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LETTER TO ALL OTHER FINANCIAL INSTITUTIONS (OFIs)

BANK VERIFICATION NUMBER (BVN) ENROLLMENT FOR CUSTOMERS

The absence of a unique identifier in the Nigerian banking industry has been a major challenge inhibiting the effectiveness of the Know Your Customer (KYC) principle. To address this challenge and complement the existing means of identification of customers, which include: the Driver's License; the International Passport; the National Identity Card; and the Permanent Voter's Card; the CBN, in collaboration with the Bankers' Committee, launched the Bank Verification Number (BVN) Project in February 2014. The BVN is expected to also minimize the incidence of fraud and money laundering in the financial system, as well as enhance financial inclusion.

The implementation of the BVN initiative, which started with the customers of Deposit Money Banks (DMBs), has been very successful. However, to avoid a broken identification link in the banking system, it has become necessary to extend the BVN enrollment to the customers of Other Financial Institutions especially as some OFIs are located in the rural areas of the country, and have customers that may not have enrolled with the DMBs.

The BVN enrollment will support the achievement of the zero default credit targets set for the Participating Financial Institutions (PFIs) in the Micro Small and Medium Enterprises Development Fund (MSMEDF). It will also open opportunities for credit to millions of Nigerians without a standard means of identification.

In view of the foregoing, all OFIs are required to:

- a. Enroll their customers on or before July 31, 2017;
- b. Conspicuously display notices sensitizing customers on BVN in the banking hall
- c. Ensure that all new customers have BVN; and
- d. Forward to the Director, Other Financial Institutions Supervision Department schedule of customer accounts with BVN on August 7, 2017.

Effective August 1, 2017, all customers without BVN linked to their account shall not be allowed to make withdrawals from those accounts.

Please note that the Central Bank of Nigeria will monitor compliance with the requirements of this circular, and defaulters will be appropriately sanctioned.

Please be guided accordingly.



'Tokunbo Martins (Mrs)
Director, Other Financial Institutions Supervision Department