

CHAPTER 30**CENTRAL BANK OF NIGERIA**
*(Federation)***ARRANGEMENT OF SECTIONS****SECTION**

1. Short title and commencement.
2. Interpretation.

Constitution

3. Establishment and incorporation of the Bank.
4. Objects.
5. Chief office and branches.

Capital and Reserve

6. Capital.
7. General reserve fund.

Administration

8. Board of Directors.
9. Governor and Deputy Governor.
10. Directors.
11. Disqualification from and cessation of appointment.
12. Appointment to fill a vacancy.
13. Meetings of Board.
14. Appointments of officials.
15. Advisory committee.

Currency

16. Currency of Nigeria.
17. Parity of pound.
18. Sole right to issue.
19. Provisions for issue.
20. Denomination and form of note and coin.
21. Bank's currency to be legal tender.
22. Tampering with coinage.
23. Lost and damaged currency.
24. Exemption from stamp duty.

SECTION

25. External reserve.
26. Value of external reserve.
27. Proportion of value of reserve to demand and currency liabilities.

Operations

28. Obligation in respect of currency.
29. General powers of Bank.
30. Prohibited activities.
31. Publication of rediscount rate.

Relations with the Federal Government

32. Functions regarding Federal Government.
33. Federal Government's rights.
34. Advances to Federal Government.
35. Issue and management of Federal loans.
36. Federal funds and institutions.
37. Agency for Federal Government.

Relation with Other Branches

38. Nigerian and other banks.
39. Co-operation with banks in Nigeria.
40. Bank may prescribe liquidity minimum.
41. Other banks as agents.
42. Clearing house.

Accounts and Statements

43. Financial year.
44. Audit.
45. Accounts and annual report and publication thereof.

Transitional Provisions

46. Preparatory provisions for first issue.
47. Existing currency.

Miscellaneous

48. By-laws.
 49. Income tax.
 50. Companies Ordinance.
 51. Prohibited banking names.
 52. Liquidation.
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CHAPTER 30

CENTRAL BANK OF NIGERIA
(Federation)

An Ordinance to provide for the establishment of a Central Bank of Nigeria and to provide for its constitution and functions; to provide that it shall be a bank of issue and for such purpose to provide that its notes and coin shall be legal tender and at some future date shall be the sole legal tender in Nigeria; to provide that the Central Bank shall be banker to the Government and shall have certain powers in relation to other banks; and for purposes ancillary to the purposes aforesaid.

24 of 1958.

[By Notice, see section 1]

1. This Ordinance may be cited as the Central Bank of Nigeria Ordinance, and shall come into operation upon such date as may be notified in the Gazette by the Governor-General after the signification of the pleasure of Her Majesty thereon, and different dates may be prescribed for the coming into operation of different sections of the Ordinance.

Short title and commencement.

Interpretation

2. In this Ordinance, unless the context otherwise requires—
 “the Bank” means the Central Bank of Nigeria established by this Ordinance;
 “the Board” means the Board of Directors of the Bank;
 “the Governor” and “the Deputy Governor” mean, respectively, the Governor of the Bank and the Deputy Governor of the Bank;
 “the Minister” means the Minister charged with responsibility for matters relating to finance in the Federation;
 “Region” or “Regional” means appertaining to the Regions of Nigeria or to the Southern Cameroons, either individually or collectively as the context requires.

Interpretation.

Constitution

Establish-
ment and
incorpora-
tion of the
Bank.

3. (1) A bank to be called the "Central Bank of Nigeria" shall be established in accordance with the provisions of this Ordinance and shall commence business on a day to be appointed by the Governor-General by notification in the Gazette.

(2) The Bank shall be a body corporate and shall have perpetual succession and a common seal, and may sue and be sued in its own name, and subject to the limitations contained in this Ordinance may acquire, hold and dispose of movable and immovable property for the purpose of its functions.

Objects.

4. The principal objects of the Bank shall be to issue legal tender currency in Nigeria, to maintain external reserves in order to safeguard the international value of that currency, to promote monetary stability and a sound financial structure in Nigeria and to act as banker and financial adviser to the Federal Government.

Chief
office and
branches.

5. The Bank shall have its chief office in Lagos and may open branches in Nigeria and appoint agents and correspondents in accordance with decisions of the Board.

Capital.

6. (1) The authorised capital of the Bank shall be one million five hundred thousand pounds. There shall be paid up such amount as shall be resolved by the Bank and confirmed by the Minister and this amount shall be subscribed by and paid up at par by the Federal Government upon the establishment of the Bank.

(2) The paid-up portion of the authorised capital may be increased by such amount as the Board may, from time to time, resolve with the agreement of the Minister, and the Federal Government shall subscribe and pay up at par the amount of such increase.

(3) All the paid-up capital shall be subscribed and held only by the Federal Government.

Capital and Reserve

7. (1) The Bank shall establish a general reserve fund to which shall be allocated at the end of each financial year of the Bank— General reserve fund.

- (a) one-eighth of the net profits of the Bank for the year when, at the end of that year, the fund is less in amount than the paid-up capital of the Bank;
- (b) one-sixteenth of the net profits of the Bank for the year when, at the end of that year, the fund is not less in amount than the paid-up capital of the Bank but is less in amount than twice the paid-up capital.

(2) After any allocation has been made in terms of subsection (1) one-half of the remainder of the net profits shall be applied to the retirement of any outstanding obligations of the Federal Government to the Bank arising from the financing of the cost of the printing, minting and shipment of the initial stock of the Bank's notes and coins.

(3) The remainder of the net profits shall be paid to the Federal Government.

(4) The net profits of the Bank for each financial year shall be determined by the Bank after meeting all current expenditure for that year and after making such provision as it thinks fit for bad and doubtful debts, depreciation in assets, contributions to staff and superannuation funds, and all other contingencies.

Administration

8. (1) There shall be a Board of Directors of the Bank which shall be responsible for the policy and general administration of the affairs and business of the Bank. Board of Directors.

(2) The Board shall consist of a Governor, a Deputy Governor and five other directors.

(3) The Governor or, in his absence, the Deputy Governor shall be in charge of the day-to-day management of the Bank and shall be answerable to the Board for their acts and decisions.

9. (1) The Governor and Deputy Governor shall be persons of recognized financial experience and shall be appointed by Governor and Deputy Governor.

the Governor-General by instrument under the public seal on such terms and conditions as may be set out in their respective letters of appointment.

(2) The Governor and Deputy Governor shall each be appointed for a term of five years and shall be eligible for reappointment: Provided that the appointment, or first appointment, of the first Deputy Governor shall be for a term of three years.

(3) The Governor and Deputy Governor shall devote the whole of their professional 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 they may, by virtue of their office, be members of or advisers to the Loans Advisory Board or its successor: Provided also that they may, if so appointed with the approval by resolution of the Board.

- (a) act as members of any commission established by the Federal Government to inquire into any matter affecting currency or banking in Nigeria;
- (b) become governors, directors or members of the Board, by whatever name called, of any international bank or international monetary authority to which the Federal Government shall have adhered or given support or approval;
- (c) become directors of any corporation in Nigeria in which the Bank may participate under paragraph (i) of section 29.

Directors.

10. (1) The five other directors of the Bank shall be appointed by the Prime Minister of the Federation.

(2) A director shall be a person of recognized standing and experience in affairs, but as a director of the Bank he shall not be regarded or act as a delegate on the Board from any Federal or Regional authority or from any commercial, financial, agricultural, industrial or other interests with which he may be or may have been connected.

(3) A director shall hold office for three years and be eligible for reappointment: Provided that, of the first five directors to be appointed under this section, one shall, or

shall in the first instance, be appointed for one year; and two shall, or shall in the first instance, be appointed for two years.

(4) A director shall be entitled to fees and allowances in accordance with such rules as the Board, subject to confirmation by the Minister, may lay down.

11. (1) No person shall be appointed or shall remain Governor, Deputy Governor or other director of the Bank who—

- (a) is a member of the Federal Legislative House;
- (b) is a member of a Regional Legislative House;
- (c) is a director, salaried official or shareholder of any bank licensed under the provisions of the Banking Ordinance;
- (d) is an officer in the public service of the Federal or a Regional Government: Provided that this paragraph shall not render ineligible any person whose sole duties are those of economic adviser to the Federal Government.

Disqualifi-
cation
from and
cessation of
appoint-
ment.

Cap. 19.

(2) (a) The Governor or Deputy Governor may resign his office on giving at least three months' notice in writing to the Governor-General of his intention.

(b) Any director may resign on giving at least one month's notice in writing to the Governor-General of his intention.

(3) The Governor, Deputy Governor or any other director shall cease to hold office in the Bank if—

- (a) he becomes of unsound mind or incapable of carrying out his duties;
- (b) he becomes bankrupt or suspends payment or compounds with his creditors;
- (c) he is convicted of a felony or of any offence involving dishonesty;
- (d) he is guilty of serious misconduct in relation to his duties;
- (e) in the case of a person possessed of professional qualifications, he is disqualified or suspended (otherwise than at his own request) from practising his profession

in any part of Her Majesty's dominions by the order of any competent authority made in respect of him personally.

Appoint-
ment to fill
a vacancy.

12. If the Governor or Deputy Governor or any other director of the Bank dies, or resigns or otherwise vacates his office before the expiry of the term for which he has been appointed, another person shall be appointed in his place for the unexpired period in the manner specified in subsection (1) of section 9 or of section 10 as the case may be.

Meetings of
Board.

13. (1) Meetings of the Board shall take place as often as may be required but not less frequently than once in each of any ten months in every financial year of the Bank.

(2) The Governor, or in his absence the Deputy Governor, shall be chairman of the Board, and in the absence of both from any meeting the other directors attending shall elect a chairman for that meeting from among themselves.

(3) Four members of the Board shall form a quorum at any meeting and, unless otherwise provided, decisions shall be adopted by a simple majority of the votes of the members present. In the case of an equality of votes, the chairman shall have a casting vote.

(4) No act or proceeding of the Board shall be invalidated merely by reason of the existence of a vacancy or vacancies among the directors of the Bank.

(5) All acts done by any person acting in good faith as a director shall be as valid as if he were a director, notwithstanding that some defect in his appointment or qualification be afterwards discovered.

Appoint-
ments of
officials.

14. (1) All appointments of officials and other employees of the Bank shall be only to positions created by decision of the Board and on such terms and conditions as shall be laid down by the Board.

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

15. (1) There shall be an advisory committee of the Bank which shall consist of—
Advisory committee

- (a) the Minister or his alternate;
- (b) the Minister charged with responsibility for finance in respect of each Region or his alternate;
- (c) the Governor or Deputy Governor.

(2) The Committee shall meet not less than twice in each calendar year for the purpose of considering matters of common interest.

(3) Meetings of the Committee shall take place in Lagos or in such other places as may be agreed from time to time. The Committee shall establish its own rules of procedure.

Currency

16. (1) The unit of currency in Nigeria shall be the Nigerian pound which shall be divided into twenty shillings, each shilling being divided into twelve pence.
Currency of Nigeria.

(2) Subject to the provisions of section 46, every contract, sale, payment, bill, note, instrument and security for money and every transaction, dealing, matter and thing whatsoever relating to money or involving the payment of or the liability to pay any money which, but for this subsection, would have been deemed to be made, executed, entered into, done and had, in and in relation to currency issued by the West African Currency Board shall in Nigeria be deemed instead to be made, executed, entered into, done and had, in and in relation to Nigerian pounds: Provided that this clause shall not affect any obligation to pay any money in any country other than Nigeria where currency issued by the West African Currency Board is legal tender.

17. The parity of the Nigerian pound shall be one Nigerian pound to one pound sterling.
Parity of pound.

18. The Bank shall have the sole right of issuing notes and coins throughout Nigeria and neither the Federal Government nor any Regional Government nor any other
Sole right to issue.

person 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.

Provisions
for issue.

19. The Bank shall—

- (a) arrange for the printing of notes and the minting of coins;
- (b) issue, reissue and exchange notes and coins at the Bank's offices and at such agencies as the Bank may, from time to time, establish or appoint;
- (c) arrange for the safe custody of unissued stocks of currency and for the preparation, safe custody and destruction of plates and paper for the printing of notes and of dies for the minting of coins.

Denomina-
tion and
form of
notes and
coin.

20. (1) Notes and coins issued by the Bank—

- (a) shall be in such denominations of the pound or fractions thereof as shall be approved by the Minister on the recommendation of the Bank;
 - (b) shall be of such forms and designs and bear such devices as shall be approved by the Minister on the recommendation of the Bank.
- (2) The standard weight and composition of coins issued by the Bank and the amount of remedy and variation shall be determined by the Minister on the recommendation of the Bank.

Bank's
currency
to be legal
tender.

21. (1) 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 an amount not exceeding ten pounds in the case of coins of denominations of not less than sixpence and up to an amount not exceeding one shilling in the case of coins of a lower denomination.

(3) Notwithstanding the provisions of subsections (1) and (2) the Bank shall have power, on giving not less than three months' notice in the Gazette, to call in any of its notes and

coins on payment of the face value thereof and any such notes or coins with respect to which a notice has been given under this clause shall, on the expiration of the notice, cease to be legal tender, but, subject to the provisions of section 23, shall be redeemed by the Bank upon demand.

22. 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 or piercing whether the coin has or has not been thereby diminished or lightened.

Tampering
with
coinage.

23. No person shall be entitled to recover from the Bank the value of any lost, stolen, mutilated or imperfect note or coin. The circumstances in which, and the conditions and limitations subject to which, the value of lost, stolen, mutilated or imperfect notes or coins may be refunded as of grace shall be within the absolute discretion of the Bank.

Lost and
damaged
currency.

24. The Bank shall not be liable to the payment of any stamp duty under the Stamp Duties Ordinance in respect of its notes issued as currency.

Exemption
from
stamp duty
Cap. 191.

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

External
reserve.

- (a) gold coin or bullion;
- (b) sterling notes, coin, bank balances and money at call with banks in the United Kingdom;
- (c) Treasury Bills of the Government of the United Kingdom of a maturity not exceeding ninety-three days;
- (d) bills of exchange bearing at least two good signatures and drawn on, and payable at any place in the United Kingdom and having a maturity not exceeding three months exclusive of days of grace;
- (e) sterling securities of, or guaranteed by, the Government of the United Kingdom and maturing within five

years: Provided that securities held under the provisions of this paragraph shall not exceed thirty *per cent* of the reserve specified in this section;

- (f) for a period not exceeding three years from coming into operation of section 18, notes and coins of the West African Currency Board.

Value of external reserve.

26. The value of the reserve specified in section 25 shall—

- (a) for a period of five years from the coming into operation of section 18, be not less than the aggregate of an amount representing sixty *per cent* of the Bank's notes and coins in circulation together with an amount representing thirty-five *per cent* of the Bank's other demand liabilities;
- (b) after five years from the coming into operation of section 18, be not less than forty *per cent* of the aggregate of the Bank's notes and coins in circulation and other demand liabilities.

Proportion of value of reserve to demand and currency liabilities.

27. (1) The Bank shall publish in the return provided for in subsection (4) of section 45 the proportion which the value of the reserve specified in section 25 and set out in each such return bears to the total of demand liabilities shown in the same return.

(2) For a period of five years from the coming into operation of section 18, the Bank shall in addition likewise publish the proportion of such reserve to its liabilities in respect of notes and coins in circulation.

Operation

Obligation in respect of currency.

28. The Bank shall on demand—

- (a) sell sterling for immediate delivery in London at a rate of not less than ninety-nine pounds five shillings sterling for one hundred Nigerian pounds;
- (b) buy sterling for immediate delivery in London at a rate of not more than one hundred pounds fifteen shillings sterling for one hundred Nigerian pounds:

Provided that the Bank shall not be required so to sell or buy sterling for an amount less than ten thousand pounds in respect of any one transaction.

29. (1) The Bank may—

General
powers of
Bank.

- (a) issue demand drafts and effect other kinds of remittances payable at its own offices or at the offices of agencies or correspondents;
- (b) purchase and sell gold coin or bullion;
- (c) open accounts for and accept deposits from the Federal Government, the Regional Governments, the funds, institutions and corporations of all such Governments, banks, other credit institutions and, with the prior approval of the Minister, other persons in Nigeria;
- * (d) purchase, sell, discount and rediscount inland bills of exchange and promissory notes arising out of *bona fide* commercial transactions bearing two or more good 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 good signatures, drawn or issued for the purpose of financing seasonal agricultural operations or the marketing of crops, and maturing within one hundred and eighty days, exclusive of days of grace, from the date of acquisition;
- * (f) purchase, sell, discount and rediscount Treasury Bills of the Federal Government which have been publicly offered for sale and are to mature within ninety-three days;
- (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: Provided that the total amount of such securities of a 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) shall not together at any time exceed twenty *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

and superannuation funds and other internal funds of the Bank;

- (i) with the approval of the Minister, subscribe to, hold and sell shares of any corporation set up with the approval of, or under the authority of, the Federal Government for the purpose of promoting the development of a money market or securities market in Nigeria or of improving the financial machinery for the financing of economic development: Provided that the total value of any holding of such shares shall not at any time exceed twenty *per cent* of 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 maturing within ninety-three days;
- (k) grant advances for fixed periods not exceeding three months at a minimum rate of interest at least one *per cent* above the Bank's minimum rediscount rate against promissory notes secured by the pledge with Bank of—
 - (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 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 is within the limitations imposed by paragraph (g);
 - (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 advance shall exceed sixty *per cent* of the current market value of the commodities in question;
- (l) purchase and sell external currencies, and purchase, sell, discount and rediscount bills of exchange and

Treasury Bills drawn in or on places abroad and maturing within ninety-three days, exclusive of days of grace, from the date of acquisition;

- (m) maintain accounts with central banks and other banks abroad;
- (n) purchase and sell sterling securities of, or guaranteed by, the Government of the United Kingdom;
- (o) act as correspondent, banker or agent for any central bank or other monetary authority and for any international bank or international monetary authority established under governmental auspices;
- (p) undertake the issue and management of loans publicly issued in Nigeria by the Federal or Regional Governments or by Federal or Regional public bodies;
- (q) accept from customers for custody securities and other articles of value;
- (r) undertake on behalf of customers and correspondents the purchase, sale, collection and payment of securities, currencies and credit instruments at home and abroad, and the purchase or sale of gold and silver;
- (s) promote the establishment of bank clearing systems and give facilities for the conduct of clearing business in premises belonging to the Bank;
- (t) subject as is expressly provided in this Ordinance, generally conduct business as a bank, and do all such things as are incidental to or consequential upon the exercise of its powers or the discharge of its duties under this Ordinance.

(2) The Governor may at any time in his discretion by previous notice in writing lodged with the Board decide that the powers conferred by subsection (1) in accordance with the provisions of paragraphs (f), (g), (h), (j) or sub-paragraph (ii) of paragraph (k) of that subsection may be extended to the Treasury Bills or the securities, as the case may be, of any Regional Government with which the Bank appears substantially to have established the relationship of banker, or to any specified Treasury Bills or securities of such a Regional Government, subject to the same conditions as specified in those paragraphs and subject to the limitations

specified in paragraph (g), which limitations shall then apply to the aggregate value of the Federal and Regional securities so dealt with.

Prohibited activities.

30. The Bank may not—

- (a) engage in trade or otherwise have a direct interest in any commercial, agricultural, industrial or, save as provided in paragraph (i) of subsection (1) of section 29, any other undertaking, except such interests as 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 moment;
- (b) save as provided in paragraph (i) of subsection (1) of section 29, purchase the shares of any corporation or company, including the shares of any banking company;
- (c) grant loans upon the security of any shares;
- (d) subject to the provisions of section 34, grant unsecured advances or advances secured otherwise than as laid down in paragraphs (j) and (k) of subsection (1) of section 29: 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 resold at the earliest suitable moment;
- (e) purchase, acquire or lease real property except in accordance with the proviso to paragraph (d) 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 in terms of section 42, and of residences for the Governor, Deputy Governor, officials and other employees;
- (f) draw or accept bills payable otherwise than on demand;
- (g) allow the renewal or substitution of maturing bills of exchange purchased, discounted or rediscounted by or pledged with the Bank save in exceptional circumstances when the Board may by resolution authorise one renewal or one substitution only in either case of

- not more than fifty *per cent* of the original amount of any such bill for a period not exceeding ninety days;
- (h) pay interest on deposits;
 - (i) accept for discount, or as security for an advance made by the Bank, bills or notes signed by members of the Board or by the Bank's officials or other employees;
 - (j) open accounts for and accept deposits from persons other than as provided in paragraphs (c) and (o) of subsection (1) of section 29.

31. The Bank shall make public at all times its minimum rediscount rate. Publication of rediscount rate.

Relations with the Federal Government

32. (1) The Bank shall be entrusted with the Federal Government's banking and foreign exchange transactions in Nigeria and abroad. Functions regarding Federal Government.

(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.

33. Notwithstanding the provisions of section 32, the Federal Government may, Federal Government's rights.

- (a) maintain accounts in Nigeria with other banks in such cases and on such conditions as may be agreed between the Minister and the Bank;
- (b) use the services of the Regional Treasuries for the collection and payment of Federal Government moneys in places where it may be appropriate and convenient to do so.

34. (1) Notwithstanding the provisions of paragraph (d) of section 30, the Bank may grant temporary advances to the Federal Government in respect of temporary deficiencies Advances to Federal Government.

of budget revenue at such rate or rates of interest as the Bank may determine.

(2) The total amount of such advances outstanding shall not at any time exceed twelve and one-half *per cent* of the estimated recurrent budget revenue as laid before the Federal Legislature for the Federal Government financial year in which the advances are granted.

(3) All such advances shall be repaid as soon as possible and shall in any event be repayable by the end of the Federal Government financial year in which they are granted. If after that date any such advances remain unrepaid the power of the Bank to grant further such advances in any subsequent financial year shall not be exercisable unless and until the outstanding advances have been repaid.

Issue and
management
of
Federal
loans.

35. 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.

Federal
funds and
institutions.

36. The Bank may act as banker to any fund, institution or corporation of the Federal Government or of a Regional Government.

Agency for
Federal
Govern-
ment.

37. The Bank may act generally as agent for the Federal Government or of a Regional Government—

- (a) where the Bank can do so appropriately and consistently with the provisions of this Ordinance 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.

Nigerian
and other
banks.

Relations with other Banks

38. The Bank may act as banker to other banks in Nigeria and abroad.

39. The Bank shall wherever necessary seek the co-operation of, and co-operate with, other banks in Nigeria—Co-operation
with banks
in Nigeria.

- (a) to promote and maintain adequate and reasonable banking services 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 Ordinance as shall be in the national interest.

40. (1) The Bank may prescribe from time to time by publication in the Gazette the amount of specified liquid assets which each bank operating in Nigeria under the Banking Ordinance, is required to hold as a minimum in Nigerian pounds or in sterling.Bank may
prescribe
liquidity
minimum.
Cap. 19.

(2) The minimum amount so prescribed shall be expressed as a percentage of the gross demand liabilities of each such bank due in Nigerian pounds, together with a percentage of the gross time liabilities of each such bank arising out of its time and savings deposits due in Nigerian pounds. No bank shall be required to maintain a higher percentage than any other bank.

(3) If the Bank at any time increases either of the percentages referred to in subsection (2), every bank shall be allowed such period of grace, being not less than ten days nor more than twenty-one days, as the Central Bank may specify, in which to comply: Provided that during a period of three years from the coming into operation of this section the Bank may if it thinks fit prescribe some period of more than twenty-one days for compliance with this section, which period shall then apply in respect of all banks operating in Nigeria.

(4) The Bank may require any bank to furnish such information in such form as the Bank may deem necessary to satisfy itself that the bank concerned is holding not less than the prescribed minimum amount of specified liquid assets.

41. The Bank may appoint one or more other banks in Nigeria to act as its agent for the issue, reissue, exchange Other banks
as agents.

and withdrawal of notes and coins, or for other purposes, on such terms and conditions as may be agreed between the Bank and each of such other banks.

Clearing
house.

42. It shall be the duty of the Bank to facilitate the clearing of cheques and other credit instruments for banks carrying on business in Nigeria. For this purpose the Bank shall, at an appropriate time and in conjunction with the other banks, organise a clearing house in Lagos and in such other place or places as may be desirable in premises provided by the Bank.

Financial
year.

Accounts and Statements

43. The financial year of the Bank shall begin on the 1st day of April and end on the 31st day of March or shall be such other period as shall be prescribed by the Minister. *(to be determined by the Minister)*

Audit.

44. (1) The accounts of the Bank shall be audited by an auditor appointed by the Bank with the approval of the Minister. *(the Auditor-General of the Federal Government)*

(2) Without prejudice to the provisions of subsection (1) the Minister may at any time and from time to time request the Director of Federal Audit to make an examination of and submit a report on the accounts relating to the issue, reissue, exchange and withdrawal of notes and coins by the Bank or, in what the Minister shall think to be exceptional circumstances, the accounts of the Bank as a whole, and the Director of Federal Audit shall do so accordingly, and the Bank shall provide all necessary and proper facilities therefor.

Accounts
and annual
report and
publication
thereof.

45. (1) The Bank shall, within two months from the close of each financial year, transmit to the Minister a copy of the annual accounts certified by the auditor and such accounts shall then be, as soon as may be, published in the Gazette.

(2) The Bank shall, within two months from the close of each financial year, submit to the Minister a report on its operations during that year. Such report shall be published by the Bank.

Central Bank of Nigeria

(3) Both such annual accounts and such annual report shall be, as soon as may be, laid before the Federal Legislature

(4) The Bank shall, as soon as may be, after the fifteenth day and also 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 either of those days is a holiday, as at the close of business on the last preceding business day. A copy of the return shall be transmitted to the Minister and shall be published in the Gazette.

Transitional Provisions

46. (1) At any time after the enactment of this Ordinance and before the coming into operation of section 19 the Minister may by writing under his hand authorise such persons or authorities as he may think fit to make such arrangements as he may expressly authorise for the printing of notes and minting of coins for the purpose of this Ordinance, and for the safe custody of such notes and coins, and may provide for the method of reimbursement of the cost thereof.

Preparatory provisions for first issue.

(2) At any time after the establishment of the Bank and notwithstanding that section 19 may not have been brought into operation, the Bank may take up Treasury Bills of the Federal Government issued in respect of the expense incurred under the provisions of this section whether or not the same have been first offered to the public.

47. Currency notes and coins of the West African Currency Board which are legal tender in Nigeria on the coming into operation of section 18 shall remain legal tender until such further day as the Bank, giving at least three months' notice in the Gazette, may specify, and shall then cease to be legal tender in Nigeria: Provided that—

Existing currency.

- (a) the Bank may so specify different days in relation to different denominations of such currency notes and coins;
- (b) with effect from the coming into operation of section 18, and thereafter while coins of the West African Currency Board remain legal tender in Nigeria, such coins shall

be legal tender at their face value up to an amount not exceeding ten pounds in the case of coins of denominations of not less than sixpence and up to an amount not exceeding one shilling in the case of coins of a lower denomination.

Miscellaneous

By-laws.

48. The Board may, with the approval of the Minister, make by-laws for the good order and management of the Bank. Any such by-laws shall be authenticated by the Bank's seal and shall be published in the Gazette.

Income tax.
Cap. 85.

49. The Bank shall be exempt from the provisions of sections 27 and 47 of the Income Tax Ordinance.

Companies
Ordinance.
Cap. 37.

50. The provisions of the Companies Ordinance shall not apply to the Bank.

Prohibited
banking
names.

51. Save with the written consent of the Minister on the recommendation of the Bank, no bank shall hereafter be registered under the provisions of any Federal or Regional legislation by a name which includes any of the words "Central", "Federal", "Federation", "National", "Nigeria", "Nigerian", "Reserve" or "State".

Liquidation.

52. The Bank shall not be placed in liquidation except pursuant to legislation passed in that behalf and then in such manner as that legislation directs.