

THE ASSOCIATION OF GLOBAL CUSTODIANS

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SKANDINAVISKA ENSKILDA BANKEN
STANDARD CHARTERED BANK
STATE STREET BANK AND TRUST COMPANY

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13th July 2021

DELIVERED BY EMAIL

Governor of Central Bank of Nigeria
Samuel Ladoke Akintola Street,
P.M.B, 187 Samuel Ladoke Akintola
Boulevard, Abuja

Re: Request for exemption from Bank Verification Number requirements

Dear Mr. Emeziele

We, The Association of Global Custodians¹, are writing to you on behalf of our member organizations in connection with the Bank Verification Number (BVN) registration requirements that apply to all bank customers in terms of the uniform account opening forms and minimum information requirements for customers as read together with the AML/CFT regulation 2013 and the Money Laundering Prohibition Act (MLPA) 2011. We write to request that accounts opened by global custodians to enable the delivery of custody

¹ The Association of Global Custodians (AGC) is an informal group of 12 financial institutions that provide securities safekeeping services and asset-servicing functions to primarily institutional cross-border investors worldwide. As a non-partisan advocacy organization, the AGC represents members' common interests on regulatory and market structure matters through comment letters, white papers and interaction with legislative and regulatory authorities and financial industry organizations around the globe.

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services, by local custodians in Nigeria, be exempt from the application of BVN requirements at the level of the global custodian and at beneficial owner level.

The Association of Global Custodians recognises and supports the objectives underlying the implementation and enforcement of the BVN measures. It is our view that the exemption that we seek would not, if granted, undermine these objectives. In order to support the advocacy efforts of local custodians and the Association of Asset Custodians of Nigeria, on this matter we formally request that cash and securities accounts that are opened by foreign financial institutions or global custodians in Nigeria solely for the purposes of settlement, custody, and administration of securities be exempt from the BVN registration requirements.

While we acknowledge the assurances given by the Governor of the Central Bank of Nigeria, in April 2019, that a formal exemption from BVN registration requirements would be issued to foreign financial institutions we are concerned that 2 years have passed without the exemption being formalised. While it is our understanding that the Central Bank of Nigeria is undertaking the work required to give effect to the Governor's assurances to the foreign portfolio investor community it is our concern that in the absence of a formal exemption the global custodian community faces the risk of falling out compliance with local laws and regulations and risk account suspension or closure if, for whatever reason, the informal/practice-based dispensations are withdrawn or the BVN beneficial owner level requirements are aggressively enforced. As intermediaries, our members have a responsibility to their customers to actively ensure that such an outcome is avoided.

As always, our members appreciate the opportunity to address you on this matter. We appreciate your consideration of our petition for an exemption from the beneficial owner level BVN requirements that are prescribed in the laws and regulations. Please do not hesitate to contact the AGC through the writer if you would like to arrange further discussion or clarification of these recommendations. We count on your usual cooperation in this matter.

Yours sincerely,

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CT Tinavapi

The Association of Global Custodians
Middle East and Africa Committee

By: Catherine Tinavapi

CC

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