

**CORPORATE GOVERNANCE GUIDELINES FOR OTHER
FINANCIAL INSTITUTIONS IN NIGERIA**

**Central Bank of Nigeria
February 12, 2025**

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CORPORATE GOVERNANCE GUIDELINES FOR OTHER FINANCIAL INSTITUTIONS IN NIGERIA

INTRODUCTION

The Financial Reporting Council (FRC) of Nigeria in 2019 issued the Nigerian Code of Corporate Governance (hereinafter referred to as "NCCG 2018") as the single Corporate Governance Code for the country.

NCCG 2018 replaced all sectoral codes in Nigeria including the extant Code of Corporate Governance for Banks and Discount Houses in Nigeria issued by the Central Bank of Nigeria (CBN) in May 2014.

Following the pronouncement of the FRC, for sector regulators to issue sector-specific guidelines on corporate governance for institutions under their regulatory purview, the CBN has adapted the Principles and Recommended Practices of NCCG 2018 in developing this Guidelines for Other Financial Institutions in Nigeria (hereinafter referred to as "OFIs"), taking into account, the peculiarities of the OFI sub-sectors.

The CBN, pursuant to the provisions of Section 2(d) of the CBN Act 2007, and Sections 56(2) and 67(1) of the Banks and Other Financial Institutions Act (BOFIA 2020), hereby issues this regulation to be cited as the "Corporate Governance Guidelines for Other Financial Institutions in Nigeria".:

OBJECTIVES

The objectives of the Guidelines are to:

- a) provide additional guidance on the Principles, Recommended Practices and Responsibilities contained in NCCG 2018;
- b) outline industry-specific corporate governance standards for OFIs; and
- c) promote high ethical standards amongst operators, whilst enhancing public confidence in OFIs.

APPLICATION

NCCG 2018 as well as this Guidelines shall apply to the following categories of OFIs in Nigeria:

- a. Microfinance Banks (MFBs)
- b. Primary Mortgage Banks (PMBs)
- c. Finance Companies (FCs)
- d. Development Finance Institutions (DFIs)
- e. Mortgage Refinance Companies (MRCs)
- f. Bureau De Change (BDCs)

1.0 BOARD STRUCTURE AND COMPOSITION

- 1.1 The procedure for appointment to the Board of an OFI shall be formal, transparent and documented in the Board Charter.
- 1.2 Members of the Board shall be appointed by the shareholders of the OFI and approved by the CBN.
- 1.3 The Board shall consist of Executive and Non-Executive Directors. The number of Non-Executive Directors shall be more than that of Executive directors on the Board and its Committees.
- 1.4 The minimum and maximum number of directors on the Board of an OFI shall be as follows:

Category of OFI	Minimum	Maximum
MFBs		
Unit	5	7
State	7	9
National	7	12
PMBs		
State	7	12
National	7	12
BDCs	3	5
DFIs	7	11
MRCs	7	11
FCs	5	9

- 1.5 Members of the Board shall be qualified persons of proven integrity and shall be knowledgeable in business and financial matters, in accordance with the extant CBN regulations on competency and fit and proper persons for OFIs in Nigeria.
- 1.6 With the exception of BDCs, the number of Independent Non-Executives Directors (INEDs) shall be at least:

1.6.1 two for MFBs, PMBs, DFIs and MRCs;

1.6.2 one for Unit MFBs and FCs.

Provided that for publicly listed OFIs, there shall be a minimum of three INEDs on the Board, in line with the provisions of the Companies and Allied Matters Act (CAMA 2020).

1.7 A unit MFB and a BDC shall not have an Executive Director (ED) other than the Managing Director/Chief Executive Officer (MD/CEO).

1.8 The positions of an Executive Vice Chairman and a Deputy Managing Director shall not be recognized in the Board structure of any OFI.

1.9 In addition to Recommended Practice 2.4 of NCCG 2018 on gender diversity, no Board of an OFI shall consist of only one gender.

1.10 Track record of appointees to the Board shall be an additional eligibility requirement. Such records shall cover both integrity and past performance in accordance with the extant CBN regulations on competency and fit and proper persons for OFIs in Nigeria.

1.11 Where applicable, not more than two members of an extended family shall be on the Board of an OFI, its financial holding company (FHC) or subsidiary at the same time. In the case of a BDC, no more than three members of an extended family shall be on the Board of a BDC at the same time.

The expression 'extended family' in this Guidelines includes director's spouse, parents, children, siblings, cousins, uncles, aunts, nephews, nieces, in-laws and any other construed relationship as may be determined by the CBN.

1.12 Only one member of an extended family can occupy the position of either MD/CEO, Chairman or ED at the same time.

1.13 The positions of the Board Chairman and the MD/CEO shall be separate. No one person shall combine the two positions in an OFI at the same time.

- 1.14** Prospective directors on the Board of OFIs are required to disclose board memberships on boards of other organizations while current directors shall notify the Board of prospective appointments on boards of other organizations. In both instances, the Board shall require CBN's approval.
- 1.15** The first directors of an OFI shall not be replaced until the expiration of their initial tenure, except with the prior approval of the CBN.
- 1.16** In the event a director elects to resign his appointment on the Board of an OFI, such director shall submit a written notice of resignation addressed to the Chairman of the Board, ninety (90) days before the effective date of resignation.
- 1.17** In addition to section 1.15, where an INED elects to resign, the Board shall within the ninety (90) days' notice period appoint a replacement.

Provided that where the number of INEDs remaining on the Board after the resignation satisfies the requirements of Section 1.5, such replacement may not be necessary.

- 1.18** Where a director elects to resign from the board on account of unresolved concerns pertaining to the running of the OFI, such director shall detail the concerns in a written statement forwarded to the Chairman for circulation to the Board.

Such director shall within seven days of the notice of resignation, forward to the CBN, a copy of the written statement.

- 1.19** In the event that the Chairman of the Board elects to resign, the Chairman shall forward the notice and written statement specified in sections 1.15 and 1.17 (as may be applicable) to the Chairman, Board Nomination and Governance Committee (BNGC) for circulation to the Board and CBN within seven days of receipt of the notice of resignation.
- 1.20** Where tenured positions are affected by conversion, merger, acquisition, take-over, or any form of combination, the length of

service shall include both the periods served pre and post
combination/conversion.

2.0 ROLES AND RESPONSIBILITIES OF THE BOARD

- 2.1** The Board is accountable and responsible for the performance and affairs of the OFI. Specifically, and in line with the provisions in the CAMA 2020, directors owe the OFI, the duty of care and loyalty and to act in the interest of its employees and other stakeholders.
- 2.2** Members of the Board are jointly and severally liable for the activities of the OFI.
- 2.3** The Board and its Committees shall each have a Charter to be approved by the CBN.
- 2.4** Board and Board Committee Charters shall be reviewed at least once every three years and the board-approved copies, shall be submitted to the CBN for its "No Objection" within thirty (30) days of approval by the Board and prior to its implementation.
- 2.5** The Board shall define and approve the OFI's strategic goals, its short, medium and long-term strategies and monitor implementation by management.
- 2.6** The Board of an OFI (excluding BDC) shall ensure a review of its investment policies and strategies at least once in three years.
- 2.7** The Board shall have oversight of the OFI's Anti-Money Laundering/Combating the Financing of Terrorism and Countering Proliferation Financing (AML/CFT/CPF) policies and procedures.
- 2.8** The Board of an OFI (excluding BDCs) shall approve an Enterprise Risk Management (ERM) Framework specifying the OFI's risk appetite, risk culture, governance architecture, policies, procedures and processes for the identification, measurement, monitoring and control of the risks inherent in its operations.
- 2.9** The Board shall ensure that there is a Business Continuity Plan (BCP) for the OFI.
- 2.10** The Board shall develop and implement an Information Technology (IT) Framework that at a minimum covers data confidentiality,

network security, third party connections, incidence response and reporting.

- 2.11** The Board shall determine the skills, knowledge and experience that members require to work effectively as a team to achieve the OFI's objectives in line with the extant CBN regulations on competency and fit and proper persons for OFIs in Nigeria.
- 2.12** The Board shall ensure that human, material and financial resources are effectively deployed towards the attainment of the goals of the OFI.
- 2.13** The Board shall establish a framework for the delegation of authority in the OFI.
- 2.14** The Board shall, subject to CBN's approval, appoint the MD/CEO as well as senior management staff of the OFI.
- 2.15** The Board shall approve a succession plan for the MD/CEO, other Executive Directors (where applicable) and senior management staff, which shall be reviewed at least every two years.
- 2.16** The Board shall ensure the establishment and monitoring of agreed performance targets for the directors and senior management of the OFI.
- 2.17** The Board shall ensure that management implements an efficient internal control system.
- 2.18** The Board shall set and approve limits of authority, specifying the threshold for all transactions.
- 2.19** The Board shall establish a structure to independently verify and safeguard the integrity of financial reporting.
- 2.20** The Board shall establish a Code of Business Conduct and Ethics for all employees setting out the OFI's values, standards and ethical culture.

- 2.21** The Board shall ensure strict adherence to the Code of Conduct for Directors of Banks and Other Financial Institutions in Nigeria, issued by the CBN.
- 2.22** The Board shall ensure that the OFI embraces Corporate Social Responsibility (CSR) to stakeholders such as customers, employees, host communities, and the public.
- 2.23** The Board, on the recommendation of the Board Credit Committee (where applicable), shall approve all insider credit applications irrespective of the amount.

3.0 OFFICERS OF THE BOARD

3.1 Chairman

- 3.1.1** The qualifications and experience of the Chairman of the Board of an OFI shall be as stated in the extant CBN regulations on competency and fit and proper persons for Other Financial Institutions in Nigeria.
- 3.1.2** The Chairman shall meet formally with the Non-Executive Directors (NEDs) at least once every year.
- 3.1.3** Where an OFI is a member of a FHC or a Group, the Chairman of the OFI shall not sit on the Board of the FHC in any capacity and vice versa.

3.2 Managing Director/Chief Executive Officer

- 3.2.1** The tenure of the MD/CEO in an OFI shall be in accordance with the terms of engagement with the OFI but subject to a maximum period of ten (10) years. Such tenure may be broken down into periods not exceeding five years at a time.

Provided such MD/CEO, upon the expiration of his/her maximum tenure, shall not be eligible for re-appointment in executive capacity in any OFI.

- 3.2.2** Where an OFI is a member of a FHC or a Group, the MD/CEO of the FHC shall not sit on the Board of the OFI.

3.3 Executive Directors

- 3.3.1** An ED shall be appointed by the Board subject to the approval of the CBN.
- 3.3.2** The tenure of an ED shall be for a maximum period of ten (10) years in the same OFI or within a group structure, subject to applicable tenure limits.
- 3.3.3** EDs (MD inclusive) who exit from the Board of an OFI either upon or prior to the expiration of his/her maximum tenure

stated in 3.3.2 shall observe a cooling-off period of 1 year before being eligible for appointment as a NED to the Board of the same OFI or any other OFI.

3.3.4 The tenure of an ED, who exits the board of an OFI before the end of his maximum tenure to become the MD/CEO of any OFI, is subject to a maximum period of ten (10) years as MD/CEO.

3.4 Non-Executive Directors

3.4.1 NEDs shall have unfettered access to corporate information from the MD/CEO, EDs, Company Secretary and the Internal Auditor, while access to other senior management shall be through the MD/CEO.

3.4.2 To qualify for the position of a NED in an OFI, it is required that the nominee shall not be an employee of a financial institution, except where the OFI is promoted by such financial institution and the proposed director is representing the interest of such an institution in the OFI.

3.4.3 NEDs shall serve a maximum of three terms of four years each. In the case of BDCs, NEDs shall serve for a maximum of three terms of five years each, the number of years specified for each term shall not be modified.

3.4.4 NEDs who exit from the Board of an OFI either upon or prior to the expiration of his/her maximum tenure stated in 3.4.3 shall observe a cooling-off period of 1 year before being eligible for appointment to the Board of any other OFI.

3.5 Independent Non-Executive Directors

3.5.1 Without prejudice to the definition of an INED in NCCG 2018, an INED in an OFI shall not have any material relationship with the OFI or any of its officers, major shareholders and FHC (where applicable).

A material relationship is a relationship which may impair the INED's ability to make independent judgments or compromise the director's objectivity.

3.5.2 An INED shall have sound knowledge of the processes, relevant laws and regulations guiding the operations of the OFI. The INED shall also have proven skills and competencies in his/her field.

3.5.3 In addition to the requirements of Recommended Practice 7 of NCCG 2018, an INED shall not:

- i. be a director or former employee who has served in the OFI at a senior management level;
- ii. be a former employee below senior management level, within the last five years;
- iii. have any immediate family member as a current employee in senior management position;
- iv. have an immediate family member as a former employee of the OFI who has served at senior management level in the preceding five years;
- v. provide financial, legal or consulting services to the OFI or its FHC/subsidiaries/associates/affiliates or has done so in the past five years;
- vi. borrow funds from the OFI, its officers, FHC, subsidiaries, associates and affiliates;
- vii. be part of management, executive committee or board of trustees of an institution, charitable or otherwise, supported by the OFI; and
- viii. serve on the Board of a subsidiary or FHC of the OFI.

3.5.4 It is the responsibility of an INED to inform the Board whenever his/her independence has been impaired as soon as such occurs.

- 3.5.5** The Board shall annually ascertain and confirm the continued independence of each INED.
- 3.5.6** The term of office of an INED shall be four years for a single term, which may be renewed for another term of four consecutive years.
- 3.5.7** The transmutation of an existing ED or NED into an INED in the same OFI or within a group structure is not allowed. Similarly, An INED shall not transmute into any other capacity in the same OFI or its group structure.
- 3.5.8** All INEDs of an OFI shall hold a formal meeting at least once in a year without the other directors being present.
- 3.5.9** The provisions of this section do not apply to BDCs.
- 3.6** The cumulative tenure limit of EDs, MDs and NEDs (excluding BDCs) across the OFI sub- sector is twenty (20) years.
- 3.7 Company Secretary**
 - 3.7.1** The qualifications and experience of a Company Secretary of an OFI shall be in accordance with extant CBN regulations on competency and fit and proper persons for Other Financial Institutions in Nigeria.
 - 3.7.2** The functions of a Company Secretary shall not be outsourced for OFIs except in a BDC, FC and a Unit MFB.
 - 3.7.3** The appointment and removal of the Company Secretary shall be a matter for the Board, subject to CBN's ratification.
 - 3.7.4** The office of the Company Secretary may be combined with that of the Head Legal/ Legal Adviser in an OFI, subject to the approval of the CBN.
 - 3.7.5** The Company Secretary shall ensure that all Board-related compliance matters are made available to the Chief Compliance Officer (CCO) in a timely manner.

3.7.6 The Company Secretary shall report directly to the Board and have an indirect reporting line to the MD/CEO.

4.0 ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

- 4.1** OFIs shall facilitate access to independent professional advice for its directors and/or Board Committees.
- 4.2** Requests for independent professional advice by directors and/or Board Committees shall be for Board consideration and approval. The Board shall keep proper records of its decisions on such requests.
- 4.3** Where such request is granted, the Board shall also keep detailed records of the professional advice provided to the concerned director(s).

5.0 COOL-OFF PERIOD

- 5.1** Transmutation of an INED into a NED in the same OFI is not allowed.
- 5.2** The tenure of auditors in an OFI shall be for a maximum period of ten (10) cumulative years after which the audit firm shall not be reappointed in the OFI until after a period of another ten (10) consecutive years, and in the case of BDCs, after a cool-off period of five years.
- 5.3** Subject to the approval of the CBN, there shall be a cool-off period of three years between the retirement of a partner from an audit firm currently auditing an OFI and appointment of such partner, to the Board of the OFI.
- 5.4** A cool-off period of three years shall be observed prior to a staff of an OFI being engaged by an audit firm to join the team to audit the same OFI.
- 5.5** Before an OFI can engage any member of the audit team in the audit firm as an employee, two years cool off period shall apply in the case of an MFB, PMB, BDC and FC and three years for DFIs and MRCs.
- 5.6** An audit firm shall not provide audit services to an OFI, if one of the OFI's senior/top management staff was employed by the firm and worked on the OFI's audit during the immediate past three years.
- 5.7** The departmental Directors of the CBN and the Nigeria Deposit Insurance Commission (NDIC) where applicable, shall not be eligible for appointment in any capacity in any OFI until after the expiration of one year from the date of their exit from the CBN or NDIC as the case may be.
- 5.8** The Governor/Deputy Governors of the CBN, the MD/CEO and the EDs of NDIC where applicable, shall not be eligible for appointment in any capacity in any OFI, until after the expiration of one year from the date of their exit from the CBN or NDIC as the case maybe.

6.0 BOARD COMMITTEES

6.1 Membership and Structure of Board Committees

- 6.1.1** The terms of reference and composition of Board Committees shall be set out in the board-approved Charter for each Committee.
- 6.1.2** The membership of board committees shall be reviewed and refreshed at least once every three years.
- 6.1.3** The Board of every OFI shall establish the Committees listed in Recommended Practice 11.1.6 of NCCG 2018, except for a BDC, which is required to have only a Board Audit Committee.
- 6.1.4** In addition to Section 6.1.3, OFIs (excluding BDCs), shall establish a Board Credit Committee (BCC) with oversight on credit matters.
- 6.1.5** Subject to the approval of the CBN, the functions of the Board Audit and Board Risk Management Committees may be combined and carried out by a single committee in an OFI.
- 6.1.6** Notwithstanding the provision of Section 6.1.5, the functions of the Board Audit and Board Risk Management Committees shall not be combined in MFBs and PMBs with State and National Authorizations, DFIs, and MRCs.
- 6.1.7** The members of each of the Board Committees shall appoint a NED amongst them to serve as the Chairman.
- 6.1.8** OFIs shall maintain the exact names of each of the mandatory committees as stated in this Guidelines, and where the functions of two or more Committees are combined in a single Committee, the name of such Committee shall reflect the roles or functions combined.
- 6.1.9** The Chairman of the Board shall not be in attendance by invitation or otherwise in any of the Board Committee Meetings.

6.1.10 The practice or use of anticipatory approvals by Board Committees shall be limited strictly to emergency cases only and ratified at the next Board meeting.

6.2 Board Nomination and Governance Committee (BNGC)

6.2.1 Members of the BNGC shall be NEDs. For MFBs and PMBs with State and National Authorization, majority of the members shall be INEDs.

6.2.2 The BNGC shall be chaired by an INED.

6.2.3 The Committee shall ensure that proposed directors to be appointed to the Board of an OFI are fit and proper persons before recommending them to the Board for consideration in directorship positions.

6.3 Board Remuneration Committee (BRC)

6.3.1 The Chairman of the BRC shall be an INED.

6.3.2 Members of the BRC shall be NEDs. For MFBs and PMBs with State and National Authorization, majority of the members shall be INEDs.

6.3.3 Where the BRC or its functions are combined with the functions of any other Board Committee in an OFI, such committee shall be comprised of NEDs only and chaired by an INED.

6.4 Board Audit Committee (BAC)

6.4.1 The Board of an OFI shall assign the responsibilities for its audit functions to a BAC (distinct from a Statutory Audit Committee) or carried out by any other committee capable of combining it with their existing functions, as is appropriate.

6.4.2 All members of BAC of an OFI shall be financially literate to read and understand financial statements. At least one of the members shall have relevant professional qualifications and experience in financial and accounting matters.

6.4.3 The BAC shall consist of NEDs only and chaired by an INED except in the case of a BDC, where a NED may serve as Chairman of the BAC.

6.4.4 The BAC shall have unrestricted access to the financial records of the OFI including reports of the external auditors'.

6.4.5 The Board shall not replace members of the BAC and the external auditors of the OFI at the same time.

6.4.6 The BAC shall review the integrity of the OFI's financial reporting and ensure the independence of the external auditors.

6.5 Board Risk Management Committee (BRMC)

6.5.1 The BRMC shall be chaired by a NED and its composition shall include at least two NEDs and the ED in charge of risk management or the MD/CEO where there is no ED in charge of risk management.

6.5.2 Where the BAC and the BRMCs are separate, at least one NED of the Board shall have joint membership of both Committees.

6.5.3 Where the BAC and BRMC are combined in an OFI, its membership shall be drawn from NEDs only, and the MD/CEO and the ED in charge of Risk Management (where applicable) can only attend the meetings of the BRMC by invitation.

6.6 Board Credit Committee (BCC)

6.6.1 The Board shall assign the responsibilities for oversight of the OFIs credit policy, its administration and implementation to a BCC which shall be a stand-alone Committee for state and national MFBs, PMBs and FCs.

In the case of Unit MFIs, DFIs and MRCs, the responsibility for oversight of credit policy may be carried out by any other Committee capable of combining it with their existing functions.

6.6.2 Members of the BCC shall be financially literate and able to read and understand financial statements. At least two members of the Committee shall be knowledgeable in credit administration.

6.6.3 The BCC shall consist of both EDs and NEDs and chaired by a NED.

7.0 MEETINGS OF THE BOARD AND ITS COMMITTEES

- 7.1** To effectively perform its oversight function and monitor management's performance, the Board and its Committees shall meet at least once every quarter in a financial year.

Provided that where the Remuneration Committee is a stand alone committee, it may should meet only on a need basis, but at least once a year.

- 7.2** Every director shall attend all the meetings of the Board and its Committee of which he/she is a member. In order to qualify for re-appointment, a director must have attended at least two-thirds of all board and its committee meetings.
- 7.3** The meeting of the Board and its Committees shall be held at a specified location, or virtually, if physical meetings cannot be held.
- 7.4** The schedules of Board and its Committee meetings for the next financial year shall be approved by the Board in the preceding year.
- 7.5** Quorum at the Board and its Committee meetings shall be two-thirds of members, majority of whom shall be NEDs.
- 7.6** Minutes of meetings of the Board and its Committees shall be written in English language, adopted by members and signed off by the Board/Board Committee Chairman and Company Secretary, pasted in the minutes book and domiciled at the OFI's Head Office.
- 7.7** No ED (MD/CEO inclusive) shall be in attendance either by invitation or otherwise, at any meeting where the remuneration of EDs will be discussed.

8.0 INDUCTION AND CONTINUING EDUCATION OF THE BOARD

- 8.1** A formal induction programme for new directors shall be conducted within three months of appointment. The details of such training shall be availed to examiners upon request.
- 8.2** The Board shall approve an annual budget for the training and continuing education for directors and ensure its proper implementation.

9.0 BOARD EVALUATION

- 9.1 There shall be an annual appraisal of the Board, its Committees, Chairman and individual directors covering all aspects of the Board's structure, composition, responsibilities, processes and relationships, as may be prescribed by the CBN from time to time.
- 9.2 The appraisal in Section 9.1 shall be conducted by an independent external consultant with adequate experience, knowledge and competence in corporate governance and performance management.
- 9.3 The Board Evaluation exercise shall, at a minimum, cover the scope described in the extant CBN Guidelines for Annual Board Evaluation by External Consultants of Banks and Other Financial Institutions in Nigeria.
- 9.4 The report of the annual board appraisal shall be forwarded to the Director, Financial Policy and Regulation Department (FPRD), CBN latest May 31st following the end of every financial year or before the Annual General Meeting at which the report for the period/year is considered, whichever comes first.
- 9.5 The continuous unsatisfactory performance by a director shall be a basis for non-renewal of his tenure.

Commented [OAS1]: We propose as follows: 1. Exclusion of BDCs from this requirement. 2. Engagement with OFSD for reviewing the Board appraisal report for OFIs.

10.0 REMUNERATION

- 10.1** The Board shall develop a remuneration policy which shall be disclosed in the annual report of the institution.
- 10.2** OFIs shall align executive and Board remuneration to its long-term interests and that of its shareholders.
- 10.3** Remuneration by OFIs shall not be excessive but sufficient to attract, retain and motivate executive officers, management and staff of the OFI.
- 10.4** The Board shall at the end of each financial year, confirm that the implementation and execution of the remuneration policy achieved its objectives.
- 10.5** The Board shall approve the remuneration of MD/CEO, EDs, senior management and other employees, while the fees and allowances for NEDs shall be fixed by the Board and approved by shareholders at a General Meeting.
- 10.6** NEDs remuneration shall be limited to Director's fees, sitting allowances for Board and its Committee meetings and reimbursable travel and hotel expenses. NEDs shall not receive benefits, salaries or any other allowances whether in cash or in kind other than those mentioned above.
- 10.7** MD/CEO and ED's remuneration shall be linked to performance and structured to prevent excessive risk taking.
- 10.8** Share options (where applicable) shall be tied to performance and subject to the approval of shareholders at an AGM.
- 10.9** Share options shall not be exercisable until one year after the expiration of the tenure of the director.

11.0 RISK MANAGEMENT

11.1 The approved Enterprise Risk Management (ERM) Framework of an OFI shall clearly describe the roles and responsibilities of the Board, BRMC, ED Risk (where applicable), Chief Risk Officer (CRO), senior management and internal control function.

11.2 The qualification and experience of the Head of the risk management function shall be in accordance with the extant CBN's regulations on competency and fit and proper persons for the Nigerian OFI sector.

11.3 The Boards of OFIs (except FCs, Unit MFBs and BDCs) shall ensure that the risk management function is headed by an ED, while the risk management function in the exempted institutions shall be headed by a member of senior management, with relevant qualification, competence and experience.

11.4 The CRO shall report directly to the BRMC and have an indirect reporting line to the MD/CEO.

11.5 The Board shall review the effectiveness of the implementation of risk management policies and procedures at least annually.

11.6 The Board shall review the ERM Framework at least once every three years.

11.7 OFIs shall disclose a summary of their risk management policies in their annual financial statements and in the case of a publicly quoted OFI, such summary shall be hosted on its website.

12.0 INTERNAL AUDIT FUNCTION

12.1 OFIs shall not outsource its internal audit/compliance functions.

- 12.2** The qualification and experience of the head of internal audit shall be in accordance with the provisions of the extant CBN regulations on competency and fit and proper persons for the Nigerian OFI sector.
- 12.3** The appointment and removal of the head of Internal audit shall be the responsibility of the Board, subject to CBN's approval.
- 12.4** The head of internal audit shall report directly to the BAC.
- 12.5** An independent external assessment of the effectiveness of the internal audit function as provided in Recommended Practice 18.6 of NCCG 2018 shall be carried out annually and the report submitted to the Director, OFISD latest May 31st following the end of every accounting year.

13.0 CHIEF COMPLIANCE OFFICER (CCO)

- 13.1** Every OFI shall have a CCO who reports directly to the Board through the Executive Compliance Officer (where applicable) or the MD/CEO.
- 13.2** The CCO in an OFI excluding BDCs, FCs and Unit MFBs shall not be below the grade of an Assistant General Manager, or as may be prescribed by the CBN from time to time.
- 13.3** The qualification and experience of the CCO shall be in accordance with the provisions of the extant CBN regulations on competency and fit and proper persons for the Nigerian OFI sector.
- 13.4** The appointment and removal of the CCO shall be the responsibility of the Board, subject to CBN's approval.
- 13.5** The CCO shall, in addition to monitoring compliance with AML/CFT/CPF requirements, also monitor the implementation of NCCG 2018, this Guidelines and other laws and regulations.

14.0 WHISTLE-BLOWING

OFIs shall comply with Recommended Practice 19 of NCCG 2018 as well as the provisions of the extant CBN Guidelines for Whistleblowing for Banks and Other Financial Institutions in Nigeria.

15.0 EXTERNAL AUDITORS

- 15.1** The appointment and removal of the external auditor of an OFI shall be the responsibility of the Board, subject to CBN's approval.
- 15.2** The external auditor of OFIs shall report annually in the financial statements, the extent of the OFIs' compliance with the provisions of NCCG 2018 and this Guidelines.
- 15.3** The external auditor shall render annual reports to the Director, OFISD on the OFI's risk management practices, internal controls and level of compliance with regulatory directives.
- 15.4** The external auditor of an OFI shall forward copies of the report together with the external auditor's management letter on the OFI's audited financial statements to the Director, OFISD, CBN, latest March 31st following the end of every accounting year. These requirements does not apply to BDCs.
- 15.5** External auditor of OFIs shall not provide client services that could amount to conflict of interest including the following:
- i. Bookkeeping or other services related to the accounting records or financial statements of the audit client;
 - ii. Valuation services, fairness opinion or contribution-in-kind reports;
 - iii. Actuarial services;
 - iv. Internal audit outsourcing services;
 - v. Management or human resource functions including broker or dealer, investment banking services and legal or expert services;
 - vi. Board evaluation and appraisal services;
 - vii. IT and system audit; and

viii. Software sales, consultancy and management.

- 15.6** Where the CBN is satisfied that an external auditor of an OFI has engaged in any unethical practice or illegal activity, the CBN shall request the Board of the OFI to remove the external auditor or it may impose any other sanction on the OFI in line with the provisions of extant laws and regulations.

16.0 GENERAL MEETINGS

- 16.1** The Board shall ensure that the venue of a general meeting is convenient and easily accessible to the majority of shareholders.
- 16.2** The Board may consider rotating the venue of a general meeting where it will promote better access to the majority of shareholders.
- 16.3** OFIs may hold their general meetings virtually, where physical meetings are not feasible.

17.0 SHAREHOLDERS' ENGAGEMENT

- 17.1** The Board of OFIs with institutional investors shall ensure that such investors carry out the responsibilities detailed in Recommended Practice 22.3 of NCCG 2018.
- 17.2** The Board shall ensure that dealings of publicly listed OFIs with Shareholders' Associations are in strict adherence with the Code of Conduct for Shareholders' Associations issued by the Securities and Exchange Commission (SEC).
- 17.3** Where an OFI is not listed, its dealings with the Shareholders' Associations shall be transparent and in line with the relevant governance codes/Guidelines.

18.0 PROTECTION OF SHAREHOLDERS RIGHTS

- 18.1** Except where prior approval of the CBN is granted, no individual, group of individuals, their proxies or corporate entities shall own controlling interest in more than one OFI.
- 18.2** An equity holding of five per cent and above by any investor shall be subject to CBN's prior approval. Where such shares are acquired through the capital market, the OFI shall within fourteen (14) days of the acquisition, apply for a no objection letter from the CBN.
- 18.3** In the case of PMBs and MFBs, government's direct and indirect equity holding shall not be more than ten per cent (10%), which shall be divested to private investors within a maximum period of five years from the date of investment.

For existing investment above five years, the MFB or PMB shall, within two years from the effective date of this Guidelines, comply with this provision.

19.0 BUSINESS CONDUCT AND ETHICS

- 19.1** OFIs shall establish a Code of Business Conduct and Ethics and disclose in the code, such information and the practices necessary to maintain confidence in the OFIs integrity.
- 19.2** The Code referred to in section 19.1 above shall take into account the legal obligations and reasonable expectations of the OFIs' stakeholders, as well as the responsibility and accountability of individuals reporting on issues of unethical practices.
- 19.3** The Code shall be reviewed at least once every two years.

20.0 ETHICS AND PROFESSIONALISM

- 20.1** The Board of an OFI, excluding BDC and a Unit MFB, shall establish a policy on insider trading and related party transactions by directors, senior executives and employees. The OFI shall publish the policy or a summary of that policy on their website.
- 20.2** The policy shall contain appropriate standards and procedures to ensure that it is effectively implemented in line with Recommended Practice 25.1 of NCCG 2018.
- 20.3** In addition to the requirement in Section 20.2, there shall be an internal review mechanism carried out by the internal audit function of the OFI, to assess the compliance and effectiveness of the trading policy.
- 20.4** Any director whose facility or that of his/her related interests remains non-performing in any financial institution for more than one year shall cease to be on the Board of the OFI and shall be blacklisted from sitting on the Board of the OFI and that of any bank or OFI under the purview of the CBN.
- 20.5** No director-related loans and/or interest thereon shall be written-off without the CBN's prior approval.

21.0 CONFLICT OF INTEREST

21.1 OFIs shall have in place, a board-approved policy on conflict of interest which shall, at the minimum, cover the following areas:

- Approval & revision date;
- Definition of conflict of interest;
- Purpose of the policy; and
- Procedures to follow in situations of conflict of interest.

21.2 The Board shall be responsible for managing conflicts of interest of directors and senior management in an OFI.

21.3 A director who has serious concerns about the activities of an OFI shall ensure that the following are promptly raised to the Board for resolution:

- I. any unreported cases of conflict of interest, insider trading, related party transactions, fraud or any illegal or suspected illegal activities;
- II. the impairment of the external auditor's independence and objectivity, or failure to approach its work with an acceptable degree of professional skepticism;
- III. any violation of this Guidelines, extant laws and regulations, and disregard for accounting and auditing standards or financial reporting requirements;
- IV. the impairment of the independence of the Board or any of its Committees;
- V. condoning of unethical behavior and conduct in the OFI.

21.4 Any concern raised by a director on the activities of his/her OFI and all discussions on conflict of interest shall be recorded in the minutes of the Board/Board Committee meetings.

22.0 SUSTAINABILITY

- 22.1** An OFI (excluding BDCs), shall in addition to Recommended Practice 26 of NCCG 2018, comply with the relevant requirement in the Nigerian Sustainable Banking Principles.
- 22.2** In addition to the above, BDCs shall comply with the requirements of the Nigerian Sustainable Banking Principles.

23.0 STAKEHOLDERS COMMUNICATION

- 23.1** The Board of an OFI shall develop a policy for stakeholder engagement which shall be hosted on the OFI's website. The requirement to host the policy on an OFI's website is optional for Unit MFBs and BDCs.
- 23.2** The requirement to create an investor's portal on the website of an entity as set out in Recommended Practice 27.4 of NCCG 2018 is optional for Unit MFBs and BDCs.
- 23.3** Stakeholders shall freely communicate their concerns about illegal or unethical practices to the Board. Where such concerns border on the activities of the Board, such individuals shall have recourse to the CBN in accordance with the extant CBN Guidelines on Whistleblowing for Banks and Other Financial Institutions in Nigeria.
- 23.4** In addition to the traditional means of communication, OFIs shall have a website and are encouraged to communicate with stakeholders via the website and other social media platforms. This provision does not apply to BDCs and Unit MFBs.

24.0 DISCLOSURES

24.1 Disclosure in the annual report shall include, but not limited to, material information on:

- A. Details on directors –
 - i. Remuneration policy for members of the Board and executives;
 - ii. Total NEDs' remuneration (fees and allowances)
 - iii. Total executive compensation, including bonuses paid/payable;
 - iv. Details and reasons for share buy-backs, if any, during the period under review;
 - v. Board of directors' performance evaluation;
 - vi. Shares held by directors and their related parties; and
 - vii. Details of directors, shareholders and their related parties who own five per cent and above of the OFIs shares as well as other beneficial owners who, in concert with others, control the OFI.
- B. Corporate Governance Structure:
 - i. Appointment and tenure of directors;
 - ii. Composition of Board Committees including names of chairmen and members of each Committee;
 - iii. Total number of Board and its Committee meetings held in the financial year and attendance by each director; and
 - iv. A summary of details of training and induction for directors.
- C. Risk Management:
 - i. All significant risks; and

- ii. Risk management practices indicating the Board's responsibility for the entire process of risk management as well as a summary of the lapses observed by the external auditors if any.
 - D. Information on strategic modification to the core business of the OFI.
 - E. All regulatory/supervisory contraventions during the year under review and infractions uncovered through whistleblowing, including regulatory sanctions and penalties.
 - F. Capital Structure/Adequacy
 - G. Opening and closure of branches /oulets(where applicable).
 - H. Any service contracts and other contractual relationships with related parties.
 - I. Frauds and Forgeries.
 - J. Contingency Planning Framework.
 - K. Contingent Assets and Liabilities (off balance sheet items) where applicable.
 - L. The details of parent/holding institutions, subsidiaries, associates, joint ventures and Special Purpose Enterprises/Vehicles (SPEs/SPVs), where applicable.
 - M. Any matter not specifically mentioned in this Guidelines but which is capable of affecting in a significant form, the financial position of the OFI or its status as a going concern.
- 24.2** To foster good corporate governance, OFIs are encouraged to make robust disclosures beyond the statutory requirements in BOFIA 2020 and other applicable laws and regulations.

25.0 NON-INTEREST MICROFINANCE BANKS

A Non-Interest Microfinance bank (NIMFB) shall, in addition to observing the relevant provisions of this Guidelines, adhere to the following provisions:

25.1 Additional Roles and Responsibilities of the Board

The Board of the NIMFB shall:

- i. ensure that its strategic objectives, risk strategy, and corporate values, adheres to the principles underpinning the operations of non-interest banking.
- ii. Subject to the approval of the CBN, appoint an Advisory Committee of Experts (ACE), in line with the provisions of the extant Guideline for the Governance of the Advisory Committee of Experts in Nigeria.
- iii. In the case of a Unit NIMFB, Section 10.1 of the Guidelines on the Regulation and Supervision of Non-Interest (Islamic) Microfinance Banks in Nigeria may apply.
- iv. establish a Charter to be approved by the CBN, for the ACE. The Charter shall be reviewed at least once every three (3) years and shall be submitted to the CBN for its "No Objection" within thirty (30) days of such review prior to implementation.
- v. institutionalize a robust Shariah governance system that is commensurate with the size and complexity of the NIMFB.
- vi. ensure that the ACE is free from any undue influence, is independent of the day to day management of the NIMFB, and has direct access to the Board, senior management and key control functions.
- vii. oversee the implementation of the resolutions of the Financial Regulation Advisory Council of Experts' (FRACE) and the rulings of the NIMFB's ACE.
- viii. ensure that the Board's Enterprise Risk Management (ERM) Framework takes into account, risks that are specific to NIMFBs.
- ix. ensure that the funds of the Profit-Sharing Investment Account Holders' (PSIAHs') are invested and managed in their best interest in line with the provisions of the extant Guidelines on

the Management of Investment Account Holders for Non-Interest Financial Institutions in Nigeria.

- x. collaborate with the ACE to establish a policy on income smoothing towards returns paid to PSIAHs in line with the provisions of the extant Guidelines on the Practice of Smoothing, the Profit Payout to Investment Account Holders for Non- Interest Financial Institutions in Nigeria.
- xi. approve a succession plan for the ACE.
- xii. collaborate with the ACE to establish policies for the determination and disposal to charity of Non-Permissible Income (NPI) subject to CBN's approval.
- xiii. ensure that the nature and manner of the NIMFB's CSR is in line with principles underpinning the operations of NIMFB provided that the activities related to the disposal of the NPI of the NIMFB shall not be construed as part of its CSR.
- xiv. ensure compliance with additional and complimentary disclosure requirements as specified in the extant Guidance Notes on Disclosure Requirements to Promote Transparency & Market Discipline for Non-Interest Financial Institutions in Nigeria.

25.2 Board Structure and Composition

A member of the FRACE and ACE shall not be members of the Board of Directors, top management, and staff of any Non- Interest Financial Institutions (NIFI) under the regulatory purview of the CBN.

25.3 Independent Non-Executive Directors

25.3.1 Without prejudice to Section 3.5 above, INEDs in NIMFBs shall have sound knowledge of the operations of Non-Interest Banking, the relevant laws and regulations guiding the banking industry.

25.3.2 In addition to the provision of Section 3.5.2 an INED shall not be a FRACE/ACE member, former FRACE/ACE member or have material relationship with the NIMFB or any of its officers.

25.3.3 In addition to the requirements stated in Section 3.5 of this Guidelines, at least one of the INEDs in the NIMFB shall have

knowledge and experience in the field of Islamic Finance or Islamic Commercial Jurisprudence.

25.4 Board Committees

25.4.1 At least one member of the BAC of an NIMFB shall be an INED who has knowledge and experience in the field of Islamic finance or Islamic Commercial Jurisprudence.

25.4.2 The BNGC shall comprise of NEDs including all the INED(s) in the NIMFB.

25.4.3 The BNGC shall be chaired by an INED who has knowledge and experience in the field of Islamic finance or Islamic Commercial Jurisprudence.

25.4.4 The BNGC shall ensure adequate protection of the rights of the PSIAHs, and that the NIMFB fulfills its fiduciary responsibilities in managing the accounts. It shall also ensure review of the investment policies and strategies once every three years.

25.4.5 The BRMC of an NIMFB shall be chaired by a NED and at least one of the NEDs shall have relevant qualification and experience in Islamic finance or Islamic Commercial Jurisprudence.

25.5 Meetings of the Board and Its Committees

25.5.1 The Board of an NIMFB shall meet formally with the ACE at least twice a year.

25.5.2 In addition to the meetings required in Section 3.1.2 of this Guidelines, the Chairman shall meet formally with the ACE at least once every year.

25.6 Transmutation and Cool-Off Period

25.6.1 An ACE member of an NIMFB shall not transmute to an INED in the same NIMFB.

25.6.2 A member of FRACE shall not take up appointment as a director or member of an ACE of any NIMFB, until after three years of his/her ceasing to be a FRACE member.

25.6.3 An ACE member may transmute into a NED subject to a cool-off period of two years from ceasing to be an ACE.

25.7 Board Evaluation

25.7.1 There shall be an annual appraisal of the ACE covering all aspects of its responsibilities, processes, meetings, and overall functions.

25.7.2 The appraisal in Sections 25.7.1 above shall be conducted by an independent external consultant with adequate experience, knowledge and competence in Islamic Finance or Islamic Commercial Jurisprudence.

25.7.3 The Board Evaluation exercise shall, at a minimum, cover the scope described in the extant CBN Guidelines for Annual Board Evaluation by External Consultants of Banks and Other Financial Institutions in Nigeria.

25.7.4 The report of the appraisal shall be forwarded to the Director, FPRD, latest May 31st following the end of every accounting financial year or before the Annual General Meeting at which the report for the period/year is considered, whichever comes first.

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25.8 External Auditors

25.8.1 The external auditor shall report on the NIMFB's compliance with the Shariah principles in all material respects with regards to the financial arrangements, contracts, and transactions.

25.8.2 The external auditor of a NIMFB shall render annual reports to the Director, OFISD on the NIMFB's risk management practices, internal controls and level of compliance with regulatory directives.

25.8.3 The report in 25.8.2 shall include an assessment of the process of identification and disposal of NPI, the treatment of PSIAHs and income smoothing (if any).

25.8.4 In addition to the provisions of Section 15 of this Guidelines, the external auditors of NIMFBs shall review the:

- i. compliance with the decisions of the FRACE and ACE.
- ii. Work of the ISA and ISCO

25.9 Risk Management

25.9.1 Risk management policies shall reflect the NIMFB's risk profile and appetite and clearly describe all elements of the risk management as well as its internal control system.

25.9.2 Shariah Non-Compliance Risk (SNCR) and other risks specific to NIMFBs shall be given due attention.

25.10 Internal Shariah Audit

25.10.1 NIMFBs shall have an internal shariah audit function headed by an Internal Shariah Auditor (ISA) not below the rank of senior management level.

25.10.2 The head of the internal shariah audit function shall provide an independent assessment on the quality and effectiveness of its internal control, risk management systems and governance processes as well as the overall compliance of its operations with the principles of non-interest banking.

25.10.3 The ISA, in consultation with the ACE, shall determine the scope of the shariah audit and is required to produce internal shariah compliance reports, which shall be submitted quarterly to the ACE and the BAC.

25.10.4 The ISA shall:

- 25.10.4.1** be responsible for determining NPI (if any) and shall ensure its disbursement to charity under the supervision of the NIMFB's ACE.
- 25.10.4.2** ensure that a report on the disposal of the NPI duly endorsed by the ACE is forwarded to the Director, BSD not later than seven days after the end of each quarter.
- 25.10.4.3** report directly to the BAC and indirectly to the ACE.
- 25.10.5** Appointment and removal of the ISA shall be the responsibility of the Board in consultation with the ACE and subject to the CBN's ratification.

25.11 Shariah Compliance Function

25.11.1 NIMFBs shall establish a Shariah Review/Compliance (SRC) function that conducts regular assessment of the compliance of the NIMFB's operations and activities in line with shariah requirements.

25.11.2 The Internal Shariah Compliance Officer (ISCO) shall:

- at a minimum identify, measure, monitor and report shariah Non-Compliance Risks (SNCR) in the operations of the NIMFB on a daily basis;
- be responsible for reviewing all financing requests before disbursement to avoid SNCR;
- report directly to the CCO and indirectly to the ACE;
- not be below the rank of a manager or a lower rank as may be prescribed by the CBN from time to time.

25.11.3 The appointment and removal of the ISCO shall be the responsibility of the Board in consultation with the ACE and subject to the CBN's ratification.

25.12 Additional Disclosure Requirements

25.12.1 The Board of the NIMFB shall disclose, in its annual report, the treatment and disposal to charity of NPI after the ACE has certified the process and procedure of the disposal.

25.12.2 NIMFBs shall comply with additional and complimentary disclosure requirements as specified in the extant Guidance Notes on Disclosure Requirements to Promote Transparency & Market Discipline for Non-Interest Financial Institutions in Nigeria.

25.12.3 Annual reports of NIMFBs are required to contain certification of the ACE that the operations of the NIMFB are in line with the principles of Islamic Finance.

25.12.4 Returns paid to PSIAHs and amount of income smoothing (if any).

25.12.5 All risks that are specific to NIMFBs

25.12.6 Corporate governance:

The NIMFB shall also disclose in its audited report:

- i. shariah governance mechanism,
- ii. statement on compliance with Internal Shariah Review Mechanism
- iii. Composition of the ACE and number of meetings attended by each member
- iv. ACE certification of compliance with principles of Islamic finance,
- v. The Board's Enterprise Risk Management (ERM) Framework shall take into account risks that are specific to NIMFBs.

26.0 RETURNS

26.1 OFIs shall submit to the Director, OFISD not later than seven days after the end of each quarter, Returns on their compliance with:

I. the Nigerian Code of Corporate Governance and this Guidelines; and

II. the whistle blowing Guidelines.

Both returns shall be for each quarter and prepared as separate documents.

26.2 Notwithstanding the provision of Section 26.1 above, whistle-blowing incidences or breaches in an OFI shall be reported immediately to the CBN via this email - anticorruptionunit@cbn.gov.ng

26.3 When required, all OFI shall render electronic submission of each of these regulatory returns to a dedicated web portal as may be prescribed by the CBN.

27.0 SANCTIONS

- 27.1** Failure of an OFI to comply with any requirement under this Guidelines, and the Recommended Practices in NCCG 2018, constitutes a regulatory breach and shall attract a penalty as may be prescribed by the CBN.
- 27.2** Rendition of false, misleading and or incomplete information to the CBN shall attract appropriate sanctions including monetary penalties and administrative sanctions on the individual and the OFI.
- 27.3** Breach of any of the provisions of this Guidelines by a director, manager or officer shall attract appropriate sanctions including monetary penalties and administrative sanctions on the individual responsible for the breach.
- 27.4** In addition to the provision of section 27.3, such director or officer of the OFI shall be suspended for six months in the first instance and may be removed from the Board of the OFI in the event of continued reoccurrence of the breach.

28.0 EFFECTIVE DATE

This Guidelines shall take effect from the 1st day of, 2023.

29.0 GLOSSARY OF TERMS

ACRONYMS	DEFINITION
ACE	ADVISORY COMMITTEE OF EXPERTS
AGM	ANNUAL GENERAL MEETING
AML/CFT	ANTI-MONEY LAUNDERING/COMBATTING THE FINANCING OF TERRORISM
BAC	BOARD AUDIT COMMITTEE
BCC	BOARD CREDIT COMMITTEE
BCP	BUSINESS CONTINUITY PLAN
BDC	BUREAU DE CHANGE
BNGC	BOARD NOMINATION AND GOVERNANCE COMMITTEE
BOFIA	BANKS AND OTHER FINANCIAL INSTITUTIONS ACT
BRMC	BOARD RISK MANAGEMENT COMMITTEE
CAMA	COMPANIES AND ALLIED MATTERS ACT
CBN	CENTRAL BANK OF NIGERIA
CCO	CHIEF COMPLIANCE OFFICER
CRO	CHIEF RISK OFFICER
CSR	CORPORATE SOCIAL RESPONSIBILITY
DFI	DEVELOPMENT FINANCE INSTITUTION
ECO	EXECUTIVE COMPLIANCE OFFICER
ED	EXECUTIVE DIRECTOR
ERM	ENTERPRISE RISK MANAGEMENT
FC	FINANCE COMPANY
FHC	FINANCIAL HOLDING COMPANY
FPRD	FINANCIAL POLICY AND REGULATION DEPARTMENT

ACRONYMS	DEFINITION
FRACE	FINANCIAL REGULATION ADVISORY COUNCIL OF EXPERTS
FRC	FINANCIAL REPORTING COUNCIL OF NIGERIA
IT	INFORMATION TECHNOLOGY
INED	INDEPENDENT NON-EXECUTIVE DIRECTOR
ISA	INTERNAL SHARIAH AUDITOR
ISCO	INTERNAL SHARIAH COMPLIANCE OFFICER
ICT	INFORMATION AND COMMUNICATIONS TECHNOLOGY
MD/CEO	MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER
MFB	MICROFINANCE BANK
MRC	MORTGAGE REFINANCE COMPANY
NCCG	NIGERIA CODE OF CORPORATE GOVERNANCE
NDIC	NIGERIA DEPOSIT INSURANCE CORPORATION
NED	NON-EXECUTIVE DIRECTOR
NIB	NON-INTEREST BANK
NIFIs	NON-INTEREST FINANCIAL INSTITUTIONS
NIMFB	NON-INTEREST MICROFINANCE BANK
NPI	NON-PERMISSIBLE INCOME
OFI	OTHER FINANCIAL INSTITUTION
PMB	PRIMARY MORTGAGE BANK
PSIAHs	PROFIT-SHARING INVESTMENT ACCOUNT HOLDERS
SEC	SECURITIES AND EXCHANGE COMMISSION
SNCR	SHARIA NON-COMPLIANCE RISK
SPE	SPECIAL PURPOSE ENTERPRISES

ACRONYMS	DEFINITION
SPV	SPECIAL PURPOSE VEHICLES
SRC	SHARIAH REVIEW AND COMPLIANCE