



HOUSE OF REPRESENTATIVES FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Thursday, 9 March, 2006

1. The House met at 11.07 p.m., Mr Speaker read Prayers,
2. **Votes and Proceedings:**
Mr Speaker announced that he had examined and approved the Votes and Proceedings of Wednesday, March 8, 2006.

By unanimous consent, the Votes and Proceedings was adopted.
3. **Announcements:**
Mr Speaker read the following communication **from** the Chairman of the Committee on Public Petitions: (i)



HOUSE OF REPRESENTATIVES
COMMITTEE ON PUBLIC PETITION
NATIONAL ASSEMBLY, P.M.B. 141, GARKI
THE THREE ARMS-ZONE, ABUJA - NIGERIA
TEL: 2340358, 2340432

*Honourable Speaker,
House of Representatives
National Assembly, Abuja.*

Sir,

RESOLUTION ON MODE OF PRESENTATION OF PETITIONS BY HONOURABLE MEMBERS

At a meeting of the Committee on Public Petitions held on Wednesday, March 08, 2006, it was resolved that Honourable Members wishing to present petitions on the floor of the House, accompany their presentation with 10 (Nos.) additional copies.

The aforesaid measure will assist the Committee Secretariat in the speedy determination of petitions.

Accordingly, Mr Speaker, you may announce this new mode of presentation in Chamber.

Please accept the assurance of our highest regards always.

(Signed)

NZE CHIDI DURU

CHAIRMAN

08/03/2006

- (ii) *Defection:*
Mr Speaker also read the following communication from Hon. Usman Bayero Nafada (*Dukku -Nafada Federal Constituency*), Gombe State:



HON. USMAN BAVERO NAFADA
Deputy Chairman, House Committee on Governmental Affairs
HOUSE OF REPRESENTATIVES
Federal Republic of Nigeria

7th March, 2006

The Honourable Speaker House of Representatives National Assembly Abuja

Dear Sir,

**NOTICE OF RESIGNATION FROM ALL NIGERIA PEOPLES' PARTY (ANPP) AND
JOINING THE PEOPLES' DEMOCRATIC PARTY (PDP)**

I decided to join partisan politics so that dividends of democracy can be delivered to my constituents in particular and the entire nation in general.

This and many other factors made me to join the ANPP in 1998.

However, it is glaring to everybody that the party is now in a state of jeopardy as a result of different factions springing up within the party at the local, state, and national levels, hence my initial aims of joining the party do not augur well for development.

And after due, extensive and elaborate consultations with my teeming supporters and constituents, I hereby resign my membership of ANPP and join the Peoples' Democratic Party (PDP) pursuant to section 68 of the 1999 constitution.

And to my new party, PDP, I want to assure the leadership and the teeming supporters that I believe in the supremacy of the party and will work for its continuous growth and success.

At this juncture, I thank the leadership of the House of Representatives and my colleagues for their support and understanding in this regard.

Please accept the assurances of my highest regard and loyalty.

Yours faithfully,

(Signed)

Hon. Usman Bayero Nafada

- (iii) *Visitors:*
Mr Speaker recognized the presence in the Gallery of:

- (a) Students of Thelma International Academy, Aso Pada, Nasarawa State;

- (b) Students of ECWA III Nursery and Primary School, Maraba-Gurku (Aku Village) Kara, Abuja; and
- (c) Man O War Students from GOF International School, Osun State.

4. Consideration of Reports:

- (i) *Joint Committee on Banking and Currency and Justice:*
Motion made and Question proposed, "That this House do resume consideration of the Report of the Joint Committee on Banking and Currency and Justice on a Bill for an Act to Repeal the Nigeria Deposit Insurance Corporation Act, 1988 and to Re-Enact the Nigeria Deposit Insurance Corporation Act, 2005; and for Matters Connected Therewith and approve the Recommendations therein" (Hon. Clever Ikisikpo),

Question that the House do resolve into Committee of the Whole to resume consideration of the Report, agreed to.

Question that Order VII, Rule 2 (2) be suspended to enable Mr Speaker preside in the Committee of Whole, put and agreed to.

(HOUSE IN COMMITTEE)

(Mr Speaker in the Chair)

A BILL FOR AN ACT TO REPEAL THE NIGERIA DEPOSIT INSURANCE
 CORPORATION ACT, 1988 AND TO RE-ENACT THE NIGERIA DEPOSIT INSURANCE
 CORPORATION ACT, 2005; AND FOR MATTERS CONNECTED THEREWITH

PART V — TERMINATION OF INSURED STATUS

Committee Recommendation:

Clause 23: Grievous Violation of Obligations

- (1) Whenever it appears to the Corporation that an insured institution or its directors or trustees have committed a grievous violation of its obligation or have continued to conduct the business of the insured institution—
 - (a) in an unsound manner; or
 - (b) intentionally or negligently permitted any of the officers or agents of the insured institution to violate any provisions of any law or regulation to which an insured institution is subject, the Corporation shall serve on the Board of the insured institution a warning notice stating that where the unsound practice continues, the name of the insured institution shall be removed from the register of insured institutions and a copy of such warning notice shall be forwarded to the Central Bank of Nigeria.
- (2) It shall be deemed a grievous violation of obligation under this Act where an insured institution-
 - fa) persistently suffers liquidity deficiency;
 - (b) persistently contravenes the provisions of any legislation or regulation relating to banking, economic and financial crimes;
 - (c) makes incomplete or incorrect statements to the Corporation;
 - d) is in default with the payment of its annual premium or special contribution as provided in Section 17 of this Act;
 - (e) habitually fails to render returns to the corporation or does not submit upon request any other information for the efficient performance of the function of the corporation;
 - (f) makes incorrect statement to the corporation as regards customers deposits;

(g) fails to make adequate provisions for bad and doubtful debts up to the amount recommended by the supervisory authorities or pays dividends in defiance to the provisions of this Act; or

(h) fails to write off bad debts as may be directed by the Supervisory Authorities (*Hon. Clever Ikisikpo*).

Amendment Proposed:

Retain the provision in Subclause (3) (f) of the Principal Bill (*Hon. Solomon Agidiani*).

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

Question that Clause 23 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 24: Grievous Violation of Obligations Conditions For Termination.

- (1) Where the insured institution fails within a reasonable time to make amendments, the Board shall—
 - (a) give to the institution not less than thirty days written notice of its intention to terminate the insured status of the institution; and
 - (b) fix a time and place of hearing before a person designated by the Board to conduct the hearing at which evidence may be produced, and upon such evidence the Board shall make its findings which shall be final;
 - (c) Where the insured institution ,is not represented or does not make any representation to the Corporation pursuant to paragraph 1 (b) of this section or if the Corporation did not favorably consider such representation made, the Corporation may proceed to terminate the insured status of the institution and shall inform the Central Bank of Nigeria accordingly (*Hon. Clever Ikisikpo*) ~ *Agreed to.*

Question that Clause 24 stand part of the Bill, put and agreed to.

Committee Recommendation;

Clause 25: Procedure of termination of Insured Status.

- (1) Where the Board is satisfied that an insured institution is in grievous violation of its obligation under this Act, it shall terminate the insured status of the institution
- (2) The Corporation shall cause a notice of termination to be published in at least three National Newspapers.
- (3) Where the participation of an insured institution in the Deposit insurance scheme is terminated, the institution shall immediately cause a notice of such termination to be published in at least three national Newspapers, notifying the depositors and other creditors to whom liabilities are owed and in furtherance thereto, bring the consequences of such termination to their Notice.
- (4) After the termination of the status of an insured institution under this Act, the insured deposit of each depositor in the institution on the date of its termination, less all subsequent withdrawals from the deposits of such depositor, shall continue to be covered for another period of one year, and thereafter, such deposits shall cease to be covered.
- (5) The Corporation shall not insure any additions to any deposits specified in subsection (4) of this section or any new deposits in the institution made after the date of termination of its status as an insured institution and the institution shall not advertise for deposits or hold itself out as having its deposits insured by the Corporation.

- (6) The Central Bank of Nigeria may revoke the licence of any insured institution whose insured status has been terminated by the Corporation (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 25 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 26: Conditions of Participation after Termination.
An insured institution whose insured status is terminated in accordance with this Act may re-apply to participate in the scheme after it has satisfied all the conditions required of it by the Board particularly after the Board had given consideration to the following and determine that:

- (a) the institution's financial position and its general operational practice has improved satisfactorily since the termination order became effective;
- (b) the grounds for which the institution's participation in the Deposit Insurance Scheme was terminated had been remedied; and
- (c) the future earning prospects and general character of its management are satisfactory (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 26 stand part of the Bill, put and agreed to.

PART VI — SUPERVISION

Committee Recommendation:

- Clause 27: Power of the Corporation to require information.
- (1) Every insured institution shall submit to the Corporation such returns and information as may be required from time to time within the stipulated period.
 - (2) Any insured institution which fails to comply with the provisions of subsection (1) of this section shall be guilty of an offence under this Act and shall be liable on conviction to a fine of N500,000.00 (Five Hundred Thousand Naira) and thereafter N100,000 for each day during which the offence continues, counting from the day immediately after the date of failure to make such return.
 - (3) In addition to the powers conferred on it under this Act, the Corporation may require persons having access thereto, at all reasonable times to supply to it information, in such form as the Corporation may from time to time direct, relating to, or touching on or concerning matters affecting the interest of depositors of insured institutions.
 - (4) Where any person lawfully required to supply information necessary to achieve the objects and purpose of the Corporation—
 - (a) supplies any information which he knows to be false or supplies it recklessly as to its truth or falsity; or
 - (b) without reasonable excuse fails to supply any information required by the corporation, such a person shall be guilty of an offence punishable on conviction with a prison term of one year or a fine of not less than N200,000 (Two Hundred Thousand Naira) or to both for every such incident (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 27 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 28: Appointment of Examiners.
The Board shall have power to appoint on the recommendation of the Managing Director such number of examiners who shall—

- (a) be officers of the Corporation with powers to examine periodically, and under conditions of secrecy, the books and affairs of every insured institution ;

- (b) have a right of access at all times to the books, accounts and vouchers of the insured institution, including its management information system;
- (c) be entitled to require and obtain information and explanations from the officers, directors and auditors of an insured institution as they may deem necessary in the performance of their duties; and
- (d) have access to any accounts, returns and information with respect to any insured institution under the provisions of this Act which are in the possession of the Central Bank of Nigeria (*Hon. Clever Ikisikpo*) — *Agreed to*.

Question that Clause 28 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 29: Functions of Examiners.

- (1) In the exercise of the functions of an examiner appointed pursuant to subsection (1) of Section 28 of this Act, the examiner shall exercise reasonable care to prevent unreasonable hindrance to the day-to-day activities of an insured institution and confine the investigation to matters of fact and data deemed necessary for the examination.
- (2) An insured institution shall produce to the examiner as and when required, all books, accounts, documents, management information systems and all information as the examiner may deem necessary or request in the exercise of his functions.
- (3) It shall be an offence under this Act for an insured institution to —
 - (a) willfully refuse to produce any book, account, document or information; or
 - (b) negligently, willfully or with intent to defraud, give an information which is false in any material particular;
 - (c) refuse inspectors access to their premises or any hardware or software utilized in its business
- (4) A person guilty of an offence under this section shall be liable on conviction—
 - (a) in the case of an offence against paragraph (a) of subsection (3) of this section, to a fine of N20,000 (twenty thousand Naira) per day that he withholds the information, document, book or account and the insured institution to a fine of not more than N500,000.00 (five hundred thousand Naira) for every day that the said information, document or book of account was withheld; or
 - (b) in the case of an offence against paragraph (b) of subsection (3) of this section, to a fine of N1,000,000 (One million Naira) or to both such fine and imprisonment.
- (5) An examiner shall forward a report of his findings to the Managing Director who shall thereon inform the Board of any circumstances in which the Board may exercise any of its powers under the provisions of Section 7 or 30 of this Act (*Hon. Clever Ikisikpo*) — *Agreed to*.

Question that Clause 29 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 30: Special examination.

- (1) The Board may at any time appoint two or more qualified persons to conduct a special examination of the books and affairs of an insured institution under conditions of secrecy where the Board is of the opinion that an insured institution—
 - (a) may be carrying on the business in a manner detrimental to the interest of its depositors and creditors;

- (b) may have insufficient assets to cover its liabilities to the public; or
 - (c) may be contravening the provisions of this Act.
- (2) Where an insured institution deems that:
- (a) it is likely to become unable to meet its obligations; or
 - (b) it is about to suspend payments the insured institution shall cause the Corporation to be informed accordingly of its intention to do so.
-
- (3) Any insured institution which contravenes the provisions of subsection (2) of this section shall be guilty of an offence and liable on conviction to a fine of N 1,000,000 (One million Naira) and any director whose responsibility it was to inform the Corporation commits an offence and shall be liable on conviction to a maximum fine of ₦200,000 (Two hundred thousand Naira) (*Hon. Clever Ikisikpo*).

Amendment Proposed:

Retain the provision in Subclause (1) of the Principal Bill (*Hon., Solomon Agidiani*).

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

Question that Clause 30 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 31: Report of examination.

- (1) After the conclusion of an examination under the provisions of this act, the Corporation shall forward a copy of (he report arising therefrom to the insured institution concerned with instructions that it be presented by the insured institutions' management to the board of directors of the institution at a meeting specially convened within one month of receiving the report for the purpose of considering the report and recommendations thereon.
- (2) The Insured Institution shall within two weeks of the presentation to its board of directors convey to the Corporation the board of director's reaction to the report and proposals for implementation of the recommendations.
- (3) The Managing Director of the Corporation shall thereafter submit a copy of the report together with his comments and the reactions of the Board of Directors of the insured institution concerned (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 31 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 32: Prompt corrective action.

- (1) Without prejudice to the provisions of this Act, whereupon the examination by the Corporation as to the condition of any insured institution, it shall be disclosed that:
 - (i) an insured institution or its directors or staff have engaged, are engaging or about to engage in unsafe and unsound banking practices in conducting the business of the institution;
 - (ii) or have violated or are violating any provision of any law or regulation to which the insured institution is subject; and
 - (iii) where such violation may lead to insolvency or dissipation of the assets of the insured institution, the Corporation shall submit the report of the examination to the management of the bank with specific directives to address the situation by taking corrective measures.
- (2) If such corrective action is not fully implemented within (30) days from the submission of the report or any other time given, the Corporation shall in consultation with the Central Bank of Nigeria initiate such further corrective action which it may deem necessary to redress the situation (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 32 stand part of the Bill, put and agreed to.

PART VII — DUTIES OF INSURED INSTITUTIONS

Committee Recommendation:

Clause 33: Fidelity Insurance.

All insured institutions shall have fidelity insurance coverage up to any level that may be prescribed from time to time by the Corporation (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 33 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 34: Obligations in respect of unauthorized in disclosure.

- (1) The members of Board and staff of an insured institution shall keep strictly confidential and make no unauthorized disclosure or use of any information which they may either directly or indirectly receive in such capacity of the activities of the insured institution and the result thereof of the Corporation and the circumstance of the participating institutions and their customers, even after they cease to be members of that Board or staff of that institution.
- (2) The obligation specified in Subsection (1) of this section shall also be imposed upon directors, employees of and other persons engaged by the Corporation.
- (3) The Provisions of Subsection (1) of this section shall not apply to communications made to the Corporation, Central Bank of Nigeria, External Auditors of the insured institutions, the Bankers Committee or the Federal Ministry of Finance in connection with the purposes of the Corporation.
- (4) The provisions of Subsection (1) of this section shall not apply to communications in connection with the admission or exclusion of an insured institution from the DIF (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 34 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 35: Returns on frauds and forgeries.

An insured institution shall render to the Corporation, monthly returns of frauds, forgeries or outright theft occurring during such month and shall include a detailed report of such events (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 35 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 36: Notification to the Corporation of dismissed staff and employment of dismissed staff.

- (1) An insured institution shall notify the Corporation of any staff dismissed, terminated or advised to retire or resign on the ground of fraud or financial malpractice.
- (2) Persons affected under Subsection (1) of this section shall not be employed in an insured institution without the insured institution first notifying the Corporation.
- (3) Any insured institution, which acts in contravention of or fails to comply with any of the provisions of subsection (1) and (2) of this section shall be guilty of an offence under this Act and liable to an offence not less than N100,000.00 (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 36 stand part of the Bill, put and agreed to.

PART VIII — RESTRUCTURING OF FAILING INSURED INSTITUTIONS

Committee Recommendation:

Clause 37: Financial assistance.

- (1) Pursuant to Subsection (1) (b) of Section 2 of this Act, the Corporation may at the request of an insured institution and under such conditions as may be specified by the corporation assist the institution if it—

- (a) has difficulty in meeting its obligations to its depositors and other creditors;
 - (b) persistently suffers liquidity deficiency; or
 - (c) has accumulated losses which have nearly or completely eroded the shareholders fund
- (2) The corporation may take one or a combination of actions or any of the following to assist a failing institution, that is—
- (a) grant loans on such terms as may be agreed upon by the Corporation and the failing insured institution ;
 - (b) give guarantee for a loan taken by the insured institution;
 - (c) accept an accommodation bill with interest for a period not exceeding 90 days' maturity exclusive of days of grace and subject to renewals of not more than seven times;

Provided that interest rates applicable to facilities extended to the failing institution shall not exceed the Minimum Rediscount Rate of the Central Bank of Nigeria (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 37 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 38: Management/restructuring of failing Insured Institutions.

- (1) The Corporation in consultation with the Central Bank of Nigeria—
- (a) take over the management of the failing insured institution until its financial position has substantially improved; or
 - (b) direct specific changes to be made in the management of the failing insured institution within such time as the Corporation may specify; or
 - (c) arrange a merger with or acquisition by another insured institution or contract to have the deposit liabilities assumed by another insured institution; in which case—
 - (i) the receiving or acquiring insured institution shall assume all the recorded deposit liabilities of the failing insured institution;
 - (ii) the receiving insured institution shall receive those assets of the failing insured institution that are acceptable and an amount equal to the difference between the assumed deposit liabilities and acceptable assets shall be advanced to the receiving insured institution by the Corporation;
 - (iii) the Corporation may receive such assets from the failing insured institution as it may consider acceptable as collateral for the advance to the receiving insured institution or purchase the assets from the failing insured institution;
 - (iv) subject to paragraph (iii) above, any asset (including land) of the failing insured institution shall be transferred or be vested in the receiving insured institution or the Corporation;
 - (d) acquire, manage and dispose of impaired assets of a Failing insured institution either directly or through an asset management company and the board of the failing institution shall be obliged to offer the assets of the failing insured institution for sale to the corporation or the assets management company, or as security for loans from the corporation, or the assets management company;

Amendments Proposed:

(0 Retain the provision in Subclause (1) of the Principal Bill (*Hon. Almqjir Geidam*).

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

(ii) Retain the provision in Subclause (4) of the Principal Bill (*Hon. Clever Ikisikpo*).

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

(iii) Retain the provision in Subclause (7) of the Principal Bill (*Hon. Umar El-Yakub*).

Question that the amendment be made, put and agreed to. Question that Clause 39 as amended,

stand part of the Bill, put and agreed to. PART IX — LIQUIDATION OF FAILED INSURED

INSTITUTIONS.

Committee Recommendation:**Clause 40: Power of the Corporation to act as liquidator.**

- (1) Whenever the license of an insured institution is revoked by the Central Bank of Nigeria, the Corporation shall act as Liquidator of such insured institution with powers conferred on a Liquidator under the Companies and Allied Matters Act 1990 and shall be deemed to have been appointed a Provisional Liquidator by the Federal High Court for the purpose of that Act.
- (2) Immediately following the publication in the gazette of the revocation of the license of an insured institution, the Corporation shall apply to the Federal High Court for an order to wind up the affairs of the insured institution .
- (3) This Section shall have effect and Sections 408 and 410 of the Companies and Allied Matters Act 1990 shall be construed as if the revocation of the license of an insured institution had been included as a ground for winding up by the Federal High Court, and as if the Corporation has been included as one of those that can present a winding up petition before the Federal High Court under those Sections.
- (4) Sections 427 (1) and (2) and Section 428 (1) and (2) of the Companies and Allied Matters Act, 1990 shall not apply to the Corporation when acting as Liquidator of a failed insured institution.
- (5) The companies' winding up rules and any amendments thereto shall not apply to the winding up of an insured institution by the Corporation as liquidator thereof.
- (6) The provisions of this Act shall apply without prejudice to the provisions of the Companies and Allied Matters Act 1990 in so far as they relate to insured institutions and their winding up by the Federal High Court and where any of the provisions of the Companies and Allied Matters Act 1990 are inconsistent with the provisions of this Act as it relates to winding up of insured institutions, the provision of this Act shall apply (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 40 stand part of the Bill, put and agreed to.

Committee Recommendation:**Clause 41: Action following a failure.**

- (1) It shall be the duty of the Corporation to cause notice to be given by advertisement in national newspapers or other news media requiring all depositors with the insured institution under liquidation to forward their claims to the Corporation.
- (2) The Corporation acting as Liquidator of the failed insured institution shall have power to—
 - (a) realize the assets of the failed insured institution;
 - (b) to enforce the individual liability of the shareholders and directors thereof;
 - or

- (c) to wind up the affairs of such failed institution as herein otherwise provided.
- (3) The Corporation acting as liquidator shall pay to the Corporation such portion of the amount realized from such liquidation as it shall be entitled to receive on account of its subrogation to the claims of depositors and shall pay to depositors and other creditors the net amount available for distribution to them.
- (4) The Corporation acting as a Liquidator may pay liquidation dividends on proved claims at any time after the expiration of the period of advertisement made pursuant to Subsection (1) of this section and no liability shall attach to the Corporation itself by reason of any such payment for failure to pay dividend to a claimant whose claim is not proved at the time of any such payment or within any such extended time by the Corporation (*Hon. Clever Ikisikpo*) — *Agreed to*.

Question that Clause 41 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 42: Power to appoint Agents.

The Corporation may when acting as Liquidator of a failed insured institution appoint an agent or agents to assist it in the performance of these duties, and all fees, compensation and expenses of liquidation and administration thereof shall be fixed and paid by the Corporation from the realized assets of the failed insured institution (*Hon. Clever Ikisikpo*) — *Agreed to*.

Question that Clause 42 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 43: Closure of failed Insured Institutions.

- (1) For the purpose of this Act, and without prejudice to Section 462 of CAMA requiring statutory declaration of insolvency by a company under voluntary winding-up, an insured institution shall be deemed to have been closed on account of inability to meet the demands of its depositors in any case where it has been closed for the purpose of liquidation without adequate provision being made to the satisfaction of the Corporation for payment of its depositors.
- (2) Where an insured institution is closed is on account of its inability to meet the demands of its depositors as provided for under subsection (1) of this section , the Corporation shall act as liquidator and have power to recover properties belonging to the failed insured institution, which are in possession of other persons or institutions (*Hon. Clever Ikisikpo*) — *Agreed to*.

Question that Clause 43 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 44: Limitation law not applicable.

The provisions of the Limitation Law of a State or the Limitation Act of the Federal Capital Territory, shall not apply to any debt owed to a failing or failed insured institution (*Hon. Clever Ikisikpo*) — *Agreed to*.

Question that Clause 44 stand part of the Bill, put and agreed to.

PART X — CRIMINAL PROSECUTION AND OFFENCES

Committee Recommendation:

Clause 45: Offences and penalties.

- (1) Any person who, being a Director or an officer of an insured institution who —
 - (a) fails to take all reasonable care to secure compliance with the provisions of this Act; or
 - (b) fails to take all reasonable care to secure the authenticity of any statement submitted pursuant to provisions of this Act, shall be guilty of an offence ' - and liable" on conviction to imprisonment for a term not less than (5) years or to a fine not less than N500,000.00 (Five hundred thousand Naira) or to both such fine and imprisonment

- (2) Any insured institution that reimburses or pays for a staff, officer or director directly or indirectly a fine imposed under this Act shall be guilty of an offence and be punishable on conviction by a fine of not less than N1,000,000.00 (One million Naira) and also forfeit the amount repaid or reimbursed to the staff (*Hon. Clever Ikisikpo*) — *Agreed to*.

Question that Clause 45 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 46: Power to compound offences.

- (1) Without prejudice to Section 174 of the Constitution of the Federal Republic of Nigeria, the Corporation may compound any offence punishable under this Act by accepting an amount not less than the fine provided for the offence by this Act.
- (2) All moneys received by the Corporation under the provisions of Subsection (1) of this section shall be paid into the Consolidated Revenue Fund of the Federation.
- (3) All offences under this Act shall be tried by a court of competent jurisdiction (*Hon. Clever Ikisikpo*).

Amendment Proposed:

Leave out all the words in Subclause (3) (Hon. Francis Amediegwu).

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

Question that Clause 46 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 47: Right to appear in Court.

- (1) Subject to the provisions of Section 174 of the Constitution of the Federal Republic of Nigeria (which relates to the power of the Attorney - General of the Federation to institute, continue or discontinue criminal proceedings against any person in any court of Law), any Legal Practitioner in the employment of the Corporation may with the consent of the Managing Director, prosecute or defend criminal or other proceedings in the name of and on behalf of the Corporation in respect of matters relating to the business or operations of any insured institution in the course of carrying out the objects and objectives of this Act.
- (2) Notwithstanding the provisions of any enactment to the contrary, a person appointed under Section 47 (1) of this Act who is a Legal Practitioner shall, while so appointed be entitled to represent the Corporation as legal practitioner for the purpose and in the course of his employment, without prejudice to the power of the Corporation to engage private legal practitioners in any proceedings (*Hon. Clever Ikisikpo*) — *Agreed to*.

Question that Clause 47 stand part of the Bill, put and agreed to.

PART XI — ANNUAL ACCOUNTS

Committee Recommendation:

Clause 48: Accounts and Audit.

- (1) The Managing Director shall submit to the Board for approval not later than 30th September of each year a budget estimate of its income and expenditure for the succeeding year.
- (2) The Corporation shall keep proper accounts in respect of each financial year, and proper records in relation to those accounts and shall cause the accounts to be audited within 6 months after the end of the financial year.
- (3) For the purpose of Subsection (1) of this section the financial year of the Corporation shall be from 1st January to 31st December of every year or such other period as may be determined by the Board.

- (4) Subject to the provisions of Section 85 (3) of the Constitution of the Federal Republic of Nigeria, the accounts of the Corporation shall be audited by auditors appointed from time to time on such terms as may be determined by the Board (*Hon. Clever Ikisikpo*).

Amendment Proposed:

Retain the provision of Subclause (4) of the Principal Bill (*Hon. Almajir Geidam*).

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

Question that Clause 48 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 49: Annual report.
It shall be the duty of the Management of the Corporation to prepare and submit to the Board, not later than three months after the end of each financial year, a report which shall be in such form as the Board may direct and shall relate to the activities of the Corporation during the immediately preceding financial year and thereafter a copy each shall be submitted to the Governor of the Central Bank of Nigeria, the Auditor-General of the Federation and the Minister of Finance (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 49 stand part of the Bill, put and agreed to.

PART XII — GENERAL

Committee Recommendation:

Clause 50: Advertisement.
An insured institution may advertise its insured status without prior approval from the Corporation (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 50 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 51: Exemption from Insurance Act.
The Corporation shall be exempted from the provisions of the Insurance Act, 2003 or any amendment thereof (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 51 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 52: Power to borrow.
(1) The Corporation shall have access to reports of examination conducted by the Central Bank of Nigeria.
(2) The Central Bank of Nigeria may guarantee in such manner and upon such terms as it may deem fit the redemption and the repayment of any interest on any debenture stock raised by the Corporation (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 52 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 53: Relations with the Central Bank of Nigeria.
(1) The Corporation shall have access to the report of examination by the Central Bank of Nigeria.
(2) The Corporation shall make reports of its examination of insured institutions and any other information essential to safe and sound banking practice available to the Central Bank of Nigeria.
(3) The Central Bank of Nigeria shall make available to the Corporation, relevant information on the financial condition of insured banks and other insured deposit-taking financial institutions licensed by it.

- (4) The Central Bank of Nigeria shall be required to inform the Corporation on all the contravention committed by any insured institution under the provisions of this Act.
- (5) The Corporation shall cooperate with the Central Bank of Nigeria on matters affecting any insured institution (*Hon. Clever Ikisikpo*).

Amendment Proposed:

Retain the provision in Subclause (1) of the Principal Bill (*Hon. Clever Ikisikpo*).

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

Question that Clause 53 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 54: External Auditors of all Insured Institutions and reporting requirements.

- (1) No duty to which an auditor of an insured institution or person appointed, pursuant to the provisions of the Banks and Other Financial Institutions Act, 1991 is subject, shall be contravened by reason of his communicating in good faith to the Corporation whether or not in response to a request made by it, any information or opinion on a matter to which this section applies and which is relevant to safe and sound banking practice.
- (2) An auditor of an insured institution shall recognize the Corporation's responsibility for the protection of the interest of depositors and shall bring to the notice of the Corporation—
 - (a) any adverse development such as possibility of imminent financial collapse;
 - (b) evidence of an occurrence which has led or is likely to lead to a material diminishing of the insured institution's net asset;
 - (c) evidence that there has been a significant weakness in the accounting and other records or the internal control system of the insured institution;
 - (d) evidence that the management of the insured institution has reported financial information to the Corporation which is misleading in a material particular;
 - (e) where he believes that a fraud or other misappropriation has been committed by the directors or the management of the insured institution or has evidence of the intention of directors or senior management to commit such fraud or misappropriation, or
 - (f) where there has been an occurrence such as acting in an irresponsible or reckless manner in respect of the affairs of the insured institution which causes the auditor to no longer have confidence in the competence of the directors or the senior management to conduct the business of the insured institution in a prudent or safe and sound manner so as to protect the interest of the depositors.
- (3) Any auditor of an insured institution who acts in contravention of or fails to comply with any of the provisions of Subsection (2) of this section in any respect shall be guilty of an offence and liable on conviction to a term of not less than 5 years imprisonment or a fine not less than N1,000,000.00 (*Hon. Clever Ikisikpo*) — *Agreed to.*

Question that Clause 54 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 55: •, Indemnity of the Corporation. (1) The directors, officers or agents shall not be subject to any action, claim or demand by or liability to any person in respect of anything done or omitted to be done in good faith in the course of his duty.

- (2) No Suit shall be commenced against the Corporation before the expiration of a period of one (1) month after the Written Notice of intention to commence the suit shall have been served upon the Corporation by the intending plaintiff or his agent and the notice shall clearly and explicitly state the cause of action, and place of abode of the intending plaintiff and the relief which he claims (*Hon. Clever Ikisikpo*).

Amendment Proposed:

Leave out all the words in Subclause (1) and *retain* the provisions in Subclauses (1) and (2) of the Principal Bill as well as Marginal Title (*Hon. Clever Ikisikpo*).

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

Question that Clause 55 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 56: Regulations.

- (1) The Board may make regulations, rules or orders to give full effect to the objects and objectives of this Act.
- (2) The power to make regulations, rules or orders conferred on the Board by **this** Act shall include—
- (a) power to make provisions for such incidentals and supplementary matters which the authority making the instrument considers expedient for **the** purpose of the instrument; and
- (b) power to make different provisions for different circumstances, guiding the operations of the Deposit Insurance Scheme.
- (3) The Corporation may impose penalty not less than N1,000,000.00 (One Million Naira) on an insured institution or its directors or officials or recommend to the Governor of the Central Bank of Nigeria to suspend the license of the insured institution if the institution fails to comply with any provisions of this Act, for which no other punishment is provided for in this Act.

Clause 57: Liquidation.

The Corporation shall not be placed in liquidation except pursuant to the provisions of a law or enactment in that behalf and then in such manner as that law or enactment may specify.

Clause 58: Interpretation.

In this Act, unless the context otherwise requires—

"bank" means any person who carries on the business of banking which includes **the** acceptance of deposits (*Hon. Clever Ikisikpo*).

Question that the meaning of the word "bank" be as defined in the interpretation to this Bill, put and agreed to.

"Board" means the Board of Directors of the Corporation (*Hon. Clever Ikisikpo*).

Question that the meaning of the word "Board" be as defined in the interpretation to this Bill, put and agreed to.

"bridge bank" means a new bank organized by the Corporation in accordance with Section 39 of this Act (*Hon. Clever Ikisikpo*).

Question that the meaning of the words "bridge bank" be as defined in the interpretation to this Bill, put and agreed to.

"competent court" means a High Court of the State including the High Court of the Federal Capital Territory, Abuja and the Federal High Court (*Hon. Clever Ikisikpo*).

Question that the meaning of the words "competent court" be as defined in the interpretation to this Bill, put and agreed to.

"Corporation" means the Nigeria Deposit Insurance Corporation established pursuant to Section 1 of this Act (Hon. *Clever Ikisikpo*).

Question that the meaning of the word "Corporation" be as defined in the interpretation to this Bill, put and agreed to.

"financial institutions" means any person in Nigeria who transacts banking business but who is not a licensed bank (Hon. *Clever Ikisikpo*).

Question that the meaning of the words "financial institutions" be as defined in the interpretation to this Bill, put and agreed to.

"insured bank" means a licensed bank and other deposit-taking financial institution, the deposits of which are insured in accordance with the provisions of this Act (Hon. *Clever Ikisikpo*).

Question that the meaning of the words "insured bank " be as defined in the interpretation to this Bill, put and agreed to.

"Insured institution" has the same meaning as 'insured bank' (Hon. *Clever Ikisikpo*).

Question that the meaning of the words "insured institution" be as defined in the interpretation to this Bill, put and agreed to.

"Minister" means the Minister charged with responsibility for matters relating to finance (Hon. *Clever Ikisikpo*).

Question that the meaning of the word "Minister" be as defined in the interpretation to this Bill, put and agreed to.

"Liquidator" means the Nigerian Deposit Insurance Corporation or such other persons appointed by the Corporation to act as a Liquidator (Hon. *Clever Ikisikpo*).

Question that the meaning of the word "Liquidator" be as defined in the interpretation to this Bill, put and agreed to.

"State" means any of the States of the Federation (Hon. *Clever Ikisikpo*).

Question that the meaning of the word "State " be as defined in the interpretation to this Bill, put and agreed to.

"Failed Insured institution" means a failed insured institution whose license has been withdrawn (Hon. *Clever Ikisikpo*).

Question that the meaning of the words "failed insured institution" be as defined in the interpretation to this Bill, put and agreed to.

"Failing insured institution" means an insured institution whose capital to risk weighed assets ratio or regulatory capital is below the minimum prescribed by the Central Bank of Nigeria (Hon. *Clever Ikisikpo*).

Question that the meaning of the words "failing insured institution" be as defined in the interpretation to this Bill, put and agreed to.

"Deposit" means monies lodged by depositors with any insured institution for safe keeping or for the purpose of earning interest, premium or dividend, whether or not repayable on demand, upon a given period of time, or upon a fixed date, or at a time or in circumstances agreed by or on behalf of the depositor making the lodgment and the insured institution receiving it except as otherwise extended under this Act (Hon. *Clever Ikisikpo*).

Question that the meaning of the word "Deposit" be as defined in the interpretation to this Bill, put and -agreed to.

"Supervisory Authorities" means the Corporation, the Central Bank of Nigeria and any other government body charged with regulation or supervision of banks and other financial institutions (*Hon. Clever Ikisikpo*).

Question that the meaning of the words "Supervisory Authorities" be as defined in the interpretation to this Bill, put and agreed to.

"Close associate" means Partner, Associate, Employer, close friend or relation (*Hon. Clever Ikisikpo*).

Question that the meaning of the words "Close associate" be as defined in the interpretation to this Bill, put and agreed to.

"Excess insured deposit" means means deposits over and above the insured amounts which are payable on realization of the assets of a failed insured institution (*Hon. Clever Ikisikpo*).

Question that the meaning of the words "excess insured deposit" be as defined in the interpretation to this Bill, put and agreed to.

"Other deposit Taking Financial institutions" means and includes licensed community banks and licensed primary mortgage institutions (*Hon. Clever Ikisikpo*).

Question that the meaning of the words "Other deposit taking financial institutions" be as defined in the interpretation to this Bill, put and agreed to.

"Significant interest" means shares of an aggregate value of not less than 5% (five per cent) of the total shareholding, whether held directly by the person or through other person or a company in which he has shareholding (*Hon. Clever Ikisikpo*).

Question that the meaning of the words "significant interest" be as defined in the interpretation to this Bill, put and agreed to.

"Partners" in S 54 (3) shall include directors hi of a limited liability company carrying out audit functions in respect of an insured institution (*Hon. Clever Ikisikpo*).

Question that the meaning of the word "Partners" be as defined in the interpretation to this Bill, put and agreed to.

"Supervisory Authorities" means the Corporation, the Central Bank of Nigeria and any other government body charged with regulation or supervision of banks and other financial institutions (*Hon. Clever Ikisikpo*).

Question that the meaning of the words "Supervisory Authorities" be as defined in the interpretation to this Bill, put and agreed to.

Question that Clause 58 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 59: Repeal.

- (1) The Nigeria Deposit Insurance Corporation Decree, 1988 is hereby repealed.
- (2) The under-mentioned amendments are hereby consequentially repealed, that is—
 - (a) the Nigeria Deposit Insurance Corporation (Amendment) Decree, 1997;
 - (b) the Nigeria Deposit Insurance Corporation (Amendment) act, 1998.
- (3) Without prejudice to Section 6 of the Interpretation Act, the repeal of the enactments referred to in Subsection (3) of this Section shall not affect anything done under or pursuant to those enactments.
- (4) The rights, obligations and liabilities of the Corporation existing before the commencement of this Act under any contract or instruments, or in law or equity apart from any contractor instrument, shall by virtue of this Act be assigned to and vested in the Corporation;

- (5) Any such contract or instrument mentioned in Subsection (5) of this section shall be of the same force and effect against or in favor of the Corporation and shall be enforceable fully and effectively *{Hon. Clever Ikisikpo} — Agreed to.*

Question that Clause 59 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 60: Citation.

This Act may be cited as the Nigeria Deposit Insurance Corporation Act, 2006 *{Hon. Clever Ikisikpo} — Agreed to.*

Question that Clause 60 stand part of the Bill, put and agreed to.

SCHEDULE

MISCELLANEOUS

Proceedings of the Board

Committee Recommendation:

1. The Board may make standing orders regulating the proceedings of the Board or of any committee thereof; and shall meet not less than four times in every year.
2. The quorum of the Board shall be five which shall include the Chairman, the Managing Director or one Executive Director, the representatives of the Central Bank of Nigeria as well as the Ministry of Finance and an External Member.
3.
 - (1) Subject to the provision of any applicable standing orders, the Board shall meet whenever summoned by the Chairman; and if the Chairman is required so to do by notice given to him by not less than three other members, shall summon a meeting of the Board to be held within twenty-one days from the date on which the notice is given.
 - (2) At any meeting of the Board, the Chairman shall preside or in his absence, the members present at the meeting shall appoint one of their members to preside at the meeting.
 - (3) Where the Board wishes to obtain the advice of any person on a particular matter, the Board may invite for such period as it thinks fit; but a person who is invited by virtue of this subparagraph shall not be entitled to vote at any meeting of the Board and shall not count towards a quorum.
4.
 - (1) The Board may appoint one or more committees to carry out on behalf of the Board, such of its functions as the Board may determine.
 - (2) A committee appointed under this paragraph shall consist of the number of persons determined by the Board and not more than one-third of those persons may be persons who are not members of the Board; and a person other than a member of the Board shall hold office on the committee in accordance with the terms of the instrument by which he is appointed.
 - (3) A decision of a Committee constituted under this section shall be of on effect until it is confirmed by the Board.
5.
 - (1) The fixing of the Seal of Corporation shall be authenticated by signature of the Chairman or any other member authorized by the Board.
 - (2) Any contract or instrument which if made or executed by a person not being a body corporate, would not be required to be under seal may be made or executed on behalf of the Board by any person generally or specialty authorized to act for that purpose by the Board *{Hon. Clever Ikisikpo} — Agreed to.*

Question that the provisions in the Schedule stand part of the Bill, put and agreed to.

EXPLANATORY NOTE

*(This note does not form part of the above Act
but is intended to explain its purport)*

Committee Recommendation:

This Act amongst other things, continued the establishment of the Nigeria Deposit Insurance Corporation for the purpose of insuring all deposit liabilities of licensed banks and other financial institutions (*Hon. Clever Ikisikpo*).

Amendment Proposed:

In line 2, *leave out* the word "financial" and *insert* the word "insured" instead thereof — *Consequential Amendment*.

Chairman to report Bill:

(HOUSE IN PLENARY)

Mr Speaker in the Chair, reported that the House in the Committee of Whole considered the Report of the Joint Committee on Banking and Currency and Justice on a Bill for an Act to Repeal the Nigeria Deposits Insurance Corporation Act, 1988 and to Re-Enact the Nigeria Deposit Insurance Corporation Act, 2005. It approved Clause 23 as amended, approved Clauses 24, 25, 26, 27, 28, 29, amended Clause 30, approved Clauses 31, 32, 33, 34, 35, 36, 37, 38, amended Clause 39, approved Clauses 40, 41, 42, 43, 44, 45, amended Clause 46, approved Clause 47, amended Clause 48, approved Clauses 49, 50, 51, 52, amended Clauses 53, 54, 55, approved Clauses 56, 57, 58, 59 and 60, the Schedules and amended the Explanatory Memorandum to the Bill.

Question that the House do adopt the Report of the Committee of Whole, put and agreed to.

(ii) *Committee on Navy:*

Motion made and Question proposed, "That this House do consider the Report of the House Committee on Navy on a Bill for an Act to Establish a Nigerian National Coast Guard Armed Force and for Connected Purposes and approve the Recommendation therein" (*Hon. Anthony Aziegbemi*).

Question put and agreed to.

Question that the House do resolve into Committee of the Whole to consider the Report, agreed to.

Question that Order VII, Rule 2 (2) be suspended to enable Mr. Speaker preside in the Committee of Whole — Agreed to.

(HOUSE IN COMMITTEE)

(Mr Speaker in the Chair)

**A BILL FOR AN ACT TO ESTABLISH A NIGERIAN NATIONAL COAST
GUARD ARMED FORCE AND FOR CONNECTED PURPOSES**

Provisions in the Bill:

PART I—ESTABLISHMENT OF COAST GUARD ARMED FORCE

Clause 1: Establishment of the Coast Guard.

- (1) There is established an armed force to be called the Coast Guard in accordance with the provision of this Act.
- (2) The classification of the various offices of the armed force and the number of such offices shall be determined from time to time by the Government.
- (3) Notwithstanding anything contained in any other law for the time being in force, the provisions of this Act, the rules and regulations shall have effect.

Committee Recommendation:

Leave out all the words in Clause 1 (*Hon. Anthony Aziegbemi*) — *Agreed to.*

Clause 2: Coast Guard Head Office.

- (1) There shall be a head office to be called the Coast Guard Head Office for carrying out the purposes of this Act. ...

- (2) There shall be ONE Director-General to the Head office; he shall be appointed by the President and confirmed by the Senate
- (3) For the purpose of rendering assistance to the Director-General in the execution of his powers and the discharge of his functions under this Act—
 - (a) the President shall appoint such number of other officers, including directors and assistant directors, as may be required;
 - (b) the Director-General shall appoint such number of other employees as may be required.
- (4) The conditions of service of the officers and employees mentioned in Subsection (3) shall be determined by the relevant Government Regulation.

Committee Recommendation:

Leave out all the words in Clause 2 {Hon. Anthony Aziegbemi} — Agreed to.

Clause 3: Supervision, the management and control.
The armed force shall be under the permanent supervision of Government, and the Director-General shall manage and control the armed force in accordance with this Act, the rules, regulations and the orders issued from time to time by the Government, subject to their not being inconsistent with such Act, rules and regulations.

Committee Recommendation:

Leave out all the words in Clause 3 (Hon. Anthony Aziegbemi) — Agreed to.

PART II—FUNCTIONS OF THE COAST GUARD

Clause 4: Functions of the Armed Force

- (1) Subject to the provision of Section 3—
 - (a) prevention of illegal fishing in the maritime area of Nigeria;
 - (b) prevention of illegal entering or leaving of Nigeria through the maritime zones of Nigeria;
 - (c) enforcement of any warrant or any other order of any court or other authority in respect of any ship which has entered the territorial waters of Nigeria or of any person on board such ship;
 - (d) detection of activities causing the pollution of the environment in the maritime zones of Nigeria and taking measures for their stoppage;
 - (e) insurance of the security of persons working in the maritime zones of Nigeria;
 - (f) prevention of the handing over and smuggling of drugs;
 - (g) participation in rescue and salvage operations in times of natural catastrophes and salvage of vessels, human beings and goods met with an accident;
 - (h) dissemination of information including warnings by radio or any other means hi times of natural catastrophes;
 - (i) rendering assistance to the Navy in times of war;
 - (j) patrolling in the maritime zones of Nigeria;
 - (k) rendering assistance to the appropriate authorities for the insurance of the security of the sea ports;

- (l) suppression of destructive and terroristic activities occurring in the maritime zones of Nigeria, and rendering assistance in this behalf to other authorities;
- (m) performance of other functions directed by the Government.
- (2) The Armed Force shall perform the functions stated in Subsection (1) in its jurisdictional area.

Committee Recommendation:

Leave out all the words in Clause 4 (Hon. Anthony Aziegbemi) — Agreed to.

- Clause 5: Duties of the members of the Armed Force.
The Director-General may strictly prescribe the duties of the members of the Armed Force for the purpose of performing the functions stated in Section 4 and 5 and of managing and controlling the Armed Force.

Committee Recommendation:

Leave out all the words in Clause 5 (Hon. Anthony Aziegbemi) — Agreed to.

- Clause 6: Discipline of the Armed Force.
- (1) Every member of the Armed Force shall be bound to execute any legal order of the Director-General or of any authority surpassing such member his rank.
 - (2) All matters relating to the discipline of the members of the Armed Force shall be determined by rules:

Provided that the provisions of the Nigeria Rifles Order, shall, as far as possible, be applicable in disciplinary matters of the members of the Armed Force until the said rules have been made; Provided further that in the case of any member from any disciplined force compulsorily enrolled in the Armed Force under Section 5 the provisions of the Act establishing the said disciplined force shall be applicable.

Committee Recommendation:

Leave out all the words in Clause 6 (Hon. Anthony Aziegbemi) — Agreed to.

PART III—POWERS OF MEMBERS OF COAST GUARD

- Clause 7: Powers of the members of the Armed Force.
The Government may by notification in the official Gazette, direct that, subject to such conditions and limitations as may be specified in the notification, in the jurisdictional area of the Armed Force any particular member of the Armed Force or any particular class of the Armed Force may, in respect of—
- (a) any offence under the Passport Act, the Registration of Foreigners, the Foreign Exchange Regulation, the Customs and Exercise Act, the Territorial Waters and Maritime Zones Act, the Emigration Regulation, the Intoxicants Control Regulation or any other Act stated in the notification;
 - (b) the arrest of any person committing an offence under any of the Acts stated in Clause (a), the seizure of goods connected with such offence, the entering, search of any place or vessel where such offence occurred or where it is on reasonable grounds believed that such offence occurred or the search of the body or goods of the person involved;
 - (c) exercise any particular or all the powers applicable by any authority stated in all these Acts or the members of any particular class of the Police Force.

Committee Recommendation:

Leave out all the words in Clause 7 (Hon. Anthony Aziegbemi) — Agreed to.

- Clause 8 Arrest and Seizure.
If any member of the Armed Force has arrested any person or seized the goods, handing over any goods or any other item, the arrested person or the seized goods of the arrested person or item shall be applicable to persons, etc.—

- (a) where such arrest or seizure occurred in the maritime area, be handed over into the custody of the authority stated in the Act concerned or, if in the said Act such authority has not been determined, into the custody of the authority in charge of the next police station;
- (b) where such arrest or seizure occurred in any other area within the jurisdiction of the Armed Force, be handed over into the custody of the authority stated in the Act concerned or if in the said Act such authority has not been determined, into the custody of the police station within the jurisdiction of which lies the place of such arrest or seizure.

Committee Recommendation:

Leave out all the words in Clause 8 (Hon. Anthony Aziegbemi) — Agreed to.

Clause 9: Delegation of powers.
The Director-General may, by order in writing, confer any of his powers or duties under this Act, the rules or regulations on any officer of the head office or on any member of the Armed Force.

Committee Recommendation:

Leave out all the words in Clause 9 (Hon. Anthony Aziegbemi) — Agreed to.

PART IV—MISCELLANEOUS

Clause 10: Power to make regulations.
The Director-General may, on the prior consent of the Government and by notification in the official Gazette, make regulations not inconsistent with this Act or rules for carrying out the purpose of this Act.

Committee Recommendation:

Leave out all the words in Clause 10 (Hon. Anthony Aziegbemi) — Agreed to.

Clause 11: Protection of the acts done in good faith.
No suit or other legal proceeding shall lie at any court against Government, the Director-General or any officer or employee of the head office or any member (of the Armed Force) or any person executing their orders or directions for any damage caused or likely to be caused to any person as a result of anything done in good faith under this Act, the rules and regulations made thereunder or the orders or directions passed thereunder.

Committee Recommendation:

Leave out all the words in Clause 11 (Hon. Anthony Aziegbemi) — Agreed to.

Clause 12: Interpretation and definitions.
In this Act—

"Head Office" means the head office of the Armed Force;

"Jurisdictional area" means the boundary waters of Nigeria and the land adjacent to the boundary waters as determined by the Government by publication in the official Gazette;

"Maritime zones" means the maritime area and other water areas determined by the Government by publication in the official Gazette;

"Regulation" means any regulation made under this Act;

"Armed force" means the Coast Guard Armed Force;

"Rule" means any rule made under this Act;

"General manager" means the general manager of the head office;

"Territorial waters" means the territorial waters gazetted under the Territorial Waters and Maritime zones Act, of Nigeria;

"Maritime area" means the territorial waters, contiguous zone, continental shelf, conservation zone and economic zone gazetted hereunder.

Committee Recommendation:

Leave out all the words in Clause 12 (Hon. Anthony Aziegbemi) — Agreed to.

Clause 13: Citation.

This Act may be cited as the Coast Guard Bill, 2004.

Committee Recommendation:

Leave out all the words in Clause 13 (Hon. Anthony Aziegbemi) — Agreed to.

Chairman to report Bill.

(HOUSE IN PLENARY)

Mr Speaker in the Chair, reported that the House in the Committee of Whole considered the Report of the House Committee on Navy on a Bill for an Act to Establish a Nigerian National Coast Guard Armed Force and for Connected Purposes and approved the Recommendations therein.

5. Adjournment:

That this House do now adjourn till Wednesday, March 15, 2006 at 2.00 p.m. (*Hon. Patricia Etteh*).

Adjourned accordingly at 1.05 p.m.

Aminu Bello Masari
Speaker

CORRIGENDA

In the Votes and Proceedings of Wednesday, 8 March, 2006, page 680, Clause 5 — Interpretation:

"Judicial Officer of the Federation":

(i) In line 3, after the word "Chief", *leave out* the words "of a".

(a) In line 4, after the word 'Abuja', *insert* the words "the Chief Judge of a State and Judge of the High Court of a State".