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**TED/FEM/FPC/GEN/01/088**

**May 22, 2009**

**TO: ALL AUTHORISED DEALERS, CLASS 'A'  
BUREAU DE CHANGE OPERATORS, OIL AND OIL  
SERVICES COMPANIES, OTHER GOVERNMENT  
AGENCIES AND THE GENERAL PUBLIC**

**RE: GUIDELINES FOR THE OPERATION OF THE FOREIGN  
EXCHANGE MARKET: RETAIL DUTCH AUCTION SYSTEM (RDAS)**

In order to stimulate activities in the foreign exchange market for return to the Wholesale Dutch Auction System (WDAS), Authorised Dealers, Class 'A' Bureau de Change operators and the general public are hereby informed of the following amendments in respect of the provisions of the circulars stated below for information and full compliance

1. **FURTHER GUIDELINES ON THE OPERATIONS OF  
THE FOREIGN EXCHANGE MARKET: CIRCULAR  
REF. TED/FEM/FPC/GEN/01/015 OF FEBRUARY 9, 2009**
  - a) Funds sourced from non-RDAS and non-oil export proceeds by Authorised Dealers which are not utilized within 5 working days are no longer to be sold to the CBN. The funds can be utilized for inter-bank transactions.
  - b) The requirement that banks' buying and selling rates shall be at no more than 1.0 per cent around the CBN rate is now removed.

2. **RETAIL DUTCH AUCTION SYSTEM (RDAS): SALE OF FOREIGN EXCHANGE BY OIL AND OIL SERVICES COMPANIES, NNPC AND OTHER GOVERNMENT AGENCIES: CIRCULAR REF. TED/FEM/GEN/01/024 OF FEBRUARY 25, 2009**

Government Agencies and Oil and Oil Services Companies will have the discretion to sell their foreign exchange to meet their local commitments at the inter-bank foreign exchange market or to the CBN with effect from May 25, 2009.

3. **OPERATIONAL GUIDELINES FOR CLASS 'A' BUREAU DE CHANGE OPERATORS: CIRCULAR**  
**REF. TED/FEM/FPC/GEN/01/027 OF FEBRUARY 27, 2009**

- a) All Class 'A' BDCs (bank and non-bank) can access the CBN window to buy foreign exchange (cash) every week. The amount to be offered for sale shall be communicated every Monday of the week.
- b) The BDCs are expected to retail the funds at a rate no more than 2.0 per cent above the CBN selling rate.
- c) The market day for the BDC operators is Tuesday of every week beginning from Tuesday, May 26, 2009.

4. **CONDUCT OF RETAIL DUTCH AUCTION SYSTEM (RDAS) SESSION: CIRCULAR REF. TED/FEM/FPC/GEN/01/036/09 OF MARCH 16, 2009**

The operations of the Retail Dutch Auction System which is currently daily will be operated twice a week (Mondays and Wednesdays) with effect from June 1, 2009. The provision of this circular supersedes the provisions of the circular referred to (in 4) above

## **OTHER MEASURES**

The Central Bank of Nigeria (CBN) may participate in the inter-bank market at its own discretion.

All Authorised Dealers and Class 'A' Bureau de Change operators are enjoined to ensure compliance with the provisions of this circular as any breach shall be sanctioned appropriately.



**BATARI MUSA  
Ag. DIRECTOR  
TRADE & EXCHANGE DEPARTMENT**