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CIRCULAR TO AUTHORISED DEALERS

INTRODUCTION OF THE ELECTRONIC FOREIGN EXCHANGE MATCHING SYSTEM (EFEMS) IN THE INTERBANK FOREIGN EXCHANGE MARKET

The Central Bank of Nigeria (CBN) hereby announces the introduction of the Electronic Foreign Exchange Matching System (EFEMS), for Foreign Exchange (FX) transactions in the Nigerian Foreign Exchange Market (NFEM) to be implemented not later than December 01, 2024. There will be a 2-weeks test run in the month of November 2024.

Authorised Dealers would subsequently conduct all foreign exchange transactions in the interbank Fx market on the Electronic Foreign Exchange Matching System approved by the CBN where transactions will be reflected immediately .

The new system is expected to enhance governance, transparency and facilitate a market-driven exchange rate that will be accessible to the public. This development is expected to reduce speculative activities, eliminate market distortions and give the CBN improved oversight capabilities to effectively regulate the market.

The CBN will publish real time prices and buy/sell orders data from the system, and in collaboration with the Financial Markets Dealers Association (FMDA), publish the rules for the EFEMS. The Nigerian FX Code and revised Market Operating Guidelines for the Nigeria Foreign Exchange Market will also provide guidance to market participants.

Authorised Dealers are therefore required to comply with extant guidelines and regulations governing the Nigeria foreign exchange market, and ensure that all necessary documentation, training, and systems integrations are concluded ahead of the go live date.

A handwritten signature in blue ink, appearing to read "Omolara O. Duke".

Omolara O. Duke (Ph.D.)
Director, Financial Markets Department