

12-1991

Opening address on the Central Bank Decree 1991 and Banks and Other Financial Institutions Decree, 1991

A. Ahmed
Central Bank of Nigeria

Follow this and additional works at: <https://dc.cbn.gov.ng/bullion>



Part of the [Business Commons](#), and the [Economics Commons](#)

Recommended Citation

Ahmed, A. (1991) "Opening address on the Central Bank Decree 1991 and Banks and Other Financial Institutions Decree, 1991," *Bullion*: Vol. 15 : No. 4 , Article 1.

Available at: <https://dc.cbn.gov.ng/bullion/vol15/iss4/1>

This Article Review is brought to you for free and open access by CBN Institutional Repository. It has been accepted for inclusion in Bullion by an authorized editor of CBN Institutional Repository. For more information, please contact dc@cbn.gov.ng.

OPENING ADDRESS FOR THE WORKSHOP ON THE CENTRAL BANK DECREE 1991 AND BANKS AND OTHER FINANCIAL INSTITUTIONS DECREE, 1991

PRESENTED BY THE GOVERNOR OF CENTRAL BANK OF NIGERIA,
ALHAJI A. AHMED

The Honourable Minister and Attorney-General of the Federation,
Chief Executive of the Other Financial Institutions,
The Press,
Eminent Personalities,
Ladies and Gentlemen.

I am indeed pleased to welcome you all to this important workshop. I am particularly happy that the participants here are knowledgeable in their various areas of operation. I therefore urge everyone to make meaningful contributions in order to make this workshop a success.

As you may have been aware, the workshop is particularly aimed at educating participants and providing a forum for exchanging ideas on the provision of Decree 25 of 1991. Through this type of exposure, we should be able to establish good working relationship and understanding and ensure a smooth and effective implementation of decree number 25.

This is not the first banking legislation since Nigerian independence. The Central Bank established under the Central Bank Act of 1985, had the principal objectives

of issuing legal tender in Nigeria, maintaining reserves, safeguarding the international value of the currency, promoting monetary stability and acting as a sound financial adviser to the Federal Government.

A decade later, the Banking Decree of 1969 was promulgated to correct the inadequacies of the 1985 Act. Since then, there have been numerous amendments to the decree.

Until recently, both the Central Bank Act, 1958 and the Banking Decree, 1969 constituted the legal framework within which the CBN operated and regulated the banks. With time, laws were to be no longer adequate to cope with the changes which had taken place in the banking and other financial services industry. Moreover, the Structural Adjustment Programme intro-



ALHAJI A. AHMED

duced in 1986 had led to the adoption of a wide range of economic liberalization and de-regulation measures which in turn had resulted in the emergence of more banks and other financial intermediaries. Consequently, it became imperative to strengthen and extend the powers of the CBN to cover these new institutions in order to enhance effectiveness of monetary policy and the regulation and supervision of banks and non-bank financial institutions. Decrees 24 and 25 of 1991, which could rightly be described

as significant legislative reforms have been promulgated to meet these urgent needs.

We can only appreciate the enormous tasks ahead if we understand the provisions of decree number 25 of 1991 in particular. Apart from constituting a unified legal framework for banking and other financial services, the decree has been updated to take care of observed weaknesses in the previous laws. It is therefore highly desirable that both monetary authorities and

the various participants in the financial services industry to interact, discuss and interpret this for better understanding and assured effective implementation. In other words, it is not a forum for enlightenment alone, it is also an opportunity to reflect on our various responsibilities as regulators, operators or users to comply with the provisions of the decree, in the interest of the Nigerian economy.

In conclusion, the Central Bank would like to acknowledge the supportive role and foresight of the Gov-

ernment in bringing about the changes in the policy, regulatory, and supervisory environment as reflected in the main provisions of the two new decrees.

Distinguished ladies and gentlemen, I once more welcome you to this unique forum. I have no doubt that before you leave here, the objectives of the workshop would have been realised. It is now my great pleasure to declare this workshop open.

I wish you happy and fruitful deliberations.