set up with the approval of or under the authority of the Federal Government for the purposes of -

(i) promoting the development of money or capital markets in Nigeria or of stimulating financial or economic development;

(ii) promoting or undertaking financial, industrial, agricultural and public utility enterprises, so however that in any such case, the total value of the holdings of shares or, as the case may be, debentures to which this paragraph applies shall not at any time exceed ten times the aggregate of the Bank's paid-up capital and the general reserve fund of the Bank;

(j) grant advances for fixed periods not exceeding three months against publicly issued treasury bills of the Federal Government;

(k) grant advances for fixed periods not exceeding one year at a minimum rate of interest of at least one per cent above the Bank's minimum rediscount rate against -

(i) gold coin or bullion;

(ii) securities of the Federal Government which have been publicly offered for sale and are to mature within a period of twenty-five years;

Provided that no advance so secured shall at any time exceed seventy-five per cent of the market value of the security pledged and that the total of such securities held by the Bank's is within the limitation imposed by paragraph (g) of this subsection;

(iii) such bills of exchange and promissory notes as are eligible for purchase, discount or rediscount by the Bank up to seventy-five per cent of their nominal value;

(iv) warehouse warrants or their equivalent (securing possession of goods), in respect of staple commodities or other goods duly insured and with a letter of hypothecation from the owner;

Provided that no such advances shall exceed seventy-five per cent of the current market value of the commodities in question;

(v) treasury certificates issued by the Federal Government;

Provided that no advances so secured shall at any time exceed seventy-five per cent of the market value of the certificates pledged;

(l) purchase and sell foreign currencies and purchase, sell, discount and rediscount bills of exchange and treasury bills drawn in or on places abroad and maturing within 184 days exclusive of days of grace from the date of acquisition;

(m) borrow specifically under the provisions of a refinancing agreement or for any other purchase;

(n) issue naira-denominated notes or other forms of securities or make any arrangement in respect of outstanding foreign obligations of the Federal Government in the course of rescheduling and restructuring such obligations and for this purpose naira-denominated notes issued by the Bank shall bear the signature of the Governor of the Bank and shall, when issued bind the Federal Government to pay the principal sum mentioned in that note and the interests thereon;

(o) maintain accounts with central banks and other banks outside Nigeria;

(p) purchase and sell securities of or guaranteed by any government whose currency is freely convertible or securities issued by international financial institutions, of which

Nigeria is a member, which are also expressed in currencies which are freely convertible;

(q) act as correspondent, banker or agent for any central bank or other monetary authority established under government auspices;

(r) undertake the issue and management of loans publicly issued in Nigeria by the Federal or State Governments or by Federal or State public bodies;

(s) accept from customers, for custody, securities and other articles of value;

(t) undertake on behalf of customers and correspondents, the purchase, sale, collection and payment of securities, currencies and credit instruments in Nigeria or abroad, and the purchase or sale of gold or silver;

(u) promote the establishment of bank clearing systems and provide facilities for the conduct of clearing business in premises belonging to the Bank;

(v) notwithstanding paragraph (d) of section 29 of this Decree, grant temporary advances to commercial banks within the meaning of the Banks and Other Financial Institutions Decree 1991 which participate in bank clearing in respect of temporary debit balances on their accounts at such rate of interest and under terms as the Bank may, from time to time determine;

(w) hold redeemable bonds for the purpose of regularising any currency exchange exercise;

(x) subject as is expressly provided in this Decree, generally conduct Business as a bank, and do all such things as are incidental to or consequential upon the exercise of its power or the discharge of its duties under this Decree.

(2) The Governor may, at any time in his discretion and by previous notice in writing lodged with the Board, decide that the powers conferred by subsection (1) of this section in accordance with the provisions of paragraph (f), (g), (h), (j) or sub-paragraph (ii) of paragraph (k) of that subsection be extended to the treasury bills and treasury certificates or the securities, as the case may be, of any State Government with which the Bank appears, as substantially to have established relationship or of banker, or to any specified treasury bills and treasury bills and treasury certificates or securities of such a State Government subject to limitation specified in paragraph (g) of subsection (1) of this section which limitations shall then apply to the aggregate value of the Federal and State Government security so dealt with.

(3) The bank shall have power-

(a) to carry out open market operations for the purpose of maintaining monetary stability in the economy of the country, and without prejudice to the generality of the foregoing, the Bank may also for the purpose issue, place, sell, repurchase, amortise or redeem securities to be known as "stabilisation securities" (which shall constitute is obligations) and the securities shall be issued at such rate of interest and under such conditions of maturity, amortisation, negotiability and redemption as the Bank may deem appropriate;

(b) to issue other forms of securities as it deems necessary for open market operations.

(4) The Bank shall have power-

(a) to sell or place by allocation to each bank any stabilisation securities issued under subsections (3) of this section;

(b) to repurchase, amortise or redeem in such manner as the Bank may deem appropriate, any such stabilisation securities, and any stabilisation securities repurchased by the Bank shall be extinguished and shall not constitute the assets of the Bank.

(5) Without prejudice to subsections (1) to (4) of this section as relates to the powers of the Bank to grant advances and make provisions for securities, the Bank may, without the exclusion of other banks, grant advances to any authority-

(a) for fixed periods not exceeding one year at a rate of interest which shall be at least one per-cent above the Bank's minimum rediscount rate; and

(b) except as prescribed in subsection (6) of this section, upon such conditions as the Bank may specify or as prescribed to ensure payment thereof with interest.

(6) The advances referred to in subsection (5) of this section may be granted in any particular case where a guarantee in writing is given by the Federal Government to the Bank on behalf of any such authority so however that-

(a) the total advances which may, subject to the provisions of this section, be granted shall not exceed an amount considered by the Bank to be adequate for the authority to commence its operations at the beginning of the crop or produce season;

(b) any such advances shall be secured so soon after the advances have been granted as may be agreed by the Bank (either in part or in whole) as prescribed in paragraph (j) or (k) of this subsection and the said provisions shall be so construed.

(7) Any advances which may be granted by virtue of the provisions of subsections (5) and (6) of this section shall be issued solely for the purpose of financing

(a) the purchasing and marketing operations authorised to be undertaken by any such authority by law under which the authority was established or as may be approved by the Bank; and

(b) with the approved of the Bank, other operations as may be incidental thereto:
Provided that any such authority may, if it so wishes, make advances to any licensed buying agent (within the meaning of any law under which the authority was established) for the purchase of produce for sale to the said authority, and provided also that the quantity of produce to be so purchased is included in the estimated tonnage of crop against which total advances are to be made by the Bank.

(8) Subsections (5) to (8) of this section relate to at any authority of the Federal Government or State Government or two or more State Governments including an interim authority for such purpose by any law in operation in Nigeria.

(9) The reference in subsections (5) to (8) of this section to the granting of advances includes a reference to the provision of credit facilities.

28. (1) In addition to any its powers under this Decree, the Bank may -

(a) require persons and institutions having access thereto, at all reasonable times, to supply in such forms as the Bank may from time to time direct, information relating to or touching or concerning matters affecting the economy of Nigeria;

(b) issue guidelines to any person and any institution that engages in the provision of financial services, including operators of bureaux de change, development banks, community banks, discount houses and insurance companies.

(2) The Bank shall take account of matters of confidential nature supplied to the Bank under this section, but where the Bank is satisfied that it is in the national interest and that the person supplying the information does not object to a proposal to publish it within a reasonable time of becoming aware of it, the Bank may, from any information in its possession, compile and publish statistical data, and anything relevant thereto, on the national economy.

(3) Where any person lawfully required to supply information for the purposes of this section -

(a) supplies information which he knows to be false or supplies the information recklessly as to its truth or falsity; or

(b) without reasonable excuse (the proof of the reasonableness to lie on him) fails to comply with any requirement of the Bank under paragraph (a) of subsection (1) of this section;

the supply or failure to supply, as the case may be, as therein provided, shall be an offence under this section.

(4) An offence under this section is punishable on conviction by -

(a) imprisonment not exceeding three years or with a fine not less than N100,000 or more than N1,000,000 for every false information or with both such imprisonment and fine;

(b) a fine of not less than N5,000 or more than N20,000 for every day during which the failure to comply with any requirement of the Bank continues.

(5) A person or institution that fails to comply with any guideline issued under paragraph (b) of subsection (1) of this section shall be liable on conviction -

(a) in the case of an institution, to a fine of not less than N100,000 or more than N1,000,000; and

(b) in the case of a person, to imprisonment for a term not exceeding three years or to a fine of not less than N50,000 or more than N100,000 or to both such imprisonment and fine.

29. The Bank shall not -

(a) engage in trade or otherwise have a direct interest in any commercial agricultural or industrial undertaking, except as provided in subsection (1) of section 27 of this Decree, or in any other undertaking, except such interest which the Bank may in any way acquire in the course of the satisfaction of debts due to it, and provided that all such interests so acquired shall be disposed of at the earliest suitable time;

(b) except as provided in paragraph (i) of subsection (1) of section 27 of this Decree, purchase the shares of any corporation or company including the shares of any banking institution;

(c) grant loan upon the security of any shares;

(d) subject to the provisions of section 33 of this Decree, grant unsecured advance or advances secured otherwise than as laid down in paragraphs (j) and (k) of subsection (1) of section 27 of this Decree:

Provided that in the event of any debts due to the Bank becoming in the opinion of the Bank endangered, the Bank may secure such debts on any real or other property of the debtor and may acquire such property which shall be re-sold at the earliest suitable time;

(e) purchase, acquire or lease real property except in accordance with the provision of paragraph (d) of this section and except so far as the Bank shall consider necessary or expedient for the provision or future provision of business premises for the Bank and its agencies and any clearing houses set up as provided in section 41 of this Decree and

residences for the Governor, Deputy Governors and officers and other employees of the Bank;

(f) draw or accept bills payable otherwise than on demand;

(g) pay interest on deposits except deposits in respect of cash reserve and special deposits as stipulated in paragraph (a) and (c) of subsection (1) of section 39 of this Decree;

(h) accept for discount or as security for an advance made by the Bank, bills or notes signed by members of the Board or by officers and other employees of the Bank;

(i) open accounts for or accept deposits from persons other than as provided in paragraph (c) and (o) of subsection (1) of section 27 of this Decree.

30. The Bank shall make public at all times its minimum rediscount rate.

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Part VI

Relations with the Federal Government

31. (1) The Bank shall be entrusted with Federal Government banking and foreign exchange transactions.

(2) The Bank shall receive and disburse Federal Government moneys and keep account thereof without remuneration for such services.

(3) In any place where the Bank has no branch, it may appoint another bank to act as its agent for the collection and payment of Federal Government moneys.

32. Notwithstanding the provisions of section 31 of this Decree, the Federal Government may -

(a) maintain accounts in Nigeria with other banks in such cases and on such conditions as the Federal Government may determine;

(b) use the services of the State Treasuries for the collection and payment of Federal Government moneys in places where it may be appropriate or convenient to do so.

33. (1) Notwithstanding the provisions of paragraph (d) of section 29 of this Decree, the Bank may grant temporary advances to the Federal Government in respect of temporary deficiency of budget revenue at such rate of interest as the Bank may determine.

(2) The total amount of such advances outstanding shall not at any time exceed twelve and a half per cent of the estimated recurrent budget revenue of the Federal Government for the year in which the advances are granted.

(3) All advances made pursuant to this section shall be repaid as soon Government financial year in which they are granted and if such advances remain unpaid at the end of the year, the power of the Bank to grant such further advances in any subsequent year shall not be exercisable, unless and until the outstanding advances have been repaid.

34. (1) The Bank shall be entrusted with the issue and management of Federal Government loans publicly issued in Nigeria, upon such terms and conditions as may be agreed between the Federal Government and the Bank,

(2) Notwithstanding the provisions of this section, the Bank may appoint agents for the issue and management of Federal Government loans publicly issued in Nigeria.

(3) The Bank shall have power to perform functions relating to the management for the external debts of the Federal Government as may be directed by the President.

(4) For the purpose of this section, the Bank shall have power to issue, from time to time, guidelines for the smooth of the Debt conversion Programme of the Federal Government.

35. The Bank may act as banker to States and Local Government and to funds, institutions or corporations established by Federal, State and Local Governments

36. The Bank may act generally as agent for the Federal Government, State Government or a Local Government-

- (a) Where the Bank can do so appropriately and consistently with the provisions of this Decree and with its duties and functions as a Central Bank; and
- (b) on such terms and conditions as may be agreed between the Bank and the Government concerned.

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Part VII

Relations with other banks

37. The Bank act as banker to other banks in Nigeria and outside Nigeria.

38. The Bank shall wherever necessary seek the co-operation of and co-operate with other banks in Nigeria-

- (a) to promote and maintain adequate and reasonable financial service for the public;
- (b) to ensure high standards of conduct and management throughout the banking system;
- (c) to further such policies not inconsistent with this Decree as shall in the opinion of the Bank be in the national interest.

39. (1) The Bank may from time to time issue directive by circular requiring each bank to-

- (a) maintain at all times in the form each of cash reserves with the Bank, at its office, a sum equal to a prescribed ratio of the bank's deposit liabilities;
- (b) hold a minimum amount of specified liquid assets which shall be expressed as ratio of deposit liabilities of the bank;
- (c) maintain as special deposit with the Bank at its head office a percentage of the bank's deposit liabilities or a percentage of an increase or the absolute increase in such deposit liabilities over an amount outstanding on a date and for a period as shall be specified by the Bank,

(2) For the purpose of paragraph (a) of subsection (1) of this section, the Bank shall specify-

- (a) the class of deposit liabilities against which the cash reserves mentioned in that paragraph shall be held;
- (b) the ratio of cash reserve which a bank shall so maintain and the banks may be classified into such categories as the Bank may, from time to time, specify in the circular to every bank.

(3) For the purpose of paragraph (a) of subsection (1) of this section, the cash reserves of a bank shall be determined within such period as the Bank may, from time to time, specify, on the basis of the periodic balances of the bank's deposit liabilities and the Bank shall have power-

- (a) to prescribe different cash reserve ratios to be maintained by each category of banks;
- (b) to require each bank from time to time to prepare and deliver to the Bank in such form and within such period as the Bank may specify a true and correct statement showing the position of the deposit liabilities of the bank and the Bank may require such statement to be made at such intervals as it may specify;
- (c) to require any bank to furnish to it such information and statistics in such form and as often as the Bank may see necessary for the purpose of satisfying itself that the bank concerned has complied or is complying with the provisions of subsection (1) of this section.

(4) For the purpose of paragraph (b) of subsection (1) of this section, the Bank shall have power, in respect of the specified liquid assets which may, from time to time, be held by a bank, to vary the composition and proportion of each category thereof.

(5) The Bank shall have power -

- (a) to require that all applications to any bank for loans exceeding such amount as the Bank may specify shall be submitted by the bank to the Bank for approval and no such loans shall be made without such approval;
- (b) to fix a ceiling on the volume of loans, advances and discount outstanding at each bank and it may fix different ceilings for different categories of each such loans, advances and discounts;
- (c) to fix ceilings on the aggregate amount of loans, advances and discounts granted by any bank and outstanding at any time and the Bank may place limits on the rate of increase in the aggregate amount of such loans, advances and discounts within a specified future period of time.

(6) For the purpose of paragraph (c) of subsection (1) of this section, the Bank shall have power to specify the class of deposits to which the provisions of that subsection shall apply and any special deposits held in accordance with that subsection shall not count as specified liquid assets for the purposes of paragraph (b) of subsection (1) of this section; and subject to the provisions of this subsection, the Bank may, at its discretion, pay interest on such special deposits held by it.

(7) The Bank shall have power to prohibit any bank which fails to comply with any directive issued under this section, from extending new loans and advances and from undertaking new investments, until the bank complies with the directive to the satisfaction of the Bank; and may, in addition, levy fines as appropriate under the provisions of section 15 (5) of the Banks and Other Financial Institutions Decree 1991.

(8) Any bank which furnishes false information to the Bank for any purpose under this section shall be guilty of an offence and liable on conviction to a fine of not less than ₦500,000 for the first offence and to a fine of ₦1,000,000 for a second or each subsequent offence.

40. The Bank may appoint as its agent any bank in Nigeria on such terms as may be agreed between the Bank and the bank concerned for the issues, re-issue, exchange and withdrawal of currency notes and coins, or for any other purpose pertaining to the Bank's functions under this Decree.

41. It shall be the duty of the Bank to facilitate the clearing of cheques and credit instruments for banks carrying on business in Nigeria and for this purpose, the Bank shall at any appropriate time and in conjunction with other banks establish clearing houses in premises provided by the Bank in such places as the Bank may consider necessary. *Provided that, a bank may be barred from participating in clearing for such period as the Bank may deem fit for non-compliance with directives of the Bank.*

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Part VIII Accounts and Statements

42. The financial year of the Bank shall begin on 1st January and end on 31st December.

43. (1) The accounts of the Bank shall be audited by an auditor or auditors appointed by the Board.

(2) Without prejudice to the provisions of subsection (1) of this section, the President may direct the Auditor-General of the Federation to conduct an examination of the accounts of the Bank, and submit a report thereon relating to the issue, re-issue, exchange and withdrawal of currency notes and coins by the Bank and the Bank shall provide all necessary facilities for the purpose of the examination.

44. (1) The Bank shall, within two months after the close of each financial year, transmit to the President, a copy of its annual accounts certified by the auditor.

(2) The Bank shall, within four months from the close of each financial year, submit to the President a report on its operations during the year.

(3) Any report required to be submitted to the President shall be published by the Bank in such manner as the Governor may direct.

(4) The Board shall ensure that accounts submitted pursuant to this section shall as soon as possible be published in the Gazette.

(5) The Bank shall as soon as may be practicable after the last day of each month, make up and publish a return of its assets and liabilities as at the close of business on that day, or if that day is a holiday, as at the close of business on the last preceding business day.

(6) A copy of the return referred to in subsection (5) of this section shall be forwarded to the President and shall be published in the Gazette.

(7) In the application of this section, the gold tranche position at the International Monetary Fund shall form part of the external reserve assets of the Bank.

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Part IX Miscellaneous

45. There shall be a Secretary to the Board to be appointed by the Governor.

46. (1) The Bank may, with the approval of the President, make regulations for the better carrying out of the objects and purposes of this Decree.

(2) The Board shall have power to make and alter rules and regulations for the good order and management of the Bank.

46A.-(1) Neither the Federal Government nor the Bank nor any officer of that Government or Bank, shall be subject to any action, claim or demand by or liability to any person in respect of anything done or omitted to be done in good faith in pursuance or in execution of, or a connection with the execution or intended execution of any power conferred upon that Government, the Bank or such officer, by this Decree.

(2) For the purpose of this section, the Minister or any officer duly acting on his behalf shall be deemed to be an officer of the Federal Government and the Governor, any Deputy Governor of the Bank or other employee thereof shall be deemed to be an officer of the Bank.

47. The Bank shall be exempted from the payment of tax under the Companies Income Tax Act 1979.

48. The provisions contained in the Schedule to this Decree shall have effect with respect to the proceedings of the Board and the other matter contained therein and the Board shall have the power to amend the provisions of the Schedule as it may deem necessary.

49. The provisions of the Companies and Allied Matters Decree 1990 shall not apply to the Bank.

50. Except with the written consent of the Governor, no bank shall hereafter be registered under the provisions of any Federal legislation by a name which includes any of the words "Central", "Federal", "Federation", "National", "Nigerian", "Reserve", "State", "Christian", "Islamic", "Moslem", "Quranic", or "Biblical".

51. The Bank shall not be placed in liquidation except pursuant to legislation enacted in that behalf and then only in the manner directed by that legislation.

52. In furtherance of the provisions of paragraph (c) of section 2 of this Decree, the Bank shall have power to establish a Credit Bureau to collect, in such manner as the Bank may think fit, credit information on the customers of banks and other financial institutions and the Bank may disclose the information so collected in such manner as may be deemed appropriate by the Bank:

Provided that the credit information so collected shall be used solely for the purpose of operating the Credit Bureau and that any information disclosed by the Bank to any person or institution shall be confidential between the Bank and the person or institution to whom the information is disclosed.

53. In this Decree, unless the context otherwise requires -

"Bank" means the Central Bank of Nigeria continued in being by this Decree;

"bank" means a bank licensed under the Banks and Other Financial Institutions Decree 1991 or under the repealed Banking Act;".

"bank examiner" has the meaning assigned to it in section 30 of the Banks and Other Financial Institutions Decree 1991;

"Board" means the Board of Directors of the Bank;

"Governor" and "the Deputy Governor" means respectively the Governor and Deputy Governors of the Bank as appointed under this Decree;

"officers" or "officers of the Bank" means officers of the Central Bank of Nigeria;

"President" means the President, Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria;

"States" means State within the Federal Republic of Nigeria.

54. (1) This Decree may be cited as the Central Bank of Nigeria Decree 1991.

(2) The Central Bank of Nigeria Act 1958, the Central Bank of Nigeria (Currency Conversion) Act 1967 and the Finance Act 1969 are hereby repealed.

(3) The under-mentioned amendment enactments are hereby consequentially repealed, that is -

- (a) Central Bank of Nigeria (Amendment) Act 1962;
- (b) Central Bank of Nigeria (Amendment) Act 1967;
- (c) Central Bank of Nigeria (Amendment) (No 2) Act 1967;
- (d) Central Bank of Nigeria (Amendment) Act 1969;
- (e) Central Bank of Nigeria (Amendment) Act 1968;
- (f) Central Bank of Nigeria (Amendment) (No 2) Act;
- (g) Central Bank of Nigeria (Currency Conversion) (Amendment) Act 1968;
- (h) Central Bank of Nigeria (Amendment) Act 1969;
- (i) Central Bank of Nigeria (Amendment) Act 1970;
- (j) Central Bank of Nigeria (Amendment) (No 2) Act 1960;
- (k) Central Bank of Nigeria (Amendment) Act 1972;
- (l) Central Bank of Nigeria (Amendment) Act 1976;
- (m) Central Bank of Nigeria (Amendment) Decree 1987; and
- (n) Government Promissory Notes (Amendment) Decree 1989.

(4) Without prejudice to section 6 of the Interpretation Act of 1964, the repeal of the enactments referred to in subsection (3) of this section shall not affect anything done under or pursuant to those enactments.

(5) The rights, interests, obligations and liabilities of the Bank existing before the commencement of this Decree under any contract or instruments or in law or in equity apart from any contract or instrument, shall by virtue of this Decree, be assigned to and vested in the Bank.

(6) Any such contract or instrument as is mentioned in subsection (5) of this section shall be of the same force and effect against or in favour of the Bank and shall be enforceable fully and effectively.

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Schedule

Proceedings Of the Board, etc.

1. (1) Not less than three weeks notice shall be given of each meeting of the Board and such notice shall be sent to every Director at his registered address but where it is necessary to convene an emergency meeting, all reasonable steps shall be taken to give notice to every Director who is at the time in Nigeria.

(2) No person other than the Directors and the Secretary shall attend meetings of the Board but the Chairman may request the presence of officers of the Bank when technical matters are under consideration.

2. (1) The Board shall cause minutes to be duly entered in a book provided for that purpose -

- (a) of all appointments of officers made by the Board;
- (b) of the names of all Directors present at each meeting of the Board;
- (c) of all resolutions and proceedings of each meeting;

(2) A copy of the minutes shall be circulated at that or succeeding meeting and after approval by the Board, signed by the Chairman.

3. The common seal of the Bank shall be affixed under such conditions as may be determined, from time to time, by a resolution of the Board.

4. Every Director shall, on appointment or re-appointment, sign a declaration as in form 1 in the Annex to this Schedule affirming his allegiance and service to the Bank and pledging himself to observe strict secrecy respective all transactions of the Bank.

5. Any Director having any interest directly or indirectly in any dealing or business in which the Bank is concerned shall disclose such interest at the meeting of the Board at which the dealing or business is discussed and in no circumstances shall he vote on the matter. If required by the Board to do so, he shall withdraw from the meeting.

6. (1) Every Director, officer and other employee of the Bank shall be indemnified by the Bank against all losses, costs and expenses incurred by him by reason of any contract entered into or act or deed done in the proper and careful discharge of his duties. The Bank shall pay all such costs, losses and expenses.

(2) No Director, officer or other employee of the Bank shall be liable to the Bank for any losses, costs or expenses incurred by the Bank by the insufficiency or deficiency of value of, or title to, any property or security acquired or taken on behalf of the Bank or by the insolvency, bankruptcy or wrongful act of any customer or debtor of the Bank, unless due to wilful default in the execution of his duties.

7. In consultation with the Board, the Governor and Deputy Governors shall be responsible for -

- (a) the formulation and execution of the Monetary and Credit Policy for Nigeria;
- (b) fixing the rate or rates of discount or rediscount and the rate or rates of interest on advances to Government and to other customers of the Bank;
- (c) devising suitable mechanism to determine rates of exchange at which the Bank shall buy and sell foreign currencies under section 16 of this Decree;
- (d) the appointment of auditors in accordance with section 43 of this Decree, the provision of the necessary facilities and the rates of remuneration;
- (e) the establishment and closing of Zonal Offices, Branches and Currency Centers;
- (f) the appointment of Zonal Controller, Branch Controllers and Currency Officers;
- (g) the appointment of officers and other employees:
Provided that the Governor shall have authority to make such appointment as he deems appropriate without consultation with the Board in relation to officers and employees whose salaries do not exceed Central Bank Service Scale 06.

8. (1) The Governor and Deputy Governors shall have special responsibility for -

- (a) the organisation of the management of the Bank at its Head Office, Zonal Offices, Branches and Currency Centre;
- (b) causing -
 - (i) true accounts to be kept of all transactions entered into by the Bank and of the assets and liabilities of the Bank and of all valuables entrusted to the Bank;

(ii) the compilation, form and publication of accounts in accordance with section 44(2) of this Decree;

(c) the safe-keeping of all the assets of the Bank and the valuables entrusted to the Bank;

(d) the discharge by officers and other employees of the Bank of the duties placed upon them;

(e) the supervision of arrangements relating to the issue and redemption of currency notes and coins and all matters connected with the forms, design and composition of currency notes and coins; provided that the Director of Currency Operations shall be charged with the direct responsibility under the Governor for specified matters under this sub-paragraph.

(2) It shall be the duty of the Governor to work out the detailed responsibilities of each of the Deputy Governors; and may assign any of his duties during his absence from duty or at such other time to any of the Deputy Governors as he deem fit.

(3) Without prejudice to sub-paragraph (2) of this paragraph, the Governor shall have power to assign or re-assign the Deputy Governors, from time to time, as may be expedient for the performance of the Bank's function under or pursuant to this Decree.

9. The books of the Bank shall be kept at the Head Office of the Bank or at such other places as the Board may, from time to time, determine.

10. The Governor shall formulate, for the approval of the Board, general rules and any subsequent amendments thereto, providing for -

(a) the safe keeping of the common seal of the Bank;

(b) the safe keeping of the assets of the Bank and of valuables entrusted to the Bank;

(c) the safe keeping of stocks of unissued or redeemed currency and the preparation, safe custody and

(d) the protection of bank notes and coins in transit;

(e) the conditions under which any Zonal Controllers, Branch Controller and Currency Officer may be appointed;

(f) the conditions governing discounts and advances;

(g) the exercise of dual control and general security throughout the Bank;

(h) such additional arrangements which may be made to ensure the efficient working of the Bank, through proper observance of security and the accuracy of the accounts of the Bank.

11. (1) The Board shall, from time to time, as it deems fit delegates some of its responsibilities to the Committee of Governors.

(2) Formal meetings of the Committee of Governors shall take place as often as may be required but not less than once a month.

(3) The Committee of Governors shall cause minutes to be duly entered in books provided for that purpose during each of its formal meetings.

(4) The Governor shall preside over every meeting but in his absence a Deputy Governor designated by him shall act in his place, and in the absence of both the Governor and any such designated Deputy Governor, one of the other Deputy Governors present shall act as Chairman.

12. The Board by resolution shall, for such purposes as it may, from time to time, decide, authorise the Governor, the Deputy Governors or any officer of the Bank to sign documents relating to all aspects of the Bank's business:

Provided that such documents are not required by law or common practice to be given under seal. Any such authorisations shall forthwith be notified in the Gazette.

13. (1) No officer or other employee of the Bank shall occupy any other office or hold any other employment whether remunerated or not except with the approval of the Board embodied in a resolution and only in the following capacities, that is to say -

- (a) as member of any economic research institution or of any commission established by the Federal Government to enquire into any matter affecting currency or banking in Nigeria or into such other subjects relating to the functions of the Bank under this Decree;
- (b) as director or member of the Board or by whatever name called, of any international bank, international monetary authority or economic institution to which the Federal Government shall have interest or given support or approval;
- (c) Director or alternate Director of any corporation in Nigeria in which the Bank may participate under paragraph (i) of subsection (1) of section 27 of this Decree;
- (d) member of other agency of the Federal, State and Local Government.

(2) Any remuneration to which any officer or other employee of the Bank is entitled in respect of any appointment made by virtue of the provisions of this Schedule shall be paid direct to the Bank.

(3) This Schedule shall not prevent the Bank from employing, at the Board's direction and subject to such terms and conditions as shall be laid down by the Board, part-time advisers for particular purposes and for specific periods of time.

14. All officers and employees of the Bank shall be required to sign declarations as in Form 2 in the Annex to this Schedule affirming their allegiance and service to the Bank and pledging themselves to observe strict secrecy respecting all transactions of the Bank.

15. (1) The appointment of a legal practitioner to the Bank and changes in that appointment shall be made by the Bank on the recommendation of the Governor.

(2) Complaints, written statements, affidavits and other documents connected with legal proceedings may be signed and verified on behalf of the Bank by any officer empowered by or under paragraph 12 of this schedule.

16. The board may require any officer or other employee to give the Bank, in such manner as it may require, such security as it may regard reasonable for the faithful discharge of his duty.

17. In this schedule, unless the context otherwise requires-

"Committee of Governors" means a committee of the Governor and the Deputy Governors of the Central Bank of Nigeria;

"Director" means a member of the Board of Directors of the Central Bank of Nigeria,

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Editors' Comment

(This comment does not form part of the above enactment but it is intended as an explanatory guide)

1. This decree was amended by Decree No. 79 of 1993, cited as the Central Bank of Nigeria (Amendment) Decree 1993 and made at Abuja on the 25th day of August 1993.

2. It was further amended by decree N^o 37 of 1998.
3. It was again amended by decree N^o 41 of 1999.