



HOUSE OF REPRESENTATIVES FEDERAL REPUBLIC OF NIGERIA

ORDER PAPER

Wednesday, 7 March, 2007

1. Prayers
2. Approval of the Votes and Proceedings
3. Announcements (*if any*)
4. Petitions (*if any*)

PRESENTATION OF BILL

Certain Political, Public and Judicial Office Holders (Salaries and-Allowances etc.) (Amendment) Bill, 20G7_, (HB.304) (*Executive*) — *First Reading*.

PRESENTATION OF REPORTS

1. Committee on Public Service Matters:
Hon. Babangida Ngoroje:
"That this House do receive the Report of the Conference Committee on Public Service Matters on a Bill for an Act to Establish the Chartered Institute of Certified Secretaries and Reporters for the Registration and Discipline of Certified Secretaries and Reporters and to provide for a Governing Board charged with the Responsibility among other things, Formulation of Policies for the Institute and for Connected Purposes, 2007 (HB.43)."
2. Committee on Public Petitions:
Hon. Chidi Duru:
Report on the Petition by Felix Nwatu (SP):
"That this House do receive the Report of the House Committee on Public Petitions on the Petition by Felix Nwatu(SP) against the Nigeria Police Force".
3. Committee on Public Petitions:
Hon. Chidi Duru:
Report on the Petition by Julius O. Asadu:
.. "That this House do receive the Report of the House Committee on Public Petitions on the Petition by Julius O. Asadu against the Nigerian Building and Road Research Institute (NBRRI)"
4. Committee on Public Petitions:
Hon. Chidi Duru:
Report on the Petition by Charles Ani:
~ "That this House do receive the Report of the House Committee on Public Petitions on the Petition by Charles Ani against the Energy Commission of Nigeria".

5. Committee on **Public** Petitions:
Hon. Chidi Duru:
Report on the Petition by Ogbosuomo (Nembe Bassambiri):
"That this House do receive the Report of the House Committee on Public Petitions on the Petition by Ogbosuomo (Nembe Bassambiri) Fishing Co-operative Society against the Nigeria Agip Oil Company Ltd (NAOC)".
6. **Committee on Public Petitions:**
Hon. Chidi Duru:
Report on the Petition by Eminama, Obakilolo and Akariakiri Communities:
— "That this House do receive the Report of the House Committee on Public Petitions on the Petition by Eminama, Obakilolo and Akariakiri Communities against the Nigerian Agip Oil Company (NAOC)".

ORDERS OF THE DAY

MOTION

1. Adoption of Conference Report on a **Bill** for an Act to Establish the Chartered Institute of Purchasing and Supply Management of Nigeria and for Matters Connected Therewith, 2007.
Hon. Sumaila Dikko:
The Conference Report on a Bill for an Act to Establish the Chartered Institute of Purchasing and Supply Management of Nigeria and for Matters Connected Therewith, 2007 was laid on Thursday, 1 March, 2007 ;

A clean copy of the Conference Report is ready for adoption; »

Resolves, to adopt the Conference Report on the Chattered Institute of Purchasing and Supply Management of Nigeria and Matters Connected Therewith, 2007.

BILLS

2. A Bill for an Act to Amend the Nigerian Council for Management Development Act, Cap 300 LFN 1990 and for Matters Connected Therewith, 2007 (HB. 226) — *Third Reading*.
3. A Bill for an Act to Amend the National Institute for Labour Studies Act, 1990, (HB. 252) — *Third Reading*.
4. Ekiti State Appropriations Bill, 2007 — *Third Reading*.
5. A Bill for an Act for the Establishment of the Institute for Democratic and Legislative Studies and for Matters Connected Therewith, 2006 (SB. 118) — *Second reding*.
6. A Bill for an Act to Amend the Certain Political, Public and Judicial Office Holders (Salaries and Allowances Etc.) Act 2002 and other Matters Connected Therein, 2007 (HB. 304)- — *Second Reading*.
7. A Bill for an Act to Provide for the Payment of Pensions and Other Benefits to a Person who has held Office as an Elected President or Vice-President of the Federal Republic of Nigeria, 2007 (HB. 301) — *Second Reading*.
8. A Bill for an Act to "Amend the Consumer Protection Council Act No. 66 of 1992 to modify its Composition, widen its Functions and Powers in order to Provide for a broader and more effective Council; and for Related Matters, 2006 (SB. 26) — *Second Reading*.
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9. A Bill for an Act to Provide for the System, Structure, Composition, Functions and Finance of Area Councils and for Related Purposes, 2005 (HB. 204) — *Second Reading*.

CONSIDERATION OF REPORTS

10. **Committee on Commerce:**
Hon. Sumaila Dikko:
"That this House do-consider the Report of the Committee on Commerce on a Bill for an Act to Establish the Financial Reporting Council of Nigeria, 2006 (HB. 266) and approve the-Recommendations therm" {Laid 22/2/2006). —

11. A Bill for an Act to Regulate the Business of Equipment Leasing in Nigeria and for Connected Purposes, 2006 (SB. 76) (*Committee of Whole*: 21/2/2007).

A BILL FOR AN ACT TO REGULATE THE BUSINESS OF EQUIPMENT
LEASING IN NIGERIA AND FOR CONNECTED PURPOSES, 2006

Provisions of the Proposed Bill as Passed by the Senate ■ _

*Committee
of Whole*

Application

1. This Act applies to all equipment lease agreements.

Equipment lease agreement.

2. (1) An equipment lease agreement shall be in writing containing —

(a) a statement to the effect that the lessor and lessee have agreed to enter into—

(i) a finance equipment lease, or

(ii) an operating lease, or

(iii) any other specified variant to either (i) or (ii)-above

(b) a description of the equipment to be acquired under the lease agreement; or

(c) the total or instrumental lease rentals payable by the prospective lessee

(2) if a finance equipment lease is to be entered into the written agreement shall in addition to (b) and (c) of subsection (1), contain: —

(i) the estimated price of the equipment

(ii) a statement that the equipment is being acquired by the prospective lessor in connection with the lease agreement which, to the knowledge of a supplier or manufacturer, is to be made between the prospective lessor and lessee;

(iii) a statement as to whether or not the prospective lessee has selected the equipment, or selected the supplier or manufacturer, with or without relying on the skill and judgment of the prospective lessor;

Classification of Equipment Leasing.

3. (1) Equipment leasing is divided into three main classes: ' —

(a) finance leaser

(b) operating lease;

(c) other variant of either (a) (b).

- (2) Other variants of equipment leasing of either subsection 3 (a) or (b) are as follows —

(a) Syndicated lease;

(b) Sale and lease back lease;

(c) Cross border lease;

(d) Leverage lease; and

(e) any equipment lease that may from time be approved by the Minister.

Contents of a lease Agreement —

4. (1) Before a lease agreement is registered, it shall be in writing and shall contain —

(a) a description of the equipment to which the lease agreement relates sufficient to the identify it —

- (b) the total lease rentals payable by the lessee to lessor;
- (c) the Amount of each installment rental payable by the lessee to the lessor,
- (d) the date or mode of determining the date on which each installment rental is payable;
- (e) a clause that the lessee acknowledge confirms and declares that he holds the equipment as a mere bailee of the lessor and the lessee does not, during the specified period of a lease, have any proprietary right, title or interest in the equipment other than as a lessee; and
- (f) that in termination of the lease agreement by expiry of time, unless a renewal is granted or the lessor agrees to sell the equipment to the lessee, the lessee shall deliver to the lessor the equipment in good order and condition.

(2) if the equipment lease is a finance lease it shall in addition to the provision in subsection (1) contain the following clauses

- (a) that the lessee confirms and acknowledge that the finance lease agreement is a full pay out non-concealable agreement; and
- (b) that upon the termination of the lease agreement or any renewal thereof subject to any exercisable option as regards the sale or disposal of the equipment, the lessee shall deliver to the lessor, the equipment, in good order and working condition, ordinary wear and tear-exempted.

Delivery of a lease agreement to the lessee

5. A copy of the agreement pursuant to section 2 shall be delivered or sent to the lessee within 14 days after the making of the lease agreement.

Business of equipment leasing

6. (1) No person shall carry on the business of equipment unless —

- (a) it is a limited liability company the Memorandum and Articles of Association of the company shall have express provision to carry on the business of equipment leasing; and
- (b) it has satisfied all requirements prescribed by guidelines made from time to time by the Registration Authority.

Establishment of registration authority

7. There is hereby established a body to be known as Equipment Leasing Registration Authority (in this Act referred to as "Registration Authority")

Composition of registration authority

8. The Registration Authority shall consist of —

- (a) a chairman who shall be appointed by the Minister being "a person by reason of his ability, experience, or specialized knowledge of leasing, commercial, financial or economic matters, would in his opinion be capable of making outstanding contributions to the work" authority; —
- (b) a representative of the Federal Ministry of Finance;
- (c) a representative of the Central Bank of Nigeria;
- (d) three representatives of the Equipment Leasing Association of Nigeria to be appointed by the Association;
- (e) a representative of the Ministry of Justice;

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(f) a representative of the business community to be appointed by the Nigerian Association of Chambers of Commerce, Industries, Mines and Agriculture, and

(g) a Registrar who shall, in addition to his other functions under this act, be the Secretary to the Authority, convene and keep minutes of the proceedings at all meetings of the Authority and Committees thereof as the case maybe.

Duties of a registration authority

9.(1) The Registration Authority shall be charged with the responsibility of the registration of:

(a) an Equipment Lease Agreement;

(b) a company carrying on business as an Equipment Lessor; and (c)-

any other responsibility as may be directed by the Minister.

(2) The function of the Registration Authority shall be to:

(a) determine in accordance with the provisions of this Act person who are eligible to carry on the business of equipment leasing;

(b) determine the requirements to be met by persons seeking to be registered to carry on the business of equipment leasing, review such requirement from time to time;

(c) register person carrying on or intending to carry on business as equipment lessor;

(d) secure the establishment and maintenance of a register of person entitled to carry on the business of equipment leasing and the production from time to time of a list of these people;

(e) register equipment lease agreement;

(f) conduct an investigation into the affairs of persons registered under this Act when necessary or expedient to give full effect to the provisions of this Act;

(g) register and investigate incidence of defaults by lessees;

(h) undertake any other activity that is necessary expedient for the purpose of giving full effect to the provisions of this Act and

(i) perform other function conferred on the Authority by this Act.

Funds and Financial accounts of the registration authority

10. (1) There shall be established for the Authority, a fund which shall be managed or the purposed of this Act.

(2) There shall paid into the Fund;-

(d) all fees and other moneys payable to the Authority, whether in the course of the discharge of its functions or not;

(3) (a) There shall also be paid out of the Fund of the Authority the remuneration and allowances of the registrar and employees of the Authority.

(b) such reasonable traveling and subsistence allowance of members of the Authority in respect of time spent on the business of the Authority as the Authority may, with the approval of the Minister, determine, and

(c) any other expenses incurred by the Authority in the discharge of its function under this Act.

(4) (a) The Authority shall prepare and submit to the Minister not later than 31st day of December of each year an estimate of the income and expenditure during the next succeeding year.

(b) The Authority shall keep proper accounts in respect of each year and proper records in relation to those accounts and shall cause the accounts to be audited within six months after the end of the year to which the accounts relate.

Power of the minister to issue guidelines to the registration authority.

11. The Minister shall be issue guidelines as he consider necessary for the purpose of implementing the provision of section 8 and including guidelines relating to the —

(«) stamp duties payable;

/b) registration and notarisatation fees; and

(c) procedure for filing an application for registration and cancellation of a registration.

Register of Registered Equipment Lease Agreement

12. (1) There shall be kept by the Registration Authority a register of an Equipment Lease Agreement containing the particulars of the lessor, the lessee and the equipment being the subject of the Lease Agreement.

(2) The register shall be opened for inspection to members of the public on the payment of a prescribed fee.

(3) The Registration Authority shall on request by a person and on payment of the prescribed fees, furnish that person with a copy of the entry in the register relating to a particular Equipment Lease Agreement being a copy certified to be true by the Registration Authority.

Registration of a lease agreement

13. An equipment lease agreement made pursuant to this Act shall irrespective of the value of the leased equipment, be registered with the Registration Authority not later than 14 days after the commencement of such lease agreement, or within three months for a lease agreement made before the commencement of this Act.

Application for a registration of leased agreement — -----

14. An application for the registration of a lease equipment shall be in Form A of the First Schedule to this Act and shall contain or be accompanied by evidence of conforming with section 6 and such other information, document as the registration Authority may from time to time prescribe.

Issue of registration certificate

15. The Registration Authority shall on being satisfied that an application has complied with the provision of this Act issue certificate of registration.

Effect of registration of a registrable agreement

16. Registration of a registrable lease agreement and any regulation made under this Act shall constitute sufficient notice to any third-party of the fact and terms of the lease agreement.

Effect of non-registration of a registrable agreement

17. Non-registration of a registrable lease agreement shall render the lease agreement invalid as between the parties to the agreement but shall render same unenforceable against any third party acting in good faith, for value without notice of the lease agreement.

Fixation of the lessor's name on leased equipment.

18. A lessor shall conspicuously inscribe or affix his name on a leased equipment. - —

Implied terms as to legal ownership of leased equipment —

1-9. (1) On the registered of a lease agreement the lessor is the legal owner of a leased equipment.

(2) The implied legal ownership of a lessor or his assign under a lease agreement shall prevail at all times over any claim by a lessee, a lessee's creditor or third party.

(3) Notwithstanding anything to the contrary in any law mere fixture of a leased equipment to Land or building shall not confer ownership in leased equipment on any person other than the lessor.

(4) Any provision in a lease agreement that is inconsistent with subsections (1), (2), (3) of this section shall be null and void to the extent of the inconsistency.

Sale, transfer of leased equipment

20. (1) A lessee shall not during the period in which a leased equipment remain in his possession and use, sub-lease assign pledge mortgage, charge create any encumbrance or act in any way that is inconsistent with the legal ownership of a lessor with a third party.

(2) Subject to the provision of this Act, or lease agreement any sale sub-lease, pledge, charge, mortgage, loan or assignment or any act inconsistent with the legal ownership of a lessor shall not be effective.

(3) The lessee shall have no other claim against the Lessor for non-delivery, delay in delivery or delivery of non-conforming equipment except to extend to which this result from the Act or omission of the Lessor

Priority of the lessor's claim against third party and insolvency of a lessee

21. The title or interest of the lessor or his assigns in a leased equipment under a leased agreement shall prevail at all times against claims by a third party including a creditor of the lessee, except as against a purchaser in good faith for value of the equipment under a non——
— registered lease.

Rights and obligations of a lessee

22. (1) A lessee shall during the specified period of a lease have the following rights and obligation.

(a) have and enjoy quiet possession of the leased equipment;

(b) as long as the lessee performs his obligations in accordance with terms of the lease agreement, the lease agreement, shall not be terminated unilaterally by the lessor even if the lessor is declared insolvent;

(c) use the equipment according to the terms and conditions of the lease agreement;

(d) take proper care of the equipment and use it in a reasonable manner consistent with that of a normal user and keep it in the condition with which it was delivered subject to fair wear and tear and to any lessor approved modification of the equipment;

(e) be responsible for the maintenance of the leased equipment in a finance lessee; and

(f) pay the lease rental as stipulated in the leased agreement.

(2) Without prejudice to the lessor rights against the lessee or the supplier or manufacturer, the lessee shall have the right to direct action against the manufacturer in order to hold the supplier or the manufacturer contractual obligation, and to obtain from the supplier's or manufacturer's compensation for damages resulting from the supplier's or manufacturer's default.

(3) the lessee shall have no other claim against the lessor, delay in delivery or delivery of a non-conforming equipment except to the extent to which this results form the act or omission of the lessor.

Default of lease resulting in resulting in termination of agreement between lessor and supplier.

23. Where owing to defaulter negligence on the part of lessee, the sales agreement between the manufacturer or the supplier and the lessor is terminated, if the lessor acted in good faith, the lessor shall have the right to demand payments due from the lessee under the lease agreement.

Liability of damage of leased equipment caused by lessee or his agent

24.(1) A lessee shall during the period in which a leased equipment remains in his possession be liable for -repairs of damage to equipment resulting from the acts of a lessee, his agent, servant or any third party to a leased equipment.

(2) Where a lessee is in breach of his liability to repair as provided in subsection (1) of this section, the lessor shall serve notice on the lessee specifying the breach and requiring the lessee to effect specified repairs within a period of time.

(3) If the lessee fails to effect repairs on expiration of the specified period, the lessor may at own expense effect the necessary repairs.

(4) Where the lessor effects repairs, the lessee shall indemnify the lessor for expenses reasonably incurred by the lessor in effecting such repairs.

(5) The lessee shall however have a right to bring by action against a third party to recover any expenses incurred as a result of his obligations to repair the leased equipment and the lessee's indemnity to the lessor

Claims to leased equipment by third party

25. (1) Any claim to the ownership or any disturbance to the quiet enjoyment of a leased equipment by a third party shall be notified in writing by the lessee to lessor within fourteen days of such claim.

(2) If a lessee fails to notify the lessor he shall be liable for any charges or expenses hereby incurred by the lessor.

(3) The lessor shall have a right to apply to join as co-defendant any legal action instituted by a third party claiming any right to a leased equipment.

Right of a lessor to inspect leased equipment.

26. A lessor or his accredited representative after giving reasonable notice to the lessee, may inspect a leased equipment to verify the state and use of a leased equipment.

27 (1) Where under a leased agreement a lessee is under a duty to keep a leased equipment in his possession and for his use, the lessee shall on receipt of a request in writing from the lessor inform the lessor of;

(a) the location of a leased equipment;

(b) the state of leased equipment; and

(c) any other such information that may be required by the lessor in respect of leased equipment.

(2) If a lessee, without reasonable cause fails to give the information requested under subsection (1) of this section within fourteen days of receipt of a written request is guilty of an offense and liable on conviction to a fine not less than N50,000. - —

Liability of the lessor for delay in delivery of leased equipment

28. (1) Where the leased equipment is not delivered to the lessee —

(a) as a result of delay by the lessor to enter into sales agreement with the supplier or manufacturer; or -

(b) as a result of delay by the lessor to make payment to the supplier or manufacturer; or

(c) for any other delay attributable to the lessor; the lessee's obligation to the lessor under the lease agreement shall be suspended and, the lessee shall give the lessor an appropriate extension of time during which the lessor shall comply with his contractual obligation.

Non-delivery of equipment to the lessee as a result of the lessor's wilful infringement

29. Where a lessor's wilful infringement or unlawful act results in the termination of sale agreement with a supplier or manufacturer, the lessor shall be liable for actual loss and damages incurred by the lessee.

Claim against lessor of on-delivery of a leased equipment

30. A lessee shall have no other claim against a lessor for non-delivery or delivery of non-conforming equipment except to the extent to which this result from an act or omission of the lessor.

Liability of the lessor for defect of leased equipment

31. Subject to the provision of this Act or a leased agreement, a lessor shall not be liable for any defect in the fitness of a leased equipment except a lessee suffers loss as a result of the lessee's reliance on the lessor's skill or judgement in the selection of the supplier or manufacturer of a leased equipment.

Liability of a lessor for supply and installations of a leased equipment inspected by a lessee before supply.

32. Where the lessee does not nominate the supplier or manufacturer but provides a description of technical specifications of an equipment before the supply or installation of the equipment to be leased, the lessor shall not be liable for the lessees for any defect or for non-fitness.

Liability of a lessor for supply of equipment where lessee relies on the expertise of the lessor

33. Where the lessee neither nominates the supplier or manufacturer, nor describes or provides technical specifications of the equipment to be leased but relies on the skill, knowledge and expertise of the lessor in providing equipment for a slated purpose, the lessor is liable to the lessee for any material defect or non-fitness of the equipment.

Liability of a supplier nominated by a lessor

34. Subject to the general of contract and the provision of any written law in that respect, a supplier or manufacturer of leased equipment nominated by-a lessor is liable to the lessee for any material defect or for non-fitness of a supplied equipment; but shall not be liable to both lessor , lessee in respect of the same equipment.

Insurance of a registered leased equipment

35. A registered equipment shall be insured with a registered insurance company, as may be mutually agreed by the parties.

Taxation

36. (1) The lessor shall be entitled to all capital allowance tax and other allowance and concessions payable from time under an applicable law.

(2) An equipment, being a subject of an operating lease shall for purpose of a lessor's annual financial statement remain the equipment of lessor's notwithstanding that the equipment is in the possession of the lessee.

(3) for purpose of an annual financial statement only an equipment under an operating lease shall be deemed to be an equipment of a lessor.

Notice for non-payment of rentals and redemption

37. Where the lessee defaults in the payments of rentals due under a lease agreement, the lessor may serve the lessee a default notice as in Form B the First Schedule to the Act giving the lessee not less than 14 days within which to remedy the default so far as the default may be remedied.

Termination of lease agreement for non-payment of rentals

38. (1) Where the lessee fails to remedy a default after the service of default notice the lessor may terminate the lease agreement.

(2) The termination of the lease agreement shall be writing and communicated to the lessee.

Repossession of leased equipment by lessor

39. (1) Where the lessor becomes entitled to repossess the leased equipment due to non-payment of rentals, and the lessee fails to surrender the leased equipment after service of due notice the lessor may apply by an ex-parte Motion to the Federal High Court for the repossession of the leased equipment.

* {a) that a lessee is in default of the payment of rent also

due to lessor: and

(b) that the lessor has complied with the provisions of section 36 and 37 of this Act, he may issue a warrant to enter and repossess the- leased equipments

(3) The right of the lessor to repossess a leased equipment shall in no way prejudice any other remedy available to the lessor under any law, including but not limited to the right to recover damage for losses caused by non-compliance with the terms of the lease agreement by the lessee.

(4) Where there is repossession under this section the lessee shall unless otherwise agreed by the parties be responsible for the immediate payment of all rentals due at the time repossession.

Branch of agreement by a lessee

40. Where the lessee is in breach of a leased agreement not being a breach for non-payment of rentals, the lessor may serve the lessee a notice as in Form C for the First Schedule to this Act

Commencement of legal proceedings for-recovery of leased agreement

41. A lessor may commence legal proceeding in " a court of competent jurisdiction against a lessee for recovery a leased equipment-

fa) if a lease is —

(i) in breach of any of the terms of a lease agreement apart from a breach for non-payment of rentals; or —

(ii) in breach of any provisions of this Act for which specific penalty is provided; or (iii)

declared bankrupt;

(b) if a court orders the —

(i) dissolution of winding-up of a lessee; or

(ii) the appointment of a receiver or manager for a lessee.

Removal of a leased Equipment from Nigeria without lessor's permission.

42. (1) A lessee or his agent or his agent or representative shall not remove from Nigeria a leased equipment without the written consent of a lessor — —

(2) If a lessee contravenes subsection (1) of this section he shall be guilty of an offense and liable on conviction to fine of not less than N50,000 or imprisonment for a term not **exceeding One** year or to both such fine and imprisonment unless —

(a) he satisfies a court that he did not intend to deprive the lessor of this ownership of the leased equipment, or —

(b) to defeat the rights of the lessor to obtain payment due to him.-"

(3) If a lessor has reasonable cause to believe that a leased equipment has been removed or his being removed from Nigeria with intent to deprive the lessor of his ownership or defeat his right to obtain any payment due to lessor under a lease agreement the lessor may institute a legal action for the return to Nigeria of the leased equipment-

(4) Before instructed of legal action under subsection (3) of this section or during the pendency of such legal action, the lessor may apply to a Court for an attachment of the leased equipment.

(5) A court in making an order for the attachment of a lessee equipment may require the applicant to give security for damages to the lessee resulting from such order.

(6) An order of attachment of leased equipment —

a) may be discharged or varied by the court if a good cause is shown by person affected by the order on such terms as to costs as the court may deem fit; and

(b) shall be discharged upon the lessee giving security as the court may deem fit taking into account the value of the leased equipment, amount and cost due to the lessor.

Variation or limitation.

43. Nothing in this Act shall negate or invalidate any express provision in any leased agreement except to the extent that any such express provision is inconsistent with or limits the application of this Act.

Interpretation

44. In this Act unless the context otherwise requires —

"Capital allowances" means any allowances; or other concession granted by the Federal Board of Inland Revenue or other taxing authority to meet any diminution in value of an equipment subject of an equipment lease;

"Cross-border lease" is a lease in which the lessee and the equipment are non-resident of Nigeria; or in which the lessor is a non-resident of Nigeria; "equipment" means any movable and immovable equipment however described;

"Finance lease" is a lease involving rental-payment over an obligatory period sufficient total to amortise the capital outlay of the lessor and also give the lessor some benefit.

"Lease agreement" means a written agreement between the lessor and the lessee for the lessee's use in consideration of the payment of an agreed rentals over a specified period for —

(a) either the lessor's own already acquired equipment, or

(b) any equipment agreed to be acquired by the lessor from a third-party (supplier) whether chosen by the lessee or not such that the lessor shall retain full title and legal ownership during the specified period of the lease;

"lessor" means any person who under an equipment lease agreement transfers to another person or body (the lessee) the right to use an equipment in return for an agreed consideration for an agreed period;

"Leverage lease" is a lease involving a lessor, lessee and a lender that supplies the **greater part** of the purchase price of equipment leased;

"Minster" means the Minister, who for the time being is in charge of Finance;

"Non-concealable-period" means such period within which an equipment lease agreement is concealable only —

(a) on the occurrence of some remote contingency; or

(b) by mutual agreement; or

(c) by operation of law;

"Operating lease" is a lease involving rental payment over an obligatory period. But the equipment is not wholly mortgaged during the non-concealable period if any, of lease, and the lessor does not rely for his profit on the rentals in the concealable period.

"Option" means any provision in an equivalent lease agreement dealing with the disposal of the equipment at the expiration of the lease;

"Rental" means the total consideration payable by the lessee to the lessor under an equipment lease inclusive of any sum payable as management fees, services or other charges or any part thereof payable at specified intervals;

"Supplier" means a person (other than lessor or lessee) who in the ordinary course of business supplies any equipment to a lessor, or a lessee in which equipments are the subject of a lease between the lessor and the lessee;

"Syndicated lease" is a lease involving more than one lessor who jointly lease an equipment to a single lessee;

"Sale and lease back" is a lease where the lease (owner of all equipment) sells the equipment to the lessor and simultaneously leases it back from the lessor (the new owner)

ⁱⁱ Third party " means any person or body other than the lessor or lessee under an equipment lease and not being a lawful assignee, or sub-lease there under.

Citation

45. This Act may be cited as the Equipment Leasing Act, 2006.

SCHEDULES—

FIRST SCHEDULE

Section 13 ' ...

FORMA

FORM OF APPLICATION TO REGISTER A LEASE AGREEMENT THE EQUIPMENT LEASING ACT, 2006

Between

A, B;
and
C, D.....

APPLICATION TO REGISTER A LEASE AGREEMENT

(a) (lessor or lessee hereby applies pursuant to Section 13 of the Equipment Leasing Act 2006 and (regulation made thereunder) for the registration of the agreement dated.....of

And executed by the parties thereto. A copy whereof is attached hereto.

(b) (0 the equipment(s) being the subject of the lease is/are:

[attach schedule where space is insufficient]

(ii) the total value of the equipment

(iii) the approximate economic life of the equipment

(iv) the total period for which the equipments is/are leased to the lessee is (months/years). — —

(v) the instalmental lease rental payable by the lessee to the lessor is/are as follows

[specify have the value of each rental and the dates on which each such rental falls due]

Presented by

Name

Address.....

Occupation.....

tease agreement made..... day of 20.

FIRST SCHEDULE

FORM C

FORM FOR NOTIFICATION OF BREACH OF OBLIGATION

Registration No.....

THE EQUIPMENT LEASING ACT, 2006

NOTIFICATION OF OCCURRENCE OF BREACH OF OBLIGATION BY LESSEE

Take Notice that pursuant to Section 40 of the Equipment Leasing Promotion Act, 2006
(lessee) is in breach of Section(s)..... of this Act/Clause
 of the lease agreement dated of day of 20.... and registered as
 No,.. ..

Particulars:

*[State briefly the particulars of said breach]**Presented by*

Name.....

Address

Occupation.....

SECOND SCHEDULE

FORM A FORM FOR NOTIFICATION OF

OCCURRENCE OF EVENT OF DEFAULT

Registration No.....,

THE EQUIPMENT LEASING ACT, 2006 NOTIFICATION

OF OCCURRENCE OF EVENT OF DEFAULT BY LESSEE. -

Take Notice that pursuant to Section 40 of the Equipment Leasing Promotion Act, 2006
 (lessee) is in default of Section(s)..... of this Act/Clause of the
 lease agreement dated of day of 20.... and registered as No.....

Particulars:

*[State briefly the particulars of said default]**Presented. by* %

Name

Address.....

Occupation.

EXPLANATORY MEMORANDUM

This Bill seeks to regulate the business of Equipment Leasing in Nigeria so that the relationship between the Lessor and the Lessee and other third parties is identified protected.

This Bill further seeks to establish a Regulation Authority so as to provide for the registration of all Equipment Leases and the certification of equipment lessors.

COMMITTEE MEETING

	<i>Committee</i>	<i>Date</i>	<i>Time</i>	<i>Venue</i>
1.	Rules and Business	Wednesday, 7 March, 2007	10.00 a.m.	Committee Room 06
-				Assembly Complex
