



12th March 2020

The Chairman,
Committee of Finance, Banking and Currency
House of Representatives
National Assembly Complex
Three Arms Zone
Federal Capital Territory
Abuja



Dear Sir

**SOLIDARITY AND SUPPORT FOR THE PROBE OF CENTRAL BANK OF NIGERIA
OVER FOREX RACKETEERING**

Greetings from Human and Environmental Development Agenda (HEDA Resource Centre), a non-governmental organization and non-partisan human rights and development league with the mandate to protect and promote universally recognized human rights, accountability and environmental justice in Nigeria and Africa, following international standards.

We write, in relation to the above subject-matter, to salute your Committee for the commitment and dedication to seeing that the transparency, accountability and integrity is entrenched in the executives. We write in relation to the above subject matter based on the report published by Premium Times¹ on the 5th March 2020 with a title, "Reps probe CBN, FIRS, others over forex racketeering." It was reported that the House of Representatives Committee of Finance, Banking and Currency resolved to investigate the Central Bank of Nigeria, Federal Inland Revenue Service over alleged racketeering in the allocation of foreign exchange. It was reported that the House of Representatives took the decision after adopting the motion brought under matters of urgent national importance by the chairman, committee on finance, James Faleke.

Relayed in the report is that in the motion titled "Urgent Need to Rescue the Country from Over \$30bn Annual Revenue Leakages Arising from Various Malpractices in Foreign Exchange Allocation to Companies from Sources Such As CBN, Autonomous, Interbank, Domiciliary and Over-the-Counter Purchases for the Importation of Physical Goods, Payment of Foreign Service Vendors, Dividend Repatriation, Foreign Loan and Interest Payments, Including Foreign Currency Denominated Contracts' Payments by Companies in Engineering, Procurement, Construction, Installation and Marine Transportation."

¹ https://www.premiumtimesng.com/news/top_news/380490-reps-probe-cbn-firs-others-over-forex-racketeering.html

Our organization was delighted with your reported conclusion in the motion, that the leakages by Central Bank of Nigeria and other agencies has resulted in the loss of revenue worth over \$30billion and it was on that basis, urging the House to also probe commercial banks, forex dealers, importers and beneficiary companies.

According to this report, your Committee of Finance, Banking and Currency will conduct public hearing for a critical look at various originating documents maintained by the Central Bank of Nigeria, banks, forex dealers, Federal Inland Revenue Service, importers and other beneficiary companies. You are expected to make a formal report of findings and provide necessary recommendations toward the correction and regularization of the problems aimed at putting a stop to the menace in the future.

This step by the Committee aligns with the engagement our organization had with the Central Bank of Nigeria in the recent past. Our organization had written a freedom of information request to the Central Bank of Nigeria based on the report published by Sahara Reporters on the 17th October 2019² in a publication titled, "CBN refuses to disclose the beneficiaries of the exchange rate differential". The report relayed that the bank gave subsidies on the foreign exchange through channels such as the forex intervention scheme. The report also captured that the scheme was not transparent. It was reported that the alleged schemes were not beneficial to all and deserving industries. According to the report, during the Former President Goodluck Jonathan's regime, from 2015 to 2017, pilgrims benefited from subsidies in the exchange rate ranging from being given the dollar at 160 instead of 190, 197 instead of 297 respectively.

In the light of report by Sahara Reporters, our organization wrote a Freedom of Information Request dated the 28th October 2019 demanding the following information:

1. detailed breakdown of the schemes created by the Central Bank of Nigeria to sell the dollar at a subsidized rate?
2. the value of the amount that has been given out so far for each scheme
3. the breakdown of the value per sector
4. the detailed information on the beneficiaries of the various schemes inclusive of the forex intervention scheme

Our request for information on the above listing was met with ridiculous response from the Central Bank of Nigerian vide a letter dated the 23rd December 2019 stating that the Apex bank was not involved in pilgrim's subsidized exchange rate nor any subsidized exchange rate scheme. The refusal by the Central Bank of Nigeria prompted our organization to invoke the provisions of Section 20 of the Freedom of Information Act, 2011 by instituting an action before the Federal High Court, Abuja. The Letters and the court processes referred are hereby enclosed.

The investigation to be embarked upon by the committee adequately and accurately meets our organization's delight, considering the steps our organization had taken to

² <http://saharareporters.com/2019/10/17/cbn-refuses-disclose-data-beneficiaries-exchange-rate-differential>



demand answers from the Apex bank in line with the allegations of racketeering in foreign exchange utilization and allocation by the apx bank. We believe the investigation by the Committee will shed light on the matter and appropriately setting the tone on the issues and putting the agencies on the path of accountability and transparency. We would like to emphasis that our intervention is not to meddle or interlope but it is for the greater good of Nigeria and based on the already relayed engagement with the bank.

This investigation and scrutiny by your committee is a step in the right direction and we hope that our organization can aid this national call with the forwarded information. We are willing to support in providing any further clarifications and answer to any questioning to further the cause of your investigation. We can be contacted on +2348106292155 or info@hedang.org and o.suraju@hedang.org

We appreciate this move and we are in full support of this giant stride, taken by your committee on this patriotic duty to the nation with great vigour and professionalism towards a better Nigeria.

While thanking you, do accept our full support and solidarity.

Yours faithfully,



Olanrewaju Suraju
Chairman

