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August 1, 2017.

LETTER TO ALL NON-INTEREST FINANCIAL INSTITUTIONS

MONITORING THE DISBURSEMENT OF NON-PERMISSIBLE INCOME (NPI)

The Financial Regulation Advisory Council of Experts (FRACE) at its 15th meeting held between 3rd and 4th May, 2017 resolved that the Advisory Committee of Experts (ACE) of all Non-interest Financial Institutions (NIFIs) are required to monitor the disposal of Non-Permissible Income generated in the course of the NIFIs operations. Specifically, FRACE had directed that it is not permissible for a NIFI, its shareholders and management staff, to benefit in any way from the NPI that is given to charity, even if that benefit is the goodwill that the NIFI will achieve as a result of publicizing the payment (Section 1a of the 10th FRACE Resolutions, February, 2015).

To this end, the ACE of all NIFIs are required to send a report of the disposal of Non-Permissible Income to the Director of Banking Supervision on a quarterly basis.

Please, be guided accordingly.

Yours Faithfully,

**K. O. BALOGUN
FOR: DIRECTOR OF BANKING SUPERVISION**