



CENTRAL BANK OF NIGERIA

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**To: ALL DEPOSIT MONEY BANKS,
INTERNATIONAL MONEY TRANSFER OPERATORS
AND THE GENERAL PUBLIC**

**NEW MEASURES TO ENHANCE LOCAL CURRENCY LIQUIDITY FOR
SETTLEMENT OF DIASPORA REMITTANCES**

As part of CBN's commitment to the smooth functioning of the foreign exchange markets and enabling greater remittance flows through formal channels, the Bank has implemented measures that will enable eligible International Money Transfer Operators (IMTOs) access Naira (NGN) liquidity through the CBN. These measures are aimed at widening access to local currency liquidity for the timely settlement of diaspora remittances.

Henceforth, eligible IMTO operators will be able to access the CBN window directly or through their Authorized Dealer Banks (ADB) to execute transactions for the sale of foreign exchange in the market.

To guide this process, this circular sets the following for compliance:

- 1) The option of same day settlement will be available for transactions executed and confirmed before 12 noon on a trading date.
- 2) The pricing for transactions executed with the CBN will be based on prevailing NAFEM rates, as referenced by an observable and acceptable market benchmark.
- 3) The operation of this market segment follows the existing arrangement in place for authorized dealers with Foreign Portfolio Investment participating in the primary market securities auctions.
- 4) Regulatory returns to be submitted to the CBN by all participants on a daily basis are mandatory and this is expected to contain all the relevant information on the sources of funds.
- 5) All interested IMTOs are required to confirm their partner banks and advise standard settlement instructions to facilitate the smooth implementation of this initiative.
- 6) Participants in this segment are the IMTOs, Authorized Dealer Banks and CBN

All licensed IMTOs are reminded that all diaspora remittances are expected to terminate in Naira and match with the corresponding foreign currency inflows.

This circular is with immediate effect.

DR. W. J. KANYA
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