



CENTRAL BANK OF NIGERIA

REVISED GUIDELINES FOR THE REGISTRATION OF CASH-IN-TRANSIT AND CURRENCY PROCESSING COMPANIES IN NIGERIA

In order to enhance the efficiency and cost-effectiveness of currency management, facilitate the generation of fit Naira banknotes for payment, promote the use of shared facilities to drive down currency management cost, engender healthy competition among service providers and ensure product quality, integrity and standardization in Nigeria, the Central Bank of Nigeria (CBN) hereby mandates all companies, including Deposit Money Banks, who are desirous of providing currency distribution and/or currency processing services in Nigeria, either for themselves or for other Deposit Money Bank(s) to register with the Central Bank of Nigeria.

This update is in furtherance of the circular released by the Central Bank of Nigeria on the "Notice to Companies Providing Currency Sorting and Distribution Services and Deposit Money Banks providing these Services for themselves or other Banks in Nigeria", published on 14th December, 2009.

The requirements for registration are as follows:

1.0 CASH-IN-TRANSIT (CIT) OPERATIONS

- i. The company shall be duly incorporated in Nigeria.
- ii. The company shall be registered either for National or Regional Operations. For the purpose of these guidelines, a National CIT means a company registered to operate in all States of the federation, while a Regional CIT shall operate within the States of one (1) geo-political zone.
- iii. A company registered to operate as a National CIT shall:

- a. Have a minimum capital of ₦1 billion or such other amount as may be prescribed by the CBN from time to time.
 - b. Be entitled to establish offices in any State of the federation subject to approval by the CBN, for the purpose of carrying out its operations.
 - c. Be authorized to move cash in Naira and foreign currencies to any part of Nigeria.
- iv. A company registered to operate as a Regional CIT shall:
- a. Have a minimum capital of ₦500 million or such other amount as may be prescribed by the CBN from time to time.
 - b. Be entitled to establish offices in States within one (1) geo-political zone subject to approval by the CBN, for the purpose of carrying out its operations.
 - c. Be authorized to move cash in Naira and foreign currencies within one (1) geo-political zone.
- v. Any registered regional CIT shall be prohibited from establishing offices or carrying out operations in other geo-political zones.
- vi. All approved vehicles of registered service providers shall be captured in the Cash Activity Reporting Portal (CARP) and only vehicles captured in the database may be used for CIT services.
- vii. Promoters shall be private companies and/or individuals with proven integrity and experience in financial services (evidence required).
- viii. All promoters/directors shall present evidence of clearance from the relevant security agencies.
- ix. Evidence of insurance with a reputable Nigerian insurance company to cover the cash-in-transit and personnel.
- x. Evidence of transport agreement with cargo airlines for cash movements between cities serviced by airports.
- xi. Armoured vehicles shall have a six-sided minimum plate standard of not less than B3+ with separate compartments for currency and personnel; and fitted with run-flat tyres. All the armoured vehicles shall

have vehicle-tracking systems to monitor the location and security of the movement vehicles.

- xii. Evidence of liaison with the appropriate security agencies such as the NPF, DSS, ONSA, NCS, EFCC, NFIU etc.
- xiii. Upon registration, a CIT Company shall have a working agreement with the Nigerian Police Force to provide security back-up.
- xiv. Operational and procedure manuals, detailing processes from the receipt of orders to execution and full documentation on all transactions shall be maintained by the CIT Company. This must be in line with the Central Bank of Nigeria (Anti-Money Laundering & Combating the Financing of Terrorism in Banks and Other Financial Institutions) Regulations, 2013.
- xv. The roles and responsibilities of the representatives of customers should be clearly stated in the Service Level Agreements.
- xvi. The CIT company shall have in place a Tariff for both intra- and inter-city cash movements and for air, rail and road movements.
- xvii. The CBN shall enforce the implementation of these guidelines on CIT operations for all players.
- xviii. The CIT company shall provide proposals on how to mitigate risks arising from the following:
 - a. **Operational risks:** These relate to exposure to losses occasioned by diversion of movement to areas not intended, accident, theft, non-compliance with security requirements, attacks, fire, information leakage, collusion, unavailability of surveillance systems and technical workshop etc. All service providers should ensure adequate security and insurance of their premises, vaults and currency movements.
 - b. **Reputational risks:** These entail integrity and building confidence in the correctness of the currency being moved, efficiency of operations, obedience to traffic rules and regulations, respect for other road users and reduction in noise pollution caused by the blaring of sirens, satisfactory references

on employees from reputable organizations and individuals, backed by adequate guarantees.

- c. **Technology risks:** Ensuring the deployment of the appropriate armoured vehicles with the appropriate anti-ballistic properties, reducing the incidence of breakdown during movement operations, ensuring the safety of cash-in-transit after attack etc.

2.0 CURRENCY PROCESSING COMPANIES (CPC) OPERATIONS

- i. The company shall be incorporated in Nigeria.
- ii. The company shall be registered either for National or Regional Operations. For the purpose of these guidelines, a National CPC means a company registered to operate in all States of the federation, while a Regional CPC shall operate within the States of one (1) geo-political zone.
- iii. A company registered to operate as a National CPC shall:
 - a. Have a minimum capital of ~~N~~3 billion or such other amount as may be prescribed by the CBN from time to time.
 - b. Be entitled to establish offices in any State of the Federation subject to approval by the CBN, for the purpose of carrying out its operations.
 - c. Be authorized to process cash in Naira and foreign currencies to any part of Nigeria.
- iv. A company registered to operate as a Regional CPC shall:
 - a. Have a minimum capital of ~~N~~2 billion or such other amount as may be prescribed by the CBN from time to time.
 - b. Be entitled to establish offices in States within one (1) geo-political zone subject to approval by the CBN, for the purpose of carrying out its operations.
 - c. Be authorized to process cash in Naira and foreign currencies within one (1) geo-political zone.
- v. Promoters shall be private companies and/or individuals with proven integrity and experience in currency sorting operations,

- financial services, currency processing systems, sales and maintenance (evidence and proficiency required).
- vi. All promoters/directors shall present evidence of clearance from the relevant security agencies.
 - vii. The company shall have adequately secured vaults, either owned or leased. The vaults shall be located in secured areas with adequate parking space and easy accessibility. The vaults shall meet the minimum requirements of the CBN in terms of location, area, size, doors (minimum of 1.97 metres in length and breadth 0.9 metres) and loading bays (length: 9.144 metres, breadth: 3.458 metres and height: 4.5 metres).
 - viii. The company shall demonstrate enough commitment to acquire its own vaults in the future where it operates in leased vaults.
 - ix. All vaults used by the service providers, either leased or owned shall meet CBN minimum requirements for space adequacy, loading bay specification, accessibility and security (both electronic and physical) etc.
 - x. The company can operate from a single location at the initial stage, but it shall demonstrate ability and commitment to expand the scope of its operations, upgrade its processing systems, information and communication technology.
 - xi. The company shall provide evidence of technical support from manufacturers of currency processing systems to ensure continuous and un-interrupted operations.
 - xii. The company shall provide evidence of insurance with a reputable Nigerian insurance company to cover cash and personnel.
 - xiii. The CBN shall enforce the implementation of these guidelines on CPC registration and operations for all players.
 - xiv. The company shall provide proposals/measures to mitigate risks inherent in currency processing:
 - a. **Operational risks:** such as weak internal control processes/systems to control fraud, theft, deployment of inappropriate processing systems, security of currency held in the vaults, humidity and dust in the vaults, fire outbreak etc.

- b. **Reputational risks:** such as shortages, counterfeit, non-compliance with fitness standards, unsecured bank deposits, poor service delivery etc.
 - c. **Technological risks:** such as system failure, data theft, deployment of obsolete information and communication technology, processing systems and unsecured cyber space.
- xv. The processing systems deployed by the service providers shall be programmable and adaptable to conform to the sorting standards as advised by the CBN from time to time, in line with its Clean Notes Policy.

3.0 COMPANIES PROVIDING BOTH CASH-IN-TRANSIT AND CURRENCY PROCESSING SERVICES IN NIGERIA (CO-LOCATION)

All companies providing both cash-in-transit and currency processing services shall meet all the requirements for registration as specified under Cash-in-Transit and Currency Processing operations.

In addition, companies registered to operate both National CPC and CIT shall have a minimum capital of **₦4.0 billion** or such other amount as may be prescribed by the CBN from time to time, while companies registered to operate both Regional CPC and CIT shall have a minimum capital of **₦2.5 billion** or such other amount as may be prescribed by the CBN from time to time.

4.0 DEPOSIT MONEY BANKS PROVIDING CURRENCY PROCESSING AND DISTRIBUTION SERVICES

Deposit Money Banks desirous of providing currency processing and distribution services shall jointly (two or more banks) float a subsidiary company. The subsidiary company(ies) shall meet all these registration requirements and be subject to the regulatory and supervisory framework of the CBN.

5.0 REGISTRATION OF PROSPECTIVE COMPANIES

All prospective companies shall meet the registration requirements and

be duly registered by the CBN before the commencement of operations in Nigeria.

6.0 SANCTIONS

Operating Without Registration: Any private company and/or individual(s) operating without a valid registration issued by the CBN shall have the facility closed, and in addition the promoters shall be handed over to appropriate law enforcement agencies for prosecution.

7.0 METHOD OF SUBMISSION OF APPLICATION FOR REGISTRATION

Applications for registration shall be submitted to:

**The Director,
Currency Operations Department,
Central Bank of Nigeria,
Plot 33, Abubakar Tafawa Balewa Way,
Central Business District,
Abuja.**