

# A BILL

## FOR

AN ACT TO AMEND SECTIONS 1,2,5,6,8,11,21,33,49 AND 50 OF THE CBN ACT 2007 TO PROVIDE LEGISLATIVE OVERSIGHT, EFFECTIVE MONITORING OF MONETARY POLICY DELIVERABLES AND FOR RELATED MATTERS

*Sponsored by Hon. Ademorin A. Kuye*

[ ] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

- 1           1. The CBN Act, 2007 (hereinafter called "the Principal Act") is Amendment of  
2 amended and to be cited as CBN (Amendment Act) 2019 as set out below. the CBN Act, 2007
- 3           2. Section 1(3) of the Principal Act is amended to read thus: Bank's Autonomy  
4           “(3) In order to facilitate the achievement of its mandate under this  
5 Act and the Banks and Other Financial Institutions Act, and in line with the  
6 objective of promoting stability, continuity and meeting federal government  
7 monetary target in economic management, the Bank shall be a semi-  
8 independent body in the discharge of its functions.”
- 9           3. Section 2 (a) of the Principal Act is amended to read thus; Objects of the  
10 “ensure monetary and price stability while meeting Federal Government's Bank  
11 monetary targets.”
- 12           4. Section 5(2) of the Principal Act is amended to read thus: General Reserve  
13 “The Bank shall establish a general reserve fund and shall allocate thereto at Fund  
14 the end of each financial year one-quarter of its operating surplus for the  
15 year with prior approval from the National Assembly.”
- 16           5. Section 6 (2) of the Principal Act is amended to read thus: Constitution of  
17 “The Board shall consist of- the Board  
18 (a) A Chairman who shall be the Minister of Finance;  
(b) A Vice Chairman who shall be the Governor of the Bank;  
(c) Four Deputy Governors;

	1	(d) the Permanent Secretary, Federal Ministry of Finance;
	2	(e) five Directors; and
	3	(f) Accountant-General of the Federation;
	4	(g) The Chairman- of the Governors' Forum in Nigeria.”
Targets and responsibilities	5	6. Section 6(4) of the Principal Act is amended to read thus;
	6	“The Board shall convey the detailed targets of the Federal Government to the
	7	Governor and approve the detailed responsibilities of each of the Deputy
	8	Governors.”
Qualification of Governor and Deputy Governors	9	7. Section 8(1) of the Principal Act is amended to read thus;
	10	“(a) The Governor shall be person of recognized financial experience
	11	with solid Economic, Finance and or Accounting background plus degrees in
	12	Financial regulation and global central banking and shall be appointed by the
	13	President subject to confirmation by the Senate on such terms and conditions as
	14	may be set out in the letter of appointment;
	15	(b) The Deputy-Governors shall be persons of recognized financial
	16	experience and shall be appointed by the President subject to confirmation by
	17	the Senate on such terms and conditions as may be set out in their respective
	18	letters of appointment.”
Terms and Tenure of service	19	8. Section 8(2) of the Principal Act is amended to read thus:
	20	“(2) The Governor and Deputy Governors shall be appointed in the
	21	first instance for a term of five years and shall each be eligible for
	22	reappointment for another term not exceeding five years provided they
	23	consistently meet monetary targets set by the Federal Government.”
	24	9. Section 8(4)(a) is inserted in the Principal Act to read thus;
	25	“(a) efforts, activities, objectives and plans of the Bank towards
	26	meeting the monetary policy targets, and”
Cessation of appointment	27	10. Section 11(2) of the Principal Act is amended by inserting (f) and
	28	read thus:
	29	(2) The Governor, Deputy Governor or Director shall cease to hold
	30	office in the Bank if he-

1 (a) becomes of unsound mind or, owing to ill health, is incapable of  
2 carrying out his duties;

3 (b) is convicted of any criminal offence by a court of competent  
4 jurisdiction except for traffic offences or contempt proceedings arising in  
5 connection with the execution or intended execution of any power or duty  
6 conferred under this Act or the Banks and Other Financial Institutions Act;

7 (c) is guilty of a serious misconduct in relation to his duties under  
8 this Act;

9 (d) is disqualified or suspended from practicing his profession in  
10 Nigeria by order of a competent authority made in respect of him personally;

11 (e) becomes bankrupt;

12 (f) fails to meet the Federal Government monetary targets

13 (h) is removed by the President: Provided that the removal of the  
14 Governor shall be supported by two-thirds majority of the Senate praying  
15 that he be so removed.”

16 II. Section 21 (1) of the Principal Act is amended and (6) is inserted  
17 to read thus:

18 “(1) A person who tampers with a coin or note issued by in the Bank  
19 is guilty of an offence and shall on notes and coins imprisonment for a term  
20 not less than 5 years or to a fine not less than N5,000,000 or to both such fine  
21 and imprisonment.

22 (6) (a) There shall be established an enforcement unit by the Bank  
23 to monitor public compliance to this section;

24 (b) The Unit shall be headed by a deputy director in currency  
25 operations and comprise:

26 (i) operatives of the Nigerian Police;

27 (ii) officers of the Nigerian Security and Civil Defense corps;

28 (iii) officials of the ministry of finance.

29 12. Section 33(1)(b) of the Principal Act is amended and read thus:

30 (b) issue guidelines approved by its board to any person and any

Offences and  
penalty of  
tampering or  
trading in

Establishment  
of a currency  
mutilation offences  
unit

Guidelines  
approvals

	1	institutions under its supervision to meet its monetary policy targets.
Rendering audit reports as requested	2	<b>13. Section 49(2) of the Principal Act is amended and read thus;</b>
	3	<b>(2) A report required to be submitted to the National Assembly and the</b>
	4	<b>President shall be published by the Bank in such manner as the National</b>
	5	<b>Assembly or President may direct.</b>
Publishing report as requested	6	<b>14. Section 50(2) of the Principal Act is amended and read thus:</b>
	7	<b>(2) A report required to be submitted to the National Assembly and the</b>
	8	<b>President shall be published by the Bank in such manner as the National</b>
	9	<b>Assembly or President may direct.</b>
Amendment of the first schedule	10	<b>15. Item 8 (2) of the First Schedule of the Principal Act is amended</b>
	11	<b>and read thus:</b>
	12	<b>(2) The Governor after the prior approval of the Board shall work out</b>
	13	<b>the detailed responsibilities of each of the Deputy Governors, and may assign</b>
	14	<b>any of his duties during his absence from duty or at such other time to any of the</b>
	15	<b>Deputy Governors as he deems fit.</b>
Citation	16	<b>16. This Bill may cited as the CBN Act (Amendment) Bill, 2019.</b>

#### EXPLANATORY NOTES

This Bill seeks to provide oversight for CBN activities and advocate monetary policy deliverables for the bank management. It also provides for the establishment of a currency mutilation offences unit within the bank and stipulates stricter punishment for violations.