

A BILL FOR AN ACT TO AMEND THE NIGERIA DEPOSIT INSURANCE CORPORATION ACT NO 63 OF 2023 TO MAKE THE CORPORATION MORE EFFECTIVE, ENSURE ITS INDEPENDENCE AND AUTONOMY IN LINE WITH SECTION 1(3) OF THE PRINCIPAL ACT, TO BRING IT IN LINE WITH CURRENT REALITIES AND BEST PRACTICES AND FOR OTHER RELATED MATTERS.

Sponsor: Senator Mukhail Adetokunbo Abiru (Lagos East)

Co-Sponsors:

**Sen. Usman Lawal Adamu
Sen. Nwebonyi Onyeka Peter
Sen. Khabeeb Mustapha
Sen. Muhammad A. Aliero
Sen. Patrick Ifeanyi Ubah
Sen. Adaramodu Adeyemi
Sen. Ekpenyong Asuquo
Sen. Titus Tartenger Zam
Sen. Jarigbe A. Jarigbe
Sen. Ibrahim Lamido
Sen. Ibrahim M. Bomai
Sen. Bamidele Michael Opeyemi
Sen. Aminu Waziri Tambuwal
Sen. Adebule Idiat Oluranti
Sen. Mohammed Goje
Sen. Jimoh Folorunsho Ibrahim**

**Sen. Hussaini Babangida Uba
Sen. Khalid Ibrahim Mustapha
Sen. Manu Haruna
Sen. Mohammed Tahir Mongono
Sen. Osita Izunaso
Sen. Kaka Shehu Lawan
Sen. Dandutse Muntari Mohammed
Sen. Nasiru Sani Zangon Daura
Sen. Mpigi Barinada
Sen. Isah Jibrin
Sen. Umar Sadiq
Sen. Daniel Justus Olugbenga
Sen. Adeola Solomon
Sen. Sanni Bello Abubakar
Sen. Orji Uzor Kalu**

() Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows-

1.

Amendment of
The Nigeria Deposit
Insurance Corporation no
63 of 2023.

The Nigeria Deposit Insurance Corporation Act No 63 of 2023 (in this act referred to as “The Principal Act”) is amended as set out in this bill.

2.

Amendment of
Section 2.

Section 2 of the Principal Act is amended;

1. in paragraph (a) by deleting the following proviso:

provided that in the latter case such payment shall only be made with the concurrence of the Central Bank of Nigeria;

2. in paragraph (c) (ii) by substituting the word “collaboration” for the word “concurrency”.

3.
Amendment of
Section 3

Section 3 of the Principal Act is amended;

1. in paragraph (b) by substituting the word “collaboration” for the word “concurrency”
2. in paragraph (c) by substituting the word “collaboration” for the word “concurrency”.

4.
Amendment of
Section 4

Section 4 of the Principal Act is amended in paragraph (a) by deleting the following proviso:

provided that in the case of actual suspension of payments by an insured institution, payment of insured deposit shall only be made with the concurrence of the Central Bank of Nigeria;

5.
Amendment of
Section 5.

Section 7 of the Principal Act is amended by substituting the following new Section 5, for the existing Section 5;

- 7 (1) The governing body of the Corporation shall be a Board of Directors (hereinafter in this Act referred to as “the Board”)
- (2) The Board shall consist of the following members, that is:
 - a. the Chairman;
 - b. the Managing Director;
 - c. two Executive Directors;
 - d. a representative of

- (i) the Central Bank of Nigeria who shall be the Director of banking Supervision;
 - (ii) the Federal Ministry of Finance not below the rank of a Director; and
- e. six other members, one from each of the geo-political zones in the country.

(3) The Chairman and Board members referred to above shall be citizens of Nigeria and must not be persons with significant interests in any insured institution in Nigeria.

(4) The President of the Federal Republic of Nigeria shall appoint the Chairman and members of the Board referred to in paragraph (a), (b), (c) and (e) subject to the confirmation of the Senate and in the case of the Managing Director, Executive Directors and the six members from each of the geo-political zones in the country, shall be persons possessing not less than fifteen years' cognate experience in banking and finance, economics, law, business administration, accounting or other relevant discipline at a senior management level;

(5) The Chairman and members referred to in paragraph (d) and (e) of subsection (2) of this section shall be part time members.

(6) All members of the Board shall within one month of appointment to the Board declare in writing to the Board their direct and indirect shareholding and interests in any insured institution including those of their family members or close associates known to them.

(7) The supplementary provisions contained in the Schedule to this Act shall have effect with respect to matters therein mentioned.

6.

Amendment of Section 8

Section 8 of the Principal Act is amended in subsection (1) by substituting the following new subsection (1), for the existing subsection (1);

(1) The representatives of six other members, one from each of the geo-political zones in the country referred to in section 7 (2)(e) of this Act, shall hold office for a term of four years, renewable for another term of four years and no more.

7.

Amendment of Section 10

Section 10 of the Principal Act is amended by substituting the following new Section 10, for the existing Section 10;

10(1) Whenever the tenure of the Board expires or is otherwise terminated, and pending the appointment of a new Board, the responsibilities of the Board shall be discharged by an Interim Management Committee to be constituted by the Minister;

Provided that the Interim Management Committee shall be constituted by the Minister within 30 days of the expiry or termination of the tenure of the Board.

(2) The Interim Management Committee shall comprise of the —

(a) Permanent Secretary, Federal Ministry of Finance, who shall be the Chairman;

(b) Managing Director of the Corporation;

(c) two Executive Directors of the Corporation;

(d) a representative of the Central Bank of Nigeria; and

(e) a representative of the Federal Ministry of Finance.

8.

Amendment of

Section 16.

Section 16 of the Principal Act is amended by substituting the following new Section 16, for the existing Section 16;

16(1) The authorized capital of the Corporation shall be ₦50,000,000,000.

(2) All the capital of the Corporation shall be subscribed and held only by the Federal Government.

9.

Amendment of Section 25

Section 25 of the Principal Act is amended in subsection 1(b) by deleting the following proviso:

Provided that in the case of actual suspension of payment, the Corporation shall only make payment under this section with the concurrence of the Central Bank of Nigeria.

10.

Amendment of
Section 28.

Section 28 of the Principal Act is amended in paragraph (b) line 1 by substituting the word “collaboration” for the word “concurrence”.

11.

Amendment of
Section 29.

Section 29 of the Principal Act is amended in subsection (1) by deleting the following proviso:

Provided that where an insured institution has suspended payment or is otherwise unable to meet its obligation to depositors, payment of insured deposit shall only be made with the concurrence of the Central Bank of Nigeria.

12.

Amendment of
Section 32.

Section 32 of the Principal Act is amended in subsection (4) by substituting the word “collaboration” for the word “concurrence”.

13.

Amendment of

Section 33.

Section 33 of the Principal Act is amended in subsection (2) by substituting the word “collaboration” for the word “concurrence”.

14.

Amendment of

Section 38.

Section 38 of the Principal Act is amended:

1. by deleting subsection (5) of the Section and;
2. renumbering the existing subsection (6) as subsection (5).

15.

Amendment of

Section 49.

Section 49 of the Principal Act is amended in subsection (3) by substituting the word “collaboration” for the word “concurrence”.

16.

Amendment of

Section 50.

Section 50 of the Principal Act is amended:

1. in subsection (1) paragraph (1), by substituting the word “collaboration” for the word “concurrence”.
2. in subsection (2), by deleting the following words “with the concurrence of the Central Bank of Nigeria”

17.

Amendment of

Section 51.

Section 51 of the Principal Act is amended by substituting the following new Section 51, for the existing Section 51;

51. The Corporation, with the collaboration or at the request of the Central Bank of Nigeria, may —

(a) merge, facilitate or induce a merger of a failing or failed insured institution with another healthy insured institution;

(b) facilitate or induce the acquisition of a failing or failed insured institution by another healthy insured institution;

(c) restructure an insured institution through acquisition, management and disposal of all or part of the equity or the assets or the liabilities of the failing or failed insured institution either directly, indirectly through or by another insured institution or an asset management company.

18.
Amendment of
Section 52.

Section 52 of the Principal Act is amended by substituting the following new Section 52, for the existing Section 52;

52. The Corporation, with the collaboration or at the request of the Central Bank of Nigeria, may undertake a purchase of assets and assumption of liabilities transaction with respect to a failing or failed insured institution as follows —

(a) the Corporation shall have power to charge, dispose, transfer or alienate all or some of the assets of a failing or failed institution to a healthy insured institution;

(b) the Corporation may advance to or receive from the assuming institution an amount equal to the difference between the assumed liabilities and the transferred or purchased assets;

(c) the assets of the failing or failed insured institution shall be transferred or purchased by a healthy insured institution in consideration of the assumption of all or

some of the liabilities of the failing or failed insured institution;

(d) the Corporation may receive such assets from the failing or failed insured institution as collateral for any advance to the assuming institution or purchase the assets from the failing or failed insured institution and any asset (including land) of the failing or failed institution shall be transferred or be vested in the assuming institution or the Corporation.

Provided the Central Bank of Nigeria shall be duly notified of its decision to undertake a purchase of assets and assumption of liabilities transaction with respect to a failing or failed insured institution.

19.
Amendment of
Section 53.

Section 53 of the Principal Act is amended by deleting the following words “with the concurrence or at the request of the Central Bank of Nigeria”

20.
Amendment of
Section 54.

Section 54 of the Principal Act is amended in subsection (1) and in line 1 by deleting the following words “with the concurrence of the Central Bank of Nigeria”

21.
Amendment of
Section 55.

Section 55 of the Principal Act is amended;

1. in subsection 1(b) by substituting the following new subsection (1), for the existing subsection (1);

(1) Whenever the licence of an insured institution is revoked by the Central Bank of Nigeria, in the case of an insured institution that is a bank, the Corporation shall act as

liquidator of such insured institution with effect from the date of revocation of the licence of such insured institution.

2. in subsection (3) by deleting the following words “and the Central Bank of Nigeria”
3. in subsection (4) by deleting the following words “and with the concurrence of the Central Bank of Nigeria”

22.
Amendment of
Section 89.

Section 89 of the Principal Act is amended in subsection (1) by substituting the following new subsection (1), for the existing subsection (1);

(1) The Corporation shall have access to reports of examination conducted by the Central Bank of Nigeria

23.
Citation

This Bill may be cited as the Nigeria Deposit Insurance Corporation Act No 63 of 2023(amendment) Bill, 2023

EXPLANATORY MEMORANDUM

This Bill Seeks to Amend the Nigeria Deposit Insurance Corporation Act No 63 of 2023 to make the Corporation more effective, safeguard its independence and autonomy and to bring it in line with current realities and best practices.