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EVALUATION OF CBN POLICIES AND ITS EFFECT ON LOCAL BUREAU DE CHANGE

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Abstract

The advent of the new political dispensation that was inaugurated in Nigeria on the 29th May, 2015 has continued to demonstrate signs of sincerity and integrity. These include fight against all sorts of corruption in the country. This study aims to evaluate the current Central Bank of Nigeria (CBN) policies and its effects on customers' patronage of local bureau de exchange operations in Nigeria. The study examines the probability of survival of Bureau De Change (BDCs) in the face of stringent national policies. Judgmental and convenience sampling techniques were used to select the sample for this study. Questionnaire was used to elicit information from both the customers and staffs of the selected BDCs. Correlation and Z test analysis was used to test the formulated hypotheses. The findings from the study revealed that there is a positive relationship between CBN FOREX policy and customers patronage; and that BDCs cannot survive in the face of stringent financial policies. The study proposed that local Bureau de Change operators be pre-informed of any financial policy so as to allow them time to prepare palliative measures to allow them have a 'soft landing' during change periods. It is also recommended that instead of total embargo placed on the FOREX operations, daily transaction limits should be enforced in order to have a control of their operations.

Keywords: Bureau De Change (BDCs), CBN policies, Customer's patronage, FOREX, Survival

1.0 Introduction

In recent years, Nigeria's banking and financial industry has made a remarkable metamorphosis into a new and unpredictable context, characterized with different 'ups and downs'. among these changes includes product innovation, globalization, technological expansion, deregulation, concentrated competition and stringent governmental policies (Sanusi, 2011). However, investigations have revealed that albeit their improvement and visible quantum growth, the sector has been exposed to financial infestations which have culminated to encouraging varieties of financial corruptions within and outside the shores of the country, with public office holders unpunishing the acts of impunity on a daily bases while leaving massive economic destruction, negative impact on the lives of the common Nigerian masses and a large depletion in the country's external reserve as well as high pressures on the naira. Consequently, this had prompted the current government in power to encourage the introduction of measures to checkmate the level of impunity and leverage the economy through repatriation of looted funds back into the country coffers. One of such measures is the current banking and monetary policies instituted by the Central Bank of Nigeria in order to curtail and prevent the abuse of the Nigerian banking sector and FOREX operations, abate the

depletion of the external reserves as well as to discourage and eradicate the festering impunity and corruption among public office holders and other non-governmental officials who daily engage in money laundering activities (CBN, 2015).

The introduction of the various stringent monetary policies by the CBN brings with it some implications on the banks and most especially on local FOREX activities in the country. This hitherto diffused to the customers of local FOREX markets most of whom were caught unprepared and whose businesses and financial activities were slowed down one way or the other in the process of change. As a result thereof, the current study intends to explore the challenges of having new financial policies imposed on the operations of local FOREX activities, their customers and other banking services in Nigeria. On the basis of the above, this study seeks to address the following questions: is there any relationship between CBN financial policies and customers patronage of local bureau de exchange operations in Nigeria? And can BDCs business continue and survive in the face of stringent financial policies? The objective of this study is to examine the impact of CBN financial policies on the business operations of Bureau de change in Nigeria.

2.0 Literature Review

2.1 Conceptual Issues on CBN Policies and its Effect on Local Bureau De Change

2.1.1 The FOREX Market in Nigeria

Albeit being the most populous nation in the whole of black Africa, Nigeria wasn't on the top of anyone's lists for a growing FOREX market. Research has recently shown that the nation is rapidly becoming a destination for brokers to trade their goods. With the earlier advent of the energy exploration industry, the country was able to gain a significant rise in leading interest among other Sub-Saharan African countries, which in turn brought the nation into lime light within the FOREX community (Finberg, 2015). Furthermore, the metamorphosis of Nigeria's FOREX market up to its current phase was as a result of a number of factors which includes the changing pattern of inter-border trade, institutional changes in the economy as well as structural shifts in production (CBN, 2015). Similarly, the discovery of oil in the country which coincided with the emergence of the oil boom of the 1970s culminated into cultural changes taken place with agriculture being replaced with energy as the most vibrant industry and the shifting of Nigeria's capital from Abuja to Lagos. However, the gains of the oil boom (which was a new found common wealth) has always been stymied with events ranging from changes in government to successive military coups since the nation's independence in 1960 (CBN, 2015). Consequently, retail FOREX like much of other parts of the globe began to gain awareness during the mid-2000s. Among niches accounts, the FOREX popularity can be attached to an overcharged and overtaxed equities market which has geared investors to source other assets to trade. FOREX trading was readily available to fill up this gap by offering low barriers of entry, free trading platforms, non-commissioned trades and a broad array of tradable products. Also, the trade in FOREX was made a draw to clients as they can start mini accounts with as little as \$500. However, knowledge of FOREX trading in Nigeria is low due to the country's market claim of a meager penetration within the general public.

According to the CBN (2015) prior to the establishment of the country's apex bank in 1958 and the enactment of the Exchange Control Act of 1962, FOREX was solely the business of the private sector and held in balance outside the shores of Nigeria by commercial banks which stood as agents for indigenous exporters. During this era, export of agricultural products constituted the majority of FOREX receipts. While a delay in the establishment and development of an active market for FOREX in Nigeria was witnessed due to the British and Nigeria pound sterling falling at par with easy convertibility. Subsequently, with the establishment of the CBN as well as the centralization of the FOREX authority in the Bank, the motivation to create a local FOREX market became pertinent (CBN, 2015). The increased demand for crude oil which facilitates an increase in its exportation and the quick rise in its prices contributed to FOREX receipts. Several efforts have however been made to avoid crisis and to forestall shortages in the FOREX market, since its emergence. First of which was the 1982 establishment of the comprehensive exchange controls. Meanwhile, the increasing clamor for FOREX at a period witnessing a shrinking supply of the commodity motivated the invention of a flourishing parallel market for FOREX transactions in Nigeria.

Albeit the effort of the apex bank's imposition of an exchange controls system, the expected goal of internal balance could not be achieved leading to the introduction of another control mechanism known as the

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Second-tier-FOREX Market (SFEM) in 1986. Accordingly, the determination of the nation's currency exchange rate and allocation of FOREX under SFEM were based on market forces. Therefore, for CBN to be able to enlarge the scope of the nation's FOREX market, BDCs was introduced to assume the dealing in privately sourced FOREX (CBN, 2015). In the second quarter of 1994 further reforms were created to inhibit volatility in rates within the FOREX market. This included the pegging of the country's national currency's exchange rate, the centralization of FOREX in the apex bank, restriction of BDCs to purchase FOREX as agents of the CBN, the affirmation of the illegality of the parallel market and the stopping of open accounts and bills for collection as a measure of payments (CBN, 2015). Furthermore, the liberalization of the FOREX market in Nigeria in July, 1995 through the introduction of an Autonomous FOREX Market (AFEM) to encourage the sale of FOREX to end-users by the apex bank via selected approved dealers determined exchange rate. Additionally, BDCs were once again given the position of approved sellers of FOREX due to this change, the position they hold until their recent restriction following the CBN's policy on FOREX in Nigeria of 2015.

2.1.2 Concept of Customer Patronage

The concept of customer patronage has become popular in recent times and this has led to the concept's attraction from the academics and practitioners in the parlance of marketing (Baumann, Elliott, and Hamin, 2011). Various definitions have been provided which have all proven suitable to the meaning of the concept. Meanwhile, given a basic definition of the concept, it can be put as the fruitful behavior of customers to a business or service provider. Customer patronage stipulates that even if businesses or organization make mistakes or errors, their clients are still willing to have a continued or maintained relationship with them. The current CBN's restriction on local BDCs in Nigeria has begun to affect the perception of BDCs clients due to the fact that they are becoming unsure of the safety of their funds when transacting with the local BDCs which hitherto is leading them away from this market (Finberg, 2015). In accordance to Baumann et al (2011), the concept of customer patronage was given much credence at the start of the 1990s when the topic gained popularity among business and marketing researchers. This era was marked by an increasing rate of rivalry in the international market when organizations attempted to devise efficient methods and techniques aimed at retaining clients.

Customer patronage may be defined as a client behavior, formed on positive value and experience, which culminates into purchasing products, even when the decision to buy may not be the most rational at the particular time (Kincaid, 2003). Peppers and Rogers (2004) differentiated between two types of customer patronage concepts, namely behavioristic and neo-behavioristic. The behavioristic approach to customer loyalty implies observing and analyzing obvious customer behavior and buying intentions, while the neo-behavioristic approach stipulates greater focus on patronage causes and client attitudes to the proffered products and service. However, Schweizer (2008) argued that the contemporary understanding of customer patronage involves two major dimensions of the concept, which include actual behavior and customer intentions. Furthermore, the concept of customer patronage can be better digested when it is observed through the four Cs of customer patronage (Schweizer, 2008).

2.1.3 Four C's of Customer Patronage

Rowley (2005) attempted to critically study the grouping of customer patronage, which is famously known as Four Cs of customer patronage. Importantly, this grouping was initially propounded by such researchers as Dick and Basu (1994) who had earlier classified customer patronage in to four, namely: captive, committed, contented, and convenience-seeker. However, it was further debated by Rowley (2005) that, the proposed model (in their paper) breaks down the customers based on their inertial, attitude and behavior, while also considering the nature of the customer's orientation (positive or negative). In line with the researcher's segmentation of patronage, captive and convenience-seeker are parts of inertial customer attitudes. Whereas, contented and committed are considered to be representatives of positive attitudes.

It is argued that captive customers display patronage by 'sticking' to a particular brand; however, they only make repeat purchases because they are limited in their choice. In most cases, such customer remains committed to the same brand because switching cost are too high. It is interesting to note that products and services, which require infrequent and rare purchase decision, attract more captive customers (Peck, Payne, Christopher and Clark, 1999). For instance, car buyers tend to remain captive to the same car brand since they do not have alternative experience in using other brands. But, there is empirical evidence that suggests that captive behavior does not imply higher

customer patronage because it lacks the company related factors and customers continue purchasing the product repeatedly due to the fact that there is no other available option; not because they actually choose to do so (Dick & Basu, 1994). Therefore, it may be argued that captive patronage is the least stable form of patronage as customers do not have real attachment to brands. This temporary commitment is explained by the absence of options or unfamiliarity with the available options. In line with Knox (1998), captive patronage is linked with neither positive nor negative behavior attitudes. In the case of the convenience-seeker form of customer patronage, brand choice is determined by a variety of convenience factors which includes location, opening hours, package size, bank teller machines among others. Correspondingly, Birgelen, Wetzels, and Ruyter, (1997) differentiates between a number of convenience factors, namely convenience of access, convenience of product and convenience of service provided. These academics argue that convenience factors play the leading role in the development of customer loyalty since customers will not shop in locations that are not convenient to them. However, it can be critically remarked that convenience-seeking customers do not have real and stable relationships with the chosen brands, with the exception of convenience associations that are temporary by nature. Further to this, Hallowell (1996) also proffers a contrary argument that convenience factors are only temporary and cannot be viewed as the main determinants of customer patronage.

It is possible to infer that contented customers tend to demonstrate inertial consumer behavior, with a positive attitude to products and services. It can be argued that they continue as a customer, however, they do not extend their relationship with the brand by subscribing to additional services or increasing their spending on products or services related to the brand (Rowley, 2005). Contented customers have relationships with brands as they discover some merits of the products and service. Rowley (2005) also argue that organizations can continue to make customers satisfied and loyal even by introducing extensions of the brands and innovations of the products. However, Krosnick and Petty (1995) assert that brand extension may in fact inhibit customer patronage of contented customers because it takes a long time to adapt to the changes and develop trust in the extended brand of product.

Lastly, committed consumers demonstrate the maximum degrees of customer patronage, which means that they make repeat purchases in the long-term and are ready to refer good products and services to their friends and relatives. This positive consumer behavior is linked with adding value to brands and building strong and stable relationships with customers. However, it should be noted that it is predominantly large organizations offering popular products and services that really attract committed customers. New brands needs prolonged period of time (reiterating product life cycle) to cultivate this type of customer patronage (Peck, et al., 1999).

2.1.4 Customer patronage during financial sanctions

Williams and Naumann (2011) conducted an in depth exploration which looked at the changes in customer patronage caused by financial policies, economic slowdown and recessions. Concisely, the researchers carried out a critical analysis of consumer reactions, behavior and attitudes to fortune 100 companies including major FOREX dealers during the recent economic downturn and change in financial regulations. The acquired secondary data was subjected to statistical analysis and evaluations and it is concluded that the overall level of customer patronage to the world's largest organizations dwindled during this periods (i.e. 2008 and 2009 economic recession). It is further elucidated by the fact that organization's yearly revenues, market and financial performance, stock prices and earnings per share decreased during the turbulent periods. Consequently, customer's trust and satisfaction declined due to the fact they are afraid of losing their earnings due to the volatility of these organizations during the time. These attitudinal changes (i.e. fear and mistrust) were linked with the future solvency of the organizations and hence the wellbeing of the stakeholders who are the customers of the financial institutions. Williams and Neumann (2011) are convinced that the financial performance of firms determines customer patronage to a considerable length most especially if the products or service relates to finance and capital. However, it should be taken into account that bank policies are not individually organization-related factor, but also a customer-related determinant. Indeed, the level of customer patronage reduces when stringent financial policies are placed on products (i.e. FOREX), which led to decrease in patronage of local BDCs. While some other financial services ceased to be affordable and available to customers leading to a negative impact on customer patronage (William and Neumann, 2011). It is therefore valid to argue that these findings are consistent with the theoretical statements of Stone, Woodcock, and Machrynger, (2000) argued that the income level and financial stability within countries influence customer patronage.

Chung, Huang, Jin, & Sternquist, (2011) also carried out an empirical investigation of customer loyalty during turbulent economic periods with reference to the Chinese retail sector. The researchers collected primary data by means of questionnaire and interviews. Outcome of the analysis of data collected led them to conclude that the overall customer loyalty to Chinese retailers reduced during the turbulent time which was as a result of global recession and restructuring of the financial sectors through stringent policies. A decrease in customer patronage to local BDCs and financial institutions was also recorded in a number of developed nations. Specifically, in the UK two empirical researches have depicted worsening customer patronage to financial institutions (Longbottom & Hilton, 2011; Jones & Farquhar, 2009). These academics had an objective to critically explore how minor failures and errors in the services of the financial institutions in the United Kingdom affected customer loyalty to the local BDCs. Results of their research suggested that even minor errors and failures in the financial sectors can have a major negative impact on customer patronage.

3.0 Methodology

The study adopts a survey research method. The population of this study comprises of all the registered BDCs companies that are licensed to operate in Nigeria as at December, 2015 but due to the number and wide spread of these companies, the researchers focus their attention on south west, Nigeria and Lagos in particular. Lagos state was selected as an area of study because it is the hub of economic activities in Nigeria and most major business transaction take place in Lagos. A combination of judgemental and convenience sampling techniques were employed in the conduct of this study. The Judgemental technique was used to select only the BDCs that are registered with Corporate Affairs Commission (CAC) while the road side BDCs were exempted to avoid touts and people practicing the business illegally, while, the convenience sampling technique was used to administer the questionnaire to the target respondents that are willing to fill the questionnaire within the given time frame.

The study utilizes both primary and secondary data. The primary data were sourced through a structured questionnaire that was administered on the customers and staff of the selected BDCs, while, the secondary data were sourced from the relevant existing literature on the subject matter. A total of two hundred and twenty copies of questionnaires were administered to the customers of BDCs out of which two hundred and three (203) was filled and returned and this represents 92.3% rate of responses. Sixty five copies of questionnaires were administered to the staff of BDCs using the same sampling method, but only forty five was correctly filled and returned and this also represents 69.2%. This study used frequency distribution tables and percentages to present its data. The analytical techniques employed to test the study's hypotheses are simple regression analysis and Z - test which was done through Statistical Packages for Social Science Software (SPSS) version 21 and manually respectively.

3.1 Hypotheses

Ho₁: There is no relationship between CBN policies and customers patronage of local bureau de exchange in Nigeria.

Ho₂: BDCs business continuity and survival is not guarantee in the face of stringent financial policies.

The model specification is given as; $Y = f(X)$

$$Y = \beta_0 + \beta X + \Sigma$$

Where;

Y = Customers' patronage

X = CBN financial policies

Σ = Error term, (0, 1) normally distributed with mean 0 and variance 1.

β_0 = is the intercept on the Y- axis.

4.0 Data Presentation and Analysis

Table 1a: Customer's distribution by Length of relationship with the BDCs

No. of years	Frequency	Percentage
Less than a year	54	26.6
1-5 years	100	49.3
6-10 years	46	22.7
10 and above	3	1.4
Total	203	100

Source: Authors' field survey, 2016

Table 1b: Staff distribution by duration of service with the BDCs

No. of years	Frequency	Percentage
Less than a year	12	26.7
1-5 years	20	44.4
6-10 years	10	22.2
10 and above	3	6.7
Total	45	100

Source: Authors' field survey, 2016

The tables above shows that a larger proportion of staff and customers, fall within the range of 1 - 5 years of relationship with the BDCs. The customers having a percentage of 49.3%, this shows that the BDCs have been attracting more customers through its timely service delivery and flexible operational activities. To the BDCs staff, this long time of relationship mean that information obtained from these people are valid and reliable.

Table 2: Analysis of the responses of staff to questionnaire items

		F	%
CBN FOREX policy is a welcomed development in the industry	Agreed	5	11.1
	Undecided	2	4.4
	Disagreed	38	84.4
The level of customer's patronage has dropped since the introduction of the policy.	Agreed	40	88.9
	Undecided	3	6.7
	Disagreed	2	4.4
Foreign currency users still preferred patronizing local BDCs despite the policy.	Agreed	5	11.1
	Undecided	10	22.2
	Disagreed	30	66.7
There is a significant relationship between the CBN financial policies and customers patronage of local BDCs in Nigeria.	Agreed	39	86.7
	Undecided	5	11.1
	Disagreed	1	2.2
CBN FOREX policy is capable of jeopardizing the operational activities of local BDCs in Nigeria.	Agreed	38	84.4
	Undecided	1	2.2
	Disagreed	6	13.3
BDCs business cannot survive in Nigeria in the face of CBN stringent policies.	Agreed	41	91.1
	Undecided	3	6.7
	Disagreed	1	2.2

Source: Authors' field survey, 2016

The analysis in table 2 above shows that majority of the respondents were not satisfy with the current CBN FOREX policy. This may be as a result of the fact that the policy affects their business negatively not minding its effect on the economic development of the nation at large. The majority of the staff respondents with a percentage of 88.9% indicated their agreement to the fact that customer's patronage of local bureau de change has drastically reduced with the introduction of FOREX policy by the CBN. Since commercial banks are no longer receiving and giving dollars as a means of exchange in the country.

It is also observed from table 2 above that 66.7% of the staff respondents are of the opinion that there has been a tremendous decrease in the number of customers since the introduction of FOREX policy. Besides, it is difficult for customers to continue patronizing local BDCs because CBN policy is national policy which is superior to any sectoral policy. Based on the respondent's responses, it was observed that 86.7% of the staff strongly in support that CBN FOREX policy have a direct relationship with customers patronage of local bureau de change operations in Nigeria. If the policy is favourable, patronage will increase and vice versa. With this, we can conclude that there is a significant relationship between the CBN policies and customers patronage of local bureau de change. The activities of BDCs cannot survive stringent policies from CBN as most of the policies are capable of jeopardizing the continuity and survival of BDCs businesses.

Table 3: Analysis of customers' response to the questionnaire items

		F	%
Timely delivery of service and flexible business operation are your consideration for local BDCs to banks foreign exchange.	Agreed	136	66.9
	Undecided	42	20.9
	Disagreed	25	12.2
Do you still patronize local BDCs despite the CBN FOREX policy?	Yes	194	95.6
	Not Sure	-	-
	No	9	4.4
If the CBN FOREX policy is relaxed, will you still patronize local BDCs as against banks for your foreign currency need?	Yes	170	83.7
	Not Sure	9	4.4
	No	24	11.8
BDCs business continuity and survival is not guarantee in the face of stringent financial policies.	Agreed	200	98.5
	Undecided	2	0.9
	Disagreed	1	.6

Source: Authors' field survey, 2016

Analysis from table 3 above validates the view that customers patronize local BDCs because of their timely delivery of service and flexible business operation which are very rare in most of the commercial banks. Also, the cumbersome processes and procedures which delay business transaction can be by-passed. The introduction of CBN FOREX policy reduce patronage of local BDCs. This is supported by 95.6% of the respondents. With this, it shows that there is no customer loyalty in the face of stringent financial policies. 83.7% of the respondents are of the opinion that, if the CBN FOREX policy is relaxed, they will still patronize local BDCs as against commercial banks for their foreign currency need. This show the level commitment and confidence most users of foreign currency have in local bureau de change in Nigeria. However, analysis from table 3 above shows that BDCs business continuity and survival is not guarantee in the face of stringent financial policies like FOREX policy. This is supported by overwhelming response of 98.5% of the respondents agreeing to the assertion. With this, it shows that if BDCs businesses must survive in Nigeria, then, favourable policies that will promote their activities should be embraced.

4.1 Test of hypotheses

4.1.1 Hypothesis 1

H₀: There is no relationship between CBN policies and customers patronage of local bureau de exchange in Nigeria.

Table 4.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.764 ^a	.583	.542	2.24

a : Predictors: (Constant), CBN_FOREX_Policy

Table 4.2: ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.800	4	.700	14.000	.000(a)
	Residual	2.000	40	.050		
	Total	4.800	44			

a: Predictors: (Constant), CBN_FOREX_Policy

b: Dependent Variable: Customer's Patronage

From the result in the tables above, the co-efficient of the correlation (r) is given as 0.764. This figure indicates that there is a high positive relationship between Customer's patronage and CBN FOREX policy. It as well indicates that any movement or increment in the identified variables also brings about movement in the same direction in Customer's patronage. The r-square which measures the coefficient of determination gave a result of 0.583. This which indicates that the CBN FOREX policy explains about 58.3% of the variance while the remaining 41.7% is explained by some other variables that are not imputed in the computation. The F statistics, which shows the explanatory variable is statistically significant in explaining the change in the Customer's patronage, give the calculated F statistic of 14.000 which is greater than the tabulated value of 2.58. Also, since the p value is less than 0.05, the null hypothesis is rejected while alternative hypothesis which says there is a relationship between the CBN FOREX policy and customer's patronage is accepted. This finding is supported by the result of the study of Baumann, Elliott & Hamin (2011) which discovered that a strong relationship exists between regulatory bodies' financial policies and customers' patronage.

4.1.2 Hypothesis II

Ho: BDCs business continuity and survival is not guarantee in the face of stringent financial policies.
To test the hypothesis, question 4 was chosen using the Z – test at 95% confidence interval.

Analysis of hypothesis is shown in the table below:

X	F	Fx	x-x	(x-x) ²	F(x-x) ²
3	186	558	0.1	0.01	1.86
2	15	30	-0.9	0.81	12.15
1	2	2	-1.9	3.61	7.22
Σ	203	590			21.23

Source: Author's computation, 2016

$$X = \frac{\sum fX}{\sum f} = \frac{590}{203} = 2.9 \quad \delta = \frac{\sqrt{21.23}}{203} = \sqrt{0.10} = 0.32$$

$$\begin{aligned} N = x \pm Z(\delta/\sqrt{n}) &= 2.9 \pm 1.96 (0.32/\sqrt{203}) \\ &= 2.9 \pm 1.96 (0.02) \\ &= 2.9 \pm 0.039 \\ &= 2.939 \text{ or } 2.861 \end{aligned}$$

Going by the formulae $Z = \frac{x - N}{\delta / \sqrt{n}}$

$$\frac{2.9 - 2.939}{0.02}$$

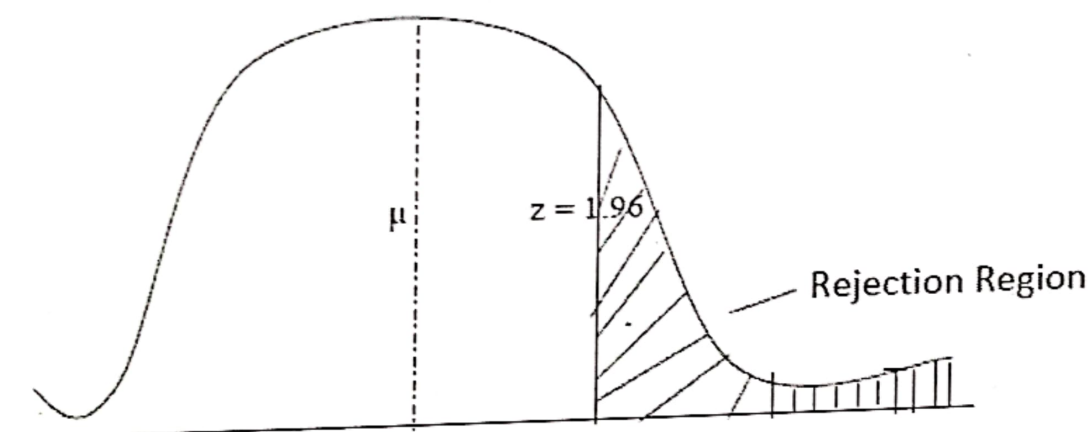
$$= -1.95$$

OR

$$\frac{2.98 - 2.861}{0.02}$$

$$= 1.95$$

Acceptance Region



From the result obtained above, the z - calculated was 1.95 and Z - tabulated at 95% confidence interval is 1.96. Since the calculated Z is less than tabulated Z , therefore we reject the alternative hypothesis and accept the null hypothesis. Thus, it is concluded that BDCs business continuity and survival is not guarantee in the face of stringent financial policies. This may jeopardize the business activities of BDCs in Nigeria to total collapse and ineffectiveness of the sector. This result is consistent with finding of Finberg (2015) who found that, local business activities hardly survive in the face of economic, fiscal and financial stringent policies by regulatory bodies.

5.0 Conclusion and Recommendations

On the bases of the above findings the following conclusions are drawn:

- There is a strong positive relationship between CBN policies and customers patronage of local Bureau de Change in Nigeria.
- BDCs business continuity and survival is not guarantee in the face of stringent financial policies.

It is recommended that:

- Instead of total embargo placed on the FOREX operations; rather, daily transaction limits should be enforced in order to have a control of BDCs operations to reduce laundering activities and other related corrupt practices within the sector.
- Local Bureau de Change operators should be pre-informed of any financial policy so as to allow them time to prepare palliative measures to have a 'soft landing' during change periods.
- Commercial banks should cut down the bottleneck and administrative process in meeting customers' foreign currency need.

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