

Finance Regulatory Updates

November 2025

This month, we examine recent regulatory and market updates issued by key regulators in the financial services sector.

We highlight the key insights from these updates and their likely impact on market participants.

REGULATORY UPDATES

CENTRAL BANK OF NIGERIA (CBN)

A. Letter on Compliance with the Regulatory Provisions on Advertisement and Immediate Withdrawal of Non-Compliant Advertisements

By a letter dated 27 November 2025, the CBN issued a directive to all financial institutions on the advertising and promotional practices adopted by these entities across the industry, and noted variations on the interpretation and application of the disclosure, transparency, and fair marketing requirements outlined in the Consumer Protection Regulations (2019) and the Guidelines on Advertisements by Deposit-Taking Financial Institutions (2000).

The directives of the CBN are that:

- a. All advertisements must be factual, balanced, and transparent. Claims that could mislead, obscure risks, or create unfair comparisons are prohibited;
- b. Institutions must not exaggerate benefits, omit material information, or reference unaudited financial statements;
- c. Comparative, superlative, or de-marketing statements (direct or implied), are not permitted;
- d. Promotions that constitute inducement, such as lotteries, prize draws, lucky dips, or other chance-based incentives, are not allowed; and
- e. Notifications submitted to the CBN prior to release of advertisements must include the:
 - duration and timelines of the advert;
 - creative materials to be aired or published;
 - demographic and geographic target audience;
 - written confirmation of internal clearance by designated persons; and
 - evidence that the underlying product or service has been approved by the CBN.

B. Exposure Draft of the Guidelines on the Treatment of Dud Cheques by Banks and Other Financial Institutions in Nigeria

By a circular dated 24 November 2025, the CBN an exposure draft of the Guidelines on the Treatment of Dud Cheques by Banks and Other Financial Institutions in Nigeria (the “Draft Guidelines”).

The Draft Guidelines aim to provide clarity on the treatment of dud cheques, and to enhance confidence in the banking system. Once finalised, it will supersede earlier circulars and regulations on the subject matter.

Key amendments and new provisions as compared with prior guidelines, are summarised below:

Provision	Prior Guidelines	2025 Guidelines
Scope	Applied only to banks.	Applies to all financial institutions.
Barring Restrictions	A customer whose name appears in the CBN’s compiled list of serial dud cheque issuers will be barred from issuing cheques and from accessing credit facilities for a period of five (5) years. The bank is also required to recall the customer’s cheque book.	Keeps same five-year bar, but formalises customer’s status as a “barred customer”, who is restricted from accessing credit from the banking industry and opening a current account.
Subsequent Offences after Initial Bar	After the initial five-year listing, a customer is eligible for removal. Where the offence is repeated, they shall be permanently reinstated in credit bureau and credit risk management system (CRMS) databases.	If an issuer, after being removed, issues another dud cheque, they are barred for another five-year period for each instance.
Status Checks	Banks must perform status check on potential customers on the CRMS portal and at least two credit bureaux before onboarding a customer.	Financial institutions must perform status checks on the dud cheque database before opening current accounts, and update records at end of barring period.

The new provisions introduced in the Draft Guidelines include:

a. Detailed Clarifications: Important terms are now defined. For example, a dud cheque is defined narrowly as a cheque that is dishonoured solely due to insufficient funds in the drawer's account. A dishonoured cheque is defined more broadly to include any cheque returned unpaid for any reason, and a serial dud cheque issuer is defined as a customer who has issued three dud cheques within the banking system.

b. Roles and Responsibilities of Stakeholders: The Draft Guidelines introduce a structured allocation of responsibilities across all stakeholders:

- **CBN:** The CBN serves as the custodian of the central dud-cheque database, maintains and updates the reporting platform, issues reporting templates, provides technical specifications, and oversees dispute resolution;
- **Participating Financial Institutions (PFIs):** PFIs are required to report dud cheques within the prescribed timelines, maintain accurate and retrievable records of returned cheques, and enforce all restrictions applicable to barred customers;
- **Private Credit Bureaux (PCBs):** PCBs must maintain an up-to-date database of dud-cheque issuers and serial offenders, ensure that records align with the CRMS database, and make this information available to PFIs upon request.

They are also responsible for ensuring the integrity, accuracy and timely update of all customer information received from PFIs.

c. Procedure for Reporting and Barring Dud Cheque Issuers: The Draft Guidelines introduce specific timelines and structured reporting:

- PFIs must report a dud cheque to the CRMS and at least two credit bureaux within one (1) hour;
- PFIs must notify the customer within two (2) working days;
- Once a customer is classified as a serial issuer, the CRMS automatically notifies all PFIs;
- The reporting PFI must notify the customer within two (2) working days of the bar and update the credit bureaux accordingly.

d. Updating and Unbarring Procedures: Erroneous reports require the approval of the CBN before correction. Once approved, PFIs must update the CRMS and credit bureaux within twenty four hours and notify the customer within two (2) working days. A serial issuer may be unbarred after expiry of the five-year period, correction of an erroneous entry, or any other CBN-approved condition.

e. Sanctions and Penalties: Sanctions and penalties now apply to all stakeholders (including customers), and is scaled according to institution size. Examples include the failure to report or update records, conduct mandatory status checks, cancel unused cheque leaves, and enforce restrictions against barred customers. Penalties range from ₦100,000.00 (One Hundred Thousand Naira) to ₦5,000,000.00 (Five Million Naira), depending on the specific infraction.

MARKET UPDATE

The CBN Publishes the Decisions of the 303 rd Monetary Policy Committee Meeting

On 25 November 2025, the CBN released the Monetary Policy Communique, following the 303rd meeting of the Monetary Policy Committee (the “MPC”).

The MPC assessed global and domestic economic developments, noting continued progress in inflation moderation, external sector resilience, and improvements in investor confidence.

The key decisions of the MPC are:

1. Monetary Policy Rate (MPR): retained at 27.00%;
2. Standing Facilities Corridor: adjusted to +50/-450 basis points around the MPR;
3. Cash Reserve Ratio (CRR): retained at 45.0% for Commercial Banks, 16.0% for Merchant Banks and 75% for non-Treasury Single Accounts public sector deposits; and
4. Liquidity Ratio: maintained at 30.0%.

The MPC emphasized that maintaining a tight policy stance, while adjusting the corridor, was supports the ongoing disinflation process. It was also noted that headline inflation continued to decelerate for the seventh consecutive month, declining to 16.05% in October 2025 (from 18.02% in September 2025), driven by exchange rate stability, increased capital flows, and the cumulative impact of earlier policy tightening.

For additional information in respect of any of the updates provided above, please contact temitope.sowunmi@moroomafrica.com

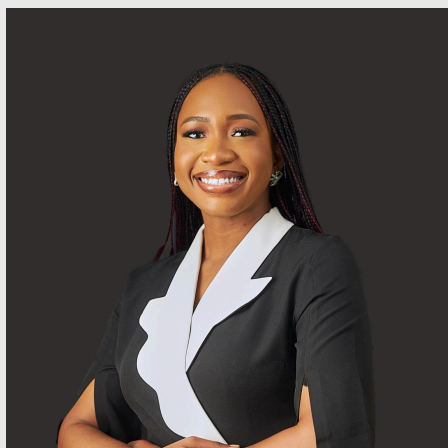
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