



CENTRAL BANK OF NIGERIA

Financial Policy and Regulation Department
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LETTER TO BANKS AND OTHER FINANCIAL INSTITUTIONS

SUBJECT: THREE TIERED KYC REQUIREMENTS IMPLEMENTATION STRATEGY

Further to our earlier circular, dated 18th January, 2013, introducing the Three Tiered KYC Requirements for adoption by the financial institutions under the regulatory purview of the CBN, we wish to draw your attention to the need for the proper implementation of the policy to ensure its success. The success of the Tiered KYC regime would not only promote financial inclusion but increase the effectiveness of KYC requirements and improve the quality of KYC information obtained by the financial institutions from their customers.

We have, however, observed that the laudable policy would produce lasting result if it is properly implemented and monitored timely from its inception. It is on this note that the attached implementation strategy for the Three Tiered KYC Requirements was developed by the CBN in order to ensure its success. The strategy ensures that CBN carries out certain commitment to demonstrate its seriousness to the project and the financial institutions comply with the various provisions of the guidelines and also to put in place the required infrastructure.

Based on the forgoing, we solicit your cooperation in adhering to the attached implementation strategy for the Three Tiered KYC Requirements issued by the CBN. For further enquiries, please contact Mr. U. A. Obot via uaobot@cbn.gov.ng and Mr. A.B. Isah via abisah@cbn.gov.ng.

Yours faithfully,



NWAOHA, I.T.

AG. DIRECTOR, FINANCIAL POLICY AND REGULATION DEPARTMENT

IMPLEMENTATION STRATEGY OF THE THREE-TIERED KYC REQUIREMENTS

PHASE	ACTION	PERIOD	RESPONSIBLE PARTY	REMARK
1.	Introduction	18 th January to 1 st March, 2013.	CBN (FPRD) and Financial Institutions	The CBN has already issued the document for adoption vide its circular dated 18 th January, 2013. FIs are expected to undertake a detailed evaluation of the policy with a view to determining how best to implement it, create awareness, acquire the AML/CFT solution required and deploy mobile banking portals dedicated for tiered KYC account opening. CBN encourages correspondence from FIs via e-mails, telephone calls, etc. on further enlightenment on the project.
2.	Public Awareness Creation.	4 th March to 15 th April 2013 and continuous.	CBN (Corporate Communication and FPRD) and FIs	CBN and the FIs to undertake mass public awareness campaign, vide adverts (electronic and print media), particularly in the rural and sub-urban areas. This would promote wide acceptance of the policy.

IMPLEMENTATION STRATEGY OF THE THREE-TIERED KYC REQUIREMENTS

PHASE	ACTION	PERIOD	RESPONSIBLE PARTY	REMARK
Deployment of required resources.	Deployment of 22 nd April – 31 st May, 2013.	Financial institutions	Financial institutions are required to:	<ul style="list-style-type: none"> i. Have robust, effective and efficient AML/CFT solutions with screening tools in place that will monitor the various thresholds; ii. Designate monitoring officers in their Compliance Departments to consistently and regularly monitor all transactions and report exceptions; and iii. Engage banks' agents and deploy mobile banking portals to reach a wider segment of the society, particularly the rural and sub-urban areas.
	CBN(FPRD)		a) CBN to commence the process of licensing banking agents based on the Bank's Guidelines on Agent Banking. b) CBN to develop and issue uniform format(s) for reporting on the operation of the Tiered KYC Requirements by financial institutions.	
First visitation	3 rd to 28 th June, 2013	CBN(FPRD)	CBN officers to go on-site to ascertain the level of compliance with all the requirements as contained in the policy and to confirm the adequacy or otherwise of the resources deployed by the FIs.	4.

IMPLEMENTATION STRATEGY OF THE THREE-TIERED KYC REQUIREMENTS

PHASE	ACTION	PERIOD	RESPONSIBLE PARTY	REMARK
5.	Full Adoption	1 st July, 2013.	Financial Institutions	FIs to commence full implementation of the Tiered KYC Requirements Policy.
6.	Second Visitation	5 th to 30 th August; 2013.	CBN (FPRD, Consumer Protection Dept. & BSD)	CBN to conduct on-site compliance monitoring to ascertain the take-off stage.
7.	Monitoring for Continuous Compliance	CBN (BSD, OFISD, CPD & FPRD) & FIs	i) CBN to conduct quarterly on-site monitoring and report same; and ii) FIs to render monthly returns on the Tiered KYC Requirements to FPRD, CBN.	