

CENTRAL BANK OF NIGERIA



PUBLIC NOTICE

CANVASSING FOR DEPOSITS BY UNLICENSED INSTITUTIONS

It has again come to the attention of the Central Bank of Nigeria (CBN) that some companies and/or groups of persons, who have not been licensed by the CBN, are in the practice of advertising, canvassing and receiving deposits, as referred to in Section 1(5) of the Banks and Other Financial Institutions Act (BOFIA), 1991 (as amended), from members of the public, in contravention of Sections 40 (1) and 56(1) of BOFIA, 1991 (as amended). These unscrupulous companies and/or persons usually offer/promise mouth-watering and irresistible interest rates, dividends and other benefits to unsuspecting members of the public.

Members of the public are hereby **warned**, once more, not to offer deposits, under any guise, or conduct any financial transaction with any institution or company which is not licensed by the CBN. For the avoidance of doubt, only primary mortgage institutions (i.e. mortgage banks) and microfinance banks (MFBs) are authorised and licensed by the CBN to receive deposits from the public, apart from the deposit money banks (commercial banks). These deposit-taking institutions are required to conspicuously display their CBN licences in their business premises for viewing by prospecting customers.

Any member of the public who allows himself/herself to be lured into transacting any business with unlicensed companies in the hope of receiving abnormal and unsustainable interest rates, dividends and other benefits, does so at his/her own risk. This repeat warning has been necessitated by the increasing number of unlicensed companies canvassing for deposits from the public.

Signed

S.A. Oni

Director, Other Financial Institutions Department
Central Bank of Nigeria.