CBN COLLABORATIVE POSTGRADUATE PROGRAMME
DEPARTMENT OF BANKING AND FINANCE, AHMADU BELLO UNIVERSITY
REGULATION OF FINANCIAL INSTITUTIO NS
MODULE SPECIFICATION

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1. **Module Title: REGULATION OF FINANCIAL INSTITUTIONS**

2. **Module Code: BKFN 829**

3. **Number of credits: 2**

4. **Level:** MSc

5. **Semester: I**

6. **Pre-requisites for admission to the module (if any)**
   None

7. **Module Coordinator**

8. **Aims**

   This module is part of the MSc Banking and Finance modules prepared for the exclusive use of the Central Bank of Nigeria Collaborative Postgraduate Program. This Module has been designed to provide the student with a basic understanding and perspective of regulation of financial institutions. After completion of this module, the student should be able to:

   1.1 Understand how it all began: the history of banking (and other FIs).

   1.2 Have a clear understanding of the need/rationale for regulation of FIs;

   1.3 Exhibit a clear comprehension of the framework and agencies for regulating FIs;

   1.4 Possess a firm grasp of the evolution and purpose of various regulatory agencies;

   1.5 Management of FIs within regulations for sustainability and economic development: and

   1.6 Hypothesize the future challenges/perspectives of FIs regulation.

9. **Summary of Content**

This course provides a broad introduction to the regulation and management of financial institutions in Nigeria and beyond, covering a range of banking and non-banking firms. It covers areas such as: History of the Banking industry in Nigeria and beyond; the evolution of the various regulatory agencies; Rationale for regulation of financial institutions; Goals of

regulation; Different approaches to regulation; the Four Pillar Theory; Restrictions imposed upon banks and other financial institutions; the rise of Shadow Banking System; Consumer protection

10. Module Intended Learning Outcomes (MILOs)

Upon successful completion of this module, students will be able to:

No.	Milos	Weighting (%)
1	Understand the history of the Banking industry in Nigeria and beyond.	**Refer to no.15 below**
2	Evaluate the evolution of the various regulatory agencies and their respective goals.	
3	Comprehend the theory/rationale for and goals of regulation of FIs.	
4	Evaluate the various dimensions of Consumer Protection	
5	Different approaches to regulation; government and self-regulation	
6	Comprehend the restrictions imposed upon banks and other FIs	
7	Synthesize the rise of Shadow Banking System and its implications for regulatory infractions,	
8	Understand the imperatives of management of FIs within regulatory restrictions for sustainability and economic development:	
9	Hypothesize the future challenges/perspectives of FIs regulation	

11. Teaching and Learning Activities (TLAs)

MILO No.	TLAs	Functions	Hours/Week
1,2,3,4,5,6,7,8,9	Lectures and materials	Course instructors will introduce, with appropriate audio-visual materials, each outlined topic and discuss through lectures.	**3hours**
1,2,3,4,5,6,7,8,9	Tutorials (Case study, Group Discussion, Quizzes, presentations, peer review, role play)	Tutorial sessions will introduce experiential forms of learning activities such as case studies, group discussion, presentations, peer review, quizzes and role play. Emphasis placed on more in-depth learning of the processes, tools, and techniques in Operations Management	**3 hours**

12. Assessments Tasks/Activities

MILO No.	Type of assessment tasks/activities	Weighting (if applicable)	Remarks
1,2,3,4,5,6,7,8	**Examination** Students are required to participate in a three-hour examination to test their acquisitions of concepts and knowledge.	70%	
1,2,3,4,5,6,7,8	**Written Test/Quizzes** 1-hour written test/Pop Quizzes	10%	Week 7/On Going basis
1,2,3,4,5,6,7,8	**Assignments** Assessment will comprised group work assignment and individual assignment.	20%	Case study analysis and Report type Agency analysis on Operations Management

13. Attendance Requirements

Students are required to attend all tutorials and lectures.

14. Programme Intended Learning Outcomes

No	PILOs	MILO No
1	Demonstrate understanding of how it all began: the history of banking (and other FIs) and various regulatory agencies in Nigeria.	**1,2,**
2	Ability to recognize and identify the need/rationale for regulation of FIs and its theoretical underpinning.	**1,2,3,4,5,6**
3	Clear comparative comprehension of the framework and agencies for regulating FIs in Nigeria and the world.	**1,2,3,4,5,6,7**
4	Practical ability to manage FIs within regulations for sustainability and economic development	**1,2,3,4,5,6,7**
5	Able to comprehensively analyze the future and perspectives of regulation of FIs given financial innovations and globalization.	**1,2,3,4,5,6,7,8,9**

15. Grading of Student Achievement

Letter Grade	% Mark	Grade Definitions

A	70-100	**Excellent**
B	60-69	**Very Good**
C	50-59	**Good**
F (Fail)	<50%	**Fail**

16. Resources

Suggested primary texts

No	Name of Author(s)	Year of Publication	Title of Book	Edition	Publisher's Name	ISBN
1	Federick S. Mishkin	**2018**	The Economics of Money, Banking and Financial Markets	12th Edition	Pearson	978-013-485-538-7
2	Saunders, A. and M. M. Cornett	2018	Financial Institutions Management: A Risk Management Approach	9th Edition	New York: McGraw-Hill International	978-125-971-777-2
3	Rose, Peter S. and Hudgins, Sylvia C	**2012**	Bank Management and Financial Services	9th Edition	New York; McGraw Hill International	978-007-803-467-1
4	Otiti, A. O. G	**2007**	Essays on Receent Issues in the Nigerian Financial System	2nd Edition	Lagos: The CIBN Press Limited	978-978-083-610-8
5	Spong, Kenneth	**2004**	Banking Regulation: Its Purposes, Implementation and Effects	5th Edition	USA: Division of Supervision and Risk Management	

Suggested secondary texts

No	Name of Author(s)	Year of Publication	Title of Book	Edition	Publisher's Name	ISBN

1	Ogubunka Uju	**2003**	Walking Ahead of Bank Distress: The Secrets of Safeguarding Your Money in Banks		Lagos: Rhemia Enterprises	
2	Central Bank of Nigeria	**Various Years**	Monetary Policy Series	**Various**	**CBN**	
3	Federal Government of Nigeria	**As applicable**	Banking/FIs Statutes/Acts	**Various**	**FGN Act of Parliament/ Gazzettes,**	

Suggested Journals

1. american finance & banking review
   www.cribfb.com/journal/index.php/amfbr
2. international journal of finance & banking studies (2147-4486)
   www.ssbfnet.com/ojs/index.php/ijfbs/index
3. journal of banking | explore | research | wbs
   www.wbs.ac.uk/research/explore/in/journal+of+banking+&+finance
4. journal of banking regulation | palgrave
   www.palgrave.com/gp/journal/41261
5. journal of banking & finance | vol 106, in progress ...
   www.sciencedirect.com/journal/journal-of-banking-and-finance/vol/106/suppl/c
6. journal of banking & finance | 0378-4266 | elsevier
   www.elsevier.com/journals/journalbanking/0378-4266
7. banking finance - news, articles, statistics, banking ...
   www.bankingfinance.in/
8. journal of banking and finance management - sryahwa ...
   www.sryahwapublications.com/journal-of-banking-and-finance-management/
9. finance monthly
   www.finance-monthly.com/

Facilities Requirements

A lecture room with appropriate teaching and lab (if any) facilities

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WORK PLAN
NAME OF LECTURER
COURSE: BKFN 829 REGULATION OF FINANCIAL INSTITUTIONS

STUDY WEEK	TOPIC SUB-TOPIC	RESULTS LEARNING	TIME Hrs	METHODS	Suggested Videos
1	**1.0 AN OVERVIEW OF REGULATION OF FINANCIAL INSTITUTIONS** 1.1 Introduction 1.2 History of the Banking Industry in Nigeria and beyond	The student can: ✓ Knowledgeably explain the history of global banking and in the Nigerian context. ✓ Relate with global evolution of banking regulations and the synergy with Nigeria banking system.	3	✓ The students will learn through a combination of face-to-face contact and guided study. ✓ Personal contact sessions will include: lectures, presentations, practical and Quizzes. ✓ Guided study will include text readings and the use of a wide range of internet based resources.	There are many good videos available on the Internet.
2	**2.0 APPROACHES AND THEORETICAL FOUNDATION OF REGULATION** 2.1 Objectives of Regulating FIs 2.2 Approaches to FIs Regulation 2.3 Theories of regulation: Public versus Private synthesis 2.4 Four - Pillar Theory	✓ Should be able to identify the need/objectives for/of regulating FIs; ✓ The different dimensions of Consumer Protection ✓ Understand the theories and approaches to regulation;			

3-5 (3 weeks)	**3.0 REGULATORY FRAMEWORK AND AGENCIES** 3.1 Overview of regulatory framework and evolution of various regulatory agencies 3.2.Banking Ordinances and regulations in Nigeria 3.3 BOFIA 2004 (As ammended) 3.4 CAMA 2004 (As ammended) 3.5 Central Bank of Nigeria Act, 2007 3.6 NDIC, MLA, EFCC Acts, 2004 (As ammended) 3.7 Dishonored Cheques (Offences) Act 2004 3.8 Bills of Exchange Act 2004 3.9 AMCON Act 2007 3.10 Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Act 2004 3.11 International Regulatory Standards (Basel Accord)	✓ Clearly understand the regulatory framework of FIs as it evolves overtime; ✓ Creditably demonstrate understanding of various enactments/ statutes and their relative goals ✓ Comprehend the restrictions imposed upon banks and other FIs ✓ Synthesize FIs regulation in Nigeria with global practices.	3	✓ The students will learn through a combination of face – to - face contact and guided study. ✓ Personal contact sessions will include: lectures, presentations, practical and Quizzes. ✓ Guided study will include text readings and the use of a wide range internet based resources.	There are many good videos available on the Internet.
6-7 (2 weeks)	**6.0 OTHER RELATED REGULATORY STATUTUES** 6.1 Business Laws	✓ Demonstrate ability of understanding these laws as they affect the	3	✓ The students will learn through a combination of face-to-face contact and	

	6.2 Bankruptcy Laws 6.3 Security Laws	operation of FIs ✓ Show precise understanding of agency, partnership and company laws. ✓ Relate with the meaning and acts of bankruptcy, as well as procedures leading to adjudication and its consequences ✓ Exhibit comprehension of the concept and types of property, ownership and possession, laws on land, occupancy, consent, revocation, etc. ✓ Understand other securities such as Guaranties and Indemnities, Life Policies, Hypothecation of goods, etc as acceptable in FIs.		guided study. ✓ Personal contact sessions will include: lectures, presentations, practical and Quizzes. ✓ Guided study will include text readings and the use of a wide range of internet based resources.	
8-10 **(3 weeks)**	**8.0 MANAGEMENT OF FIs WITHIN REGULATORY FRAMEWORK** 8.1 Bank Capital Management 8.2 Asset and Liabilities Management 8.3 Cash and Liquidity Management	✓ Understand the practical application of regulatory instruments to FIs operational dynamics. ✓ Comprehend how FIs'	3	✓ The students will learn through a combination of face – to - face contact and guided study. ✓ Personal contact sessions will include: lectures,	There are many good videos available on the Internet.

	3.4 Risk Management System and its fundamentals in modern banking 8.5 Bank's Performance Analysis – Micro and Macro Evaluation	profitability and sustainability goals are achieved within regulatory restrictions.		presentations, practical and Quizzes. ✓ Guided study will include text readings and the use of a wide range internet based resources. ✓ Lectures, tutorials and field trip/institutional visit (if any).	
11	**MID-SEMESTER BREAK**				
12	**12.0 FUTURE OF REGULATION OF FIs** 12.1 The rise of Shadow Banking and its implications for regulatory systems 12.2 The upsurge of Virtual Banking and the future of banking 12.3 Globalization and Technogy imperatives for regulatory frameworks	✓ Analyse the growing trend and rationale of traditional banking activities executed by non-financial institutions in the financial industry. ✓ Assess the future of FIs in the light of technology explosion and globalization.	3	✓ The students will learn through a combination of face – to - face contact and guided study. ✓ Personal contact sessions will include: Presentations, Case Study analysis and Quizzes. ✓ Guided study will include text readings and the use of a wide range internet based resources.	There are many good videos available on the Internet.
13-14 (2 weeks)	**13.0 SELF – REGULATION MECHNISM AND CODES OF CONDUCT IN Fis** 13.1 Introduction 13.2 Meaning and roles/functions of self-regulation; its effectiveness? 13.3 Self-regulatory organs in the Financial Services Industry ✓ The Chartered Institute of Bankers of	✓ Demonstrate a concise comprehension of self-regulation as against government regulation. ✓ Determine and understand the various self-regulatory organs in FIs.		✓ The students will learn through a combination of face – to - face contact and guided study. ✓ Personal contact sessions will include: Presentations, Case Study analysis and Quizzes. ✓ Guided study will include text	

	Nigeria (CIBN} ✓ Chartered Institute of Stockbrokers (CIS) ✓ Chartered Insurance Institute of Nigeria (CIIN) ✓ Association of Bureau de Change ✓ Financial Market Dealers Association (FMDA) ✓ Nigeria Stock Exchange (NSE) ✓ Stock Exchange Commission (SEC), etc.	✓ Assess the effectiveness of self-regulation. ✓ Identify probable challenges and optimum solution (s).		readings and the use of a wide range internet based resources. ✓ Lectures, tutorials and field trip/industrial visit (if any).	
REVISION WEEK					
WEEK STUDY (WEEK 1 TO 14)					
FINAL EXAMINATION					

LECTURER:

PROGRAMME LEADER