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CIRCULAR TO ALL BANKS, DISCOUNT HOUSES AND OTHER FINANCIAL INSTITUTIONS

ESTABLISHMENT OF A PROCEDURE FOR HANDLING SEPARATED BANK EMPLOYEES' CLEARANCE AND ISSUANCE OF REFERENCES

The Central Bank of Nigeria has noted with concern, the upsurge in disputes between banks and separated employees on the issue of clearance certificates. These complaints are in respect of the unwillingness of banks to issue clearance and/or references in respect of staff exiting their employment.

The protraction of these complaints, mostly to the disadvantage of the affected parties, necessitates the need for banks to urgently review their processes for handling affairs in relation to their separated employees.

Consequently, Banks and Other Financial Institutions are by this Circular directed to review their processes for handling exited staff matters and to ensure that clearances and/or references (favourable or adverse) are issued to separated employees not later than 60 days from the date of the receipt of request for reference.

Financial Institutions are to note that failure to comply with the above directive will attract appropriate sanctions.

This Circular is effective immediately.

Chris O. Chukwu
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Financial Policy and Regulation Department