

**OTHER FINANCIAL INSTITUTIONS DEPT.**  
**PENALTIES FOR DEVELOPMENT FINANCE**  
**INSTITUTIONS(DFIs)**

<b>S/N</b>	<b>OFFENCES</b>	<b>PENALTIES</b>
1	Operating without a valid licence	Outright closure of the institution and prosecution of the individuals behind the institution.
2	Engaging in activities outside the approved business.	A fine of ₦2000 for each day of the default with a maximum of ₦1 million. In addition , the institution should forfeit the estimated profit
3	Failure to attain the prescribed minimum paid-up share capital within the time allowed.	Revocation of licence where applicable.
4	Failure to obtain the approval of the CBN for the appointment of new Directors and top management staff	A fine of ₦50, 000 payable, by the institution, for each of the Directors or top management staff so appointed. In addition, the appointee should cease to function in that position.
5	Late rendition of prudential returns	A fine of ₦7,500 for each day of the default
6	Late submission of audited annual accounts.	A fine of ₦7,500 for each month during which default occurs.
7	Non-submission of audited annual accounts to CBN/NDIC after 12 months of end year.	A fine of ₦150,000 for the accounting year concerned.
8	Submission of false/Inaccurate information to the CBN/NDIC.	For the Institution, a fine of ₦150,000. For individuals, a fine of ₦75,000. All the Officers involved should be sanctioned
9	Non-rendition of regulatory returns for more than 6 months or 2 quarters consecutively.	A fine of ₦75,000 for each quarter outstanding
10	Failure to publish annual accounts.	A fine of ₦75,000 for non publication and thereafter publish in a newspaper
11	Failure to disclose contraventions and penalties in the audited annual accounts.	A fine of ₦100,000 for non-disclosure and thereafter publish again, disclosing the

		contraventions.
12	Failure to maintain proper books of accounts and records.	A fine of ₦500,000 for the Directors and ₦20,000 each for all the officers involved.
13	Failure to provide any information required by the CBN in the prescribed manner.	In the case of the institution, a fine not more than ₦200,000.  In the case of individuals, a fine not more than ₦100,000 in addition to other disciplinary action deemed necessary by the CBN.
14	Failure to report dismissed staff to the CBN/NDIC	A fine of ₦100,000 payable by the institution.
15	Failure to report fraud and forgeries to CBN/NDIC.	A fine of ₦100,000 payable by the institution.
16	(a) Opening of branch or cash centre without the approval of the CBN.  (b) Closing of branch or cash centre without the approval of the CBN.	A fine of ₦200,000 and the closure of such branch/cash centres.  A fine of ₦100,000 and in addition the branch should be re-opened.
17	Use of depositors' funds for assets acquisition.	A fine not less than ₦200,000 in addition to an immediate injection of funds by the shareholders to the extent of the use of the depositors' funds.
18	Revaluation of fixed assets without CBN approval.	Reversal to the previous value and letter of warning.
19	Non-display of operating licence and the interest rate in a conspicuous location in the Head-Office/Branches/ Cash centres.	A fine of ₦30,000 and the immediate display of the licence/interest rate.
20	(i) Persistent failure/refusal to render the required returns in the prescribed form for a period of twelve months.  (ii) Persistent failure to comply with any other requirement of the monetary policy guidelines, provisions of the Banks and	Revocation of licence.

	<p>Other financial Institutions Act (BOFIA) 1991 as amended, as well as other circulars issued by the CBN for a period of twelve months.</p> <p>(iii) Engaging in activities prejudicial to the Nigerian economy.</p> <p>(iv) Any other act which in the opinion of the CBN constitutes a serious offence.</p>	<p>Revocation of licence.</p> <p>Revocation of licence.</p> <p>Revocation of licence.</p>
21	Failure to convene a special meeting of the Board of Directors for the presentation of an Examination Report within four weeks and failure to convey the reaction of the Directors to the CBN within two weeks of the presentation.	A fine of ₦10,000 for each week during which the offence continues.
22	Failure to implement the recommendations contained in the examination report	A fine of ₦2000 for each day of the default.
23	Change of External Auditors without the approval of the CBN.	A warning letter to the Board. In addition the External Auditor should be re-instated.
24	Failure to report Director related credits to the CBN/NDIC.	A fine of ₦200,000.
25	Granting unsecured credits above ₦100,000.	A fine of ₦30,000 and in addition the approving officers should be sanctioned.
26	Failure by Directors to complete the code of conduct forms.	Disqualification and removal of the Director from Office
27	Non-compliance with the code of conduct by the Directors	Removal of the Director from Office
28	Holding AGM without approved accounts	A fine of ₦500,000.
29	Failure to service credit facility granted to Directors and their relations	A fine of ₦500,000 for the Director, repayment of the facility plus the accrued interest and suspension of the Director from the membership of the Board until the payment is finally redeemed.