

BILL

FOR

AN ACT TO AMEND THE CENTRAL BANK (ESTABLISHMENT) ACT 2007 TO MAKE THE CENTRAL BANK MORE TRANSPARENT AND ACCOUNTABLE IN ITS OPERATIONS AND TO ENSURE ENHANCEMENT OF ITS FUNCTIONS AND FOR CONNECTED MATTERS HEREWITH

SPONSOR

SENATOR SUNDAY STEVE KARIMI

COMMENCEMENT []

1. Amendment of the Principal Act

The Central Bank of Nigeria (Establishment) Act 2007, which is in this Bill referred to as the Principal Act is hereby amended as set out in this Bill.

2. Amendment of Section 6 of the Principal Act, by deleting the existing Section 6(2) and substituting it with a new section 6(2) as follows:

"6(2) the Board shall consist of

- (a) A Governor who shall be the Chairman;
- (b) four Deputy Governors;
- (c) five Directors;
- (d) the permanent Secretary Federal Ministry of Finance;
- (e) the Accountant general of the Federation;
- (f) the Auditor General of the Federation;
- (g) the Chairman, Federal Inland Revenue (FIRS);
- (h) the Managing Director/Chief Executive of Nigeria Deposit Insurance Corporation (NDIC);
- (i) the President, Chartered Institute of Bankers of Nigeria;

3. Amendment of Section 7 of the Principal Act

Section 7 of the Principal Act is amended by substituting "one of the Deputy Governors nominated by him" with the words " the most Senior Deputy Governor as follows

"7(1) the Governor or in his absence, **the most Senior Deputy Governor** shall take charge of the day to day management of the Bank and shall be answerable to the Board for his acts and decisions."

4. Amendment of Section 9 of the Principal Act

Section 9 of the Principal Act is hereby amended by including a new subsection 2 and retaining the existing section as Subsection 1 and it shall altogether read as follows:

"9(1) The Governor and 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 time 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 Boards 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;**
- (c) become Director of any corporation in Nigeria under section 31 of this Act in which the Bank may participate.**

9(2) Notwithstanding the Provisions of this Act or any written law in existence, the Governor and the Deputy Governor of the Bank shall not participate directly or indirectly in partisan politics, nor contest any election, during their tenure in office."

5. Amendment of Section 13 of the Principal Act

Section 13(2) Principal Act is hereby amended by removing the words "a Deputy Governor designated by him, to the most Senior Deputy Governor" as follows

"13(2) The Governor shall preside at every meeting of the Board and in his absence, the most senior Deputy Governor shall preside at such meeting"

6. Amendment of Section 14 of the Principal Act

Section 14(6) of the Principal Act is hereby amended by inserting the words "in consultation with the National Salaries, Income and Wages Commission" immediately preceding "by the Board" as follows:

"14(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 in consultation with the National Salaries, Income and Wages Commission"

7. Amendment of Section 20, by inserting Section 20A immediately after the existing section 20, before the existing section 21.

"20A PROHIBITION OF THE USE OF FOREIGN CURRENCY IN DOMESTIC TRANSACTIONS"

"(1) No person or body corporate shall use any foreign currency as a means of exchange for goods, services and other transactions in market overt, supermarkets, hotels, restaurants, airports and other places of business in Nigeria except by a Bank, licensed Bureau De Change and other financial institutions

duly authorized by the Central Bank of Nigeria to trade, deal and use such currency and no individual or business entity in Nigeria shall advertise, denominate or price its goods or services in any currency other than the Nigerian Naira and Kobo.

(2) Any person who contravenes subsection (1) of this section commits an offence and shall be liable on conviction to:

(a) in the case of an individual, to a fine of Two Hundred and Fifty Thousand Naira or a term of imprisonment not exceeding six months or both such fine and imprisonment;

(b) in the case of a corporate entity to a fine of N 1,000,000 and a conviction of three months to its officers or directors who authorized or undertook the transaction"

8. Amendment of Section 32(1) of the Principal Act

Section 32(1) of the Principal Act is amended by inserting the words "notwithstanding anything contained in the Fiscal Responsibility Act 2007" before the words "The Bank may" and it shall read as follows:

"32(1) Notwithstanding anything contained in the Fiscal Responsibility Act, 2007, 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 powers or the discharge of its duties under this Act"

9. Citation

This Bill may be cited as the Central Bank of Nigeria (Establishment) (Amendment) Bill 2023

EXPLANATORY MEMORANDUM

This Bill may be aimed at amending the Central Bank of Nigeria (Establishment) Act 2007 to allow for greater accountability and transparency in the running of the Central Bank and to prohibit the use of foreign currency in local transactions in Nigeria.