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CIRCULAR TO ALL BANKS AND OTHER FINANCIAL INSTITUTIONS

THE REVISED GUIDELINES FOR BLACKLISTING FOR BANKS AND OTHER FINANCIAL INSTITUTIONS IN NIGERIA

In exercise of its powers as enshrined in Section 47 of the Banks and Other Financial Institutions Act 2020 (BOFIA), the Central Bank of Nigeria (CBN) hereby issues the revised Guidelines for Blacklisting for Banks and Other Financial Institutions in Nigeria.

This Guidelines supersedes the "Review of Operational Guidelines for Blacklisting" issued by the CBN, dated June 28, 2016.

Accordingly, all banks and other financial institutions are hereby required to immediately comply with the provisions of the Guidelines.

A handwritten signature in blue ink, appearing to read "Adedeji", written over a circular stamp or seal.

DR. ADETONA S. ADEDEJI
AG. DIRECTOR OF BANKING SUPERVISION



CENTRAL BANK OF NIGERIA



REVISED GUIDELINES FOR BLACKLISTING FOR BANKS AND OTHER FINANCIAL INSTITUTIONS IN NIGERIA

MARCH 2024

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ACRONYMS



AML/CFT/CPF	Anti-Money Laundering, Combating the Financing of Terrorism and Combating Proliferation Financing
BOFIA	Banks and Other Financial Institutions Act
BVN	Bank Verification Number
CBN	Central Bank of Nigeria
DC	DC
ECO	Executive Compliance Officer
FI	Financial Institution
IRP	Independent Review Panel
MD/CEO	Managing Director/Chief Executive Officer
NDPA	Nigerian Data Protection Act
NIN	National Identity Number
OFI	Other Financial Institution

1.0 INTRODUCTION

In exercise of the powers conferred on the Central Bank of Nigeria (CBN), under the Central Bank of Nigeria Act, 2007 (CBN Act), and the Banks and Other Financial Institutions Act (BOFIA) 2020, the CBN hereby issues the Revised Guidelines for Blacklisting for Banks and Other Financial Institutions (OFIs) in Nigeria.



The Guidelines were reviewed to reflect changes in the business environment in line with legal and regulatory requirements, and to provide a guide to blacklisting individuals in Banks and OFIs pursuant to the provisions of Section 47 of BOFIA 2020.

The scope of offences in the Guidelines is redefined to ensure consistency in reporting qualifying offences. Furthermore, the Guidelines introduce a second level review of the process for blacklisting to ensure transparency, accountability and fair hearing. Financial Institutions (FIs) are required to develop clear policies and procedures for blacklisting, in line with the provisions of the Guidelines. Returns on individuals dismissed or terminated for miscellaneous offences shall be rendered separately in compliance with Section 47(8) of BOFIA 2020.

This Guidelines supersedes the “Review of Operational Guidelines for Blacklisting” dated June 28, 2016.



2.0 SCOPE

The Guidelines prescribe the procedure for blacklisting for banks and other financial institutions as provided in BOFIA, 2020. Furthermore, where applicable, employees (core and contract) of FIs shall be subjected to the procedure for blacklisting as outlined in this Guidelines.

3.0 BLACK BOOK FOR NIGERIAN FINANCIAL INSTITUTIONS

A database of blacklisted individuals (Black Book) for FIs shall be maintained by the CBN. Any individual whose name is listed in the Black Book is barred from holding any employment in any FI in Nigeria in line with section 47 of BOFIA, 2020.

4.0 OBJECTIVES OF THE BLACKBOOK

The objectives of the black book are to:

- i. Prevent fraudulent and discredited individuals from being recycled within the financial system.
- ii. Ensure that only individuals with credible references are employed within the financial system.
- iii. Serve as deterrent from committing fraudulent/dishonest acts.
- iv. Hold accountable, individuals that fail to meet the expected standards of integrity and professionalism required of bankers.
- v. Ensure operational compliance by banks and other financial institutions with Section 47 of BOFIA 2020.

5.0 INTERNAL POLICY ON BLACKLISTING

FIs are required to develop clear policies and procedures for blacklisting, in line with the provisions of this Guidelines. These policies are subject to the approval of the CBN and shall be communicated clearly to all employees of the FI.



6.0 INDEPENDENT REVIEW PANEL

For the purpose of this Guidelines, there shall be an Independent Review Panel (IRP) that would conduct a second level review and validation of the decisions of the FIs. This Panel shall be under the purview of the Ethics and Professionalism Sub-committee of the Bankers' Committee and shall meet on a monthly basis.

7.0 CONDITIONS FOR BLACKLISTING

FIs shall blacklist any individual who has been indicted by an administrative or investigative panel, sanctioned by any domestic/international body or convicted by a court of competent jurisdiction to have committed any of the under listed offences:

- i. Fraud;
- ii. Forgery;
- iii. Insider abuse;
- iv. Conflict of interest;
- v. Breach of Fiduciary Duty;
- vi. Violation of relevant sections of extant Banking regulations and laws;
- vii. Deliberate breach of confidentiality and misuse of information;
- viii. Relevant offences as prescribed in the AML/CFT/CPF laws and regulations in Nigeria;
- ix. Misrepresentation of Facts;
- x. Criminal breach of Trust offenses;
- xi. Misconduct that affects the stability of the financial system; and
- xii. Any other offence as may be prescribed by CBN from time to time.

Blacklisting decisions must be based on objective criteria other than, miscellaneous offences, personal bias or prejudice. FIs shall ensure that their blacklisting practices do

not discriminate against any particular individual. FIs should take into cognizance the following;



- i. The intent and level of involvement of the individual member.
- ii. The level of harm caused to the institution or its customers.
- iii. Availability of concrete/established evidence.

8.0 PROCEDURE FOR BLACKLISTING

8.1 Blacklisting by FIs

In order to ensure fairness and accountability, FIs shall adhere to the following procedure before the decision to blacklist an individual:

- i. Where an alleged offence as outlined in this Guidelines is discovered/reported/made against an individual, an investigation shall be conducted by the FI to determine the veracity of the allegations.
- ii. Upon verification of the existence of grounds for blacklisting, the FI shall notify the affected individual in writing, of the allegations timeously and he/she shall be required to respond to the allegations within 14 days from the receipt of the notification.
- iii. Upon receipt of the individual's response, a Disciplinary Committee (DC) shall be setup to review the matter.
- iv. The individual shall be invited by the DC to present evidence that may aid in his/her defense. This invitation shall be received within 14 days prior to the sitting of the committee.
- v. Where an individual fails to appear before the DC after invitation, without any written notice stating the reasons for not appearing, the DC shall proceed with the process. However, where the individual has justifiable reasons for not appearing, the DC shall extend the invitation for a reasonable period that may allow the individual to appear.



- vi. Based on the evidence presented during the hearing, the DC shall make a decision regarding the individual.
- vii. If the individual is indicted, the case shall be referred to an IRP for further review and validation.
- viii. In the course of the review, the IRP is at liberty to invite parties or call for any evidence presented at the sitting of the DC.
- ix. The decision(s) of the DC and the IRP shall be communicated to the individual involved.
- x. Where there is a conflict between the decisions of the DC and IRP, the decision of the IRP shall prevail.
- xi. The above procedure shall also apply to individuals who have resigned prior to discovery of an eligible offence.

8.2 Blacklisting by the CBN

Notwithstanding the above, the CBN shall blacklist any Director, Manager or Officer of a FI for offences committed in line with Section 49 of BOFIA 2020.

9.0 REPORTING REQUIREMENTS TO THE CBN

FIs shall report individuals indicted for any of the offences listed in Section 8.0 of this Guideline to the CBN.

9.1 Reporting Procedures

FIs shall forward monthly returns on blacklisted individual(s) to the CBN on or before the 5th day of every month. The returns shall be accompanied by:

- i. A declaration that due process was followed before arriving at the decision, signed by the Managing Director (MD) and Executive Compliance Officer (ECO) or any officer acting in that role in the FI.
- ii. A copy of the DC and IRP reports.

- iii. Evidence of notification of allegation and invitation of the individual to the DC.
- iv. Evidence of communication of the decision of the DC and the IRP to the individual.



Where there are no blacklisted individual(s) for the reporting period, the FI shall render a nil return.

9.2 Returns on Miscellaneous Offences

Returns on termination and dismissal for miscellaneous offences shall be rendered in line with section 47(8) of BOFIA 2020. Miscellaneous offences refer to offences that do not fall within the scope of offences as prescribed in Section 8.0 of this Guidelines.

9.3 Format of the Return

The return shall be in excel format and at a minimum, contain the following information:

- i. The names of the person(s) involved (which should be written in full without any abbreviation);
- ii. Date of birth;
- iii. State of Origin;
- iv. Local Government of Origin;
- v. Gender;
- vi. Bank Verification Number (BVN);
- vii. National Identity Number (NIN);
- viii. Nationality and Passport Number (for foreigners);
- ix. Email;
- x. Phone Number;
- xi. Designation/Status;
- xii. Type of engagement (core or contract);
- xiii. Date engaged;

- xiv. Date of offense;
- xv. Date disengaged;
- xvi. Date blacklisted; and
- xvii. Reason(s) for blacklisting.



Upon receipt of the returns, the CBN shall:

- i. Establish that the offence committed is a qualifying offence for blacklisting.
- ii. Review the documents and establish that due process was followed.
- iii. The Director of Banking Supervision upon confirmation shall subsequently approve the person(s) to be included in the Black book register.

10.0 DELISTING FROM THE BLACK BOOK

A blacklisted person shall be delisted by the CBN upon:

- i. Receipt of a valid Court Order, absolving the individual from liability for the alleged offence for which he/she was blacklisted,
- ii. Request for reconsideration from the FI to delist and CBN's approval of the application, or
- iii. Request for reconsideration from an individual, blacklisted by the CBN in line with Section 9.2 of this Guidelines and CBN's approval of the application.

11.0 APPLICATION FOR RECONSIDERATION

Where there is new evidence or facts that may alter the decision already made, an application can be made to the CBN, for reconsideration.

11.1 For individuals blacklisted by FIs

- i. The DC of the affected institution shall review the case and refer the outcome to the IRP for validation.



- ii. The FI shall seek the approval of the CBN to delist if it is determined that the individual is not culpable.
- iii. The CBN shall convey its approval to delist to the FI for onward communication to the affected individual.

11.2 For individuals blacklisted by the CBN

- i. The CBN shall review the application and delist the individual from the Black Book if not found culpable.
- ii. The CBN shall communicate its decision to delist or otherwise to the individual and notify the affected FI.

12.0 DATA PROTECTION AND PRIVACY

The users of this Guidelines shall take reasonable security and control measures in order to avoid unauthorized access or mismanagement of information in its database.

The CBN and FIs shall comply with the provisions of the Nigerian Data Protection Act (NDPA), 2023 and any data protection regulation as may be issued by relevant regulatory bodies from time to time.

13.0 ACCOUNTABILITY AND RESPONSIBILITY

The MD and the ECO of FIs shall:

- i. Monitor compliance with the requirements of this Guidelines and shall be held responsible for any breach.
- ii. Ensure rendition of monthly returns on blacklisted individual(s) to the CBN in the required format.
- iii. Attest that due process was followed before arriving at the decision to blacklist or delist.

Where the role of the ECO is not available in the FI, person(s) in charge of compliance shall assume the responsibility.



14.0 SANCTIONS

In line with Section 50 and 95 of BOFIA, 2020, FIs and responsible officers shall be sanctioned for:

- I. Failure to comply with any provisions of this Guidelines;
- II. Engaging in the practice of asking the indicted individual to resign without complying with the due process for blacklisting; and
- III. Any other act that could lead to avoidance of blacklisting.

15.0 EFFECTIVE DATE OF THE GUIDELINES

This revised Guidelines or any amendments made thereto shall take immediate effect.



GLOSSARY

- 1. Breach of confidentiality and misuse of information:** Unauthorized disclosure/ misuse of information of the customer and FI or any action that compromises the privacy and security of such information.
- 2. Breach of Fiduciary Duty:** Any action that breaches the legal and ethical obligation owed by employees of FIs to its customers and employers, including conflicts of interest, self-dealing, or unauthorized use of assets.
- 3. Conflict of Interest:** An activity or behavior that creates, or have the potential to create, conflicts between an individual's interest and the best interests of a FI or its customers.
- 4. Criminal breach of Trust offenses:** refers to misuse or misappropriation of property or assets entrusted to someone's care, custody, or control, such as cheating, dishonesty, conversion and embezzlement.
- 5. Disciplinary Committee:** refers to a committee within a FI charged with the responsibility of examining and adjudicating over fraudulent/dishonest cases by staff and ex-staff of the FI.
- 6. Financial Institutions:** Financial Institutions are entities that provide a wide range of financial services to individuals, businesses, and governments. They consist of Banks and Other Financial Institutions (OFIs) as prescribed in Section 57(1) (2) of BOFIA, 2020.
- 7. Forgery:** This refers to the act of creating, altering, or using false documents or information with the intent to deceive or mislead others.



- 8. Fraud:** For the purpose of this guideline, fraud refers to the intentional act of deception or dishonesty for personal or financial gain, with the intention to mislead or harm others.
- 9. Independent Review Panel:** This is a Panel under the purview of the Subcommittee on Ethics and Professionalism of the Bankers' Committee that conducts a second level review and validation of the decisions of the FIs.
- 10. Insider abuse:** refers to the misuse of privileged access and knowledge by individuals within a FI for personal gain or to cause harm.
- 11. Misrepresentation of Facts:** refers to the act of presenting information or statements that are untrue, misleading, or inaccurate with the intention to deceive or manipulate others.
- 12. Violation of extant Banking regulations and laws:** Non-compliance with relevant banking regulations and laws.