



CENTRAL BANK OF NIGERIA

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LETTER TO ALL BANKS

DMB LED ELECTRICITY MARKET COLLECTIONS

In line with a directive of the Power Sector Coordination Working Group to improve payment discipline in the Nigerian Electricity Supply Industry (NESI), and thereby boost the overall quality of electricity generation, transmission and distribution, all Deposit Money Banks are required to immediately implement the underlisted actions in collaboration with their customer Electricity Distribution Companies (DisCos).

1. Banks providing Bank Guarantees to Nigeria Bulk Electricity Trading (NBET) Plc and the Transmission Company of Nigeria (TCN) on behalf of DisCos, would take full responsibility for:
 - a. The collections of the concerned DisCos, and
 - b. The remittances of the DisCos to both NBET and TCN.

For the avoidance of doubt, no DMB is permitted to open or continue to maintain a collection account for a DisCo without the express no-objection of the DMB that guaranteed its exposure to NBET or TCN.

2. The payment or settlement of all NESI related goods or services shall be made through the Nigerian Banking System. Consequently, all collections for the payments of NESI regulated goods and services provided by a DisCo shall be paid into a designated account such that:
 - a. Collections arising from services rendered by the DisCo shall be paid into an account in the sole name of the DisCo;
 - b. Collections arising from services rendered by a third party/parties on behalf of the DisCo shall be paid into an account in the joint name of the DisCo and the third-party vendor(s)
3. All energy and non-energy collections of DisCos, whether cash or cashless, shall only be performed by Deposit Money Banks (DMBs).
4. No entity shall be permitted to collect revenues for DisCos except if that entity is so authorized by a DMB in line with the relevant CBN Guidelines for Agent Banking and Agent Banking Relationships, therefore:
 - a. The DMB shall be permitted to authorize its agents to collect energy and non-energy payments on its behalf for any DisCo,
 - b. The actions or inactions of the agent shall be the responsibility of the authorizing DMB,

- c. Any DMB found to be maintaining any account(s) for any entity collecting payments on behalf of any DisCo without appropriate authorization shall have regulatory sanctions imposed on it.
5. DMBs are to work with relevant stakeholders to ensure that all electricity customer payment channels/endpoints must identify electricity market payments in such a way as to provide the identification of these payments and information relating to:
 - a. The DisCo,
 - b. The DisCo Account Information such as Account ID, Customer ID, Meter ID etc.
6. All DisCo collections (cash and cashless) shall be regarded as an energy collection and, unless identified otherwise, shall be swept automatically into a Feeder Collections Account (FCA) in the sole name of the DisCo. The proper classification of accounts (into energy and non-energy) shall be the responsibility of the DisCo and DMB that guaranteed the DisCo or its designate bank.
7. All DisCo non-energy collections shall be paid into a designated account in the name of the DisCo provided that:
 - a. Non-energy collections arising from services rendered by the DisCo shall be paid into an account in the sole name of a DisCo,
 - b. Non-energy collections arising from services rendered by a third-party vendor on behalf of a DisCo shall be paid into an account in the joint name of the DisCo and the third-party vendor.
8. DMBs shall ensure that Bulk purchasers/resellers of energy maintain a dedicated and segregated account per DisCo for customer energy collections for that DisCo. DMBs shall also ensure that:
 - a. Bulk resellers shall maintain records of energy sales and shall make such records available monthly and on demand to the Central Bank of Nigeria (CBN), Nigeria Electricity Supply Industry Stabilization Strategy (NESI SS) Ltd or any other CBN designated entity,
 - b. Bulk resellers shall not open or close any account for energy collections without an authorization by NESI SS Ltd or any other CBN designated entity,
 - c. They provide, on a monthly basis and on demand, details of all accounts maintained by their Agents, and all third parties involved in energy collections and/ or resale (i.e. bulk resellers, Agents, etc.) for inspection by the CBN, NESI SS Ltd or any other CBN designate.
9. Supervised entities acting as Financing Agents for the purchase of energy, or similar, shall only charge fees in line with CBN regulations.

Thank you



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DIRECTOR OF BANKING SUPERVISION