Central Bank of Nigeria

Development Finance Advisory Department
Plot 33, Abubakar Tafawa Balewa Way
Central Business District
P.M.B. 0187, Garki, Abuja-Nigeria.
Email: dfad@cbn.gov.ng
Website: www.cbn.gov.ng
Phone: +234 (0)817 665 7060

DFA/DIR/PUB/CIR/001/001 **9th April 2026**

CIRCULAR TO ALL BANKS, OTHER FINANCIAL INSTITUTIONS, FINANCIAL REGULATORS, NON-BANK FINANCIAL INSTITUTIONS, LAW FIRMS, PROFESSIONAL BODIES, ORGANIZED PRIVATE SECTOR AND THE PUBLIC

INVITATION FOR INPUTS ON THE DRAFT GUIDELINES FOR THE MEDIATION AND DISPUTE RESOLUTION PANEL (MDRP) FOR SECURED TRANSACTIONS IN MOVABLE ASSETS (STMA)

In furtherance of efforts to strengthen the financial ecosystem, ensure compliance with extant legislation, and enhance efficiency of financial intermediation through the Secured Transactions in Movable Assets (STMA) reforms, the Central Bank of Nigeria (CBN) is developing guidelines and modalities for the operation of a Mediation and Dispute Resolution Panel (MDRP).

For the avoidance of doubt, the STMA Act, 2017 established a MDRP as the first recourse for mediation and settlement over any civil dispute which may arise between the creditor and the grantor in the course of implementing the Act. It also mandates the Governor of the Bank to issue guidelines that will set out the modalities and regulate the functioning of the Panel, among others.

The MDRP is intended to provide a specialized, cost-effective platform for resolving disputes arising from creation, perfection and enforcement of security interests in movable assets.

The key objective of the MDRP guidelines is to establish a clear and standardized procedure for managing STMA-related disputes, while ensuring transparency, fairness and efficiency to bolster confidence in the secured transactions in movable assets system.

In line with the Bank's commitment for inclusive policymaking, we hereby invite you to review the draft guidelines and provide inputs and comments.

Comments should be submitted not later than **9th October 2026** to ncr@cbn.gov.ng. We look forward to receiving your valued feedback.

Yours faithfully,

P. I. Oluikpe
Ag. Director, Development Finance Advisory Department

CENTRAL BANK OF NIGERIA

GUIDELINES FOR THE OPERATIONS OF THE MEDIATION AND DISPUTE RESOLUTION PANEL FOR SECURED TRANSACTIONS IN MOVABLE ASSETS

AUGUST 2025

ABBREVIATIONS

ADR	–	Alternative Dispute Resolution
BOFIA	–	Banks and Other Financial Institutions Act 2020
CBN	–	Central Bank of Nigeria
CSR	–	Corporate Social Responsibility
MDRP	–	Mediation and Dispute Resolution Panel
NCR	–	National Collateral Registry
STMA	–	Secured Transactions in Movable Assets

Table of Contents

	Abbreviations	i
	Preamble	iii
1.0	Introduction	1
2.0	Objectives of the Mediation and Dispute Resolution Panel	2
3.0	Functions of the Mediation and Dispute Resolution Panel	3
4.0	Jurisdiction and Authority of the Panel	4
5.0	Membership of the Panel	5
	5.1. Appointment	5
	5.2. Composition of a Panel	5
	5.3 Disqualification	5
6.0	Roles and Responsibilities	7
	6.1 The Panel	7
	6.2 The Secretariat	7
	6.3 Parties in Dispute	8
	6.4 The CBN	8
7.0.	Mediation Procedures	9
	7.1 Nature of Dispute (Eligibility)	9
	7.2 Good Faith Attempts at Resolution	9
	7.3 Consent of Parties	9
	7.4 Reporting and Scheduling of Sittings	9
	7.5 Submission of Documents	10
	7.6 Documentation for Submission of Dispute	10
	7.7 Administrative Review and Proceedings	10
8.0	Sitting of the Panel	11
9.0	Mediation Settlement/ Award	12
	9.1 Interim and Partial Awards	12
	9.2 Award on Agreed Terms	12
	9.3 Settlement	12
	9.4 Enforcement of Award/Judgement	12
	9.5 Appeal of Awards	12
10.0	Ethics and Code of Conduct	14
	10.1 The Panel	14
	10.2 Parties	14
11.0	Funding of the Panel.	15
12.0	Interpretation	16
	Glossary of Terms	17

Preamble

The Governor of the Central Bank of Nigeria (CBN), in exercise of the powers conferred by the CBN Act 2007 (as amended), the Banks and Other Financial Institutions Act (BOFIA), 2020, and the Secured Transactions in Movable Assets (STMA) Act, 2017 hereby issues this Guidelines to set out the modalities and regulate the operations of the Mediation and Dispute Resolution Panel ("MDRP" or "the Panel")

1.0 Introduction

The Secured Transactions in Movable Assets Act, 2017 ("the Act") established a legal framework to facilitate the use of movable assets as collateral for credit, thereby improving access to finance for individuals and businesses. Section 41 of the Act provides for the establishment of the Mediation and Dispute Resolution Panel ("MDRP" or "the Panel") as the first recourse for mediation and settlement of civil disputes that may arise between a Creditor and a Grantor in the course of implementing the Act.

To operationalise this provision, the Act empowers the Governor of the Central Bank of Nigeria (CBN) to issue Guidelines setting out the modalities for the functioning of the Panel. The Act further stipulates that the Panel constituted for mediation shall comprise three (3) members.

These Guidelines are, therefore, issued pursuant to the powers conferred on the CBN Governor under the Act, to provide the procedures, rules, and operational standards for the MDRP. It is intended to promote transparency, fairness, and efficiency in dispute resolution, thereby enhancing confidence in the secured transactions framework and supporting the objectives of the STMA initiative.

2.0. Objectives of the Mediation and Dispute Resolution Panel

The broad objective of the MDRP is to establish a robust framework for resolution of disputes under the STMA Act 2017 through mediation, thereby contributing to a more efficient and reliable movable asset-based transactions regime.

The specific objectives of the Panel are to:

i. Settle civil disputes that may arise between transacting parties to movable asset-based lending using alternative dispute resolution (ADR) mechanisms.
ii. Safeguard the legal rights and interests of all parties involved in disputes by ensuring efficient, transparent, fair and equitable resolution of disputes.
iii. Conduct its proceedings in a manner that enhances stakeholders awareness of their rights, obligations and responsibilities under the Act.
iv. Maintain confidentiality of proceedings and information shared during mediation sessions to encourage open dialogue and resolution.
v. Facilitate timely resolution of disputes to minimize disruption and ensure continuity in movable asset-backed lending transactions.
vi. Promote consistency in dispute resolution outcomes, enhancing confidence in movable asset-backed lending transactions.

3.0 Functions of the Mediation and Dispute Resolution Panel

The MDRP shall perform the following functions:

i. Preserve relationships by providing a non-adversarial forum for resolution of disputes.
ii. Facilitate enforcement of security interests by clarifying the rights and responsibilities of the parties.
iii. Promote best practice by resolving disputes in a systematic and consistent manner.
iv. Deliver decisions within ninety (90) days of the first hearing of any petition before the Panel.
v. Facilitate implementation of the mutually acceptable solutions.

4.0. Jurisdiction and Authority of the Panel

i. The Panel shall, to the exclusion of any court of law or body in Nigeria, exercise first instant jurisdiction to hear and determine any dispute arising from the operation and application of the Act.

ii. In the exercise of its jurisdiction, the Panel shall have the power to interpret any law, rule or regulation as may be applicable to secured transactions in movable assets under the Act, and the United Nations Commission on International Trade Law (UNCITRAL)Model Law.

iii. All parties to a dispute before the Panel shall consent and submit to its jurisdiction.

vii. The Secretary shall not hold voting rights in the Panel

5.0 Membership of the Panel

5.1. Appointment

i. The CBN shall appoint 30 persons from whom panels shall be constituted, with each panel comprising 3 members.
ii. The members shall serve on a rotational basis for an initial term of four (4) years.
iii. Upon satisfactory performance, determined through an evaluation by the CBN, members may be reappointed for an additional term of four (4) years.
iii. The tenure for members shall not exceed two terms of four (4) years, which may not be consecutive.
iv. Members shall be professionals with a minimum of ten (10) years of relevant experience in any of law, banking, finance, mediation, arbitration, alternative dispute resolution, or financial regulation.
v. Members shall be persons of proven integrity, professional competence and sound judgement.

5.2 Composition of a Panel

i. A Panel shall comprise of three (3) members, one of whom shall serve as the Chairperson.
ii. The Panel shall be duly constituted if it consists of the Chairperson, a Panel member, and the Secretary.
iii. The sitting of Panel shall be deemed a constitution of the Panel.

5.3 Disqualification

Any of the 30 members shall be disqualified and cease to serve as a member if they are in breach of Sections 18 (1) and 47 (2) of the Banks and Other Financial Institutions Act (BOFIA) 2020, if he/she is:

a) of unsound mind or because of ill health is incapable of carrying out his duties;
b) declared bankrupt or has suspended payment or has compounded with his c
c) reditors including his bankers; or
d) convicted of any offence involving dishonesty or fraud; or
e) guilty of gross misconduct in relation to his duties; or
f) disqualified or suspended from practicing his profession; or

g) a director of a financial institution or any candidate directly involved in the management of a financial institution under the purview of the CBN which has been wound up by the Federal High Court.

6.0 Roles and Responsibilities

6.1 The Panel

i. The members shall ensure that all activities of the Panel align with this Guidelines.
ii. The members shall ensure that the mediation complies with relevant laws, regulations and ethical standards.
iii. The Chairperson shall assign tasks to the members of the Panel during the mediation process.
iv. The Chairperson shall represent the Panel in public engagements and/or designate any Panel member to represent the Panel.
v. The Panel shall reach a decision on the temporary and final awards of any mediation.

6.2 The Secretariat

The Secretariat shall serve as the administrative support office that manages the logistics, administration and documentation for the MDRP and its proceedings. The Secretariat shall:

i. Handle case management from initiation to resolution, including tracking progress, maintaining timelines, and coordinating between panel members and the disputing parties.
ii. Undertake reviews and administrative tasks related to mediation and dispute resolution.
iii. Schedule mediation sessions and ensure their timely conduct.
iv. Maintain all documentation and ensure accurate and secure records.
v. Serve as the primary point of contact for all parties, facilitating communication between disputants, panel members, and other interested stakeholders.
vi. Arrange logistics for the sitting of the Panel, including venue selection and the availability of necessary resources.
vii. Serve as the secretary during the sittings of the Panel.
viii. Manage the finances of the Panel.
ix. Be responsible for enquiries, correspondences, emails and other forms of communication on behalf of the Panel.
x. May advise on procedural matters only, without involvement in the merits of the dispute or how to resolve it.
xi. Continuously review the effectiveness of the MDRP Guidelines in achieving its objectives and recommend improvements when necessary.

6.3 Parties in Dispute

The parties in the dispute shall:

i. Submit to the Jurisdiction of the Panel for the resolution of their dispute.
ii. Comply with the mediation procedures provided by the Panel.
iii. Promptly provide accurate information and documentation as required by the Panel for the mediation.
iv. Reserve the right of appeal as prescribed in this Guidelines.
v. Reserve the right to opt out of the mediation not later than when submitting their first statement on the substance of the dispute.

6.4 The CBN

The CBN Governor is empowered to establish the MDRP and set out modalities for its operations. By virtue of the Provisions of the Act, the CBN is the driver of secured transactions in movable assets in Nigeria. Through the National Collateral Registry, it is responsible for the implementation of the Act and in furtherance of this:

i. the NCR shall refer disputes related to secured transactions in movable assets to the Panel;
ii. Provide the Panel with sufficient support and resources for continuous and efficient discharge of its duties; and
iii. Remunerate members of the Panel commensurate with their expected duties.

7.0. Mediation Procedures

7.1 Nature of Dispute (Eligibility)

i. The dispute shall be civil and within the scope of secured transactions in movable assets in line with the Act.

ii. A dispute shall be admitted for mediation after the parties to it have confirmed:

  a) The existence of a duly executed security agreement creating a security interest in a specified movable asset;

  b) The existence of a mediation clause in the security agreement, giving their consent to adopt MDRP as the first option in the event of dispute; and

  c) That the security interest was perfected on the NCR by the registration of a financing statement.

7.2. Good Faith Attempts at Resolution

Parties shall demonstrate that they had made efforts to resolve the dispute through other informal means such as negotiations before escalation to the Panel.

7.3. Consent of Parties

Parties shall agree to refer the dispute to the Panel as contained in the executed security agreement.

7.4. Reporting and Scheduling of Sittings

Disputes shall be reported and scheduled according to the following procedure:

i. An aggrieved party shall present/ submit a request for mediation to the Secretariat.

ii. The request shall contain a background description of the parties involved, the dispute and the context.

iii. Upon receiving the request for mediation, the Secretariat shall acknowledge such receipt within three (3) working days.

iv. The Secretariat shall notify all interested parties of the request for mediation (Notice of Mediation Request: Initiates the ADR process).

v. Submission of relevant documents for the case by all parties.

vi. Upon receiving documents for the case, the Secretariat shall review and assess completeness and eligibility for hearing.

vii. Where eligible for hearing, the reporting party shall be advised to make payment of applicable fees for the mediation which shall be disclosed to the parties at the confirmation of eligibility and shall be subject to periodic review by the CBN.

viii. The Secretariat shall schedule a sitting of the Panel for the subject dispute and make appropriate logistics and other necessary arrangement for the hearing.

ix. The Secretariat shall issue invitations to all parties to attend the sitting, and shall be scheduled in such a manner to allow sufficient notice for all parties in the mediation process to prepare and attend.

x. The agenda shall be circulated to all parties along with the invitation, and shall clearly outline the dispute(s), issue(s) and relief(s) sought.

xi. The Secretariat shall maintain accurate record of all documents submitted for the mediation process.

7.5. Submission of Documents

The relevant documents should be submitted through the following channel:

i. Online: through the Secretariat official online reporting portal.

ii. E-mail: through the designated e-mail address of the Secretariat.

iii. In-person: to the Secretariat office during working hours.

7.6. Documentation for Submission of Dispute

The following documents shall be submitted to the secretariat for consideration:

i. Duly executed security agreement relevant for the dispute.

ii. Certified true copy of the financing statement confirmation statement.

iii. Duly executed loan offer and acceptance letter(s).

iv. Statement of claim/ defence outlining the basis of the dispute and the relief sought.

v. Supporting documents to evidence the claim/ defence.

7.7 Administrative Review and Proceedings

The panel shall have the power to call for expert opinion and technical advice to determine a dispute.

8.0 Sitting of the Panel

i. A ten (10)-day notice shall be issued to relevant parties prior to sitting.

ii. The Panel shall sit at least once a month or as the need arises.

iii. Quarterly review meetings may be held to assess progress and address any backlog of cases or issues that may require further attention from the Panel.

iv. Physical, virtual or hybrid methods of sitting shall be adopted for mediation sessions, hearings and other interactions between panel members and other interested parties and proceedings shall comply with the Nigeria Data Protection Act, 2023.

v. Where the physical method of sitting is adopted, the Panel shall meet at a neutral location convenient for all parties involved in the mediation process or at the NCR Head Office/ Regional offices (if within the location).

vi. There shall be adequate security, confidentiality and privacy during physical meetings.

vii. The setting of the sitting room shall facilitate effective communication and ensure good rapport between parties.

viii. Where virtual method of sitting is adopted, the approved electronic platform must conform with the CBN Guidelines on Cybersecurity.

ix. Knowledge of the dispute: Parties shall ensure that their representatives to the Panel are knowledgeable about or familiar with the case at hand and can take decisions on their behalf.

x. Minutes: Records of the proceedings, in the form of minutes of the sitting of the Panel, including decisions taken, shall be circulated to all parties.

xi. Operations and procedures of the Panel shall not contravene the provisions of the Arbitration and Mediation Act, 2023.

xii. A Panel sitting shall be duly constituted if it consists of two Panel members, a Chairperson and the Secretary both appointed by the Secretariat.

9.0 Mediation Settlement/ Award

9.1 Interim and Partial Awards

i. The Panel may make interim or partial awards before rendering its final award on the dispute under consideration.

ii. Interim and/or partial awards of the Panel shall be enforceable before the courts and shall be enforced under an enforcement order issued by the Panel.

9.2 Agreed Terms

i. Where parties agree to a settlement bringing an end to the dispute amicably, before the final settlement/award is rendered, the Panel shall adopt the terms agreed by the disputing parties as the final award and the proceedings shall be discontinued.

ii. Such settlement/award in (i) above shall have the same effect in respect of the enforcement of the Panel's awards.

9.3 Settlement

i. Panel shall give its mediation award in the form of settlement or consent judgement, which shall be in writing and signed by the parties.

ii. A certified true copy of the decision of the Panel shall be made available to the parties upon request.

9.4 Enforcement of Award/ Judgement

i. The award shall be legally binding on the parties and enforceable in court as a consent judgment or consent award.

ii. The parties shall comply and implement the award within 30 days of pronouncement by the Panel.

iii. In the event of non-compliance and upon registration of a certified true copy of such award with the Chief Registrar of the Federal High Court by the Panel, the court may, by discretion, grant leave for such award to be enforceable as though it were a court judgement.

9.5 Appeal of Awards

i. Any party dissatisfied with the settlement of the Panel may appeal against such an award if it is on points of:
(a) law only; or
(b) mixed law and fact.

ii. An appeal against the award of the Panel at the instance of either party shall be to the Court of Appeal after a High Court reviews and sets aside the award on limited grounds.

iii. Without prejudice to the power of the Panel to review its own award, only parties who participated in the proceedings may appeal against the award.

iv. An appeal shall be filed within 30 days from the date a certified true copy of the award of the Panel is issued.

10.0 Ethics and Code of Conduct

10.1 The Panel

i. The Panel shall be impartial and independent.

ii. The Panel shall disclose any conflicts of interest in relation to the dispute under consideration.

iii. The Panel shall maintain confidentiality and not disclose any information in relation to the case under consideration except:

   a. required by law.
   b. the disclosure is agreed by the parties.
   c. for the purpose of the determination, implementation and enforcement of the awards.

iv. The Panel shall perform its duties thoroughly, expeditiously, equitably, diligently and with integrity, throughout the course of the proceedings.

v. The Panel shall not delegate its duty.

vi. The Panel shall not, directly or indirectly, incur any obligation or accept any benefit that would in any way interfere, or appear to interfere, with the proper performance of its duty.

vii. Any Panel member who withdraws or asks to be withdrawn prior to the completion of the mediation process shall take reasonable steps to protect the interests of the parties in the mediation process, including return of evidentiary materials and upholding confidentiality.

viii. The members of Panel shall be administered an oath of office by a Judge of Court of Competent Jurisdiction before the assumption of duty.

10.2 Parties

i. Parties to the dispute or their representatives shall make appearance at the time of mediation.

ii. Parties shall not cause or enable any disruption to the Panel proceedings, in any manner.

11.0 Funding of the Panel

There shall be three sources of funding for the Panel:

A. Statutory subvention from the CBN.
   i. The Secretariat shall periodically draw up a budget which shall consider the activities and duties of the Panel, its overhead and recurrent expenditure requirements, payroll of staff, etc.
   ii. The budget shall be submitted to the CBN, which shall provide the primary source of funding for the MDRP.

B. Administrative fees and charges received from disputing parties.
   i. The Secretariat shall draw up a schedule of fees/ charges which shall be applied to parties/ disputants who approach the MDRP for dispute resolution.
   ii. There shall be fees/ charges per claim for the following purposes:
      - Filing, and
      - Mediation Resolution.
   iii. The fees/charges are to be determined by the MDRP and subject to periodic review.

C. Receipts from donations, contributions and funding under Corporate Social Responsibility (CSR) from governmental and non-governmental agencies.

12.0 Interpretation

The terms defined herein are for the purpose of Mediation and Dispute Resolution for Secured Transactions in Movable Assets.

Glossary of Terms

Term	Definition
Alternative Dispute Resolution	A process for resolving disputes without resorting to litigation.
Banks and Other Financial Institutions Act 2020	An Act that governs the operations of financial institutions under the regulatory purview of CBN.
Borrower	A borrower is an individual or entity that receives credit with the legal obligation to repay it, under the terms of a security agreement.
Creditor	A person who grants a facility on the back of a security interest.
Corporate Social Responsibility	This refers to donations, contributions, and funding from corporate entities as outlined in funding provisions.
Financing Statement	The form on which information is provided to register a Security Interest on the collateral registry.
Grantor	A person that has rights in a collateral, and who grants any type of security interest (be it charge, chattel mortgage, pledge or lien) in a movable property.
Mediation and Dispute Resolution Panel	The Panel established under the STMA Act 2017 to mediate and resolve disputes.
Movable Asset	This consists of tangible assets (machinery, equipment, inventory, vehicles, livestock, crops, and consumer goods) and intangible assets (accounts receivable, intellectual property rights, bank accounts balances,

Term	Definition
	negotiable instruments, and shares), acceptable under the STMA Act 2017.
National Collateral Registry	The repository for security interests in movable assets.
Perfection	Submission or filing of a Financing Statement to the collateral registry, which gives priority right to the creditor on the security interest, in the event of default.
Security Agreement	An agreement between a creditor and a grantor, that creates a security interest in the collateral.
Security Interest	A property right in a collateral, that is created by a security agreement to secure payment and other performance obligations.
Secured Transactions in Movable Assets Act, 2017	The statute governing secured transactions in movable assets.