



09-46236403

October 23, 2014

BSD/DIR/GEN/LAB/07/036

**LETTER TO ALL BANKS AND DISCOUNT HOUSES**

**RE: TRANSFER OF ALL NON-PROPRIETARY ASSETS TO LICENSED CUSTODIANS**

The recently concluded Risk Based Examination of banks revealed that some banks have ignored with impunity our directive on transfer of non-proprietary assets to custodians as contained in our circular BSD/DIR/GEN/LAB/07/008 dated March 11, 2014. You will recall that compliance was required no later than 30<sup>th</sup> April 2014. You will also recall that the sanctions for non-compliance within the stipulated period included possible loss of money market dealership, exclusion of 50% of the financial assets portfolio from the calculation of Liquidity Ratio, as this will be deemed non-proprietary, amongst others.

In line with the CBNs stance of non-tolerance of regulatory infractions or treating regulatory directives with levity, these banks shall be sanctioned in line with the circular and the provisions of BOFIA.

Banks are once again reminded to immediately comply with this circular and ensure compliance on an on-going basis. You are however to note that compliance at this time will not preclude the CBN from penalizing the period of non-compliance.

Please be advised that compliance is in the best interest of your bank.

Yours faithfully,

**'TOKUNBO MARTINS (MRS)  
DIRECTOR BANKING SUPERVISION**