

# CENTRAL BANK OF NIGERIA



CBN website: [www.cbn.gov.ng](http://www.cbn.gov.ng)

Ref: OFI/DIR/CIR/GEN/01/09

17<sup>th</sup> December, 2012

## **CIRCULAR LETTER**

**TO ALL DIRECTORS AND SHAREHOLDERS OF MICROFINANCE BANKS**

**RE: CIRCULAR ON THE REVISED MICROFINANCE POLICY  
REGULATORY AND SUPERVISORY FRAMEWORK FOR NIGERIA**

Further to the CBN Circular Ref: OFI/DIR/GEN/CIR/01/06 dated 11<sup>th</sup> August, 2011 and titled "Revised Microfinance Policy Regulatory and Supervisory Framework for Nigeria", this is a reminder to all directors and shareholders of all microfinance banks (MFBs) on the deadline of 31<sup>st</sup> December, 2012 for compliance with the Revised Microfinance Policy Framework, particularly in respect of the capital requirements for each category of MFB and existing branches/cash centres, etc.

As you are well aware, all MFBs that have elected to remain *Unit* MFBs, as indicated in the compliance plans earlier submitted to the Central Bank of Nigeria (CBN), are required to close any existing branches/cash centres, etc, subject to prior approval of the CBN in writing and adequate notification to existing customers, who should be advised to migrate their accounts to the MFB's Head Office, while dissenting customers should be settled.

For the avoidance of doubt, all 'customer interaction centres', 'meeting points' and 'customer service centres', or similar outlets, once located outside the registered business premises of a *Unit* MFB shall be regarded as unauthorized/unapproved branches/cash centres. All previous approvals for such outlets for *Unit* MFBs have become null and void from the date of approval of the Revised Policy Framework by the Board of Directors of the CBN.

It is also pertinent to remind you that the penalty for operating a branch/cash centre without prior approval of the CBN as stipulated in Section 13.1(b) of the Revised Guidelines for MFBs is ₦250,000 per branch for a *Unit* MFB, ₦500,000 per branch for a *State* MFB and ₦1,000,000 per branch for a *National* MFB. In addition,

such unapproved branched/cash centres shall be closed within thirty (30) days. Failure to close an unapproved branch or cash centre, shall attract a fine of ₦5,000 for each day of default, irrespective of the category of MFB. Moreover, failure to comply with any directive issued by the CBN, as stipulated in Section 19(i) of the Revised Guidelines for MFBs, is a ground for revocation of licence.

Please note that appeals for a waiver, or reduction of penalty, or extension of compliance deadline will NOT be entertained.

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