

CENTRAL BANK OF NIGERIA



CBN website: www.cenbank.org

Ref: OFI/DIR/GEN/CIR/01/05

6th July, 2010

CIRCULAR

TO ALL MICROFINANCE BANKS AND PRIMARY MORTGAGE INSTITUTIONS

The attention of the Central Bank of Nigeria has again been drawn to a series of illegal clearing and conversion/diversion of third party cheques and dividend warrants belonging to parastatals, agencies, corporate bodies and individuals by some Microfinance Banks (MFBs) and Primary Mortgage Institutions (PMIs). This fraudulent practice, which has resulted in the loss of huge revenues to the affected institutions and individuals, is also capable of destroying the credibility of the two sub-sectors and the financial system in general.

In view of the foregoing and further to our earlier circular NO: OFID/DO/GRC/VOL.387 of 29th April, 2004, it has become imperative again to warn all financial institutions, particularly, the MFBs to desist from this unwholesome practice as any institution or individual found to be involved would be appropriately and decisively dealt with in accordance with the law.

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