

INVISIBLE TRANSACTIONS

8.1 INTRODUCTION

- I. The Revised CBN Foreign Exchange Manual provides Bank's desk officers with documentation requirements for Invisible transactions otherwise referred to as form 'A' transactions.
- II. Invisible transactions are essentially payments for intangible goods or services. They include educational expenses, Contract Service Fees, Membership Subscription and Examination Fees, Profits and Dividend Remittances, Travel Allowances and other eligible transactions as may be approved by the Central Bank of Nigeria from time to time.
- III. Listing of eligible transactions and required documentation for processing are as detailed in the 2018 edition of the Central Bank of Nigeria Foreign Exchange Manual and amendments to date.
- IV. The Central Bank of Nigeria (CBN) duly informed the public and all authorised dealers that legitimate requests for foreign currency for eligible transactions, normally referred to as "invisibles", such as remittances for school fees, student maintenance allowances, Business Travel Allowance (BTA), Personal Travel Allowance (PTA), medical and other eligible transactions, shall be fully met at the official/interbank exchange rate.
- V. *PTA/BTA transactions are invisible transactions that are consummated at the branch level via the TRMS Portal.*
- VI. For other invisible transactions that cannot be handled from the TRMS portal, requests should be submitted by branches to International Trade Services for further processing, documents will be reviewed against applicable checklist and CBN Foreign Exchange Manual to confirm completeness and adequacy before processing.

8.2 APPLICATION AND COMPLETION OF INVISIBLE TRANSACTIONS ON TRMS

CBN set up the Form 'A' to cater for the sale of foreign exchange to Nigerians who are trading or travelling abroad have access to affordable foreign exchange currencies especially the Great Britain Pounds (GBP), US Dollar (USD), and Euro (EUR).

- With the e-Form An online portal, one can submit his/her request and upload supporting documents from the comfort of his/her home or office.
- A valid Bank Verification Number (BVN) is required to access the Trade Monitoring System for e-Form A applications.

REGISTRATION ON THE TRADE MONITORING SYSTEM (TRMS) PORTAL

It is vitally important for customers to note the below during registration via the Trade monitoring system portal.

- ❖ First, as an organization, one must have a TIN (Tax Identification Number). Email must be linked to the BVN if registering as an individual.
 - ❖ Visit the Trade Monitoring System Website.
 - ❖ Scroll down and click '**Go to Portal**'.
 - ❖ For a new account, click '**Register Now**'.
 - ❖ Choose appropriate category (Organization or Individual).
 - ❖ Enter y TIN (if organization) or your BVN (if individual).
 - ❖ Choose password.
 - ❖ Reconfirm password.
 - ❖ Click Continue.
 - ❖ An OTP will be sent to the email registered on ones BVN.
 - ❖ Retrieve the code and submit.
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- I. The Bank has the role of a maker –checker in ensuring that correctness of details exist alongside with account number, and confirmation of uploaded documents.
 - II. The Supervisor works on the uploaded documents and all things being equal, forwards to the disbursement team to approve the disbursement of the cash/transfer.

- III. The disbursement reviewer takes a last look at the application and approves the disbursement of the funds in cash or transfer.
- IV. An email notification will also be sent to the applicant immediately.

The following entries are passed for processed transactions:

FX Sales Entries:

DR: Customer with NGN equiv. of Remittance Amount

CR: Fem Suspense

Payment Entries for MT103

DR: Fem Suspense FCY (for amount to be remitted)

CR: Offshore Correspondent account ledger

8.3 FOREIGN DRAFT ISSUANCE

All drafts shall be issued from the department, signed by the Bank's Authorised representatives.

Where customer has opted for payment via Bank Draft, this will be issued (in form of a draft confirmation -MT110) passed on for verification and Authorisation and finally sent to the offshore correspondent. Issued draft will be delivered to the originating branch's authorized representative for onward delivery to the customer and acknowledgement obtained.

The following entries are passed for processed transactions:

FX Sales Entries:

DR: Customer with NGN equiv. of Remittance Amount

CR: Fem Suspense

Payment Entries for MT103

DR: Fem Suspense FCY (for amount to be remitted)

CR: Offshore Correspondent account ledger

Entries for Payment via Draft

@ Draft issue

DR: Fem Suspense FCY (for payment amount)

CR: Draft Suspense Account

@ Draft presentation

DR: Draft Suspense Account FCY

CR: Offshore Correspondent Account Ledger

Commission Entries

DR: Customer Account (for commission and other charges).CR: Commission - Service Charges A/C for Commission.

CR:

SWIFT

Recov

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CR:

VAT

Accou

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8.4 NOT VALID FOR FX INVISIBLE TRANSACTIONS

- I. The processing is like the one described above except that official fund will not be used for payment.
- II. Remittance to the offshore party will be made by debiting customer's export domiciliary account or ordinary domiciliary account in line with their instruction.
- III. A SWIFT MT103 is generated for the payment and relevant entries passed.
- IV. Relevant records are also updated.