



## SENATE OF THE

### VOTES AND PROCEEDINGS

Tuesday, 30th May, 2006

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1. The Senate met at 10.20 a.m. The President read Prayers.
2. Votes and Proceedings:  
The Senate President announced that he had examined the Votes and Proceedings of Thursday, 25th May, 2006 and approved same.  
  
*By unanimous consent, the Votes and Proceedings were adopted.*
3. Messages from the President:  
The Senate President announced that he had received two letters from the President, Commander-in-Chief which he read as follows:

PRESIDENT,  
FEDERAL REPUBLIC OF NIGERIA .

PRES/134

May 24, 2006

*The Senate President, Senate  
Chambers, National Assembly  
Complex, Abuja.*

*Dear President of the Senate,*

#### BRIEF ON PARIS CLUB EXIT PAYMENTS

*The Senate Leadership may recall that on October 20, 2005, Nigeria successfully negotiated a comprehensive debt treatment, allowing us to secure a full and permanent exit from the country's Paris Club debts. Following the endorsement of the deal, the National Assembly appropriated the sum of \$12.4 billion from the Consolidated Revenue Fund in November 2005 to finance the exit. As intimated to you on various occasions, the funds were sourced from excess crude savings which had accrued in 2005, with the full consent of all stakeholders. The States concerned reimbursed their part of the balance to be paid to Paris Club.*

*I am pleased to formally report to the Senate that the Paris Club debt deal has now been fully consummated and Nigeria is no longer indebted to Paris Club. May I seize this opportunity to, once again, thank the leadership and members of the Senate for the support and cooperation provided to us in achieving*

*this feat. In the spirit of transparency and accountability, I am also pleased to share with you details of the transactions that were carried out with the Paris Club.*

*In accordance with the terms of the Agreed Minutes signed with Paris Club creditors in October 2005, the exit payments to the creditor countries were made in three phases and in various currencies, viz: US\$, Euro, Pounds Sterling, Japanese Yen, Swiss Francs and Danish Kroner. Annex 1 provides details of the payments made during the various phases while details of the payments made by the country are indicated in Annex 2.*

*You may wish to note that the dollar equivalent of the payments referred to above under the three phases amounted to \$12.09 billion, generating savings of about \$306 million, as detailed in Annex 2. These savings were realized on account of proactive exchange rate risk management conducted by the Central Bank of Nigeria and Debt Management Office. In addition to the savings generated from proactive exchange rate risk management transactions, interest accrued on the account during the period amounted to about \$605,000.00. It should, however, be noted that this amount does not include interest income accruing on monies deposited into the BIS Special Accounts opened for the creditors pending the signing of bilateral agreements. In accordance with the Agreed Minutes, interests accruing on these Special Account were to revert to the respective creditors.*

*The transaction cost amounted \$30.24 million, which represents commission charged by the Central Bank of Nigeria for services rendered. On my intervention, the commission has been reduced from the normal one per cent charge levied by the Central Bank on Government transactions to 0.25 %. The Bank for International Settlements (BIS), which managed the accounts used for channeling the payments, offered its services gratis, as is the traditional practice in relation to its role as the Banker of Central Banks.*

*Taking into account the foreign exchange gains, interest income, transactions costs as well as administrative charges levied by the CBN, I am pleased to report to the Senate that the actual cost to the nation of the Paris Club exit was \$12,123,652,000 (i.e. approximately \$12.12 billion). This represents net savings amounting to \$276.3 million, in relation to the \$12.4 billion payment negotiated with the Paris Club creditors. I have instructed the Minister of Finance to return these savings to the excess crude account. With this step, I am happy to say that we have now put Paris Club debt behind us.*

*With the successful conclusion of the Paris Club debt deal, I wish to intimate you that we have now turned our attention to the London Club category of debts - made up of Promissory Notes, Par Bonds, and associated Oil Warrants. The total amount outstanding is currently about \$2.15 billion. As these categories of debts are traded in the international market, possessing different characteristics from Paris Club debts, a different approach is being adopted for their treatment. This is likely to take the form of a market-based transaction that will confer optimal financial and economic benefits to the country. We have invited proposals from reputable financial advisory services firms which will be competitively assessed to help us determine our strategic options. I will revert to the Senate as appropriate and will count on your continued support.*

Yours Sincerely,

Signed: **OLUSEGUN  
OBASANJO**



**PRESIDENT,  
FEDERAL REPUBLIC OF NIGERIA**

PRES/134

May 25, 2006

Senator Ken Nnamani,  
President of the Senate,  
Senate Chambers,  
**Three** Arms Zone,  
Abuja.

Dear President of the Senate,

REQUEST FOR CONFIRMATION OF TWO (2) MEMBERS  
OF THE FEDERAL CHARACTER COMMISSION

The Federal Character Commission is one of the Federal Executive Bodies, established under Section 153(1) of the 1999 Constitution of the Federal Republic of Nigeria. By the provision of Part 1 (C) of the Third Schedule of the 1999 Constitution, the Commission shall comprise the Chairman and one person to represent each of the States of the Federation and the Federal Capital Territory, Abuja. In this connection, there are two (2) vacant positions for Kebbi and Imo States in the Federal Character Commission.

I have, therefore, in the exercise of the powers conferred on me by Section 154(1) of the 1999 Constitution, decided to appoint Chief Meziem N. Echefu (Imo State) and Alhaji Muhammad Bella Alkali (Kebbi State) to fill the two vacant positions, following the expiration of the tenure of their predecessors in office.

In line with the provision of Section 154(1) of the 1999 Constitution which states that the appointment shall be subject to confirmation by the Senate, I hereby present Chief Mezi em N. Echefu and Alhaji Muhammad Bello Alkali, whose CVs are attached herewith, for confirmation by the Senate.

I look forward to your early action;

Yours Sincerely,

Signed: **OLUSEGUN  
OBASANJO**

4. Announcements:

The Senate President read a letter from Senator Amadu A. Ali, as follows:

0)  "FSS C.O.N.; M. B. (Lond.) F. R. C. P. Edin, etc  
**OCHADATA'GALA**  
P- O. Box 5565  
Garki P. O.  
Abuja, Nigeria

25th May 2006

The President of Senate  
National Assembly Three  
Arms Zone Abuja

Re: Interview on BBC Hausa Radio Service

It is true that I gave BBC Radio Service an interview in Hausa the previous week but I did not in anyway denigrate the Senators in that interview.

The words attributed to me by my Chief Accuser are confabulations. I submit herewith the tape of that interview as submitted to me by the BBC world service.

I also attach herewith the transcript of the interview tape and the English translation.

2. My public statement at the Emergency meeting of POP National Executive Committee has reassured the nation that I did not mean to denigrate anyone.

Thanks.

Signed;  
Senator (Dr.) Amadu A. Ali, CON  
PDF National Chairman

(ii) The Senate President acknowledged the presence of Students of Government Day Secondary School, Gwagwalada, Abuja, in the gallery to watch Senate proceedings.

5. Presentation of Bills:
  - (i) National Centre for Environmental Research, Community Education and Training (Establishment, etc) Bill 2006 (SB. 505) - *Read the First Time.*
  - (ii) Prohibition of Defacing of Government Buildings and Public Structures Bill 2006 (SB. 303) — *Read the First Time.*

6. Corrupt Practices and Other Related Offences Act (Amendment) Bill 2006 (SB. 01):

*Consideration of Bill stood down till next legislative day.*

7. Motor Vehicle (Third Party) Insurance Act (Amendment) Bill 2006 (SB. 279):  
*Motion made and Question Proposed:* That the Motor Vehicle (Third Party) Insurance Act (Amendment) Bill 2006 be read the Second Time (*Senator Gbenga Ogunniya*).

*Debate:*

*Question put and agreed to.*

8. Committee on Banking, Insurance and Financial Institutions:  
*Report on Dishonoured Cheques (Offences) Act 1977 (Amendment) Bill 2006 (SB. 110): Motion made and Question Proposed:* That the Senate do consider the Report of the Committee on Banking, Insurance and Financial Institutions on Dishonoured Cheques (Offences) Act 1977 (Amendment) Bill 2006 (*Senator Gbenga Ogunniya*).

*Report presented.*

*Motion made and Question Proposed:* That the Senate do resolve into the Committee of the Whole to consider the Bill (*Senate Majority Leader*).

*Question put and agreed to.*

(SENATE IN THE COMMITTEE OF THE WHOLE)

(President in Chair)

# A BILL FOR AN ACT TO AMEND THE DISHONOURD CHEQUES (OFFENCES) ACT CAP 102 LFN AND FOR MATTERS CONNECTED THEREWITH

Clause 1: The Dishonoured Cheques (Offences) Act Cap 102 LFN (hereinafter referred to in this Act as "the Principal Act") is hereby amended as set out in this Act.

## *Committee's Recommendation*

That the provision in Clause 1 be retained (*Senator Gbenga Ogunniya*) — *Agreed to.*

*Question that Clause 1 do stand part of the Bill, put and agreed to*

Clause 2: Offences in relation to dishonoured cheques, etc.  
 1(i)(b)(ii) in the case of a body corporate, be sentenced to a fine of not less than N5,000.

## *Committee's Recommendation*

Section 1 of the Principal Act is hereby amended in Subsection (1)(b)(ii) by deleting the figures "N5,000" and inserting the figures "N200,000" instead thereof (*Senator Gbenga Ogunniya*).

## *Amendment Proposed:*

Delete the figures "N200.000" and insert the following:

"In the case of an individual be sentenced to a fine of not less than 10% of the face value of the cheque" (*Senator Mohammed Ibrahim*).

*Question that the amendment be made put and agreed to.*

Amendment to the Amendment Proposed:

Immediately after the word "Cheque" in the amendment proposed *insert* the following words "or imprisonment not more than six months or to both such fine and imprisonment {Senator Udoma Udo Udoma}).

*Question that the amendment be made put and agreed to.*

*Question, that Clause 2 as amended do stand part of the Bill, put and agreed to.*

Clause 3:

Procedure for Trial of Offences:

The Principal Act is amended by substituting for the existing Subsection (1) with: Offences under this Act shall be triable summarily by the High Court of the State where the offence was committed or a special court for that purpose or any court the Economic and Financial Crimes Commission refers it to, and the procedure applicable in the ease of summary trial of offences before such court shall apply to the same extent for the purposes of trials for offences under this Act.

*Committee's Recommendation:*

Retain the existing Subsection (1) thus:

Offences under this Act shall be triable summarily by the High Court of the State where the offence was committed and the procedure applicable in the case of summary trial of offences before such court shall apply to the same extent for the purposes of trials for offences under this Act (Senator Gbenga Oggunniya).

Amendment Proposed:

Immediately after the words "triable summarily by " in line 3, *insert* the following "a Magistrate Court or" (Senator Saidu Dansadau).

*Question that the amendment be made put and agreed to.*

*Question, that Clause 3 as amended do stand part of the Bill, put and agreed to.*

Clause 4:

Offences punishable under the EFCC Act:

*Insert* a new Subsection 3(2) as follows:

All offences under this Act shall be deemed as offences punishable under the Economic and Financial Crimes Commission (EFCC) Act and thus all procedures under the EFCC Act apply.

Then renumber the existing Subsection (2) as Subsection (3).

*Committee's Recommendation:*

*Leave out* the provision in Clause 4 (Senator Gbenga Oggunniya) *Agreed to.*

Clause 5:

Procedure for trial of Offences:

Authority to exercise the powers of the Attorney-General of the Federation under section 160 of the Constitution of the Federal Republic of Nigeria 1999 (which relates to the initiation and conduct of criminal proceedings for offences under an enactment) is hereby, in respect of any offence under this Act committed in a State, conferred on the Attorney-General of that State, but nothing in this subsection shall be construed as precluding the Attorney-General of the Federation from exercising any of the powers to which this subsection relates.

*Committee's Recommendation:*

In Subsection (2) of Section 3, delete the figures "160" and insert the figures "174" (Senator Gbenga Oggunniya) — *Agreed to.*

*Question, that Clause 5 do stand part of the Bill, put and agreed to.*

Clause 6:

Short Title:

This Act may be cited as the Dishonoured Cheques (Offences) Act (Amendment) Act 2006.

*Committee's Recommendation:*

That the provision in Clause 6 be retained (*Senator Gbenga Ogunniya*) — *Agreed to.*

*Question, that Clause 6 do stand part of the Bill, put and agreed to.*

Chair to report Bill.

(SENATE IN PLENARY)

The Senate President reported that the Senate in the Committee of the Whole considered the Report of the Committee on Banking, Insurance and Financial Institution on the Dishonoured Cheques (Offences) Act 1977 (Amendment) Bill 2006 and approved as follows:

|          |   |                |
|----------|---|----------------|
| Clause 1 | — | As Recommended |
| Clause 2 | — | As Amended     |
| Clause 3 | — | As Amended     |
| Clause 4 | — | As Recommended |
| Clause 5 | — | As Recommended |
| Clause 6 | — | As Recommended |

*Question:* That the Report of the Committee of the Whole be approved — *Resolved in the Affirmative.*

*Motion made and Question Proposed:* That the Bill be read the Third Time (*Senate Majority Leader*).

*Question put and agreed to.*

*Bill accordingly read the Third Time and passed.*

9. Adjournment:

*Motion made and Question Proposed:* That the Senate do adjourn till Wednesday, 31st May, 2006 at 10.00 a.m. (*Senate Majority Leader*).

*Adjourned accordingly at 12. 35 p.m.*

Ken Nnamani  
*President of the Senate*