



HOUSE OF REPRESENTATIVES FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 30 May, 2006

1. The House met at 10.50 a.m. Mr. Speaker read **Prayers**.
2. **Votes and Proceedings:**
Mr Speaker announced that he had examined and approved the Votes and Proceedings of Thursday, 25 May, 2006.

By unanimous consent, the Votes and Proceedings was adopted.
3. **Message:**
Mr Speaker read the following Message from the President, Commander-in Chief of the Federal Republic of Nigeria:



**PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA**

PRES/134

May 24, 2006

*The Hon. Speaker, House of
Representatives, National
Assembly Complex, Abuja.*

Dear Hon. Speaker,

BRIEF ON PARIS CLUB EXIT PAYMENTS

The House of Representatives 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 \$1 2.4 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.

*1 am pleased to formally report to the House 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 House 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 pro-active exchange rate risk management conducted by the Central Bank of Nigeria and Debt Management Office. In addition to the savings generated from pro-active 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 Accounts 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 House 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 House as appropriate and will count on your continued support.

Yours sincerely,

(Signed) **OLUSEGUN
OBASANJO**

Copies of details of the President's Message ordered to be made available to Hon. Members.

4. **Announcement:**

Invitation:

Mr Speaker read the following communication from the Chairman, Rules and Business Committee:



Rt Hon. (Bar) Ita Enang
CHAIRMAN, RULES & BUSINESS COMMITTEE
HOUSE OF REPRESENTATIVES, FEDERAL REPUBLIC OF NIGERIA
0802-2241369, 0803-3325636, 09-3140479; 2310439; 2341129, 085-203882. Fax: 09-2341129

30/5/06

ANNOUNCEMENT

The Member Representing Itu/Ibiono Ibom Federal Constituency, Chairman, Rules and Business Committee, House of Representative, Rt. Hon. (Barr) **Ita Enang** cordially invites the Speaker and all Hon Members of the

House of Representatives to (he Sessional Economic Empowerment Project, Constituency Briefing and Thanksgiving Service as follows:-

Venue: Local Government Secretariat, Itu, Akwa Ibom State

Date: Saturday, June 3rd 2006 Time: 10.00 am

Thanksgiving Service Sunday, June 4th, 2006 at the Presbyterian Church of Nigeria, 73 Wellington Bassey Way, Uyo, Akwa Ibom State.

Members are by this announcement invited to attend these ceremonies. Personal Invitation cards have been sent to every member through their boxes.

Hon. Members who are disposed to attend are please requested to contact Hon. Ita Enang in person or the Secretary, Rules and Business Committee for transportation details.

(Signed)

Hon. Ita Enang,

Member, Itu/Ibiono Tborn Federal Constituency.

5. Petitions:

The following petitions were received and referred to the House Committee on Public Petitions:

- (i) Hon. Almashy Algabas, from Mr Pearl Charles Buki, formerly of the First Bank of Nigeria Plc praying the House to prevail on the Bank to reinstate him and grant him all other reliefs sought in his petition;
- (ii) Hon. Uche Onyeaguocha, from Chief (Dr) C. A. C Eronini, Managing Director, Advanced Coating Technology Nig. Ltd, praying the House to prevail on Nigerian Agip Oil Company Ltd to pay the Company its entitlements and grant all other reliefs sought in its petition;
- (iii) Hon. Francis Ogunniyi, from Mr Olufemi Adeyekun, formerly of the Federal Ministry of Commerce, praying the House to prevail on the Ministry to reinstate him and grant all other reliefs sought in his petition.

6. Presentation of Reports:

(i) *Committee on Foreign Affairs:*

Motion made and Question proposed, "That this House do receive the Report on a Bill for an Act to Re-Organize the Role of the Federal Government in the Coordination of Hajj Matters, the Consequential Repeal of the Nigerian Pilgrims Commission Act, 1990 and to Establish a Hajj Commission that will License, Regulate, Perform Oversight and Supervisory Functions over Other Bodies and Agencies and Other Matters Connected Therewith, 2005" (Hon Usman Bugaje).

Question put and agreed to.

Report Laid.

(ii) *Committee on foreign affairs:*

*Motion made and Question proposed, "That this do receive the Report on a Bill for an Act to Re-Organize the Role of the Federal Government in the Coordination of Christian Pilgrims, **The** Consequential Repeal of the Nigerian Pilgrims Commission Act, 1990 and to Establish a National Pilgrims Commission that will License, Regulate, Perform Oversight and Supervisory Functions over Other Bodies and Agencies and Other Matters Connected Therewith, 2005" (Hon Usman Bugaje).*

Question put and agreed to.

Report Laid.

7. Adoption of the Conference Committee Report on a Bill for an Act to Establish the National Industrial Court as a Superior Court of Record and for Matters Connected Therewith, 2006:

The House on 28 March, 2006 passed the National Industrial Court Bill, 2005;

The Conference Committee met on Thursday, 18 May, 2006, resolved the differences arising therefrom and accepted a harmonized version of the Bill;

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

Resolves to adopt the Conference Report on the National Industrial Court Bill, 2005 {Hon. Bala Na'Allah}

Question put and agreed to.

Report Laid.

8. Adoption of the Conference Committee Report on a Bill for an Act to Regulate the Conduct of Federal, State and Local Government Elections and to Repeal the electoral Act, 2001; and for Connected purposes, 2006:

Motion made and Question proposed,

The House on 17 May, 2006 passed the Electoral Bill, 2006;

The Conference Committee met on Thursday, 18 May, 2006, resolved the differences arising therefrom and accepted a harmonized version of the Bill;

A clean copy of the Conference Report is ready for presentation and adoption; Resolves to

adopt the Conference Report on the Electoral Bill, 2006 {Hon. Hamisu Shira}. *Question put and*

agreed to. Report Laid.

9. Consideration of Reports:

(i) Committee on Solid Minerals:

Motion made and Question proposed, "That this House do consider the Report of the House Committee on Solid Minerals on a Bill for an Act to Repeal the Minerals and Mining Act, No. 34 of 1999 and Re-Enact the Minerals and Mining Act for the Purposes of Regulating all Aspect of the Exploration of solid Minerals in Nigeria and for Connected Purposes, 2005" {Hon. Ogbuefi Ozombgachi}.

Question put and agreed to.

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

(HOUSE IN COMMITTEE)

{Mr Deputy Speaker in the Chair}

A BILL FOR AN ACT TO REPEAL THE MINERALS AND MINING ACT, NO. 34 OF 1999 AND RE-ENACT THE MINERALS AND MINING ACT FOR THE PURPOSES OF REGULATING ALL ASPECT OF THE EXPLORATION OF SOLID MINERALS IN NIGERIA AND FOR CONNECTED PURPOSES, 2005

Consideration deferred to the next Legislative Day.

(HOUSE IN PLENARY)

Mr Deputy Speaker reported that the House in the Committee of Whole deferred consideration of the Report of the Committee on Solid Minerals on a Bill for an Act to Repeal the Minerals and Mining Act, No. 34 of 1999 and Re-Enact the Minerals and Mining Act for the Purposes of Regulating all Aspect of the Exploration of solid Minerals in Nigeria and for Connected Purposes, 2005 to the next Legislative Day.

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

(ii) Joint Committee on Finance and Justice:

Motion made and Question proposed, "That this House do consider the Report of the Joint Committee on Finance and Justice on a Bill for an Act to Provide for the Establishment of the Federal Inland Revenue Service, Charged with Powers for Collection of Revenue Accruable to the Government of the Federation; and for Matters Connected Therewith, 2005" {Hon. Abdullahi Idris Umar}.

Question put and agreed to.

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

(HOUSE IN COMMITTEE)

(*Mr Deputy Speaker in the Chair*)

A BILL FOR AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE FEDERAL INLAND REVENUE
SERVICE CHARGED WITH POWERS FOR COLLECTION OF REVENUES ACCRUABLE TO THE
GOVERNMENT OF THE FEDERATION AND FOR MATTERS CONNECTED THEREWITH

PART I—ESTABLISHMENT OF THE FEDERAL INLAND REVENUE SERVICE AND ITS MANAGEMENT BOARD, ETC.

Committee Recommendation:

Clause 1: Establishment of the Federal Inland Revenue Service.

- (1) There is hereby established a body known as the Federal Inland Revenue Service (in this Act referred to as "the Service").
- (2) The Service—
 - (a) shall be a body corporate with perpetual succession and a common seal;
 - (b) may sue or be sued in its corporate name; and
 - (c) may acquire, hold or dispose of any property, movable or immovable for the purpose of carrying out any of its functions under this Act.
- (3) The Service shall have such powers and duties as are conferred on it by this Act or by any other enactment or law on such matters on which the National Assembly has power to make law (*Hon. Abdullahi Idris Umar*) — *Agreed to.*

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

Committee Recommendation:

Clause 2: Objects of the Service. First Schedule.

The object of the Service shall be to control and administer the different taxes and laws specified in the First Schedule or other laws made or to be made, from time to time, by the National Assembly or other regulations made thereto by the Government of the Federation and to account for all taxes collected (*Hon. Abdullahi Idris Umar*) — *Agreed to.*

Question that Clause 2 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 3: Establishment and composition of the Management Board.

- (1) There is hereby established for the Service a board to be known as the Federal Inland Revenue Service Board (in this Act referred to as "the Board") which shall have overall supervision of the Service as specified under this Act.
- (2) The Board shall consist of—
 - (a) the Executive Chairman of the Service as Chairman;
 - (b) four Deputy Chairmen who shall be appointed from among the Directors of the Service;
 - (c) a representative of the Attorney-General of the Federation;
 - (d) the Governor of the Central Bank of Nigeria or his representative;
 - (e) a representative of the Minister of Finance;
 - (f) the Chairman of the Revenue Mobilization, Allocation & Fiscal Commission or his representative;
 - (g) the Group Managing Director of the Nigeria National Petroleum Corporation (NNPC) or his representative;
 - (h) the Contoller General, Nigeria Customs Service or his representative;

- (i) the Registrar General, Corporate Affairs Commission or his representative;
 - (j) the Chief Executive Officer of the National Planning Commission or his representative.
- (3) The members of the Board, other than the Executive Chairman, and the Deputy Chairmen of the Service, shall be part-time members.

Second Schedule.

- (5) The supplementary provisions set out in the Second Schedule to this Act shall have effect with respect to the proceedings of the Board and the other matters mentioned therein {*Hon. Abdullahi Idris Umar*}.

Amendments Proposed:

- (i) *Leave out* the provision in subclause (2) (b) and **insert** the following instead thereof:
"four Executive Directors with relevant experience who shall be appointed by the President" (*Hon. C. I. D. Maduabum*).

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

- (ii) In subclause (3), lines 1 and 2, *leave out* the words "Deputy Chairmen of the Service" and *insert* the words "Executive Directors" instead thereof — *consequential amendment*.

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

Committee Recommendation:

Clause 4: Tenure of office.

The Chairman and other members of the Board, other than *ex-officio* members, shall each hold office—

- (a) for a term of 4 years renewable once only; and
- (b) on such terms and conditions as may be specified in the letter of appointment (*Hon. Abdullahi Idris Umar*) — *Agreed to*.

Question that Clause 4 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 5: Cessation of membership.

Notwithstanding the provisions of Section 4 of this Act, a member of the Board shall cease to hold office as a member of the Board if—

- (a) he resigns his appointment as a member of the Board by notice, under his hand, addressed to the President; or
- (b) he becomes of unsound mind; or
- (c) he becomes bankrupt or makes a compromise with his creditors; or
- (d) he is convicted of a felony or of any offence involving dishonesty or corruption; or
- (e) he becomes incapable of carrying on the functions of his office either arising from an infirmity of mind or body; or
- (f) the President is satisfied that it is not in the interest of the Service or in the interest of the public for the person to continue in office and the President removes him from office; or
- (g) he has been found guilty of breaching the code of conduct or serious misconduct in relation to his duties; or

- (h) in the case of a person possessing a professional qualification, he is disqualified or suspended, other than at his own request, from practicing his profession in any part of the world by a competent authority; or
- (0 in the case of a person who becomes a member by virtue of the office he occupies, he ceases to hold such office (*Hon. Abdullahi Idris Umar*) — *Agreed to.*

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

Committee Recommendation:

Clause 6: Emoluments, etc. of members.
The Chairman and members of the Board shall be paid such emoluments, allowances and benefits as may be approved by National Salaries Income and Wages Commission (*Hon. Abdullahi Idris Umar*) — *Agreed to.*

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

PART II—POWERS AND FUNCTIONS OF THE BOARD AND THE SERVICE

Committee Recommendation:

Clause 7: Powers of the Board. (1) The Board shall have power to—

- (a) provide the general policy guidelines relating to the functions of the Service;
- (b) Manage and superintend the policies of the Service on matters relating to the administration of the revenue assessment, collection and accounting system under this Act or any enactment or law;
- (c) review and approve the strategic plans of the Service;
- (d) to employ and determine the terms and conditions of service including disciplinary measures for the employees of the Service; and
- (e) fix the remuneration, allowances and benefits of the staff and employees of the Service subject to the approval of National Salaries, Income and Wages Commission;
- (f) do such other things which in its opinion are necessary to ensure the efficient performance of the functions of the Service under this Act (*Hon. Abdullahi Idris Umar*) — *Agreed to.*

Question that Clause 7 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 8: Functions of the Service.
(1) The Service shall have power to—

- (a) assess persons including companies, enterprises and individuals chargeable with tax;
- (b) assess, collect, enforce payment of and account for taxes as may be due to the Government or any of its agencies;
- (c) assess, collect and enforce payment of taxes as may be due to the Government or any of its agencies;
- (d) in collaboration with the relevant ministries and agencies, review the tax regimes and promote the application of tax revenues to stimulate economic activities and development;
- (e) in collaboration with other relevant law enforcement agencies, carry out examination and investigation with a view to enforcing compliance with the provisions of this Act;

- if*) make, from time to time, a determination of the extent of financial loss and such other losses by government arising from tax fraud or evasion and such other losses (or revenue forgone) arising from tax waivers and other related matters;
- (g) adopt measures to identify, trace, freeze, confiscate or seize proceeds derived from tax fraud or evasion;
- (h) adopt measures which include compliance and regulatory actions, introduction and maintenance of investigative and control techniques on the detection and prevention of non-compliance;
- (i) collaborate and facilitate rapid exchange of information with relevant national or international agencies or bodies on tax matters;
- (j) undertake exchange of personnel or other experts with complementary agencies for purposes of comparative experience and capacity building;
- (k) establish and maintain a system for monitoring international dynamics of taxation in order to identify suspicious transactions and the perpetrators and other persons involved;
- (l) provide and maintain access to up to date and adequate data and information on all taxable persons, individuals, corporate bodies and all agencies of government involved in the collection of revenue.
- (m) maintain data base, statistics, records and reports on persons, organizations, proceeds, properties, documents or other items or assets relating to tax administration including matters relating to waivers, fraud or evasion;
- in*) undertake and support research on similar measures with a view to stimulating economic development and determine the manifestation, extent, magnitude and effects of tax fraud, evasion and other matters that affect effective tax administration and make recommendations to the government on appropriate interventions and preventive measures;
- (o) collate and continually review all policies of the Federal Government relating to taxation and revenue generation and undertake a systematic and progressive implementation of such policies;
- (p) liaise with the office of the Attorney-General of the Federation, all government security and law enforcement agencies, and such other financial supervisory institutions in the enforcement and eradication of tax related offences;
- (q) issue tax payer identification number to every taxable person in Nigeria in collaboration with States and Local Government Councils;
- (f) carry out and sustain rigorous public awareness and enlightenment campaign on the benefits of tax compliance within and outside Nigeria;
- (s) carry out oversight functions over all taxes and levies accruable to the Government of the Federation and as it may be required, query, subpoena, sanction and reward any activities pertaining to the assessment, collection of and accounting for revenues accruable to the Federation; and
- (r) carry out such other activities as are necessary or expedient for the full discharge of all or any of the functions under this Act.
- (2) The Service may, from time to time, specify the form of returns, claims statements and notices necessary for the due administration of the powers conferred on it by this Act {*Hon. Abdullahi Idris Umar*} — *Agreed to*.

Question that Clause 8 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 9: Establishment of Technical Committee of the Board.

- (1) There shall be a technical committee of the Board (in this Act referred to as "the Technical Committee") which shall consist of—
 - (a) the Executive Chairman of the Service as Chairman;
 - (b) the Deputy Chairmen of the Service;
 - (c) all the Directors and heads of departments of the Service;
 - (d) the Legal Adviser of the Service; and
 - (e) the Secretary to the Board.
- (2) The Technical Committee may co-opt from the Service such staff as it may deem necessary for the effective performance of its functions under this Act (*Hon. Abdullahi Idris Umar*).

Consequential Amendment:

In subclause (1) (b), *leave out* the words "Deputy Chairmen of the Service" and wherever they occur in the Bill and *insert* the words "Executive Directors" instead thereof — *Agreed to*.

Question that Clause 9 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 10: Functions of the Technical Committee.

The functions of the Technical Committee shall be to—

- (a) consider all tax matters that require professional and technical expertise and make recommendations to the Board;
- (b) advise the Board on any aspect of the functions and powers of the Service under this Act; and
- (c) attend to such other matters as may from time to time be referred to it by the Board (*Hon. Abdullahi Idris Umar*) — *Agreed to*.

Question that Clause 10 stand part of the Bill, put and agreed to.

PART III—MANAGEMENT AND STAFF OF THE SERVICE

Committee Recommendation:

11. Executive Chairman and Deputy Chairmen of the Service.

- (1) The Executive Chairman shall—
 - (a) be appointed by the President subject to the confirmation of the Senate;
 - (b) be the chief executive and accounting officer of the Service;
 - (c) be responsible for the execution of the policy and the day-to-day administration of the affairs of the Service; and
 - (d) have cognate experience and skills in any of the following:
Accountancy, economics, taxation, law or related fields.
- (2) There shall be for the Service, four full-time Executive Directors with relevant experience who shall—
 - (a) be appointed by the President;
 - (c) have cognate experience and skills in any of the following:
accountancy, economics, taxation, law and related fields; and

- (d) perform such duties and functions as may be assigned to them by the Board or the Executive Chairman (*Hon. Abdullahi Idris Umar*).

Amendment Proposed:

In the Marginal Title, *leave out* the words "and Deputy Chairmen of the Service" and *insert* the words "Executive Directors" instead thereof— *consequential amendment*.

Question that Clause 11 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 12: Appointment of Secretary to the Board and other staff of the Service.

- (1) There shall be a Secretary for the Board who shall—
- (a) be appointed by the Board from within the Service;
 - (b) issue notices of meetings of the Board;
 - (c) keep the records of the proceedings of the Board; and
 - (d) carry out such duties as the Executive Chairman or the Board may, from time to time, direct.
- (2) Subject to the provisions of this section, the Board may appoint such other persons to be employees of the Service on positions created by the Board and on such terms and conditions as may be prescribed by the Board.
- (3) If the Board thinks it expedient that any vacancy in the Service should be filled by a person holding office in the civil service of the Federation or of a State, it shall notify the appropriate civil service to that effect and thereafter the Board, may, by arrangement with the Civil Service Commission concerned, cause such vacancy to be filled by way of secondment or transfer.
- (4) The Service may appoint and employ such consultants, including tax consultants or accountants and agents to transact any business or to do any act required to be transacted or done in the execution of its functions under this Act:
- Provided that such consultants shall not carry out duties of assessing and collecting taxes or routine responsibilities of tax officials.
- (5) The terms and conditions of service including remuneration, allowances, benefits and pensions of the staff and employees of the Service shall be determined by the Board subject to the approval of the President (*Hon. Abdullahi Idris Umar*).

Amendment Proposed:

In subclause (5), line 3, *leave out* the words "subject to the approval of the President" and *insert* the words "in consultation with the Salaries and Wages Commission" instead thereof (*Hon. Almajir Geidam*).

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

Question that Clause 12 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 13: Pensions. 2004 No.2.

Employment in the Service shall be subject to the provisions of the Pensions Reform Act and accordingly, officers and employees of the Service shall be entitled to pensions and other retirement benefits as prescribed under the Pensions Reform Act 2004 (*Hon. Abdullahi Idris Umar*) — *Agreed to*.

Question that Clause 13 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 14: Staff regulations.

- (1) Subject to the provisions of this Act, the Board may make regulations relating generally to the conditions of service of the staff and in particular, such regulations may provide for —

- (a) the appointment, promotion, discipline termination, and dismissal of staff or employees of the Service; and
- (b) appeals by staff or employees against dismissal or other disciplinary measures,

and until such regulations are made, any instrument relating to conditions of service in the public service of the Federation shall be applicable, with such modifications as may be necessary, to the employees of the Service.

- (2) The staff regulations made under sub-section 1 of this Section shall be published by the Board and issued to its staff in such manner as the Service may from time to time determine pending the publication in the Federal Gazette (*Hon. Abdullahi Idris Umar*) — *Agreed to.*

Question that Clause 14 stand part of the Bill, put and agreed to.

PART IV—FINANCIAL PROVISIONS

Committee Recommendation:

Clause 15: Fund of the Service.

The Service shall establish and maintain a fund which shall consist of and to which shall be credited—

- (a) an amount of not less than 4 per cent of all non-oil revenue collected by the Service in the current year on the preceding month bases as may be appropriated by the National Assembly as cost of collection; and
- (b) all other moneys which may, from time to time, accrue to the Service for other services including the disposal, lease or hire of, or any other dealing with, any property vested in or acquired by the Service;
- (c) all sums of money accruing to the Service by way of grants-in-aid, gifts, testamentary dispositions and endowments and contributions from any source whatsoever; and
- (d) such monies as may from time to time be granted to the Service by the Federal, State or Local Governments or other donor agencies provided such grants are not intended for purposes contrary to the objects and functions of the Service (*Hon. Abdullahi Idris Umar*).

Amendment Proposed:

Leave out the provision in paragraph (a) and *insert* the following instead thereof:

"an amount appropriated by the National Assembly as administrative charges or cost of collection" (*Hon. Almajir Geidam*).

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

Question that Clause 15 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 16: Expenditure of the Service.

The Service shall defray from the fund established pursuant to Section 15 of this Act all the amounts payable under or in pursuance of this Act being sums representing—

- (a) emoluments and allowances payable to the Executive Chairman and other members of the Board;
- (b) reimbursements to members of the Board or any committees set up by the Board for such expenses as may be expressly authorised by the Service;
- (c) remunerations and other costs of employment of the staff of the Service;
- (d) amounts payable as pensions, and other retirement benefits under or pursuant to this Act or any other enactment;

- (e) costs of acquisition and upkeep of premises belonging to the Service and any other capital expenditure of the Service;
- (f) investments, maintenance of utilities, staff promotion, training, research and similar activities, and
- (g) costs necessary for the day-to-day operations of the Service;
- (h) all sums of money accruing to the Service by way of grants-in-aids, gifts, testamentary dispositions and endowments and contributions from any other sources whatsoever; and
- (i) any other payment for anything incidental to the foregoing provisions or in connection with or incidental to any other function of the Service under or pursuant to this Act (*Hon. Abdullahi Idris Umar*) — *Agreed to*.

Question that Clause 16 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 17: Estimates.

The Service shall prepare not later than the 30th day of September in each year, an estimate of its income and expenditure for the succeeding year for the purpose of appropriation by the National Assembly (*Hon. Abdullahi Idris Umar*).

Amendment Proposed:

Inline 1, leaveout the word "September" and insert the word "June" instead thereof (*Hon. N. C. Ughanze*).

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

Question that Clause 17 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 18: Accounts and audits.

The Service shall keep proper accounts and records, and such accounts shall, not later than six (6) months after the end of each year, be audited by auditors appointed by the Board from the list and in accordance with the guidelines supplied by the Auditor-General for the Federation (*Hon. Abdullahi Idris Umar*) — *Agreed to*.

Question that Clause 18 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 19: Annual reports, etc.

- (1) The Service shall, not later than 30th June in each year, submit to the Minister, a report of its activities during the immediately preceding year and shall include in such report the audited accounts of the Service.
- (2) The Minister shall within 30 days of receipt of the report-
 - fa) present a copy to the Federal Executive Council; and
 - (b) present a copy to the National Assembly (*Hon. Abdullahi Idris Umar*) — *Agreed to*.

Question that Clause 19 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 20: Power to accept gifts.

- (1) The Service may accept gifts of land, money or other property on such terms and conditions, if any, as may be specified by the person or organisation making the gift.
- (2) The Service shall not accept any gift if the conditions attached thereto are inconsistent with the functions of the Service (*Hon. Abdullahi Idris Umar*).

Amendment Proposed:

In subclause (2), line 2, *leave out* the words "inconsistent with the functions of the Service" and *insert* the words "inconsistent with any law for the time being, in force" (*Hon. Bala Ibn Na'Allah*).

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

Question that Clause 20 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:**Clause 21: Power to borrow.**

The Service may, with the approval of the Minister, borrow by way of loan, overdraft or otherwise from any source such sums as it may require for the performance of its function and meeting its obligations under this Act (*Hon. Abdullahi Idris Umar*) — *Agreed to.*

Question that Clause 21 stand part of the Bill, put and agreed to.

Committee Recommendation:**Clause 22: Accountability.**

- (1) The Executive Chairman, as the chief executive and accounting officer of the Service, shall—
 - (a) keep proper accounting records, in a manner as may be determined from time to time by the Board in respect of—
 - (i) all revenues and expenditure of the Service,
 - (ii) all its assets, liabilities and other financial transactions; and
 - (b) all other revenues collected by the Service, including income on investments;
 - (c) prepare an annual report, including financial statements, in accordance with generally accepted accounting principles and practices; and
 - (d) ensure that the available accounting resources of the Service are adequate and used economically in the most effective and efficient manner, and the accounting and other financial records are properly safeguarded (*Hon. Abdullahi Idris Umar*) — *Agreed to.*

Question that Clause 22 stand part of the Bill, put and agreed to.

Committee Recommendation:**Clause 23: Refunds to tax payers.**

- (1) There shall be refunded to taxpayers, after proper auditing by the Service, such over-payment of tax as is due.
- (2) The Service shall decide on who is eligible for the refund mentioned in sub-section 1 of this Section subject to such rules and conditions as may be approved by the Board.
- (3) Any tax refund shall be made within 90 days of the decision of the Service made pursuant to sub-section 2 of this Section, with the option of setting off against the future tax by the taxpayer.
- (4) For the purpose of tax refund, the Accountant-General of the Federation shall open a dedicated account into which shall be paid monies for settling such refunds with the approval of the Federation Accounts Allocation Committee.
- (5) The Service shall administer the dedicated account as created in Sections 23 (4).
- (6) for the purpose of the dedicated account, the Service shall prepare an annual budget for tax refund to be funded from the Federation Account as may be approved by the National Assembly (*Hon. Abdullahi Idris Umar*) — *Agreed to.*

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

Committee Recommendation:**Clause 24: Power of Accountant-General to deduct from source.**

The Accountant-General of the Federation shall have power to deduct at source, from the budgetary allocation, un-remitted taxes due from any ministry or government agency and shall not later than 30 days thereafter transfer such deduction to the Service {*Hon. Abdullahi Idris Umar*}— Agreed to.

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

PART V—TAX ADMINISTRATION AND ENFORCEMENT

Committee Recommendation:**Clause 25: Administration of tax laws. First Schedule.**

- (1) The Service shall have power to administer all the enactments listed in the First Schedule to this Act and any other enactment or law on taxation in respect of which the National Assembly may confer power on the Service.
- (2) The Service may, with the approval of the Minister by Instrument published in the Federal Gazette, appoint any government agency to collect revenue pursuant to the powers of the Service under Subsection (1) of this section (*Hon. Abdullahi Idris Umar*) ~ Agreed to.

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

Committee Recommendation:**Clause 26: Call for returns, books, documents and information.**

- (1) For the purposes of obtaining full information in respect of the profits or income of any person, body corporate or organisation, the Service may give notice to that person, body corporate or organisation requiring him or it, within the time specified by the notice to—
 - (a) complete and deliver to the Service any return specified in such notice;
 - (b) appear personally before an officer of the Service for examination with respect to any matter relating to such profits or income;
 - (c) produce or cause to be produced for examination books, documents and any other information at the place and time stated in the notice, which time may be from day-to-day, for such period as the Service may deem necessary; or
 - (d) give orally or in writing any other information including a name and address specified in such notice.
- (2) For the purpose of paragraph (a) to (d) of Subsection (1) of this section, the time specified by such notice shall not be less than 7 days from the date of service of such notice except that an officer of the Service not below the rank of a chief inspector of taxes or its equivalent may act in any of the cases stipulated in paragraphs (a) to (d) of Subsection (1), without giving any of the required notices set out in this section.
- (3) A person who contravenes the provisions of this section is, in respect of each offence, liable on conviction to a fine equivalent to 100 per cent of the amount of the tax liability.
- (4) Nothing in the foregoing provision of this section or in any other provision of this Act shall be construed as precluding the Service from verifying by tax audit or investigation into any matter relating to any returns or entries in any book, document, accounts, including those stored on a computer, or in digital or magnetic or optical or electronic media as may, from time to time, be specified in any guideline by the Service.
- (5) Any person may apply in writing to the Board for an extension of time within which to comply with the provisions of this section and Section 27 of this Act, provided that the person—

- (a) makes the application before the expiration of the time stipulated in this section for making the returns, and
 - (b) shows good cause for his inability to comply with this provision.
- (6). If the Board is satisfied with the cause shown in the application under paragraph (b) of subsection (5) it may in writing grant the extension of the time or limit the time as it might consider appropriate (*Hon. Abdullahi Idris Umar*) — *Agreed to*.

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

Committee Recommendation:

Clause 27: Call for further returns and payment of tax due.

- (1) The Service may give notice in writing to any person it considers necessary requiring such person to deliver within a reasonable time specified in such notice, fuller or further returns in respect of any matter relating to the functions of the Service under this Act.
- (2) Where any tax is not paid, when it falls due under any enactment, by any person from whom it is due, whether or not the payment of that tax has been secured by a bond or otherwise, it shall be paid on demand made by the Service either on that person personally or by delivering the demand in writing to his place of abode or business, and if it is not paid on demand, the person in default shall, in addition to the 100 per cent of tax due and payable, also be liable to a penalty equal to the tax due and payable (*Hon. Abdullahi Idris Umar*) — *Agreed to*.

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

Committee Recommendation:

Clause 28: Information to be delivered by bankers.

- (1) Without prejudice to Section 26 of this Act every bank shall prepare upon demand from the Service quarterly returns specifying—
 - (a) in case of an individual all transactions involving the sum of N5,000,000:00 and above; or
 - (b) in case of a body corporate, all transactions involving the sum of N10,000,000:00 and above, the names and addresses of all customers of the bank connected with the transaction and deliver the returns to the Service,

the names and addresses of all customers of the bank connected with the transaction and deliver the returns to the Service;

 - (c) The names and addresses of new customers of the bank and shall not later than the seventh day of the succeeding month deliver the returns to the tax authority with jurisdiction over the area where the bank operates.
- (2) Subject to Subsection (1) of this section, for the purpose of obtaining information relative to taxation, the Service may give notice to any person including a person engaged in banking business in Nigeria to provide within the time stipulated in the notice, information including the name and address of any person specified in the notice:

Provided that a person engaged in banking business in Nigeria, shall not be required to disclose any additional information about his customer or his bank under this section unless such additional disclosure is required by a notice signed by the Executive Chairman of the Service on the advice of the Technical Committee of the Board.

- (3) Any person who, having been engaged in banking in Nigeria, contravenes the provision of this section, commits an offence and shall, in respect of each contravention be liable on conviction to a fine of N500,000 in the case of a body corporate, and in the case of an individual a fine of N50,000 or imprisonment for a term of one year or to both such fine and imprisonment {Hon. Abdullahi Idris Umar}.

Amendment Proposed:

Leave out the provision in subclause (1) (c) {Hon. Bala Ibn Na'Allah}.

Question that the amendment be made put and negatived Question

that Clause 28 stand part of the Bill, put and agreed to. Chairman to report progress.

(HOUSE IN PLENARY)

Mr Deputy Speaker in the Chair, reported that the House in the Committee of Whole considered the Report of the Joint Committee on Finance and Justice on a Bill for an Act to provide for the Establishment of the Federal Inland Revenue Service, Charged with Powers for Collection of Revenue Accruable to the Government of the Federation; and for Matters Connected Therewith, 2005. It approved Clauses 1 and 2, amended Clause 3, approved Clauses 4, 5, 6, 7 and 8, amended Clause 9, approved Clause 10, amended Clauses 11 and 12, approved Clauses 13 and 14, amended Clause 15, approved Clause 16, amended Clause 17, approved Clauses 18 and 19, amended Clause 20, approved Clauses 21, 22, 23, 24, 25, 26, 27 and 28. *He asked leave to sit again.*

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

10. Adjournment:

That this House do now adjourn till Wednesday, 31 May, 2006 at 2.00 p.m. {Hon. Bawa Bwari}.

Adjourned accordingly at 1.50 p.m.

Aminu Bello Masari
Speaker