

SMI Markets: Nigeria

Date: 03 Jan 2014

CMIRR Markets: Nigeria

CSDs: CSCS (Nigeria)

CBN Becomes the Depository for FGN Bonds

Further to our previous newsflash, OTC-traded Federal Government of Nigeria (FGN) bonds started settling on the Scripless Securities Settlement System (S4) of the Central Bank of Nigeria (CBN) on 20 December 2013. The CBN is now the depository for both FGN bonds and Treasury Bills.

The Central Securities Clearing System Plc (CSCS) no longer deals with FGN bonds and Treasury Bills, but will continue to issue ISIN numbers for these instruments.

Market Information Impact

Nigeria

This information affects the data contained in the Safekeeping/Post Settlement sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Nigeria

Market Rating: A-
Market Flash Impact: Stable

Impacted Risk Type: Financial Risk
Current Rating = BBB
Flash Impact = Stable

Clearing and settlement of OTC-traded FGN bonds only account for a small proportion of CSCS' income; therefore, the transfer of settlement and depository function from CSCS to the CBN will not have a significant impact on CSCS' revenue. Financial Risk is stable.

CSD Risk Impact

CSCS (Nigeria)

CSD Rating: A-
CSD Flash Impact: Stable

Impacted Risk Type: Financial Risk
Current Rating = A+
Flash Impact = Stable

Clearing and settlement of OTC-traded FGN bonds only account for a small proportion of CSCS' income; therefore, the transfer of settlement and depository function from CSCS to the CBN will not have a significant impact on CSCS' revenue. Financial Risk is stable.

Related Flash: [CBN to Implement New RTGS System - Update, 17/12/2013 \(click to view\)](#)

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Number: 2964231 Place of Registration: England & Wales

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