THE ROLE OF THE CENTRAL BANK OF NIGERIA IN THE EFFECTIVE IMPLEMENTATION OF THE IMF CODE OF GOOD PRACTICES ON TRANSPARENCY IN MONETARY AND FINANCIAL POLICIES

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I. INTRODUCTION

The last four and half years witnessed increased calls, within the international financial community, for greater transparency among its membership, In the conduct of macroeconomic policy in general, and monetary and financial policies in particular. The impetus for these calls was perhaps connected with the aftermath of the financial crisis that ravaged the International financial markets during the second half of the 1990s, which many observers believed could have been avoided if there was adequate transparency in the dissemination of relevant financial information. Another development that prompted increased calls for greater transparency was the rapidly changing international environment, particularly with regard to globalization and greater integration of financial markets.

It is within context that, the need for universally accepted standards, or codes of good practices, was underscored and a number of international financial institutions were mandated *to* develop such standards or codes. The general argument is that the adoption of the internationally recognized standards, or codes of good practices, can help to improve economic policy making and strengthen the International financial system. Consequently, the International community had to call upon the IMF and other standard setting agencies to develop standards/codes covering a number of economic and financial areas. Including data dissemination, fiscal, monetary and financial policy transparency, banking regulation and supervision, securities and insurance regulation, accounting, auditing, bankruptcy and corporate governance.

The objectives of this paper are essentially twofold: to familiarize seminar participants with the code of good practices as it relates to transparency in the conduct of monetary and financial policies; and to examine the role of the Central Bank of Nigeria (CBN) in ensuring the effective implementation of the Code in Nigeria particularly, against the backdrop of

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the international acceptability of the Code as a standard for gauging how transparent monetary and financial policies are In the member countries of the International financial community. For ease of exposition, the paper is divided into four parts. Following this introduction, part II of the paper presents the background and elements of the Code, highlighting the rationale for each element. In part III, we discuss the role of the CBN in the effective Implementation of the Code in Nigeria, while the paper ends with some concluding remarks in part IV.

II. BACKGROUND AND ELEMENTS OF THE CODE OF GOOD PRACTICES ON TRANSPARENCY IN MONETARY AND FINANCIAL POLICIES[1]

In the aftermath of the financial crises that devastated the world financial markets, particularly in Asia and Latin America between 1996 and 1 998, the international community felt the need to strengthen the architecture of the international monetary and financial system. Moreover, there are other developments that also prompted central banks and financial agencies to practice greater transparency in the conduct of their affairs. First, the notion of transparency has gained popularity among the public, and thereby evoking increasing calls by different interest groups on central banks and financial agencies to become more open about their policies, operations and activities. Second, the recognition by policy makers that globalization in general, and international integration of financial markets and products in particular, requires a greater degree of transparency of monetary and financial policies and of regulatory regimes and processes, in order to contain market volatility. Third, the shift in the ultimate objective of monetary policy by a number of central banks to inflation targeting, which required public disclosure of how these targets are being met so as to establish credibility, shape expectation, and thereby, strengthen the effectiveness of monetary policy. Fourth, the adoption of the General Agreement on Trade and Services, which placed greater attention on the conduct of financial services. Finally, revolutionary advances in communication, which greatly reduced the difficulties, costs, and time delays of disseminating information to the public.

Materials in this section are drawn largely from the two documents: Code of Good Practices on Transparency in Monetary and Financial Policies (IMF, July 9, 1999) and Supporting Document to the Code of Good Practices on Transparency in Monetary and Financial Policies (IMF July 24, 2000).

Underlying the desire for a more robust and strengthened international monetary and financial system, were the consensus that, inadequate transparency contributes to financial crises; markets are highly vulnerable to Instability In the absence of adequate, reliable and timely information; without adequate Information about the economy and the financial system, policy makers cannot make good policies and react promptly to unforeseen developments; and uncertainty about the economy and government policies leads to abrupt and destabilizing market behaviour. Thus, greater transparency and better accountability was considered capable of helping to reduce the frequency and severity of financial crises by encouraging policy adjustments to begin earlier and occur more smoothly, and resolving crises by reducing uncertainty.

Against the foregoing, the IMF, in collaboration with the Bank for International Settlements (B1S), and in consultation with a representative group of central banks, financial agencies, other relevant international and regional organizations, and selected academic experts, developed the Code in the context of the development of standards and codes for public disclosure and transparency practices designed to strengthen the international monetary and financial system. It should be noted that, calls for greater transparency extend across a wide spectrum -- to commercial banks, securities and Insurance firms, and other institutions and participants in financial markets, to government and their policies, and to multinational institutions, Including the IMF. The adoption of the Code of Good Practices on Transparency In Monetary and Financial Policies is, therefore, part of a larger focus on transparency. The Code was approved by the IMF Executive Board on July 9, 1999 and adopted by the International Monetary and Financial Committee (formerly *Interim Committee)* of the Fund on September 26, 1 999, as a guide for members to increase transparency in the conduct of these policies. In adopting the Code, the Committee, urged "all [Fund] members to implement the new Code " The code is analogous to the *Code of Good Practices on Fiscal Transparency* earlier developed by the Fund and endorsed by the Interim Committee in April 1998. The objective of the Monetary and Financial Policies Code is to improve transparency of the objectives and operational processes governing monetary and financial policies.

In the context of the Code, transparency refers to an environment in which the objectives of policy, its legal, institutional, and economic framework, policy decisions and their rationale, data and information related to monetary and financial policies, and the terms of agencies' accountability, are provided to the public on an understandable, accessible and timely basis. The argument for transparency of monetary and financial policies is hinged on two principles. First, monetary and financial policies can be made more effective if the public understands the goals and instruments of policy and if the authorities make a credible commitment to achieving these goals. The Import of this is that, by making available more information about monetary and financial policies, good transparency practices promote the potential efficiency of markets. Second, good governance calls for central banks and financial agencies to be accountable, particularly where the monetary authorities and financial agencies are endowed with a high degree of autonomy. The code is thus expected to assist in achieving the expectations of the stakeholders. And when conflicts arise between or within government units In which responsibilities are shared, transparency in the mandate and clear rules and procedures in the operations of the agencies can help in their resolution, strengthens govemance, and facilitate policy consistency.

The Code contains a listing of broad principles related to transparency for monetary and financial policies that central banks and financial agencies should seek to achieve. A *Supporting Document to the Code of Good Practices on Transparency in Monetary and Financial Policies,* has been developed by the Fund and approved by Its Executive Board on July 24, 2000, to facilitate the implementation of the Code. The Supporting Document, which is a reference source as well as an implementation guide, provides a fuller description of each transparency practice embodied in the Code, its rationale in the context of transparency, where and how it is practiced and some of the practical considerations in the implementation of the Code. While the Code itself expressed the practices in general terms, the Supporting Documents articulated the principles and guidance provisions to Implementing the Code and hence, could be viewed as a systematic presentation of a variety of ways central banks practice transparency.

The *Code of* Good *Practices on Transparency in Monetary and Financial Policies* covers two sets of policies and institutions —monetary policies/central banks and financial policies/financial agencies.[2] Though the two sets of policies are interrelated and mutually reinforcing, the division is to cater for the differences in the institutional arrangements for these policies. The elements of the Code are drawn from a review of good transparency practices employed In a number of countries and discussed in the professional literature. It is, therefore, a formalization of the existing practices in most central banks and financial agencies. It identifies desirable transparency practices for central banks in their conduct of monetary policy and for central banks and other financial agencies in their conduct of financial policies. The Code contains four (4) broad elements, namely:

- clarity of roles, responsibilities, and objectives of central banks for monetary policy and of financial agencies for financial policies;
- open process for formulating and reporting monetary policy decisions by the central banks and of financial policies by financial agencies;
- public availability of information on monetary and financial policies; and
- accountability and assurances of the integrity by the central banks and financial agencies.

The Code demands that rules and policies be clear and transparent while relevant financial information are expected *to* be comprehensive and discussed promptly.

I. On matters relating to the roles, responsibilities and objectives of central banks and financial agencies, the Code recommends that key features be clearly specified in the authorizing legislation (e.g. a central bank law) while the relationship between the various operations/agencies or any agency role performed on behalf of government be clearly defined or publicly disclosed. A clear statement of the ultimate objectives and institutional framework of monetary and financial policies identifies the mandate and the extent of responsibilities of the relevant agencies. Specifying these in the legislation gives them particular prominence thereby, avoiding ad hoc and frequent changes to these important aspects of central banks and relevant financial agencies. Furthermore, the public will be in a position to compare outcomes with goals and hold the parties with responsibilities for achieving specific objectives accountable for their attainment.

II. With regard to issues pertaining to the open process for formulating and reporting monetary policy decisions and financial policies, the Code, among other guidelines, recommends that the framework, instruments and any targets that are used to pursue the objectives of monetary policy should be publicly disclosed and explained and the case of financial policies, the conduct of policies by financial agencies should be transparent, compatible with confidentiality considerations and the need to preserve the effectiveness of actions by regulatory and oversight agencies. Changes in the setting of monetary policy instruments (other than fine-tunning measures) and significant changes in financiat policies should be publicly announced and explained in a timely manner. Public consultations within an appropriate time period should be undertaken for proposea substantive technical changes to the structure of monetary and financial regulations. Periodic public statements on progress toward achieving monetary policy objective(s) as well as prospects for achieving them are to be issued by central banks and in the case of financial agencies, the reports should focus on how their overall policy objectives are being achieved, in addition, the regulations on data reporting by financial Institutions to the central banks for monetary policy purposes should be publicly disclosed.

III. On the issue of public availability of information on monetary policy, the Code recommends that presentations and releases of central bank data should meet the standards related to coverage, periodicity, timeliness of data and access by the public that are consistent with the IMF's data dissemination standards.[3] In addition, the Code encourages central banks to publicly disclose Its balance sheet on a pre-announced schedule and, after a predetermined interval, publicly disclose selected information on its aggregate transactions. Texts of the regulations issued by the central bank should be readily available to the public while public information services should be established and maintained by the central bank. In this context, the central bank should have a publication schedule, including an Annual Report and senior central bank officials should be ready to explain their institution's objective(s) and performances to the public and, in addition, release the text of the statements to the public. The same principles apply in the case of public availability of information on financial policies with slight modifications to take account of differences in institutional arrangements. In this regard, financial agencies are encouraged to issue periodic public reports on the major developments of the sector(s) of the financial system for Which they carry designated responsibility; they should seek to ensure that, consistent with confidentiality requirements, there Is public reporting of aggregate data related to their jurisdictional responsibilities on a timely and regular basis; and where there are deposit insurance guarantees, policyholder guarantees, and any other client asset protection schemes, Information on the nature and form of such protections, on the operating procedures, on how the guarantee is financed, and on the performance of the arrangement, should be publicly disclosed.

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[2] The term "central bank" in the Code refers to the institution responsible for conducting monetary policy, which may or may not be a central bank while "financial agencies" is used to refer to the institutional arrangements for the regulation, supervision, and oversight of the financial and payments systems, including markets and institutions, with the view to promoting financial stability, market efficiency, and client-asset and consumer protection.

IV. Regarding the fourth element on accountability and assurances of Integrity by central banks and financial agencies, the Code advocates that officials of the central bank and relevant financial agencies should be available to appear before a designated public authority to report on the conduct of monetary and financial policies, explain the policy objective(s) of their Institutions, describe their performance in achieving/pursuing their objective(s), and, as appropriate, exchange views on the state of the economy and financial system. In addition, audited financial statements of their operations should be publicly disclosed on a pre-announced schedule while operating expenses and revenues should be publicly disclosed annually. Public disclosure of standards for the conduct of personal financial affairs of officials and staff and rules to prevent exploitation of conflict of interest, including any general fiduciary obligations is also recommended by the Code.

Transparency and Disclosure Limits:

It is pertinent at this juncture to draw attention to the potential limits to transparency, which the Code has fully recognized. Thus, the adoption of the codes should be weighted against the potential costs and, in particular, required adaptation to Individual country circumstances, taking into account the benefits and limitations of transparency that could be affected by specific policy and Institutional circumstances. Consequently, limits on transparency are allowed where increased transparency could undermine the effectiveness of policies or decision-making or be potentially harmful to market stability. For example, extensive disclosure requirements about the internal policy discussion on key operations of the central bank, such as money and foreign exchange market operations, might disrupt the markets, constrain the free flow of discussion by policy makers or prevent the adoption of contingency plans and near-term implementation tactics. Thus, it may be justifiable for the central bank not to disclose its internal deliberations and documentation, contingency plans, near-term implementation tactics, and Information on foreign exchange operations.

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[3] See Special Data Dissemination Standard (SDDS). (IMF. March 1996). and General Data Dissemination System (GDDS). (IMF. December 1997). The SDDS serves to guide countries that have, or that might seek, access to international capital markets in the dissemination of economic and financial data to the public and encourages [Fund] member countries to follow good statistical practices in four dimensions relating to data coverage, periodicity and timeliness of data disseminated; access by the public; integrity; and quality. The GDDS serves to: guide countries in the provision to the public of comprehensive, timely, accessible and reliable economic, financial and socio-demographic data; encourage member countries to improve data quality; and provide a framework for evaluating needs for data improvement and setting priorities in this respect. The framework of the GDDS is also built around the same four dimensions as the SDDS.

Similarly, in order to maintain access to sensitive information from market participants, there is also need to safeguard the confidentiality and privacy of information on individual participants in the market.

III. THE ROLE OF THE CBN IN THE EFFECTIVE IMPLEMENTATION OF THE CODE IN NIGERIA

Although, the implementation of the Code in member countries of the Fund is voluntary, it is pertinent to note that, as a member of the International financial community, it is in best interest of the CBN to adopt the Code and ensure its effective implementation within the limits practicable. Its adoption in Nigeria is even more compelling now than at any other time, as the country is warming up to the international community and canvassing for increased flow of financial resources to revamp its ailing economy. I envisage that greater transparency is likely to play a significant role in facilitating investment flows in future to the extent that Investors may begin to view the issue seriously in their investment decisions, even though the implementation of the Code is not mandatory. The recent agreement reached with the Fund on a Stand-by Arrangement, has further reinforced the need for CBN to seriously emphasize the adoption and implementation of the Code particularly with *respect* to the issue of data dissemination standard. With CBN having overall responsibility for the supervision of all financial Institutions in the country, under the amended Act, the role of the Bank in the effective Implementation ot the code of good practices in monetary and financial policies cannot be overemphasized.

Having highlighted the main elements and salient features of the Code in the preceding section, let me now turn attention to how the Central Bank of Nigeria (CBN) will facilitate the effective implementation of the Code in Nigeria. Essentially, I see the role of the CBN as that of a facilitator because to a large extent, some of the good practices recommended in the Code are already in place, either in the authorizing legislation (as may be necessary) or in the actual conduct of affairs by the CBN. With regard to the main elements of the Code, I will particularly, like to refer you to Parts I, IV and V-VIII of the Central Bank of Nigeria Decree No. 24 of 1 991, as amended, which have to some degree, accommodated some of the good practices that have been identified in the Code and the Supporting Document. This is, however, not to suggest that there is no room for improvement on how things are currently being done in the Bank.

In general, meaningful transparency depends on the means of disclosure and the quality of transparency. Effective transparency calls for concerted efforts on the part of national authorities to build public understanding of the objectives of policy, the nature of responsibilities of the authorities, and the policy process. Promoting public understanding of these issues involves the authorities being active in developing and conveying information, using various means available to these institutions to disclose information, and customizing the message according to the needs of the particular audiences. The role of the CBN In the effective implementation of the Code In Nigeria could, therefore, be discussed under the following subheadings: means of disclosure, quality of transparency, data, facilitator, and Internal operations of the Bank.

(a) Means of Disclosure

The CBN with its assigned roles and responsibilities, as defined in the Act establishing it and the Banks and Other Financial Institutions (BOFI) Decree 25 of 1991, as amended, needs to enhance its involvement in developing and conveying information on its operations to the public. In this regard, the existing channels through which the Bank communicates with the public should be improved and made readily accessible to the public. For example, the CBN Act, which should be a public document is not readily available and/or accessible to the public while the language texts of the legislation and regulation are often technical and complex. To make transparency effective, the CBN may consider it expedient to post the text of the laws and regulations on its website when this is established. The import of this is that the CBN Act and the BOFI Decree contain explicit description of the roles, responsibilities, and objectives of the Central Bank of Nigeria for monetary policy and financial policies. Making them readily available and accessible will help the public to appreciate the Bank's role and assist them in assessing the performance and credibility of the Bank.

Other means of disclosure currently available to the CBN for effective conduct of transparency in Nigeria and which needs to be improved include the various official publications (half-yearly, quarterly or monthly reviews or bulletins), annual reports, press releases, statutory reports to the legislature (National Assembly) and the public on aspects of its policies and functions. Public release of the memorandum of understanding (MOU) between CBN and other institutions particularly where there are overlapping responsibilities and relationships between and among different institutions including consultancy arrangements (such as between CBN and NDIC in the area of bank examination, amongst others) is another means of disclosure and, hence, transparency. However, the disclosure of any MOU should take cognizance of the sensitive nature of the issues involved, which may limit its disclosure.

The CBN can also improve transparency by publicly releasing and making readily available its mission statement and/or through regular discussion and explanation in the Bank's various publications, public statements and public appearances, and/or putting it on the web site.

It is pertinent to note that, effective transparency requires the use of more than one of these forms of disclosure and whatever means are adopted, their timeliness is equally fundamental. This is perhaps where the web sites become indispensable tools of communicating to the public.

(b) <u>Quality of Transparency</u>

Closely related to the form of transparency is the quality of in formation disclosed. It is the content, clarity and accessibility of the information or data that are being disclosed that transforms "disclosure" into "transparency." Thus, creating effective transparency requires more than just making information available about policy objectives, responsibilities, policy decisions, and performance results. The CBN has an important role to play in the effective implementation of the Code by ensuring that the quality of information is such that the credibility of the Bank is not questioned. Thus, the Bank's role should be to ensure that statements and reports contain meaningful and relevant Information and should be released on a timely basis. The content of the disclosure is critical to the efficient functioning of markets, which will only increase in importance as changes in international trading and financial arrangements evolve and markets become more sophisticated. Failure to present public statements and reports on monetary and financial policy issues with appropriate content could undermine the credibility of the CBN and thus become counterproductive.

The CBN should focus attention on the tangibility and relevance of the information being provided to the public. The objective of transparency would not be met if reports released offer contradictory assessments, multiple reports are issued, or if regulations are written in highly technical or archaic language. Similarly, inconsistent application of transparency practices (like reversing previously applied transparency practices in unfavourable situations), would go against the spirit and intent of transparency and could weaken credibility. Thus, the CBN's role in this regard would be to guard against Issuing statements and reports that are ambiguous and subject to different Interpretations by different individuals and/or groups. In addition, it should avoid Issuing multiple and contradictory reports/regulations or applying transparency inconsistently so as not to undermine its credibility. Overall, for monetary policy transparency, the CBN should condition the scope for being transparent and the nature of transparency by the nature of the monetary policy regime.

(c) Data

Another area where CBN's role is crucial for the effective implementation of the Code in Nigeria is related to data disclosure, which is an important aspect of the *Code of Good Practices on Transparency* in *Monetary and Financial Policies.* The CBN should champion the adoption of the guidelines and procedures of the IMF's data dissemination standards and other standards developed by different international organizations and associations aimed at presenting readily accessible data on an orderly and timely basis, with emphasis on reliability. Without adequate, reliable, accurate, qualitative and timely data, efforts at achieving greater transparency would come to naught and wrong information would be disseminated to stakeholders. Data problems in Nigeria is perhaps the single most important potential threat to the effective implementation of the Code. In the past, reservations about the quality and reliability of Nigeria's data related to all sectors, except the financial sector. In recent times, however, doubts have been cast even on the quality of monetary and financial data, including CBN own's balance sheet data. It is worth mentioning at this point that, if the Bank looses grip on providing credible data in its area of primary responsibilities, then all hope would be lost because CBN is probably the only institution in the country on which users of statistics and/or stakeholders rely.

The CBN collects and compiles various statistics for the purpose of appraising its policies and conducting research on financial and economic Issues. Based on the understanding that "statistics are public goods," the CBN's role should be to provide reliable statistics in a timely manner, and every effort should be directed toward achieving that goal. This is particularly Important because the structure of the economy and the financial sector has changed substantially and new initiatives in information technology has been developed to spread information quickly. Moreover, the environment surrounding monetary and economic statistics has also been transformed rapidly. Under these circumstances, expectations are increasing, mainly of statistics users, for the expansion and improvement of statistics to enhance the convenience of their use. In view of the above, the CBN has a role to play In enhancing the quality of statistics it provides by, among others: (i) providing accurate statistics that portrays the true conditions of the economy precisely; (ii) enhancing the convenience for users, with increased emphasis on timeliness, by establishing a web site, which provides access to a wide range of users, so that users can grasp the economic situation at an early stage; (iii) improving efficiency of collecting and compiling statistics through on-line system thus, reducing the burden on respondents; (iv) increasing transparency by disclosing the entire process of collecting, compiling and releasing statistics. In this regard, the rules on releasing statistics, and disclosing the survey and estimation methods of the statistics should be clarified and where appropriate a schedule for releasing statistics established; (v) tightening security with respect to confidential information; and (vi) maintaining a neutral stance when releasing statistics, that is, policy judgements or interpretations should not be added.

Furthermore, since the Bank is also a major user of statistics generated by other data-generating agencies, it has a stake in ensuring the quality and consistency of data generated by these other agencies. In this respect, the Bank needs to collaborate with these other agencies and, if possible, provide technical assistance such that statistics provided by them are consistent with the underlying economic conditions that informed changes in monetary and financial policies.

(d) Facilitator

The CBN also has a facilitator's role to play in ensuring the effective Implementation of the Code of good practices on transparency in monetary and financial policies. The CBN as chairman of the Financial Services Regulation Coordinating Committee (FSRCC), should provide effective leadership in ensuring efficiency in the discharge of the responsibilities assigned to the Committee.[4] It is a matter for concern that *since* its establishment, the Committee is yet to make its impact felt in terms of the envisaged coordination of regulatory and supervisory activities. Each member institution appears to be heading in a different direction without regard to the effects of its activities on the other members. This should be corrected. In addition, the CBN should embark on a public enlightenment campaign through seminars/workshops on transparency and involvement of various institutions in the financial sector that have a stake in enhancing transparency practices by the Bank through Information/data provided by them. In this way, the Bank would have succeeded in sensitizing these institutions on the Code and creating awareness of the need to provide accurate, reliable and good quality data to the supervising agencies. This could be complemented by sponsoring annual conferences on topical economic Issues, as is done by most central banks. Participation in such conferences should be extended to the academia, economic practitioners and policy makers to elicit cross-fertilization of ideas and interactions outside the CBN on national economic issues. Finally, the CBN should encourage the fiscal arm of the government to also adopt the Code of Good Practices on Fiscal Transparency to complement the adoption of the MFP Transparency Code in Nigeria.

(e) Improvement in CBN's Internal Operations

CBN's role in the effective implementation of the Code would be enhanced if the Bank embarks on improving its internal operations through the adoption of appropriate technology, particularly IT, in addition to establishing a functional web site that is readily available and accessible to the public. Let me, however, quickly acknowledge that these issues are currently receiving attention under the ongoing restructuring and re-engineering exercise, code-named "Project EAGLES," of the present CBN management.

IV. CONCLUDING REMARKS

The focus of the Code is on transparency. It is directed essentially at the transparency practices of central banks and financial agencies and, not on the transparency procedures relating to firms and individual institutions. While good transparency practices for the formulation and reporting of monetary and financial policies help to contribute to the adoption of sound policies, the Code is not designed to pass judgements on the appropriateness or desirability of specific monetary and financial policies or frameworks that countries should adopt. In addition, transparency is not an end in itself nor is it a substitute for pursuing sound policies, rather it complements sound policies. The Code recognizes that the implementation of the transparency practices differ between countries, reflecting the peculiarities of individual country's environment, both economic and regulatory. This, should be Implemented with flexibility and with due regard to peculiar circumstances.

The adoption of the Code should enhance the effectiveness of monetary and financial policies in Nigeria. With the instrument autonomy granted to the CBN, the Code should help the Bank to meet the expectations of various stakeholders. Similarly, transparency by financial agencies should contribute to policy effectiveness by financial market participants to assess the Impact of financial policies, thereby, reducing uncertainties in their decision making. By enabling market participants and the general public to understand and evaluate financial policies, transparency is likely to contribute to making good policies. This would help promote financial and systemic stability *as* well as reduce the potential for moral hazards. Transparency, however, has its potential limitations which should be accommodated in evolving transparency practices.

The role of the Central Bank of Nigeria in the effective implementation of the Code in Nigeria cannot be overemphasized. The role transcends various frontiers including evolving alternative means of disclosures, quality of transparency, data enhancements, timeliness of disclosure and dissemination of information, public education/enlightenment on what transparency entails and the benefits that are derivable from greater transparency. In addition, improvement in the internal operations of the CBN through the adoption of appropriate IT, including establishing a web site, is critical to the effective implementation of the Code in Nigeria. Finally, regular self-assessment and evaluation study on where the Bank stands vis-a-vis the Code that can easily be assessed by the public will go a long way in facilitating the effective implementation of the Code.

See Part VII –38A and 38B) of the CBN Decree No. 24 of 1991, as amended, for the membership and objectives of the Committee.