Central Bank of Nigeria

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TED/FEM/FPC/PUB/001/005 Date: July 15, 2026

TO ALL AUTHORISED DEALER BANKS AND BUREAU DE CHANGE OPERATORS

GUIDANCE ON THE PURCHASE OF FOREIGN EXCHANGE BY BUREAU DE CHANGE OPERATORS THROUGH AUTHORISED DEALER BANKS IN THE NIGERIAN FOREIGN EXCHANGE MARKET (NFEM)

All Authorised Dealer Banks and Licensed Bureau De Change (BDC) Operators are hereby informed that, further to the Circular dated 10 February 2026 for BDCs to access foreign exchange from the Nigerian Foreign Exchange Market (NFEM) through Authorised Dealer Banks of their choice, the CBN has issued detailed Regulatory Guidance and Operational Modalities to facilitate seamless implementation of the framework and support sustained liquidity in the retail segment of the foreign exchange market.

The Guidance announces the implementation of the electronic portal to facilitate the interaction between BDCs and the NFEM and outlines, among others, the eligibility requirements for participating BDCs, purchase request procedures, confirmation and settlement processes, reporting obligations, weekly purchase limits, treatment of unutilized balances, and compliance responsibilities of Authorised Dealer Banks and BDC operators.

Accordingly, all Authorised Dealer Banks and licensed BDCs are required to familiarise themselves with and comply strictly with the attached Regulatory Guidance and Modalities with immediate effect. The framework is intended to enhance transparency, efficiency, market liquidity, and orderly participation in the retail segment of the NFEM.

Please note that violations of the provisions of the Circular and the attached Guidance shall attract appropriate regulatory sanctions.

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Aderinola Shonekan
Director, Trade & Exchange Department

SCOPE OF APPLICATION

These modalities apply to:

- All Bureau De Change operators duly licensed by the Central Bank of Nigeria.
- All banks holding Authorised Dealer status granted by the CBN.
- All transactions for the purchase and sale of foreign exchange between BDCs and Authorised Dealers through the NFEM, effective from the date of the Circular.

BDC ELIGIBILITY AND PRE-QUALIFICATION

Only BDCs in possession of a valid and subsisting CBN licence shall be entitled to access foreign exchange under this framework. BDCs under regulatory sanction, whose licences are suspended, or whose operating conditions have been restricted by the CBN, are excluded from participation until such restrictions are lifted.

KYC and Due Diligence by Authorised Dealers

Prior to executing any foreign exchange transaction with a BDC, the Authorised Dealer Bank must:

1. Complete full Know-Your-Customer (KYC) documentation and Customer Due Diligence (CDD) on the BDC client in accordance with CBN KYC/AML/CFT Regulations and the Bank's internal risk management framework.

2. Obtain and retain the BDC's current license certificate, tax identification number (TIN), Corporate Affairs Commission (CAC) incorporation documents, beneficial ownership information, and current contact details of principal officers.

3. Perform risk-based Enhanced Due Diligence (EDD) where the BDC presents a higher risk profile.

4. Update KYC records at least annually or immediately upon any material change in BDC ownership, directorship, or operating status.

No foreign exchange shall be disbursed to any BDC that has not satisfied the Bank's KYC and due diligence requirements.

PURCHASE REQUEST PROCESS — BDC TO AUTHORISED DEALER BANK

The CBN shall maintain a centralised portal, the FX BDC Purchase Tracker (FXBT) to which all BDCs shall be registered and submit real-time or same-day data on BDC purchases, enabling systemic compliance and oversight.

Consistent with the CBN Circular, every licensed BDC is entitled to approach any Authorised Dealer Bank of its choice for the purpose of purchasing foreign exchange from the NFEM. No Authorised Dealer Bank shall impose exclusivity arrangements, referral fees, or any condition that restricts a BDC's freedom to select its preferred counterparty bank.

A BDC wishing to purchase foreign exchange shall submit a Purchase Request electronically via the Bank's designated portal (FX Purchase Tracker Portal) to the chosen Authorized Dealer Bank, ensuring all mandatory fields are adequately completed. BDCs are allowed to make multiple requests weekly, subject to any maximum permissible caps that may be prescribed by the CBN.

AUTHORISED DEALER BANK — CONFIRMATION PROCEDURE

Upon receipt of a purchase request, the Authorised Dealer Bank shall:

Acknowledge receipt of the request to the BDC within two (2) business hours of receipt and confirm Succes or Rejection of the request to the BDC through the portal immediately

Confirmation Notice

Where the Bank approves the request, the BDC shall receive Confirmation of the request via the portal

Rejection Notice

- Where the Bank rejects the request, the Rejection Notice shall state the specific reason(s) for rejection. Permissible grounds for rejection include: incomplete KYC, the BDC having already reached the weekly USD 150,000 cap at another bank, unresolved compliance flags, or internal risk considerations. Rejection notices must be adequately captured on the portal.

SETTLEMENT AND DISBURSEMENT

All settlement of foreign exchange transactions between BDCs and Authorised Dealer Banks, and between BDCs and their end-user customers, shall be conducted exclusively through accounts held with licensed financial institutions. BDCs must maintain dedicated foreign exchange settlement accounts, the details of which shall be disclosed to the Authorised Dealer Bank and registered with the CBN.

Prohibition of Third-Party Transactions

Third-party transactions are strictly prohibited. Foreign exchange purchased by a BDC shall be credited only to the BDC's registered settlement account. Disbursement to any account other than the BDC's own registered account shall constitute a regulatory violation and shall be reported immediately to the CBN.

UNUTILISED FOREIGN EXCHANGE BALANCES

BDCs are not permitted to retain in their positions any foreign exchange purchased from the NFEM that remains unutilised. All unutilised balances shall be sold back to the NFEM market within twenty-four (24) hours of the expiry of the utilisation period. Failure to comply shall attract regulatory sanctions including but not limited to forfeiture of the unutilised balance and suspension of the BDC's NFEM access.

BDCs shall disclose any unutilised balance from the prior week in each new purchase request submission. Authorised Dealer Banks shall factor disclosed unutilised balances into their weekly cap calculations.

REPORTING OBLIGATIONS

INTERNAL

All licensed BDCs shall continue to submit electronic returns to the Central Bank of Nigeria, in the format prescribed by the CBN. Returns shall include:

- Total foreign exchange purchased during the week.
- Total foreign exchange sold to end users during the week, by transaction category.
- Unutilised balances carried forward and how they were disposed of.

Settlement breakdown (electronic vs. cash) for all customer transactions.

SANCTIONS AND ENFORCEMENT

Any violation of these Regulatory Modalities or the provisions of the CBN Circular TED/FEM/PUB/FPC/001/002 shall expose the defaulting party to the full range of sanctions available to the CBN under BOFIA 2020 and the Foreign Exchange Act, including:

- Monetary fines as prescribed in the CBN Regulatory Sanctions Schedule.
- Suspension of NFEM access for BDCs.
- Withdrawal or suspension of BDC licence.
- Revocation of Authorised Dealer status for banks found to be complicit in violations.
- Referral to law enforcement agencies where criminal conduct is suspected.

The CBN's Trade & Exchange Department shall have primary supervisory responsibility for monitoring compliance with these modalities. On-site and off-site examinations may be conducted jointly with Financial Markets Department and Development and Financial Institutions Supervisory Department without prior notice.

TRANSITIONAL PROVISIONS

BDCs that had previously established relationships with specific Authorised Dealer Banks may continue those relationships. However, from the effective date of the Circular, all transactions must conform to these modalities. Existing KYC records held by Authorised Dealer Banks must be reviewed to ensure compliance with the requirements of the Section above.

MISCELLANEOUS

For the avoidance of doubt, the 24-hour rule does include FX purchase from other autonomous sources

The existing BDC Guidelines issued by the CBN remain in full force and effect and shall apply to all transactions conducted pursuant to these modalities.

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