

**CENTRAL BANK OF NIGERIA ACT (AMENDMENT) BILL 2015.**

**ARRANGEMENT OF SECTIONS**

1. **Amendment of the CBN Act, Cap C 4 LFN 2007**
2. **Amendment of section 26 of the Principal Act**
3. **Amendment of section 38 of the Principal Act**
4. **Short Title**

# A BILL

## FOR

AN ACT TO AMEND THE CENTRAL BANK OF NIGERIA ACT, CAP. C4 LFN, 2007 TO ENHANCE THE POWERS OF THE BANK TO PROHIBIT TRANSACTIONS WITH FOREIGN CURRENCIES IN NIGERIA; ENSURE TRANSPARENCY AND ACCOUNTABILITY IN THE OPERATIONS OF THE BANK, AND SUBJECT THE BANK'S BUDGET AND INTERVENTION ADVANCES TO THE APPROVAL OF THE NATIONAL ASSEMBLY AND FOR OTHER MATTERS CONNECTED THEREWITH

*Sponsored by Sen. Rose Oko*

[ ] Commencement

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

1           1. The Central Bank of Nigeria Act, Cap. C4, Laws of the  
2 Federation of Nigeria, 2007 (hereinafter referred to as the principal Act) is  
3 amended as set out in this Act.

4           2. Section 26 of the Principal Act is amended by inserting a new  
5 section 26A as follows:

6           26A.(1) The Bank shall prohibit the use of any foreign currency as  
7 a means of exchange for goods, services and other transactions in market  
8 overt, super markets, hotels, restaurants, airports and other places of  
9 business in Nigeria except by a Bank, Bureau De Change and other  
10 Institutions duly licensed by the Central Bank of Nigeria to trade, deal and  
11 use such foreign currency and no individual or business entity in Nigeria  
12 shall advertise, denominate or price its goods or services in any currency  
13 other than the Nigerian Naira.

14           (2) Subject anybody who contravenes subsection (1) above to  
15 prosecution by a competent court and on conviction shall be liable to a term  
16 of imprisonment not exceeding three months or to a fine of 50,000.00.

1           (3) And by defining a Court under section 60 of the Principal Act to  
2 mean the “Federal High Court.”

3           3. Section 38 of the Principal Act is amended by inserting a new  
4 section 38A immediately thereafter as follows:

5           38A (1) Notwithstanding the provisions of the generality of sections  
6 29 and 38 of this Act, no grant or advances of any form shall be granted to the  
7 federal government, states, federal government ministries, agencies,  
8 parastatals or whatsoever name called, for whatever purposes, except as  
9 approved by the National Assembly in the Annual Appropriation Act,  
10 Supplementary Appropriation Act or any other appropriation or approval  
11 however.

12           (2) Subject to the provisions of the Fiscal Responsibility Commission  
13 Act and any other relevant legislation on that behalf, the Bank shall submit its  
14 annual budget and any other documents required by other laws to the National  
15 Assembly for consideration and approval at the time of consideration of the  
16 Appropriation Bill.

17           (3) All proposals for grant or advances whether from federal  
18 government, states or any ministry, agency or parastatal of the federal  
19 government or state, shall upon receipt by the Bank be forwarded to the  
20 National Assembly for approval.

21           (4) On receipt of the proposal, the National Assembly shall, within 30  
22 days from the date of receipt of that proposal, consider the propriety or  
23 otherwise, of granting the said advances, having considered-

24           (a) the total sum proposed for disbursement

25           (b) the purpose of the proposed advances, and

26           (c) the amortization or repayment period.

27           (5) The resolution of the National Assembly with regard to sub-  
28 section (4) above, shall be forwarded to the Bank within 5 days from the day it  
29 was passed, provided however, that the National Assembly shall not approve  
30 any advances, where there is outstanding sum yet unpaid, by the proposed

---

1 beneficiary as provided under section 38 of the Principal Act.

2           4. This Bill may be cited as the Central Bank of Nigeria Act   Citation  
3 (Amendment) Bill 2015.

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Central Bank of Nigeria Act, Cap. C4 LFN, 2007 to prohibit transactions in Nigerian markets and other places of business with any foreign currency to consolidate the Naira, and raise its status as dominant currency authorized for transactions in Nigeria, and means of exchange in international currency exchange bureau; while ensuring transparency and accountability in the operations of the Bank. The Bill also seeks to ensure that the Bank's Budget and Intervention Advances are approved by the National Assembly.