



PRESS RELEASE

NIGERIAN FINANCIAL INTELLIGENCE UNIT

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GUIDELINES TO REDUCE CRIME VULNERABILITIES CREATED BY CASH WITHDRAWALS FROM LOCAL GOVERNMENT FUNDS THROUGHOUT NIGERIA, EFFECTIVE 1st June, 2019.

The NFIU requests all financial institutions, other relevant stakeholders, public servants and the entire citizenry to ensure full compliance with the provisions of the guidelines already submitted to financial institutions and relevant enforcement agencies including full enforcement of corresponding sanctions against violations from 1st June, 2019.

Having realized through analysis that cash withdrawal and transactions from the State Joint Local Government Accounts (SJLGA), poses biggest corruption, money laundering and security threats at the grassroots levels and to the entire financial system and the country as a whole, decided to uphold the full provisions of section 162 (6) (8) of the 1999 Nigerian Constitution as amended which designated " State Joint Local Government Account into which shall be paid allocations to the local government councils of the state from the federation account and from the government of the state"

"The amount standing to the credit of local government councils of a state shall be distributed among the local government councils of that state" and not for other purposes.

As far as the NFIU is concerned the responsibility of the account as a collection account is fully reinstated.

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In addition, taking such measures was necessitated by prompting reasons on the NFIU to respond to threats of isolating the entire Nigerian financial system by other International financial systems due to deficiencies in our anti money laundering and counter terrorism financing implementation and measures.

Therefore, it is no longer possible to allow the entire system to suffer the deliberate and expensive infractions or violations by public officials and/or private business interests. Henceforth, all erring individuals and companies will be allowed to face direct international and local targeted sanctions, in order not to allow any negative consequences to fall on the entire country.

To be precise, with effect from 1st June any bank that allows any transaction from any local government account without monies first reaching a particular local government account will be sanctioned 100%, both locally and internationally.

In addition, a provision is also made to the effect that there shall be no cash withdrawal from any local government account for a CUMULATIVE AMOUNT exceeding N500,000:00 per day. Any other transaction must be done through valid cheques or electronic funds transfer.

The complete guidelines has been released to the Governor of the Central Bank of Nigeria, the Chairman, Economic and Financial Crimes Commission (EFCC), the Chairman, Independent Corrupt Practices Commission (ICPC) and Chief Executive Officers of all Banks and other financial institutions.

Any state government that is willing to seek any expert economic advice in the unlikely event of these guidelines constituting an inconvenience to the management of the state can work with the NFIU and /or CBN.



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