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CIRCULAR TO ALL BANKS

DE-MARKETING OF BANKS BY OTHER BANKS

It will be recalled that the CBN had earlier issued a circular reference BSD/08/2006 on the above subject titled "The Unethical and Unprofessional Practice of De-Marketing Colleagues/Other Banks in the Industry by Spreading False Rumours", dated April 12, 2006. The CBN has again noted with serious concern the recent practice whereby some officers of deposit money banks engage in the de-marketing of other banks through disparaging comments and the use of negative text messages.

This development, which constitutes a threat to the safety and soundness of the banking system, is unprofessional, unethical and unacceptable. Banks and their staff are by this circular reminded that the responsibility for ensuring the safety and soundness of the banking system is a collective one for all stakeholders.

Banks are therefore advised to caution their staff on this practice as henceforth, any staff of a bank found to be involved in such an act will be summarily dismissed and blacklisted. Also, if another staff of the same bank is involved in such a practice, the institution will face severe sanctions including but not limited to a monetary fine of ₦10 million (Ten Million Naira only). Appropriate channel will be opened by the CBN for the report of such unwholesome practice by banks' customers and the general public.

Furthermore, in the overall interest of the banking system, all banks are advised to enthrone an appropriate corporate culture that would guide against such practices in the future.

A handwritten signature in blue ink, appearing to read "O. I. Imala", is located below the main text.

O. I. IMALA
DIRECTOR OF BANKING SUPERVISION