



CENTRAL BANK OF NIGERIA

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To: ALL AUTHORISED DEALERS AND THE GENERAL PUBLIC

PORTFOLIO INVESTMENT IN NIGERIA

RE: AMENDMENT OF MEMORANDUM 21 OF THE FOREIGN EXCHANGE MANUAL

In the continued effort to encourage portfolio investment in Nigeria, Resident Nigerian nationals and/or companies who inflowed foreign currency through an Authorized Dealer are henceforth allowed to invest such funds in money market instruments, bonds and equities.

Accordingly, the provision of Memorandum 21 of the Foreign Exchange Manual on the subject is hereby amended as follows:

"A resident/ non- resident Nigerian national and/or entities and foreign national or entity may invest in Nigeria by way of purchase of money market instruments such as Commercial Papers, Negotiable Certificates of Deposits, Bankers Acceptances, Treasury Bills, etc subject to the following documentation requirements".

- a. Tested SWIFT message evidencing the remittance of funds;
- b. Board resolution of the local beneficiary authorizing the investment (in the case of a company);
- c. Purpose of capital importation specified in the SWIFT message
- d. Evidence of incorporation where applicable.

Procedure for Resident/non-resident Nigerian nationals and companies investing in Portfolio investment

- i. The prospective investor appoints a local bank or broker as an agent to purchase the instruments
- ii. The funds for the investment are transferred electronically to a designated bank
- iii. On receipt of the funds, the bank issues the investor with a Certificate of Capital Importation within 24 hours.
- iv. Authorized Dealer shall keep separate records of the investment and render returns to CBN in format that will be advised from time to time;
- v. With the certificate, the investor through the bank or broker enters the market; invests in any instrument of his choice;
- vi. If at any point in time the investor wants to divest, he shall go back to the bank with the following documents:-
 - a) Certificate of Capital Importation
 - b) Evidence of redemption of the money market instrument.

For the avoidance of doubt, only funds inflowed thorough Authorized Dealer by resident/non-resident Nigerian nationals and companies specifically for purpose of investment shall be eligible. Consequently, balances on exports domiciliary and ordinary domiciliary accounts shall not be eligible for the investment.



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