

## **Key Issues in the CIBN Act for Implementation**

The CIBN Act Review Committee met on June 13, 2007 at Maxifund Investment and Securities Ltd, Stock Exchange Building, Lagos to review the CIBN Act. In the course of the review, the following key issues were identified for implementation:

**Section 2(2) and (3)** on Membership of the Institute, provides that:

- “ All persons employed in any banking institution in Nigeria are eligible to be registered by the Institute in any of the following categories-
- a) Ordinary Member;
  - b) Student Member;
  - c) Graduate Member;
  - d) Associate Member;
  - e) Honorary Senior Member;
  - f) Honorary Fellow; and
  - g) Fellow.

Provided they meet the criteria set by the Council for registration in the category from time to time.

- (3) Pursuant to subsection (1) of this section, all corporate members shall cause their staff to register with the Institute to foster ethical standards, professionalism and self-regulation in the banking and financial services industry”

**REMARK** – This section basically states that all employees of banks (excluding non-clerical personnel) shall be members of the Institute.

**Section 2(5) (a)** still on Membership of the Institute, provides that:

“ A member or corporate member of the Institute shall be entitled to receive, from the Council, a letter of registration of membership for the category of membership”

**REMARK-** This provision makes it compulsory for corporate members to Register with the Institute.

**Section 2(7)** also on Membership of the Institute, provides that:

“No person shall be entitled to be employed or appointed or engaged to head any of the technical departments of bank unless he is duly registered as a member of the Institute.

**REMARK-** This subsection re-emphasised the provision that employees of banks must be members of the Institute.

**Section 3(d)** on Responsibilities of the Institute, provides that:

“...ensure the furtherance, maintenance and observation of ethical standards and professionalism among practitioners of the banking profession in Nigeria.”

**REMARK-** This Section empowers the Institute to maintain ethical standards and professionalism in the banking industry.

**Section 5 (2) (a-i)** on Membership of Governing Council of the Institute, provides that:

“The Council shall consist of the following members-

- (a) a Chairman who shall be the President of the Institute
- (b) two Vice-Chairmen;
- (c) a National Treasurer;
- (d) the Governor of the Central Bank or his representative;
- (e) the Managing Director of the Nigeria Deposit Insurance Corporation or his representative;
- (f) six Managing Directors/Chief Executives of Banks to be appointed by the Council
- (g) six persons elected by the Institute;
- (h) two Past Presidents of the Institute;
- (i) a representative each of the following Federal Ministries-  
(i) Finance; (ii) Education; (iii) Mortgage/Micro Finance Banking Institutions (alternates)
- (j) a representative each of the National Universities Commission (NUC) and the National Board for Technical Education (NBTE)
- (k) one representative of branches in each zone of the Institute and such other zones as may be created by the Council from time to time; and
- (l) The Registrar/Chief Executive who shall serve as the Secretary.”

**REMARK-** This Section has reduced the number of members of the Council from 47 to 31.

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**Section 7(6)** on Funds of the Institute, provides that:

“All the corporate members in Nigeria shall cause to be paid to the fund, annual subscription as may be agreed by the Council from time to time”

**REMARK-** This Section gives legal backing to payment of annual

subscriptions by corporate members.

**Section 11 (1) (a-b)** on Approval of Qualifications, provides that:

“ The Council may approve any qualification for the purposes of this Act and may, for those purposes approve-

- (a) any course of training at any approved institution which is intended for persons seeking to become members of the banking profession and which the Council considers is designed to confer on persons completing it, sufficient knowledge and skill for registration with the Institute, and
- (b) Any qualification which as a result of an examination taken in conjunction with a course of training approved by the Council under this section is granted to candidates having reached a standard at the examination, indicating in the opinion of the Council that the candidates have sufficient knowledge and skill to be registered with the institute.”

**REMARK** – The Section empowers the Institute to accredit Universities and other tertiary institutions having banking and related courses.

**Section 14 (8)** on Penalties for Unprofessional Conduct, provides that:

“A person whose name is struck off the register in pursuance of a direction of the Disciplinary Tribunal under this section shall not be entitled to be registered again, except, in pursuance of a direction in that behalf and a direction under this section for the striking off of a person’s name from the register prohibits him from making an application for membership or restoration of his membership until after the period specified by the direction that his name should remain struck off, and if he makes an application during the currency of the prohibition such an application shall be invalid.”

**REMARK** – this section emphasises the penalties for unprofessional conduct and encourages professionalism.

**Section 16** on Practice as a member of the banking profession, provides that:

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“A person other than a Corporate member shall be deemed to practice as a member of the banking profession if, in consideration of remuneration received or to be received and whether by himself or in partnership with any other person-

- a) he engages himself in the practice of banking or holds himself out to the public as a member of the banking profession; or

- b) he renders professional service or assistance in or about matters or principle or detail relating to banking procedures; or
- c) he renders any other service which may be by regulations made by the Council, be designated as service constituting practice as a member of the banking profession.

**REMARK-** The meaning of practice of banking profession is explained here, this makes it easy to identify a practicing banker.

**Section 17 (4)** on Rules as to Practice, provides that:

“Any member of the Institute who fails to pay the annual subscription for one year or such period as may be prescribed by the Council may have his name removed from the register of the members.”

**REMARK –** This Section encourages prompt payment of annual Subscription by members of the Institute.

**Section 19 (2) (a)** on Offences and Penalties, provides that:

“If, on or after the relevant date, any person who is not a member of the Institute practices or holds himself out to practice as a banker for or in expectation of reward or takes or uses any name, title, addition or description implying that he is in practice as a banker, he shall be guilty of an offence: Provided that, in the case of a person falling within section 15 of this Act-

- (a) this subsection shall not apply in respect of anything done by him during the period of three months mentioned in that section;”

**REMARK-** This Section makes it an offence for a non-member of the Institute to practice banking.