



CENTRAL BANK OF NIGERIA (ESTABLISHMENT) ACT

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CITATION

An Act to repeal the Central Bank of Nigeria Act 1991 and to establish the Central Bank of Nigeria Act; and for related matters.

COMMENCEMENT

[25th May 2007]

ENACTED by the National Assembly of the Federal Republic of Nigeria.

1. Establishment of the Central Bank of Nigeria

- (1) There is established for Nigeria a body known as the Central Bank of Nigeria (hereafter in this Act referred to as "the Bank").
- (2) The Bank shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.
- (3) In order to facilitate the achievement of its mandate under this Act and the Banks and Other Financial Institutions Act, and in line with the objective of promoting stability and continuity in economic

management, the Bank shall be an independent body in the discharge of its functions.

- (4) Subject to the limitations in this Act, the Bank may acquire, hold and dispose of movable and immovable property for the purpose of its functions.

2. Objects of the Bank

The principal objects of the Bank shall be to-

- (a) ensure monetary and price stability;
- (b) issue legal tender currency in Nigeria;
- (c) maintain external reserves to safeguard the international value of the legal tender currency;
- (d) promote a sound financial system in Nigeria; and
- (e) act as banker and provide economic and financial advice to the Federal Government.

3. Head office and branches

The Bank shall have its head office in any location which is by law the capital of the Federal Republic of Nigeria and may open branches in any part of Nigeria and appoint agents and correspondents abroad in accordance with the decisions of the Board.

4. Capital

- (1) The authorised capital of the Bank shall be one hundred billion naira.
- (2) All the capital of the Bank shall be subscribed and held only by the Federal Government.
- (3) The authorised and paid-up capital may be increased by such amount as Board may, from time to time, determine with the approval of the President, and shall be subscribed by the Federal Government and paid up at par.

5. Operating surplus and general reserve fund

(1) The Bank shall-

- (a) in respect of each financial year, determine its operating surplus which shall be the remaining sum from its income and other receipts after meeting all expenditure as approved by the Board;
 - (b) as approved by the Board for that year, make provision for the contribution to staff pension funds in accordance with the Pension Reform Act 2004 and for any other purpose approved by the Board.
- (2) The Bank shall establish a general reserve fund and shall allocate thereto at the end of each financial year one-quarter of its operating surplus for the year.
- (3) The balance of the operating surplus shall be paid to the Federal Government half-yearly.

6. Establishment of the Board.

- (1) There shall be for the Bank a board of directors (in this Act referred to as "the Board") which shall be responsible for the policy and general administration of the affairs and business of the Bank.
- (2) The Board shall consist of-
- (a) a Governor who shall be the Chairman;
 - (b) four Deputy Governors;
 - (c) the Permanent Secretary, Federal Ministry of Finance;
 - (d) five Directors; and
 - (e) Accountant-General of the Federation.
- (3) The Board shall be responsible for-
- (a) the consideration and approval of the annual budget of the Bank;

- (b) the approval of the audited and management accounts and the consideration of the management letter from the external auditors;
 - (c) the formulation and implementation of exchange rate policy;
 - (d) making recommendation to the President for the appointment of auditors in accordance with section 49 of this Act, the provision of the necessary facilities and the rates of remuneration;
 - (e) the establishment and closing of branches and currency centres;
 - (f) carrying out of such other activities as are necessary and expedient for the purposes of achieving the objectives of the Bank.
- (4) The Board shall approve the detailed responsibilities of each of the Deputy Governors on the recommendation of the Governor.
- (5) Without prejudice to subsection (4) of this section, the Board may, on the recommendation of the Governor, assign or re-assign the Deputy Governors, from time to time, as may be expedient for the performance of the Bank's functions under or pursuant to this Act.

7. Management of the Bank.

- (1) The Governor or in his absence, one of the Deputy Governors nominated by him, shall be in charge of the day to day management of the Bank and shall be answerable to the Board for his acts and decisions.
- (2) The provisions of section 6 (1) of this Act shall apply in relation to the general policy pursued or intended to be pursued on any administrative matters including staff pensions, salaries, allowances and any other similar matters.

8. Appointment, qualification and remuneration of Governor of and Deputy Governors

- (1) The Governor and Deputy-Governors shall be persons of recognised financial experience and shall be appointed by the President subject to

confirmation by the Senate on such terms and conditions as may be set out in their respective letters of appointment.

- (2) The Governor and Deputy Governors shall be appointed in the first instance for a term of five years and shall each be eligible for re-appointment for another term not exceeding five years:

Provided that, of the first four Deputy Governors to be so appointed, one shall in the first instance be appointed for three years and two shall in the first instance be appointed for four years.

- (3) The salaries, fees, wages or other remuneration or allowances including pension and other allowances payable to the Governor and to the Deputy Governors shall be as stipulated from time to time by the Board subject to the approval of the President.

- (4) The Governor shall appear before the National Assembly at semi-annual hearings as specified in paragraph (b) regarding-

- (a) efforts, activities, objectives and plans of the Board with monetary policy; and

- (b) economic development and prospects for the future described in the report required in subsection

- (5) (a) of this section.

- (5) The Governor shall, from time to time-

- (a) keep the President, informed of the affairs of the Bank including a report on its budget; and

- (b) make a formal report and presentation on the activities of the Bank and the performance of the economy to the relevant Committees of the National Assembly.

9. Governor and Deputy Governors to be fully devoted to the service of the Bank

The Governor and the Deputy Governors shall devote the whole of their time to the service of the Bank and while holding office shall not engage

in any full- or part-time employment or vocation whether remunerated or not except such personal or charitable causes as may be determined by the Board and which do not conflict with or detract from their full-time duties:

Provided that the Governor or any of the Deputy Governors may, by virtue of his Office, be appointed with the approval of the Board to-

- (a) act as member of any Commission established by the Federal Government to enquire into any matter affecting currency or banking in Nigeria;
- (b) become Governor, Director or member of the Board or by whatever name called, of any international bank or international monetary institution to which the Federal Government shall have interest or give support or approval; and
- (c) become Director of any corporation in Nigeria under section 31 of this Act in which the Bank may participate.

10. Appointment of other Directors

- (1) The five Directors of the Bank shall be appointed by the President subject to confirmation by the Senate and in appointing the five external Directors of the Bank, the President shall have due regard to a fair representation of the financial, agricultural, industrial and commercial interests and the principle of Federal Character.
- (2) A Director appointed pursuant to this section shall be a person of recognised standing and experience in any of economics, law, public administration, business administration, accounting, banking and finance, but while a Director of the Bank, he shall not hold Office as a Director on the Board of any Federal, State or Local Government or of any other body:

Provided that he may hold Office as a Director of any private, commercial, financial, agricultural, industrial, or other organisation or institution so long as his duties in respect thereof do not conflict with his duties as a Director of the Bank.

- (3) A Director appointed pursuant to this section shall-
 - (a) hold office for four years and shall be eligible for re-appointment for another term of four years;
 - (b) be entitled to such fees and allowances as may be prescribed by rules made in that behalf by the Board and approved by the President.

11. Disqualification and cessation of appointment.

(1) A person shall not remain a Governor, Deputy Governor or Director of the Bank if he is-

- (a) a member of any Federal or State legislative house; or
- (b) a Director, officer or employee of any bank licensed under the Banks and Other Financial Institutions Act.

(2) The Governor, Deputy Governor or Director shall cease to hold office in the Bank if he- (a) becomes of unsound mind or, owing to ill-health, is incapable of carrying out his duties;

- (b) is convicted of any criminal offence by a court of competent jurisdiction except for traffic offences or contempt proceedings arising in connection with the execution or intended execution of any power or duty conferred under this Act or the Banks and Other Financial Institutions Act;
- (c) is guilty of a serious misconduct in relation to his duties under this Act ;
- (d) is disqualified or suspended from practising his profession in Nigeria by order of a competent authority made in respect of him personally;
- (e) becomes bankrupt;
- (f) is removed by the President:

Provided that the removal of the Governor shall be supported by two-thirds majority of the Senate praying that he be so removed.

- (3) The Governor or any Deputy Governor may resign his Office by giving at least three months' notice in writing to the President of his intention to do so and any Director may similarly resign by giving at least one months' notice in writing to the President of his intention to do so.
- (4) If the Governor, any Deputy Governor or Director of the Bank dies, resigns or otherwise vacates his Office before the expiry of the term for which he has been appointed, there shall be appointed a fit and proper person to take his place on the Board for the unexpired period of the term of appointment in the first instance if the vacancy is that of-
 - (a) the Governor or a Deputy Governor, the appointment shall be made in the manner prescribed by section 8 (1) and (2) of this Act; and
 - (b) any Director, the appointment shall be made in the manner prescribed by section 10 (1) and (2) of this Act.

12. Establishment of Monetary Policy Committee.

- (1) In order to facilitate the attainment of the objective of price stability and to support the economic policy of the Federal Government, there shall be a Committee of the Bank known as the Monetary Policy Committee (in this Act referred to as "the MPC").
- (2) The MPC shall consist of-
 - (a) the Governor of the Bank who shall be the Chairman;
 - (b) the four Deputy Governors of the Bank;
 - (c) two members of the Board of Directors of the Bank;
 - (d) three members appointed by the President; and
 - (e) two members appointed by the Governor.
- (3) The MPC shall have responsibility within the Bank for formulating monetary and credit policy.
- (4) The appointment of a member of the MPC pursuant to subsection 2 (d) and (e) of this section, the remuneration, filling of temporary vacancies,

qualification, tenure of Office and disqualification shall be subject to the same terms as are stipulated for a Director under sections 10 and 11 of this Act.

- (5) The provisions of the Second Schedule to this Act shall have effect with respect to the proceedings of the MPC.

13. Meetings of the Board.

- (1) Meetings of the Board shall take place as often as may be required, but not less than six times in every financial year of the Bank.
- (2) The Governor shall preside at every meeting of the Board and in his absence, a Deputy Governor designated by him, shall preside at such meeting.
- (3) Five members of the Board, three of whom shall be Directors other than the Governor or the Deputy Governors shall form a quorum at any meeting.
- (4) Unless otherwise provided in this Act, decisions shall be by a simple majority of the votes of the members present, but in case of any equality of votes, the person presiding shall have a casting vote.

14. Appointment of Secretary to the Board and other employees

- (1) There shall be for the Board a Secretary who shall be -
 - (a) appointed by the Board; and
 - (b) be responsible to the Board through the Governor.
- (2) The Secretary shall be responsible for -
 - (a) convening, on the authority of the Chairman, meetings of the Board;
 - (b) recording the minutes of all meetings of the Board and such other meetings as the Board may direct;

- (c) acting as Secretary to any Committee of the Board;
 - (d) maintaining and keeping minute books and a register of the Directors of the Bank;
 - (e) keeping in safe custody the common seal of the Bank;
 - (f) keeping in safe custody all title documents relating to the Bank's properties;
 - (g) keeping in safe custody all agreements entered into by the Bank with any third party;
 - (h) carrying out such other duties and responsibilities as may be assigned to him, from time to time, by the Governor.
- (3) The Secretary to the Board shall be a lawyer, with at least, 10 years cognate experience.
 - (4) Appointment of employees of the bank shall only be in respect of positions created by the Bank and on such terms and conditions as may be laid down by the Board:

Provided that the appointment and removal of staff of the grade of Assistant Director and above shall be with the approval of the Board.

- (5) A salary, fee, wage, allowance or other remuneration paid by the Bank shall not be computed by reference to the operating surplus of the Bank.
- (6) The salaries, fees, wages, or other remuneration payable to or in respect of employees of the Bank, other than the Governor or Deputy Governors, shall be as stipulated, from time to time, by the Board.

15. Currency of Nigeria

The unit of currency in Nigeria shall be the naira which shall be divided into one hundred kobo.

16. Determination of exchange rate of the naira

The exchange rate of the naira shall be determined, from time to time, by a suitable mechanism devised by the Bank for that purpose.

17. Sole right of issuing notes and coins

The Bank shall have the sole right of issuing currency notes and coins throughout Nigeria and neither the Federal Government nor any State Government or Local Government, other person or authority shall issue currency notes, bank notes or coins or any documents or tokens payable to bearer on demand being document or token which are likely to pass as legal tender. 18. Power to print notes and mint coins

The Bank shall-

- (a) arrange for the printing of currency notes and the minting of coins;
- (b) issue, re-issue and exchange currency notes and coins at the Bank's offices and at such agencies as it may, from time to time, establish or appoint;
- (c) arrange for the safe custody of un-issued stocks of currency notes and for the preparation, safe custody and destruction of plates and paper for the printing of currency notes and disc for the minting of coins ; and
- (d) arrange for the destruction of currency notes and coins withdrawn from circulation under the provisions of section 20 (3) of this Act or otherwise found by the Bank to be unfit for use.

19. Denomination and form of currency notes and coins

(1) The Currency notes and coins issued by the Bank shall be-

- (a) in such denominations of the Naira or fractions thereof as shall be approved by the President on the recommendation of the Board; and
- (b) of such forms and designs and bear such devices as shall be approved by the President on the recommendation of the Board.

(2) The standard weights and composition of coins issued by the Bank and the amount of remedy and variation shall be determined by the President on the recommendation of the Board.

20. Bank's currency notes and coins to be legal tender.

- (1) The currency notes issued by the Bank shall be legal tender in Nigeria at their face value for the payment of any amount.
- (2) The coins issued by the Bank shall, if such coins have not been tampered with, be legal tender in Nigeria at their face value up to such amount or amounts as may be determined, from time to time, by the Bank.
- (3) Notwithstanding subsections (1) and (2) of this section, the Bank shall have power, if directed to do so by the President and after giving reasonable notice in that behalf, to call in any of its notes or coins on payment of the face value thereof and any note or coin with respect to which a notice has been given under this subsection, shall, on the expiration of the notice, cease to be legal tender, but, subject to section 22 of this Act, shall be redeemed by the Bank upon demand.
- (4) It shall be an offence punishable by a term of imprisonment of not less than 5 years for any person to falsify, make or counterfeit any bank note or coin issued by the Bank which is legal tender in Nigeria.
- (5) A person who refuses to accept the naira as a means of payment is guilty of an offence and liable on conviction to a fine of N50,000.00 or 6 months' imprisonment:

Provided that the Bank shall have powers to prescribe the circumstances and conditions under which other currencies may be used as medium of exchange in Nigeria.

21. Tampering with or trading in notes and coins

- (1) A person who tampers with a coin or note issued by the Bank is guilty of an offence and shall on conviction be liable to imprisonment for a term not less than six months or to a fine not less than N 50,000 or to both such fine and imprisonment.

- (2) A coin or note shall be deemed to have been tampered with if the coin or note has been impaired, diminished or lightened otherwise than by fair wear and tear or has been defaced by stumping, engraving, mutilating, piercing, stapling, writing, tearing, soiling, squeezing or any other form of deliberate and wilful abuse whether the coin or note has or has not been thereby diminished or lightened.
- (3) For the avoidance of doubt, spraying of, dancing or matching on the naira or any note issued by the Bank during social occasions or otherwise howsoever shall constitute an abuse and defacing of the naira or such note and shall be punishable, under subsection (1) of this section.
- (4) It shall also be an offence punishable under subsection (1) of this section for any person to hawk, sell or otherwise trade in the naira notes, coins or any other note issued by the Bank.
- (5) In this section-
 - (i) "Matching" includes spreading, scattering or littering of any surface with any naira notes or coins and stepping thereon, regardless of the value, volume, occasion or intent.
 - (ii) "Spraying" includes adorning, decorating or spraying anything or any person or any part of any person or the person of another with naira notes or coins or sprinkling or sticking of the naira notes or coins in a similar manner regardless of the amount, occasion or the intent.

22. Lost and damaged notes and coins

- (1) A person shall not be entitled to recover from the Bank the value of any lost, stolen, mutilated or imperfect note or coin.
- (2) The circumstances in which, and the conditions and limitations subject to which, the value of the lost, stolen, mutilated or imperfect notes or coins may be refunded ex gratia shall be within the absolute discretion of the Bank.

23. Exemption from stamp duty

The Bank shall not be liable for the payment of any stamp duty under the Stamp Duties Act in respect of its notes issued as currency.

24. Composition of external reserves

The Bank shall at all times maintain a reserve of external assets consisting of all or any of the following-

- (a) gold coin or bullion;
- (b) balance at any bank outside Nigeria where the currency is freely convertible and in such currency, notes, coins, money at call and any bill of exchange bearing at least two valid and authorised signatures and having a maturity not exceeding ninety days exclusive of days of grace;
- (c) treasury bills having a maturity not exceeding one year issued by the Government of any country outside Nigeria whose currency is freely convertible;
- (d) securities of, or guarantees by, a Government of any country outside Nigeria whose currency is freely convertible; provided such securities shall mature in a period not exceeding ten years from the date of acquisition and are of such investment grade as may be determined by the Board from time to time;
- (e) securities of, or guarantees by, international financial institutions if such securities are expressed in currency freely convertible, in the form of investment grade assets as may be determined by the Board and maturity of the securities shall not exceed five years;
- (f) Nigeria's gold tranche in the International Monetary Fund;
- (g) allocation of Special Drawing Rights made to Nigeria by the International Monetary Fund;
- (h) investment by way of loans or debenture in an investment bank or development financial institutions within or outside Nigeria for a maximum period of five years in so far as-
- (i) the amount invested is not more than 5% of the total foreign reserves;

- (ii) the reserve level at the time of investment is more than such amount as will sustain twenty-four months of import; and
- (iii) the loan or debenture is denominated in foreign currency:

Provided the investment bank or development financial institution referred to in paragraph (h) of this section carries such a rating by rating agencies as may be prescribed from time to time by the Bank; and

- (iv) such other securities and investment as may be approved from time to time by the Board:

Provided they are liquid foreign currency assets that are of investment grade and in the form of freely convertible currencies.

25. Maintenance of external reserves.

The Bank shall use its best endeavour to maintain external reserves at levels considered by the Bank to be appropriate for the economy and the monetary system of Nigeria.

26. Power to buy and sell Nigerian currency

The Bank shall issue and redeem on demand at its head office, Nigeria currency against other currencies eligible for inclusion in the reserve of external asset under this Act.

27. Banking operations

The Bank may-

- (a) issue demand drafts and effect other kinds of remittance payable at its own offices or at the offices of agencies or correspondents;
- (b) open accounts for and accept deposits from the Federal, State and Local Governments, and from funds, institutions and corporations of all such Governments, banks and other credit or financial institutions;
- (c) maintain accounts with central banks and other banks outside Nigeria;

- (d) act as correspondent, banker or agent for any central bank or other monetary authority established under government auspices;
- (e) accept from customers, for custody, securities and other articles of value;
- (f) undertake on behalf of customers and correspondents, the purchase, sale, collection and payment of securities, currencies and credit instruments in Nigeria or abroad and the purchase or sale of gold or silver.

28. Treasury operations

The Bank may

- (a) purchase and sell gold coin or bullion;
- (b) purchase, sell, discount and rediscount inland bills of exchange and promissory notes arising out of bona fide commercial transactions bearing two or more valid and authorised signatures and maturing within ninety days exclusive of days of grace, from the date of acquisition;
- (c) purchase, sell, discount and rediscount inland bills of exchange and promissory notes bearing two or more valid and authorised signatures drawn or issued for the purpose of financing seasonal agricultural operation or the marketing of crops, semi-manufacturing or manufacturing operation designed for export, or the marketing of these products and maturing within 180 days, exclusive of days of grace, from the date of acquisition;
- (d) purchase, sell, discount or rediscount treasury bills of the Federal Government which have been publicly offered for sale and are to mature within 364 days;
- (e) purchase, sell, discount or rediscount treasury certificates maturing within such a period as may be determined by the Federal Government and specified by an instrument made by the Federal Government;

- (f) discount and rediscount project-tied bonds issued by State Governments, Local Governments, corporations owned by the Federal or State Governments, being bonds which have been publicly offered for sale and with maturity not exceeding three years;
- (g) purchase and sell securities of the Federal Government maturing in not more than twenty-five years which have been publicly offered for sale or form part of an issue which is being made to the public at time of acquisition, so that the total amount of such securities of maturity exceeding two years in the ownership of the Bank other than securities held in terms of paragraph (h) of this section or held by the Bank as collateral under section 29 (1)(h) shall not together at any time exceed seventy-five per cent of the total demand liabilities of the Bank;
- (h) invest in securities of the Federal Government for any amount and to mature at any time, on behalf of staff pension funds and other internal funds of the Bank;
- (i) purchase and sell foreign currencies and purchase, sell, discount and re-discount bills of exchange and treasury bills drawn in or on places abroad and maturing within 184 days exclusive of days of grace from the date of acquisition;
- (j) purchase and sell securities of or guaranteed by any Government whose currency is freely convertible or securities issued by international financial institutions, of which Nigeria is a member, which are also expressed in currencies which are freely convertible and are of investment grade; and
- (k) hold redeemable bonds for the purpose of regularizing any currency exchange exercise.

29. Credit operations.

(1) The Bank may-

- (a) grant advances for fixed periods not exceeding three months against publicly issued treasury bills of the Federal Government;

(b) grant advances for fixed periods not exceeding one year at a minimum rate of interest of at least one per cent above the Bank's monetary policy rate against-

(i) gold coin or bullion,

(ii) securities of the Federal Government which have been publicly offered for sale and are to mature within a period of twenty-five years:

Provided that no advance so secured shall at any time exceed seventy-five percent of the market value of the security pledged and that the total of such securities held by the Bank is within the limitation imposed by section 28 (g);

(iii) such bills of exchange and promissory notes as are eligible for purchase, discount or rediscount by the Bank up to seventy-five per cent of their nominal value;

(iv) warehouse warrants or their equivalent (securing possession of goods), in respect of staple commodities or other goods duly insured and with a letter of hypothecation from the owner:

Provided that no such advances shall exceed seventy-five percent of the current market value of the commodities in question;

(v) treasury certificates issued by the Federal Government:

Provided that no advances so secured shall at any time exceed seventy-five percent of the market value of the certificates pledged;

(c) notwithstanding section 34(d) of this Act, grant temporary advances to banks within the meaning of the Banks and Other Financial Institutions Act which participate in bank clearing in respect of temporary debit balances on their accounts at such rate of interest and under such terms as the Bank may, from time to time determine;

(d) grant advances to any authority-

(i) for fixed periods not exceeding one year at a rate of interest which shall be at least one per cent above the Bank's monetary policy rate; and

- (ii) except as prescribed in subsection (1)(e) of this section, upon such conditions as the Bank may specify or as prescribed to ensure payment thereof with interest;
- (e) grant advances referred to in Sub-section (1)(d) of this section in any particular case where a guarantee in writing is given by the Federal Government to the Bank on behalf of any such authority so that -
 - (i) the total advances which may, subject to the provisions of this section, be granted shall not exceed an amount considered by the Bank to be adequate for the authority to commence its operations at the beginning of the crop or produce season;
 - (ii) such advances shall be secured so soon after the advances have been granted as may be agreed by the Bank (either in part or in whole) as prescribed in subsection (1) (a) and (b) of this section and the said provisions shall be so construed;
- (f) any advance which may be granted by virtue of the provisions or subsection (1)(d) and (e) of this section shall be used solely for the purpose of financing -
 - (i) the purchasing and marketing operations authorised to be undertaken by any such authority by the law under which the authority was established or as may be approved by the Bank, and
 - (ii) with the approval of the Bank, other operations as may be incidental thereto:

Provided that any such authority may, if it so wishes, make advances to any licensed buying agent (within the meaning of any law under which the authority was established) for the purchase of produce for sale to the said authority; and provided also that the quantity of produce to be so purchased is included in the estimated tonnage of crops against which total advances are to be made by the Bank.

- (2) Paragraphs (d) to (f) of Subsection (1) of this section relate to any authority of the Federal Government, State Government, Local Government or two or more State Governments including an interim

authority established for such purpose by any law in operation in Nigeria.

- (3) The reference in paragraphs (d) to (f) of subsection (1) of this section to the granting of advances includes a reference to the provision of credit facilities.

30. Liquidity management

The Bank shall have power-

- (a) to carry out open market operations for the purpose of maintaining monetary stability in the economy of the country, and without prejudice to the generality of the foregoing, the Bank may also for that purpose issue, place, sell, repurchase, amortise or redeem securities (which shall constitute its obligations) and the securities shall be issued at such rate of interest and under such conditions of maturity, amortisation, negotiability and redemption as the Bank may deem appropriate;
- (b) to issue other forms of securities including treasury bills as it may deem necessary for purposes of liquidity management;
- (c) to sell or place by allocation to each bank any securities issued under paragraphs(a) or (b) of this section; and
- (d) to repurchase, amortize or redeem in such manner as the Bank may deem appropriate, any such securities.

31. Developmental function

The Bank may subscribe to, hold and sell shares of any corporation or company or debentures thereof set up with the approval of or under the authority of the Federal Government for the purpose of promoting the development of money or capital markets in Nigeria or of stimulating financial economic development so however that in any such case, the total value of the holdings of shares or, as the case may be, debentures to which this paragraph applies shall not at any time exceed ten times the aggregate of the Bank's paid-up capital and the general reserve fund of the Bank.

32. Incidental powers

- (1) The Bank may, subject as is expressly provided in this Act generally conduct business as a bank, and do all such things as are incidental to or consequential upon the exercise of its power or the discharge of its duties under this Act.
- (2) The Governor may, at any time in his discretion and by previous notice in writing lodged with the Board, decide that the powers conferred by sections 28(d), (g), (h), 29(1) (b) and 30 of this Act be extended to the treasury bills and treasury certificates or the securities, as the case may be, of any State Government with which the Bank appears substantially to have established the relationship of banker, or to any specified treasury bills and treasury certificates or securities of such a State Government subject to the same conditions as specified in those paragraphs and subject to limitations specified in section 28 (g) which limitations shall then apply to the aggregate value of the Federal and State Government securities so dealt with.

33. Power to require or share information.

- (1) In addition to any of its powers under this Act, the Bank may-
 - (a) require persons and institutions having access thereto, at all reasonable times, to supply, in such forms as the Bank may from time to time direct, information relating to or touching or concerning matters affecting the economy of Nigeria; and
 - (b) issue guidelines to any person and any institution under its supervision.
- (2) The Bank shall take account of matters of confidential nature supplied to the Bank under this section, but where the Bank is satisfied that it is in the national interest and that the person supplying the information does not object to a proposal to publish it within a reasonable time of becoming aware of it, the Bank may, from any information in its possession, compile and publish statistical data, and anything relevant thereto, on the national economy.
- (3) Where any person lawfully required to supply information for the purpose of this section-

- (a) supplies information which he knows to be false or supplies the information recklessly as to its truth or falsity; or
 - (b) without reasonable excuse (the proof of the reasonableness to lie on him) fails to comply with any requirement of the Bank under subsection (1)(a) of this section, the supply or failure to supply, as the case may be, as provided, shall be an offence under this section.
- (4) An offence under this section is punishable on conviction by-
- (a) imprisonment not exceeding three years or with a fine not exceeding N10,000,000 for every false information or with both such imprisonment and fine;
 - (b) a fine not exceeding N2,000,000 for failure to comply with any requirement of the Bank.
- (5) A person or institution that fails to comply with any guideline issued under Sub-section (1) (b) of this section shall be liable on conviction-
- (a) in the case of an institution, to a fine not exceeding N10,000,000; and
 - (b) in the case of a person, to imprisonment for a term not exceeding three years or to a fine of not less than N50,000 and not exceeding N2,000,000 or to both such imprisonment and fine.
- (6) The Bank may, in the exercise of its powers and on the basis of reciprocity, enter into agreement or arrangements with other regulatory authorities in Nigeria or in other countries exercising similar responsibilities for-
- (a) the promotion of mutual co-operation; and
 - (b) the exchange of information for purposes of enhancing the supervision and regulation of financial institutions:

Provided that the exchange of such information shall be conditional upon assurances of confidential treatment to the information so given or received.

34. Prohibited activities

The Bank shall not-

- (a) engage in trade or otherwise have a direct interest in any commercial, agricultural or industrial undertaking, except as provided in sections 27 to 32 of this Act, or in any undertaking, except such interest which the Bank may in any way acquire in the course of satisfaction of debts due to it, and provided that all such interests so acquired shall be disposed of at the earliest suitable time;
- (b) except as provided in section 31 of this Act, purchase the shares of any corporation or company including the shares of any banking institution ;
- (c) grant loan upon the security of any shares;
- (d) subject to the provisions of section 38 of this Act, grant secured advances or advances secured otherwise than as laid down in section 29 (1) (a) and (b) of this Act:

Provided that in the event of any debts due to the Bank becoming in the opinion of the Bank endangered, the Bank may secure such debts on any real or other property of the debtor and may acquire such property which shall be re-sold at the earliest suitable time;

- (e) purchase, acquire or lease real property except in accordance with the provision of paragraph (d) of this section and except so far as the Bank shall consider necessary or expedient for the provision or future provision of business premises for the Bank and its agencies and any clearing houses set up as provided in section 47 of this Act and residences for the Governor of the Bank;
- (f) draw or accept bills payable otherwise than on demand;
- (g) pay interest on deposits except deposits in respect of cash reserve and special deposits as stipulated in section 45 (1) (a) and (c) of this Act;
- (h) accept for discount or as security for an advance made by the Bank bills or notes signed by members of the Board or by officers and other employees of the Bank; and

(i) open accounts for or accept deposits from persons other than as provided in section 27 (b) and (c) of this Act.

35. Publication of monetary policy rate.

The Bank shall make public, at all times, its monetary policy rate.

36. Service to the Federal Government.

(1) The Bank shall be entrusted with Federal Government banking and foreign exchange transactions.

(2) The Bank shall receive and disburse Federal Government moneys and keep account thereof.

(3) In any place where the Bank has no branch, it may appoint another bank to act as its agent for the collection and payment of Federal Government moneys.

37. Federal Government's usage of other banks and State Treasuries

Notwithstanding the provisions of section 36 of this Act, the Federal Government may-

(a) maintain accounts in Nigeria with other banks in such cases and on such conditions as the Bank may determine; and

(b) use the services of the State Treasuries for the collection and payment of Federal Government moneys in places where it may be appropriate or convenient to do so.

38. Advances to Federal Government.

(1) Notwithstanding the provisions of section 34 (d) of this Act, the Bank may grant temporary advances to the Federal Government in respect of temporary deficiency of budget revenue at such rates of interest as the Bank may determine.

(2) The total amount of such advances outstanding shall not at any time exceed five percent of the previous year's actual revenue of the Federal Government.

- (3) All Advances made pursuant to this section shall be repaid-
- (a) as soon as possible and shall in any event be repayable by the end of the Federal Government financial year in which they are granted and if such advances remain unpaid at the end of the year, the power of the Bank to grant such further advances in any subsequent year shall not be exercisable, unless the outstanding advances have been repaid; and (b) in such form as the Bank may determine;

provided that no repayment shall take the form of a promissory note or such other promise to pay at a future date or securitisation by way of issuance of treasury bills, bonds, certificates or other forms of security which is required to be underwritten by the Bank.

39. Power to act as banker to State Governments, etc.

The Bank may act as banker to States and Local Governments and to funds, institutions or corporations established by Federal, State and Local Governments.

40. Power to act as agent for Federal, State or Local Governments

The Bank may act generally as agent for the Federal Government, State Government, or Local Governments-

- (a) where the Bank can do so appropriately and consistently with the provisions of this Act and with its duties and functions as a Central Bank ; and
- (b) on such terms and conditions as may be agreed between the Bank and the Government concerned.

41. Banker to other banks

The Bank shall act as banker to other banks in Nigeria and may also provide banking services to banks outside Nigeria.

42. Co-operation with banks in Nigeria

- (1) The Bank shall wherever necessary seek the co-operation of and co-operate with other banks in Nigeria to-

- (a) promote and maintain adequate and reasonable financial service for the public;
 - (b) ensure high standards of conduct and management throughout the banking system; and
 - (c) further such policies not inconsistent with this Act as shall in the opinion of the Bank be in the national interest.
- (2) Notwithstanding the provision of sections 29 (1) (c) and 34 (d) of this Act, the Bank may grant loans and other accommodation facilities at such rate of interest and on such terms as the Bank may determine to any bank which may be having liquidity problems.

43. Establishment of Financial Services Regulation Co-ordinating Committee

- (1) There is hereby established for the purpose of co-ordinating the supervision of financial institutions, a Financial Services Regulation Co-ordinating Committee (in this Act referred to as "the Committee").
- (2) The Committee shall consist of –
 - (a) the Governor of the Bank who shall be the Chairman;
 - (b) the Managing Director, Nigeria Deposit Insurance Corporation;
 - (c) the Director-General, Securities and Exchange Commission;
 - (d) the Commissioner for Insurance;
 - (e) the Registrar-General, Corporate Affairs Commission; and
 - (f) a representative of the Federal Ministry of Finance not below the rank of a Director.

44. Objectives of the Committee.

The objectives of the Committee shall be to-

- (a) co-ordinate the supervision of financial institutions especially conglomerates ;

- (b) cause reduction of arbitrage opportunities usually differing regulation and supervision standards amongst supervisory authorities in the economy;
- (c) deliberate on problems experienced by any member in its relationship with any financial institutions;
- (d) eliminate any information gap encountered by any regulatory agency in its relationship with any group of financial institutions;
- (e) articulate the strategies for the promotion of safe, sound and efficient practices by financial intermediaries; and
- (f) deliberate on such other issues as may be specified from time to time.

45. Reserve requirements

- (1) The Bank may, from time to time, issue directives by circular requiring each bank to-
 - (a) maintain at all times in the form of cash reserves with the Bank, at its office, a sum equal to a prescribed ratio of the bank's deposit liabilities;
 - (b) hold a minimum amount of specified liquid assets which shall be expressed as a ratio of deposit liabilities of the bank; and
 - (c) maintain as special deposits with the Bank at its head office a percentage of the bank's deposit liabilities or a percentage of an increase or the absolute increase in such deposit liabilities over an amount outstanding on a date, and for a period as shall be specified by the Bank.
- (2) For the purpose of subsection (1) (a) of this section, the Bank shall specify-
 - (a) the class of deposit liabilities against which the cash reserves mentioned in that paragraph shall be held; and
 - (b) the ratio of cash reserve which a bank shall so maintain.
- (3) for the purpose of subsection (1) (a) of this section, the cash reserves of a bank shall be determined within such period as the Bank may, from

time to time specify, on the basis of the periodic balances of the bank's deposit liabilities and the Bank shall have power to-

- (a) require each bank from time to time to prepare and deliver to the Bank in such form and within such period as the Bank may specify, a true and correct statement showing the position of the deposit liabilities of the bank and the Bank may require such statement to be made at such intervals as it may specify;
 - (b) require any bank to furnish to it such information and statistics in such form and as often as the Bank may deem necessary for the purpose of satisfying itself that the bank concerned has complied or is complying with the provisions of subsection (1) of this section.
 - (4) For the purpose of subsection (1) (b) of this section, the Bank shall have power, in respect of the specified liquid assets which may, from time to time, be held by a bank, to vary the composition and proportion of each category.
 - (5) For the purpose of subsection (1) (c) of this section, the Bank shall have power to specify the class of deposits to which the provisions of that subsection shall apply and any special deposits held in accordance with that subsection shall not count as specified liquid assets for the purposes of subsection (1) (b) of this section, and subject to the provisions of this subsection, the Bank may, at its discretion, pay interest on such special deposits held by it.
 - (6) The Bank shall have power to prohibit any bank which fails to comply with any directive issued under this section, from extending new loans and advances and from undertaking new investments, until the bank complies with the directive to the satisfaction of the Bank; and may, in addition, levy fine as appropriate under the provisions of section 13 (5) of the Banks and Other Financial institutions Act.
 - (7) A bank which furnishes false information to the Bank for any purpose under this section is guilty of an offence and is liable on conviction to a fine not less than N 10,000,000 but not exceeding N20, 000, 000.
46. Appointment of other bank as agent

The Bank may appoint as its agent any bank in Nigeria on such terms as may be agreed between the Bank and the bank concerned for the issue, re-issue, exchange and withdrawal of currency notes and coins, or for any other purpose pertaining to the Bank's functions under this Act.

47. Payment and settlement systems

- (1) The Bank shall facilitate the clearing of cheques and credit instruments for banks carrying on business in Nigeria and for this purpose, the Bank shall at any appropriate time establish clearing houses in premises provided by the Bank in such places as the Bank may consider necessary:

Provided that a bank may be barred from participating in clearing for such period as the Bank may deem fit for non-compliance with directives of the Bank.

- (2) Notwithstanding subsection (1) of this section and in furtherance of the provisions of section 2(d) of this Act, the Bank shall continue to promote and facilitate the development of efficient and effective systems for the settlement of transactions (including the development of electronic payment systems).
- (3) The Bank shall have power to prescribe rules and regulations for the efficient operation of all clearing and settlement systems.
- (4) In furtherance of the objective of a sound financial system and notwithstanding the provisions of the Evidence Act, any physical or electronic record of transactions that is in a format approved by the Bank shall constitute sufficient proof of such transactions.

48. Financial year

The financial year of the Bank shall begin on 1st January and end on 31st December.

49. Audit

- (1) The accounts of the Bank shall be audited by an auditor or auditors appointed in accordance with the provisions of section 6 of this Act.
- (2) The Auditor-General of the Federation shall conduct an examination of the accounts of the Bank, and submit a report thereon relating to the issue, re-issue, exchange and withdrawal of currency notes and coins by the Bank and the Bank shall provide all necessary facilities for the purpose of the examination.

50. Publication of annual accounts and reports

- (1) The Bank shall, within two months after the close of each financial year, transmit to the National Assembly and the President a copy of its annual accounts certified by the Auditor.
- (2) A report required to be submitted to the National Assembly and the President shall be published by the Bank in such manner as the Governor may direct.
- (3) The Board shall ensure that accounts submitted pursuant to this section shall as soon as possible be published in the Gazette.
- (4) The Bank shall as soon as may be practicable after the last day of each month make up and publish a return of its assets and liabilities as at the close of business on that day, or if that day is a holiday, as at the close of business on the last preceding business day.
- (5) A copy of the return referred to in subsection (5) of this section shall be forwarded to the President and shall be published in the Gazette.
- (6) In the application of this section, the gold tranche position at the International Monetary Fund shall form part of the external reserve assets of the Bank.

51. Power to make regulations

The Board shall have power to make and alter rules and regulations for the good order and management of the Bank.

52. Protection against adverse claims

- (1) Neither the Federal Government nor the Bank nor any officer of that Government or Bank shall be subject to any action, claim or demand by or liability to any person in respect of anything done or omitted to be done in good faith in pursuance or in execution of, or in connection with the execution or intended execution of any power conferred upon that Government, the Bank or such officer, by this Act.
- (2) For the purpose of this section, the Minister or any officer duly acting on his behalf shall be deemed to be an officer of the Federal Government and the Governor, any Deputy Governor of the Bank or other employee shall be deemed to be an officer of the Bank.

53. Exemption of the Bank from the payment of tax

- (1) The Bank shall be exempted from the payment of income tax under the Companies Income Tax Act or any subsequent amendment thereto.
- (2) The Bank shall not be liable for the payment of tenement rate, ground rent or such other property tax imposed under any legislation dealing with real property.

54. Proceedings of the Board and the Monetary Policy Committee

The provisions contained in the First and Second Schedules to this Act shall have effect with respect to the proceedings of the Board and Monetary Policy Committee respectively and the other matters contained therein and the Board shall have power to amend the provisions of the Schedules as it may deem necessary.

55. Exclusion of the application of the Companies and Allied Matters Act 1990

The provisions of the Companies and Allied Matters Act 1990 or any amendments thereto shall not apply to the Bank.

56. Liquidation.

The Bank shall not be placed in liquidation except pursuant to legislation enacted in that behalf and then only in the manner directed by that legislation.

57. Power to license and regulate credit bureaux.

- (1) In furtherance of the provisions of section 2 (d) of this Act, the Bank shall have power to license, and to collect, in such a manner as the Bank may deem fit, credit information on the customers of banks and other financial institutions.
- (2) For the purpose of subsection (1) of this section, the Bank shall have power to collect in such manner as the Bank may deem fit from any person or any such credit bureaux, credit information on the customers of banks and other financial institutions and the Bank may disclose the information so collected in such manner as may be deemed appropriate by the Bank:

Provided that the disclosure of any credit information by the Bank to any person or institution shall be confidential between the Bank and the person or institution to whom the information is disclosed.

- (3) A bank shall before granting a loan, advance or credit facility to any customer, obtain from the Bank credit information on that customer when the amount of the loan, advance or credit facility is up to one million naira or such sum as may be set from time to time by the Bank.

58. Saving

Without prejudice to section 6 of the Interpretation Act, the repeal of the enactments referred to in subsection (2) of section 59 shall not affect anything done under or pursuant to those enactments.

59. Repeal

- (1) The Central Bank of Nigeria Act 1991 is hereby repealed.
- (2) The following amendment enactments are also consequentially repealed-
 - (a) Central Bank of Nigeria (Amendment) Act 1993;
 - (b) Central Bank of Nigeria (Amendment) Act 1997;

(c) Central Bank of Nigeria (Amendment) (No.2) Act 1998; and

(d) Central Bank of Nigeria (Amendment) Act 1999.

(2) The rights, interests, obligations and liabilities of the Bank existing before the commencement of this Act under any contract or instruments, or in law or in equity apart from any contract or instrument, shall by virtue of this Act be assigned to and vested in the Bank. 60. Interpretation

In this Act-

"Bank" means the Central Bank of Nigeria established under Section 1(1) of this Act;

"Bank" means a bank licensed under the Banks and Other Financial Institutions Act 1991 or under the repealed Banking Act or any other prior legislation;

"Bank examiner" means a bank examiner appointed pursuant to the Banks and Other Financial Institutions Act 2005;

"Board" means the Board of Directors of the Bank established under section 6(1) of this Act;

"Governor" and "the Deputy Governors" means respectively the Governor and Deputy Governors of the Bank appointed under this Act;

"Officers" or "officers of the Bank" means an officer of the Central Bank of Nigeria;

"President" means the President of the Federal Republic of Nigeria.

61. Citation

This Act may be cited as the Central Bank of Nigeria (Establishment) Act, 2007.

SCHEDULES

FIRST SCHEDULE [Sections 12 (5) and 54.]

Proceedings of the Board, etc.

1. (1) Not less than three weeks notice shall be given of each meeting of the Board and such notice shall be sent to every Director at his registered address but where it is necessary to convene an emergency meeting, all reasonable steps shall be taken to give notice to every Director who is at the time in Nigeria.
- (2) A person other than the Directors and the Secretary shall not attend meetings of the Board but the Chairman may request the presence of officers of the Bank when technical matters are under consideration.
2. (1) The Board shall cause minutes to be duly entered in a book provided for that purpose-
 - (a) of all appointments of officers made by the Board;
 - (b) of the names of all Directors present at each meeting of the Board; and
 - (c) of all resolutions and proceedings of each meeting.
- (2) A copy of the minutes shall be circulated at that or succeeding meeting and after approval by the Board, signed by the Chairman.
3. The common seal of the Bank shall be affixed under such conditions as may be determined, from time to time, by a resolution of the Board.
4. A Director shall, on appointment or re-appointment, sign a declaration as in Form 1 in the Annex to this Schedule affirming his allegiance and service to the Bank and pledging himself to observe strict secrecy respecting all transactions of the Bank.

5. A Director having any interest, directly or indirectly in any dealing or business in which the Bank is concerned shall disclose such interest at the meeting of the Board at which the dealing or business is discussed and in no circumstances shall he vote on the matter. If required by the Board to do so, he shall withdraw from the meeting.
6. (1) A Director, officer and other employee of the Bank shall be indemnified by the Bank against all losses, costs and expenses incurred by him by reason of any contract entered into or act or deed done in the proper and careful discharge of his duties. The Bank shall pay all such costs, losses and expenses.

(2) A Director, officer or other employee of the Bank shall be liable to the Bank for any losses, costs or expenses incurred by the Bank by the insufficiency or deficiency of value of, or title to, any property or security acquired or taken on behalf of the Bank or by the insolvency, bankruptcy or wrongful act of any customer or debtor of the Bank, unless due to wilful default in the execution of his duties.
7. In consultation with the Board, the Governor and Deputy Governors shall be responsible for-
 - (a) fixing the rate or rates of discount or rediscount and the rate or rates of interest on advances to Government and to other customers of the Bank;
 - (b) devising suitable mechanism to determine rates of exchange at which the Bank shall buy and sell foreign currencies under section 16 of this Act ;
 - (c) the appointment of auditors in accordance with section 49 of this Act, the provision of the necessary facilities and the rates of remuneration;
 - (d) the establishment and closing of branches and currency centres; (e) the appointment of Branch Controllers and Currency Officers; and
 - (f) the appointment of officers and other employees :

Provided that the Governor shall have authority to make such appointment as he deems appropriate without consultation with the Board in relation to officers and employees whose salaries do not exceed Central Bank Service Scale 06.

8. (1) The Governor and Deputy Governors shall have special responsibility for-

(a) the organisation of the management of the Bank at its head office, branches and currency centres; (b) causing-

- (i) true accounts to be kept of all transactions entered into by the Bank and of the assets and liabilities of the Bank and of all valuables entrusted to the Bank;
- (ii) the compilation, form and publication of accounts in accordance with section 50 (2) of this Act;
- (c) the safe-keeping of all the assets of the Bank and the valuables entrusted to the Bank;
- (d) the discharge by officers and other employees of the Bank of the duties placed upon them;
- (e) the supervision of arrangements relating to the issue and redemption of currency notes and coins and all matters connected with the forms, design and composition of currency notes and coins:

Provided that the Director of Currency Operations shall be charged with the direct responsibility under the Governor for specified matters under this subparagraph.

- (2) The Governor shall work out the detailed responsibilities of each of the Deputy Governors; and may assign any of his duties during his absence from duty or at such other time to any of the Deputy Governors as he deems fit.
- (3) Without prejudice to subparagraph (2) of this paragraph, the Governor shall have power to assign or re-assign the Deputy Governors, from time

to time, as may be expedient for the performance of the Bank's function under or pursuant to this Act.

9. The books of the Bank shall be kept at the head office of the Bank or at such other places as the Board may, from time to time, determine.
10. The Governor shall formulate, for the approval of the Board, general rules and any subsequent amendments thereto, providing for-
 - (a) the safe-keeping of the common seal of the Bank;
 - (b) the safe-keeping of the assets of the Bank and of valuables entrusted to the Bank;
 - (c) the safe-keeping of stocks or un-issued or redeemed currency and the preparation, safe custody and destruction of plates and paper for the printing of currency notes and discs for the minting of coins;
 - (d) the protection of bank notes and coins in transit;
 - (e) the conditions under which any Zonal Controller, Branch Controller or Currency Officer may be appointed; and
 - (f) the conditions governing discounts and advances;
 - (g) the exercise of dual control and general security throughout the Bank; and
 - (h) such additional arrangement which may be made to ensure the efficient working of the Bank, through proper observance of security and the accuracy of the accounts of the Bank.
11. (1) The Board shall, from time to time as it deems fit, delegate some of its responsibilities to the Committee of Governors.
 - (2) Formal meetings of the Committee of Governors shall take place as often as may be required but not less than once a month.
 - (3) The Committee or Governors shall cause minutes to be duly entered in books provided for that purpose during each of its formal meetings.

- (4) The Governor shall preside over every meeting but in his absence a Deputy Governor designated by him shall act in his place, and in the absence of both the Governor and any such designated Deputy Governor, one of the other Deputy Governors present shall act as Chairman.
12. The Board by resolution shall, for such purposes as it may, from time to time, decide, authorise the Governor, the Deputy Governors or any officer of the Bank to sign documents relating to all aspects of the Bank's business; provided that such documents are not required by law or common practice to be given under seal. Any such authorisations shall forthwith be notified in the Gazette.
13. (1) An officer or other employee of the Bank shall not occupy any other Office or hold any other employment whether remunerated or not except with the approval of the Board embodied in a resolution and only in the following capacities-
 - (a) as member of any economic research institution or all commission established by the Federal Government to enquire into any matter affecting currency or banking in Nigeria or into such other subjects relating to the functions of the Bank under this Act;
 - (b) as director or member of the Board or by whatever name called, of any international bank, international monetary authority or economic institution to which the Federal Government shall have interest or give support or approval;
 - (c) as Director or alternate Director of any corporation in Nigeria in which the Bank may participate under paragraph (i) of subsection (1) section 30 of this Act;
 - (d) as member of other agency of the Federal, State and Local Government.
- (2) A remuneration to which any officer or other employee of the Bank is entitled in respect of any appointment made by virtue of the provisions of this Schedule shall be paid directly to the Bank.
- (3) This Schedule shall not prevent the Bank from employing at the Board's discretion and subject to such terms and conditions as shall be laid down

by the Board, part-time advisers for particular purposes and for specific periods of time.

14. All officers and employees of the Bank shall be required to sign declarations as in Form 2 in the Annex to this Schedule affirming their allegiance and service to the Bank and pledging themselves to observe strict secrecy respecting all transactions of the Bank.
15. (1) The appointment of a legal practitioner to the Bank and changes in that appointment shall be made by the Board on the recommendation of the Governor.
(2) Plaints, writs, statement, affidavits and all other documents connected with legal proceedings may be signed and verified on behalf of the Bank by any officer empowered by or under paragraph 12 of this Schedule.
16. The Board may require any officer or other employee to give the Bank, in such manner as it may require, such security as it may regard reasonable for the faithful discharge of his duty.
17. In this Schedule--

"Committee of Governors" means a Committee of the Governor and the Deputy Governors of the Central Bank of Nigeria;

"Director" means a member of the Board of Directors of the Central Bank of Nigeria.

SECOND SCHEDULE

[Section 12 (5).]

Proceedings of the Monetary Policy Committee

1. The MPC shall meet at least four times in a year.

2. The Governor (or in his absence, the Deputy Governor responsible for monetary policy) may summon a meeting on giving not less than 7 days notice.
3. The quorum shall be six members two of whom shall be the Governor and a Deputy Governor or two Deputy Governors.
4. The Chair shall be taken by the Governor or, if he is not present, the Deputy Governor responsible for monetary policy.
5. Decisions shall be taken by a vote of all those present at the meeting.
6. In the event of a tie, the Chairman shall have a second or casting vote.
7. The MPC shall submit periodic report of its meetings and activities board of Directors of the Bank.

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