

CHARTERED INSTITUTE OF BANKERS OF NIGERIA

OVERVIEW OF THE PRACTICE LICENSE OF THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA

By

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INTRODUCTION

This maiden Public Presentation of the Chartered Institute of Bankers of Nigeria Practice License, Seal and Practice Stamp is indeed very historic. Today, our Institute has taken this giant stride to pioneer the first, at least in any Banking Institute, in Africa, the issuance of Practice License to its members to practice and use their knowledge and experience of banking outside the four walls of the banks. I commend everyone who sacrificed their precious time and intellects in the last three years or so to make today a reality.

I also join the President and Chairman of Council, CIBN, in congratulating, the fifty one Licensees who have gone through the rigorous screening process and capacity building exercises, to update their skills and expertise, to give advice, not only on a wide range of issues on banking and finance but provide novel approaches to addressing the complexities of today's banking and business operations.

1. UNIQUENESS OF BANKING PROFESSION

The banking industry offers variety and unique career patterns that provide opportunities, advancements and challenging assignments. The skills acquired in banking careers are fairly universal and can easily be transferred to other industries. The banker also deals with a lot of people from and with varied background and in all sub-sectors of the economy. This equips the banker with the special skill, knowledge and understanding to handle issues that may arise in various sub-sectors of the economy.

2. BANKING PRACTICE: THE NEED AND JUSTIFICATION FOR LICENSING

The Practice License is different from the ACIB certificate. While the ACIB certificate is the qualification awarded members on completion of the professional banking examination, Practice License is issued as a demonstration of a level of competence and expertise attained in the banking profession which qualifies the holder to set up private practice to consult and render services in banking, finance and allied matters.

Members qualified to apply for the Practice License would have worked for a minimum of 5 years post ACIB qualification among other criteria.

As at 16th May, 2011, the total CIBN membership was 94,630 which included 588 Fellows and 4561 Associates. Applicants for practice licenses will be drawn from the list of Fellows and Associates, at least, for the time being.

The Chartered Institute of Bankers of Nigeria Act No. 2007 gives the Institute the mandate to, among others, determine the standards of knowledge and skill to be attained by persons seeking to become members of the Banking Profession.

Furthermore, the provisions under Section 16 of the CIBN Act No. 5 of 2007 stated below conferred the responsibility to grant Banking Practice License on the Institute.

“A person other than a corporate member shall be deemed to practice as a member of the banking profession if, in consideration of remuneration received or to be received and whether by himself or in partnership with any other person:

- a) He engages himself in the practice of banking or holds himself out to the public as a member of the banking profession; or
- b) He renders professional services or assistance in or about matter or principle or detail relating to banking procedures; or
- c) He renders any other services which may be by regulations made by the Council, be designated as services constituting practice as a member of the banking profession.”

It is as a result of this that the Governing Council of the Institute on October 6, 2008 approved that the process of issuance of Practice License to its Fellows and Associates who have satisfied the criteria be commenced and appropriate structures to actualize these were put in place. The CIBN Practice License Board, made up of seven members, was created to administer the program

3. GENERAL PRACTICE REGULATION

No individual/non corporate member shall practice unless he has applied for and has been granted a License to practice by the Governing Council. Such License which shall be in the form approved by the Governing Council, from time to time, shall be conspicuously displayed at the principal place of business of the member.

In the exercise of the powers conferred on it by Sections 6 and 17(i) of the Act and pursuant to Section 16 of the Act, the Governing Council also resolved that “no individual either practicing alone or in partnership with other members shall practice as a member of banking profession in Nigeria, except if he holds a valid Practice License issued by the Chartered Institute of Bankers of Nigeria”.

4. DUTIES COVERED BY THE PRACTICE LICENCE

The License granted does not, in any way, permit, authorize or empower a Licensee to receive or accept deposit from the public. The CIBN Governing Council has approved that Licensees shall only serve in any or all of the following capacities.

1. Financial Administrators and Managers
2. Receiver Managers and Debt Management Consultants
3. Consultants in Banking and Finance
4. Trainers in Banking & Finance
5. Arbitrators, Mediators and Conciliators in Banking and Finance matter
6. Financial Investigators/Supervisors/Examiners
7. Trustees
8. Financial Advisers/Counselors
9. Credit Analyst, Administrators and Managers
10. Loan/Credit Adjusters
11. Industry Analysts

These activities will be reviewed from time to time.

5. APPROVAL PROCESS

The process of approval for the granting of practice License requires that a certain minimum qualification and practical exposure must have been attained by the applicant. This includes passing the qualifying professional examinations of the Institute and working for the financial services industry for, at least, 5 years. This is in addition to the rigorous “fit and proper” procedure adopted by the Practice License Board constituted to administer the License.

These procedures include:

- Uploading Information on applicants on the Institute’s Website for a period of 14 days for feedback from members of the public on the personality of the applicant
- Soliciting reference on the applicants from, at least, one of the employers (either past or current)
- Soliciting reference on the applicants from the regulatory authorities (where necessary)
- Display of the list of applicants for a period of 14 days on the notice boards at the Institute’s National Secretariat and Zonal Offices

In addition, applicants are evaluated and scored on the basis of knowledge, value and practice requirements.

6. CODE OF CONDUCT FOR MEMBERS IN PRACTICE

One of the principal objectives of the CIBN Act No. 5 of 2007 is to maintain high standards of professional practice and conduct by all members. The Act sets out a framework of ethical principles which promote the duty of members to discharge their professional obligations in a manner which

has regard to wider public interest and stipulate sanctions for any act likely to bring discredit to a member, the Institute and/or the banking profession.

The Code of Conduct for Members in Practice is, in addition to the above, to further regulate the level of discipline of Members in Practice of the profession in banking. These Codes include:

- **Prohibition of Advertisement and Publicity of Professional Activities or Businesses**
Licensees must not seek publicity for their service and achievements and shall not engage in any practice or be seen to conduct themselves in any manner that is detrimental to the reputation of banking and interest of banking profession.
- **Conflicts of Interest, impartiality and independence**
Licensees should not accept or continue an engagement in which there is or likely to be a conflict of interest between the Licensees and their clients.
- **Firm/Company, Name and style of Practice, Partnership; Registration of Firms and Consortia**
Licensees are expected to, among others, ensure that the name and style of Practice Seal reflects the personal names of the Principal Parties and submit to the Institute the details of the Partnership /or Memorandum and Articles of Association.
- **Continuing Compulsory Professional Development (CCPD)**
Every partner of the firm licensee shall complete a minimum of 60 (sixty) CCPD Credit units per annum. This is a requirement for the renewal of Practice License. It is to ensure that Licensees' knowledge are updated and upgraded
- **Fair Competition and Dealing**
Licensees shall not knowingly seek to displace another member's relationship with a client other than in fair competition or at the behest of the client.
- **Confidentiality**
Licensees shall, at all times, safeguard the confidentiality of both the present and former clients and not disclose or use these confidences to the disadvantage or prejudice of such clients or to his financial advantage.
- Any practicing member in violation of the Institute's code of conduct shall be subjected to the Institute's disciplinary procedures which include investigation by the Investigating Panel and subsequent referral to the Disciplinary Tribunal as appropriate.

7. MONITORING AND QUALITY CONTROL

A Sub-committee on Monitoring and Quality Assurance guarantee Licensees consistent adherence to quality assurance. Other functions of the sub-committee are:

- Regular compilation of a list of eligible members to serve as monitors since the task of monitoring is complex and requires experience;
- Drawing up and implementing the monitoring standard and guide;
- Frequent and regular monitoring of Licensees and their performance since a person's competence may change over time as a result of influences such as the frequency with which a task is performed and the varying circumstances under which the task may be performed;
- Drawing up of Licensees' obligation and standard
 - Rendering reports and making recommendation as appropriate to the License Board

8. LICENCE RENEWAL

The Practice License is renewable every 2 years upon application by the Licensee and verification of continuous good conduct and attainment of minimum prescribed credits earned through attendance of specified capacity development training programs

9. BENEFITS OF BANKING PROFESSIONAL PRACTICE LICENCE

Apart from conferring a legal authority and competitive advantage in some instances, Practice License is expected to:

- **Confer Credibility**
Being licensed is an indication of appropriate knowledge, dedication, integrity, credibility and an assurance of the Licensees high competence.
- **Enhance Income**
It makes the Licensee more attractive to the clients which will ultimately lead to increased income.
- **Ensure Upgrade of Practice Ethics and Recognition**
The License imposes on the holder the need to be thorough, honest and ethical. Clients also expect the holder of the Practice License to be professional and ethical.
- **Increase Opportunities**
The fact that a recognized and reputable institution has given a member of that body a Practice License would open doors to better opportunities for the Licensee.
- Encourage strict adherence to industry Code of Conduct, Ethics and Professionalism with commitment to improvement in banking excellence thus boosting confidence of banking public.

- Deepen resource availability on banking and financial advisory services especially to small and medium enterprises leading to clients' improved efficiency and financial performance and overall growth of the economy
- Reduce friction and conflicts in Banker/Customer relationships

10. CONCLUSION

It is my expectation that the Licensees will see today as the beginning of a new chapter in their career progression, service to the industry and contribution to the economy.

Thank you for your attention.

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1ST Vice President, **CIBN** and
Chairman, **CIBN** Practice License Board

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