



DECIMAL CURRENCY ACT

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DECIMAL CURRENCY ACT

An Act to establish a decimal currency for Nigeria. The unit of currency will be the naira which will be divided into one hundred kobo. One naira will be equivalent to

ten shillings in the existing currency. A Decimal Currency Board to superintend the change-over is also established.

[1971 No. 21.]

[Sections 7 to 11: 6th July, 1971,

All other sections: 3rd July, 1972]

[Commencement.]

1. Currency of Nigeria

- (1) The unit of currency in Nigeria shall be the naira which shall be divided into one hundred kobo.
- (2) Every contract, sale, payment, bill, note, instrument and security for money and every transaction, dealing, matter and thing whatsoever relating to money or involving the payment of or the liability to pay any money which, but for this subsection, would have been deemed to be made, executed, entered into, done and had, in and in relation to Nigerian pounds shall in Nigeria be deemed instead to be made, executed, entered into, done and had, in and in relation to naira on the basis that one Nigerian pound equals two naira.
- (3) Accordingly and unless the context otherwise requires, any reference in any existing law to an amount expressed in Nigerian pounds or any fraction thereof shall, upon the coming into force of this Act, be construed as a reference to the corresponding amount of naira or any fraction thereof.

2. Parity of naira

- (1) Subject to the provisions of subsection (2) of this section, the parity of the naira shall be equivalent to
1.24414 grams fine gold.

(2) The parity of the naira may, from time to time, be changed by the Bank with the approval of the President; and the notice of the change shall as soon as possible thereafter be published in the Federal Gazette. 3.

Denomination and form of notes and coins

(1) Notes and coins issued by the Bank-

(a) shall be in such denominations of the naira or fractions thereof as are approved by the Minister on the recommendation of the Bank;

(b) shall be of such form and designs and bear such devices as are approved by the Minister on the recommendation of the Bank.

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

4. Bank currency to be legal tender

(1) Notes issued by the Bank shall be legal tender in Nigeria at their face value for payment of any amount.

(2) 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 an amount not exceeding twenty naira in the case of coins of denominations of not less than five kobo and up to an amount not exceeding ten kobo in the case of coins of a lower denomination.

(3) Notwithstanding the provisions of subsections (1) and (2) of this section, the Bank shall have power, on giving not less than three months' notice in the Federal Gazette, to call in any of its notes and coins on payment of the face value thereof and any such notes or coins 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 the provisions of the Act, shall be redeemed by the Bank upon demand.

5. Obligation in respect of currency

Unless otherwise prohibited by any law relating to the control of exchange the Bank shall, at its head office in Abuja, issue and redeem Nigerian currency against gold or such currencies as are eligible for inclusion in the reserve of external assets under the Act:

Provided that the rates of exchange quoted by the Bank for spot transactions shall not differ by more than one per cent from the parity of the naira with the parity of any such currency.

6. Existing currency

- (1) Currency notes and coins issued by the Bank by virtue of the Act which are legal tender in Nigeria shall on and after the day on which this Act comes into operation remain legal tender until such further day as the Governor of the Bank, giving at least six weeks' notice as respect notes and at least nine months' notice as respects coins, in the Federal Gazette, may specify and shall then cease to be legal tender in Nigeria:

Provided that the Governor of the Bank may, as respects currency notes, extend the period aforesaid for another two weeks unless further extended by the Governor with the approval of the President.

- (2) For the purposes of subsection (1) of this section-
 - (a) the Bank may so specify different days in relation to different denominations of such currency notes and coins;
 - (b) with effect from the coming into operation of this Act, and thereafter while coins issued by the Bank which are legal tender in Nigeria on the coming into operation of this Act remain legal tender in Nigeria, such coins shall be

legal tender at their face value up to an amount not exceeding ten Nigerian pounds in the case of coins of denominations of not less than sixpence and up to an amount not exceeding one shilling in the case of coins of lower denomination.

7. Interpretation

In this Act, unless the context otherwise requires-

"The Act" means the Central Bank of Nigeria Act; [Cap. C4.]

"The Bank" means the Central Bank of Nigeria established in pursuance of the Central Bank of Nigeria Act; "Chairman" means the chairman of the Currency Board;

"Minister" means the Minister charged with responsibility for finance;

"Member" means a member of the Decimal Currency Board and includes the chairman.

8. Short title

This Act may be cited as the Decimal Currency Act.

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