



# CBN LIBERALISES THE REPATRIATION OF EXPORT PROCEEDS BY INTERNATIONAL OIL COMPANIES (“IOCs”)

MARCH 30, 2026

## Introduction

On March 25, 2026, the Central Bank of Nigeria (“CBN”) issued a cash pooling circular<sup>1</sup> permitting IOCs to immediately repatriate **one hundred per cent (100%) of their export proceeds**, through Authorised Dealer Banks (“ADB”) (the “Circular”). This marks a significant shift from the CBN’s 2024 circulars<sup>2</sup> which imposed a phased cash pooling framework, allowing only fifty per cent (50%) repatriation in the first instance, with the balance to be repatriated after a ninety (90)-day retention period.

This new Circular effectively removes these restrictions, signalling an improved foreign exchange (“FX”) liquidity in the country and a return to a more liberalised FX market for the oil and gas sector.

## Key Implications for IOCs and Investors

### 1. Immediate Liquidity Enhancement :

IOCs can now repatriate export proceeds lodged in the onshore collection accounts to their respective offshore proceeds accounts in full and without delay. This effectively improves cash flow predictability and reduces offshore liquidity risk. Also, for upstream investors in Nigeria, this materially improves the ability of foreign lenders to finance their assets.

### 2. Reduced Regulatory Friction.

The removal of the 90-day retention requirement eliminates a



key operational bottleneck. This is particularly relevant for project financing structures and intercompany liquidity management.

### 3. Documentation and Compliance Remain Important

The Circular mandates ADBs to ensure adequate documentation is kept and imposes a monthly report to be submitted by the ADBs to the Director, Trade & Exchange Department of the CBN.

### 4. Repricing of Country Risk Perception

From an investor standpoint, FX convertibility and repatriation are core determinants of country risk. Hence, this policy shift will likely result in:

- An improvement in Nigeria’s attractiveness relative to peer jurisdictions;

<sup>1</sup>TED/FEM/FPC/PUB/001/003.

<sup>2</sup>These refer to the CBN Cash Pooling Circular issued on February 14, 2024 (TED/FEM/PUB/FPC/001/004); and the CBN Cash Pooling Clarification Circular issued on May 6, 2024 (TED/FEM/PUB/FPC/001/008).



- Increased foreign capital inflows to the Nigerian oil and gas sector; and
- Strengthened confidence among foreign lenders and investors in the Nigerian economy.

### **Effective Date Clarification**

The Circular does not indicate its effective date but only references its date of issuance. In the circumstance, recourse should be had to the provisions of the Interpretation Act. Section 2(2) of the Interpretation Act provides that where no other provision is made as to the time when an enactment (other than an Act of the National Assembly) comes into force, such enactment shall be deemed to come into force on the day when it was made.

Accordingly, the Circular should be interpreted as being effective from March 25, 2026.

### **Conclusion**

The CBN's removal of cash pooling restrictions is a welcome development heralding a more investor-friendly environment and a liberalised FX regime. This change facilitates easier repatriation for IOCs, and we expect that it will result in improved capital flow into the Nigerian oil and gas market. Overall, this reform boosts confidence in Nigeria's oil and gas sector, fostering a more stable and predictable framework for the repatriation of export proceeds.

**DISCLAIMER:** *This article is only intended to provide general information on the subject matter and does not by itself create a client/attorney relationship between readers and our Law Firm or serve as legal advice. We are available to provide specialist legal advice on the readers' specific circumstances when they arise.*

**CONTACT PERSONS**



**Stella Duru**

Partner

E: [sduru@banwo-ighodalo.com](mailto:sduru@banwo-ighodalo.com)



**Kehinde Ojuawo**

Partner

E: [kojuawo@banwo-ighodalo.com](mailto:kojuawo@banwo-ighodalo.com)



**Akindeji Oyebode**

Partner

E: [aoyebode@banwo-ighodalo.com](mailto:aoyebode@banwo-ighodalo.com)



**Ngozi Umeodinka**

Associate

E: [numeodinka@banwo-ighodalo.com](mailto:numeodinka@banwo-ighodalo.com)