



HOUSE OF REPRESENTATIVES FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Wednesday, 27 September, 2006

1. The House met at 2.04 p.m. Mr. Speaker read Prayers.
2. Votes and Proceedings:
Mr Speaker announced that he had examined and approved the Votes and Proceedings of Tuesday, 26 September 2006.

By unanimous consent, the Votes and Proceedings was adopted.

3. Message:
Mr Speaker read the following Message from the President of the Federal Republic of Nigeria:



PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA

22 September 2006.

PRES/134

Hon. Aminu Bello Masari,
Speaker,
House of Representatives,
National Assembly Complex,
Abuja.

Dear Hon. Speaker,

I refer to my letter Ref. PRES/134 dated August 16, 2006 in respect of payment for Power Sector Projects and funding of additional two days of the National Population Census 2006. Since the Bill was inadvertently denominated in US dollars, I write to withdraw the bill to enable me incorporate it in the 2007 Appropriation Bill.

Accept, Mr Speaker, the assurances of my highest consideration.

Yours sincerely,

(Signed)
OLUSEGUN OBASANJO

4. Announcement:*Conferees:*

Mr Speaker named the following Conferees on the Convention for the Prohibition of the Development, Production, Stockpiling and use of Chemical Weapons and on their Destruction (Ratification and Enforcement) 2004 (HB. 17):

- (i) Hon. Alex Nwofe
- (ii) Hon. N. C. Ughanze
- (iii) Hon. David Idoko
- (iv) Hon. C. I. D. Maduabum
- (v) Hon. Bala Nggilari
- (vi) Hon. Oluwale Adeyemi.

5. Petitions:

Two petitions were received and referred to the Committee on Public Petitions

- (i) Hon. Solomon Agidani, from David Anebi Ngbede, seeking the intervention of the House on the alleged wrongful termination of his appointment by the Peoples Bank of Nigeria (now Nigeria Agricultural Cooperatives and Rural Development Bank Ltd) and to grant the reliefs in his **petition**;
- (ii) Hon. Patricia Akwashiki, from Hussani Abdul rasheed Bokah, praying the House to prevail on the Office of the Head of Service of the Federation to pay the arrears of his late father's entitlement to him as the administrator of the deceased's estate.

6. Privilege:

Hon. John Longhor drew the attention of the House to the humiliation he suffered at the hands of a staff of the Economic and Financial Crimes Commission (EFCC) at the Ikeja High Court, Lagos on 28 August, 2006. He sought to move a motion that a breach of his privilege had been committed.

Ruling, Mr Speaker noted that Hon. Longhor had not substantially complied with Order 5, Rule (3) and accordingly directed Hon. Longhor to file a motion on the matter.

7. A Bill for an Act to Provide for the Promotion of Maritime Safety and Security, Protection of the Marine Environment, Shipping Registration and Commercial Shipping, Maritime Labour, the Establishment of National Maritime Administration and Safety Agency and to Provide for Matters Connected Therewith, 2006 (HB. 270) — Second Reading:

Motion made and Question proposed, "That a Bill for an Act to Provide for the Promotion of Maritime Safety and Security, Protection of the Marine Environment, Shipping Registration **and** Commercial Shipping, Maritime Labour, the Establishment of National Maritime Administration and Safety Agency and to Provide for Matters Connected Therewith, 2006 be now read a Second Time" (*Hon. Abdul Ningi*).

Debate:

Question that the Bill be now read a Second Time, put and agreed to.

Bill read a Second Time and referred to Joint Committee on Marine Transport and Justice

9. A Bill for an Act to Repeal Nigerian Centre for Economic Management Administration Act. 1990, Nigerian Council for Management and for Matters Connected Therewith, 2006 (HB. 226) — Second Reading:

Motion made and Question proposed, "**That a Bill for** an Act to Repeal Nigerian Centre for Economic Management Administration Act. 1990, Nigerian Council for Management **and** for Matters Connected Therewith, 2006 be now read a Second Time" (*Hon. Abdul Ningi*).

Debate:

Question that the Bill be now read a Second Time, put and agreed to.

Bill read a Second Time and referred to Joint Committee on National Planning and Economic Development and that of Justice

10. Consideration of Reports:

- (i) *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 Amend the Companies Income Tax Act 2004 and for Matters Connected Therewith, 2005 (HB. 181) and approve the Recommendations therein" {Hon. Abdullahi Shuaibu).

Question put and agreed to.

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

(HOUSE IN COMMITTEE)

(Mr Deputy in the Chair)

**A BILL FOR AN ACT TO AMEND THE COMPANIES INCOME TAX ACT
AND FOR MATTERS CONNECTED THEREWITH**

Amendment of the Principal Act.**Committee Recommendation:**

The Companies Income Tax Act (in this Act referred as "the principal Act") is hereby amended as set out in this Act.

New Provision:

- (1) Part 1 of the Companies Income Tax Act (in this Act referred to as "the repealed enactment" is hereby repealed.
- (2) Accordingly, the Federal Board of Inland Revenue established pursuant to the repealed enactment is hereby dissolved.
- (3) The repeal of the enactment specified in subsection (1) of this Section shall not affect anything done or purported to have been done under the repealed enactment (*Hon. Abdullahi Shuaibu*) — *Agreed to.*

As amended, ordered to stand part of the Act.

Amendment of Section 11:**Committee Recommendation:**

Section 11 of the principal Act is amended—

- (a) by deleting subsections (1) to (5) and renumbering the existing subsections (6) to (10) as subsections (1) to (5) respectively;
- (b) in paragraph (c) of subsection (7) thereof by substituting therefore the following new paragraph, that is —
- (c) providing working capital for any cottage industry established by the company;" and
- (c) by inserting immediately after the existing interpretation of the words "base lending rate" the following interpretation, that is —

"cottage industry" means an industry where the creation of products and services is home-based, rather than factor;-based." (*Hon. Abdullahi Shuaibu*) — *Agreed to.*

Section 11 as amended, ordered to stand part of the Act,

Amendment of Section 16:**Committee Recommendation:**

Section 16 of the Principal Act is amended by substituting therefore the following new section, that is —

- (1) Notwithstanding anything to the contrary contained in this Act, insurance business shall be taxed as
- (a) in an insurance company, whether proprietary or mutual, other than a life insurance company; or

- (b) a Nigerian company whose profit accrued in part outside Nigeria, the profit on which tax may be imposed, shall be ascertained by taking the gross premiums and interest and other incomes receivable in Nigeria less reinsurance, and deducting from the balance so arrived at, a reserve for unexpired risks at the percentage consistently adopted by the company in relation to its operations as a whole for such risks at the end of the period for which the profits are being ascertained, subject to the limitation imposed in subsection (8) (a) of this section.
- (2) The profits on which tax may be imposed in an insurance company which is a life insurance company, whether proprietary or mutual, other than a Nigerian company which carries on business through a permanent establishment in Nigeria shall —
- (a) be the investment income less the management expenses, including commission, subject to the limitation imposed in subsection (8) (b) of this section; and
- (b) where the profits of the company accrue in part outside Nigeria, be that proportion of the total investment income of the company as the premium earned whether received or receivable, less the agency expenses in Nigeria and a fair proportion of the expenses of the head office of the company but where the insurance company has its head office outside Nigeria the Board may substitute some basis other than that prescribed in this paragraph for ascertaining the required proportion or the total investment income.
- (3) Any amount distributed in any form as dividend from an actuarial revaluation of unexpired risks or from any other revaluation shall be deemed to be part of the total profits of the company for tax purposes.
- (4) Not more than three months after an actuarial revaluation of the unexpired risks or any other revaluation has taken place, the Company shall provide the Board with full particulars of the revaluation carried out, including a copy of the actuary's revaluation certificate.
- (5) The profits on which tax may be imposed —
- (a) in a general Nigerian insurance company, shall be ascertained in accordance with the provisions of subsection (1) of this section as though the whole premium and investment incomes of the company were derived from Nigeria; and
- (b) in a Nigerian life insurance company shall be ascertained in accordance with the provisions of subsections (2), (3) and (4) of this section as though the whole investment and other incomes were received in Nigeria and all the expenses and other outgoings of the company were incurred in Nigeria.
- (6) Where an insurance company carries on a life class and a general class insurance business, the funds and books of accounts of one class shall be kept separate from the other as though one class does not relate to the other class, and the annual tax returns of the two classes of insurance businesses shall be made separately.
- (7) Each class of insurance shall be assessed separately as "life insurance assessment" and "non-life (other) insurance assessment" and in respect of each class of insurance business where there are more than one type of insurance in the same class, they form one type of business and shall not be allowed against the income from another type of insurance business but the loss shall be available to be carried forward against profits from the same class of insurance business and, in all cases, the period of carrying forward of a loss shall be limited to four years of assessment.
- (8) An insurance company, other than a life insurance company, shall be allowed as deductions from its premium the following reserves for tax purposes —
- (a) for unexpired risks, 45 per cent of the total premium in case of general insurance business other than marine insurance business and 25 per cent of the total premium in the case of marine cargo insurance;
- (b) for other reserves, claims and outgoings of the company an amount equal to 25 per cent of the total premium, so however that, after allowance under the Second Schedule to this Act as may be restricted, has been allowed for in any year of assessment, not less than an amount equal to 15 per cent of the total profit of the company for tax purposes.

- (9) An insurance company, in respect of its life insurance business shall be allowed the following deductions from its investment incomes and other incomes —
- (a) an amount which makes a general reserve and fund equal to the net liabilities on policies in force at the time of an actuarial valuation;
 - (b) an amount which is equal to 1 per cent of gross premium or 10 per cent of profits (whichever is greater) to a special reserve fund and accommodation until it becomes the amount of the statutory minimum paid-up capital;
 - (c) all normal allowable business outgoing, except that after allowing for all the outgoing and allowance under the Second Schedule to this Act as may be restricted under the provisions of this Act for any year of assessment, not less than all amount equal to 20 per cent of the gross incomes shall be available as 'total profit' of the company for tax purposes.
- (10) A reinsurance company shall be allowed the following deductions from its gross profit to be credited to a general reserve fund —
- (a) an amount not more than 50 per cent of the gross profits of the reinsurer for the year where the general reserve fund is less than the initial statutory minimum authorised share capital; or
 - (b) an amount not more than 25 per cent of the gross profit of the reinsurer for the year, where the fund is equal to or exceeds the initial statutory minimum authorised share capital.
- (11) An insurance company that engages the services of an insurance agent, a loss adjuster and an insurance-broker shall include in its annual tax returns, a schedule showing the name and address of that agent, loss adjuster and insurance broker, the date their services were employed and terminated, as applicable, and payments made to each such agent, loss adjuster and insurance broker for the period covered by the tax returns" (**Hon. Abdullahi Shuaibu**) — *Agreed to*.

Section 16 as amended, ordered to stand pan of the Act.

Amendment of Section 23:

Committee Recommendation:

Section 23 of the principal Act is amended in subsection (1) thereof by inserting immediately after the existing paragraph (r) the following new paragraph (s), that is —

"(s) the profit of a company established within an export processing zone or free trade zone:

Provided that 100 per cent production of such company is for export otherwise tax shall accrue proportionately on the profits of the company" (**Hon. Abdullahi Shuaibu**) — *Agreed to*.

Section 23 as amended, ordered to stand part of the Act.

Amendment of Section 25:

Committee Recommendation:

There shall be inserted immediately after section 25 of the principal Act, the following new section 25A, that is —

- 25A. (1) Notwithstanding the provision of section 24 of this Act, for the purpose of ascertaining the profit or loss of any company for the period from any source chargeable with tax under this Act, there shall be deducted the amount of donation to a university and other tertiary or research institutions for research or any developmental purpose or as an endowment out of the profits of the period by the company.
- (2) Without prejudice to section 25(2) and (3) of this Act, any donation made by a company pursuant to subsection 1 of this section, shall be allowed as deductible by the company out of the profits of that period notwithstanding that the donation is of a revenue or capital nature.

- (3) Except as the Minister with the approval of the Federal Executive Council may, by order in the Federal Gazette otherwise direct, any deduction to be allowed to any company under subsection (1) of this section shall not exceed an amount which is equal to 5 per cent of the total profits or 25 per cent of the tax payable in the year of the donation which ever is lower." (*Hon. Abdullahi Shuaibu*) — Agreed to.

Section 25 as amended, ordered to stand part of the Act.

Amendment of Section 31:

Committee Recommendation:

Section 31 of the principal Act is amended by ;

- (c) deleting subsection (2) (a) (iii) therein (*Hon. Abdullahi Shuaibu*) — Agreed to.

Section 31 as amended, ordered to stand part of the Act.

Amendment of Section 34:

Committee Recommendation:

Section 34 of the principal Act is hereby amended —

- (a) in subsection (1) by substituting for the words "as electricity, water, tarred road or telephone" the words "as electricity, water or tarred road"; and
- (b) in subsection (2) by deleting paragraph (e) thereof (*Hon. Abdullahi Shuaibu*) — Agreed to.

Section 34 as amended, ordered to stand part of the Act.

Amendment of Section 35:

Committee Recommendation:

Section 35 of the principal Act is amended by deleting subsection (3) (*Hon. Abdullahi Shuaibu*) — Agreed to.

Section 35 as amended, ordered to stand part of the Act.

Amendment of Section 38:

Committee Recommendation:

Section 38 of the Principal Act is hereby deleted (*Hon. Abdullahi Shuaibu*) — Agreed to.

Amendment of Section 40:

Committee Recommendation:

Section 40 of the principal Act is amended —

- (a) in paragraph (a) of subsection (4) thereof by substituting for the amount "N500" the amount
- (b) in paragraph (b) of subsection (4) thereof by substituting for the amount "N400" the amount "N25,000"; and
- (c) by deleting subsection (5) and re-numbering the existing subsections (6) to (12) as subsections (5) to (11) respectively (*Hon. Abdullahi Shuaibu*) — Agreed to.

Section 40 as amended, ordered to stand part of the Act.

Amendment of Section 41:

Committee Recommendation:

Section 41 of the principal Act is hereby deleted (*Hon. Abdullahi Shuaibu*) — Agreed to.

Amendment of Section 55:

Committee Recommendation:

Section 55 of the principal Act is amended by substituting therefor the following new section, that is —

- (1) Every company including a company granted exemption from incorporation shall, whether or not a company is liable to pay tax under this Act for a year of assessment, with or without notice from the Service, file a self assessment returns with the Service in the prescribed form at least once a year and such returns shall contain —

- (a) the audited accounts, tax and capital allowances computation for the year of assessment and a true and correct statement in writing containing the amount of profit from each and every source computed thereof;
 - (b) a duly completed self-assessment form as may be prescribed by the Service, from time to time, attested to by a director or secretary of the company and such attestation shall contain a declaration that it contains a true and correct statement of the amount of its profits computed in respect of all sources in accordance with this Act and any rules made thereunder and that the particulars given in such returns are true and complete; and
 - (c) evidence of payment of the whole or part of the tax due into a bank designated for the collection of the tax.
- (2) Subject to this Act or any regulations made thereunder, the time of filing returns shall be —
 - (a) in the case of a company that has been in business for more than 18 months, not more than 6 months after the end of the accounting year and;
 - (b) in the case of a newly incorporated company **within** 18 months from the date of its incorporation or not later than 6 months after the end of its accounting period, whichever is earlier, in addition, the form of returns shall be signed by a director, who must be the chairman or the managing director of the company and the secretary respectively.
- (3) Any company which fails to comply with the provision of subsection (2) of this section shall be liable to pay as penalty for late filing as follows —
 - (a) N25,000 in the first month in which the failure occurs; and
 - (b) N5,000 for each subsequent month in which the failure continues.
- (4) Notwithstanding anything to the contrary in any law, an income tax assessment shall be made in the currency in which the transaction took place.
- (5) Where an offence under this section by a company is proved to have been committed with the consent or connivance of, or to be attributable to, any neglect on the part of, any director, manager, secretary or other similar officer, servant or agent of the company (or the person purporting to act in any such capacity) he as well as the company shall be deemed to have committed the offence and shall on conviction be liable to a fine of N100,000 or imprisonment for a term of 2 years or to both such fine and imprisonment.
- (6) For the purposes of this section —
 - (a) every company shall designate a representative who shall answer every query relating to the tax matters of the company; and
 - (b) a person designated by a company pursuant to paragraph (a) of this subsection shall be a person knowledgeable in the field of taxation as may be approved, from time to time, by the Service." (*Hon. Abdullahi Shuaibu*) — *Agreed to*.

Section 55 as amended, ordered to stand pan of the Act.

Amendment of Section. 56:

Committee Recommendation:

Section 56 of the principal Act is hereby deleted {*Hon. Abdullahi Shuaibu*} — *Agreed to*.

Amendment of Section 57:

Committee Recommendation:

Section 57 of the Principal Act is amended in subsection (1) thereof by inserting immediately after the word "exchange" the words "as a capital market operator" (*Hon. Abdullahi Shuaibu*) — *Agreed to*.

Section 57 as amended, ordered to stand part of the Act.

Amendment of Section 58:*Committee Recommendation:*

Section 58 of the Principal Act is amended by substituting for the word "limited" the word "specified" {Hon. Abdullahi Shuaibu} ~ Agreed to.

Section 58 as amended, ordered to stand part of the Act.

Amendment of Section 60:*Committee Recommendation:*

Section 60 of the Principal Act is amended by substituting for the existing section, the following new section, that is —

60. (1) For the purpose of obtaining full information in respect of the profits of any person the Service shall give notice to that person requiring him, 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;
 - (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 purposes of paragraphs (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) of this section, without giving any of the required notices set out in this section.
- (3) Any person who contravenes the provisions of this section commits an offence and shall, in respect of each offence, be liable on conviction to a fine equivalent to the amount of the tax liability in addition to paying the amount of tax due.
- (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 Service for an extension of time within which to comply with the provisions of this section and section 12 of this Act, in so far as *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 Service is satisfied with the cause shown in the application under paragraph (b) of subsection (5) of this section, it may in writing grant the extension of the time or limit the time as it may consider appropriate (Hon. Abdullahi Shuaibu) — Agreed to.

Section 60 as amended, ordered to stand part of the Act.

Amendment of Section 61:*Committee Recommendation:*

Leave out the entire provisions (Hon. Abdultahi Shuaibu) — Agreed to.

Amendment of Section 71, 72, 73, 74, 75 Part XI - CITA:*Committee Recommendation:*

Sections 71, 72, 73, 74, 75 Part XI CITA dealing with Appeals to the body of Appeal Commissioners are hereby repealed (*Hon. Abdullahi Shuaibu*) — *Agreed to.*

Amendment of Section 81:*Committee Recommendation:*

Section 81 of the principal Act is amended —

- (a) in subsection (5) thereof by deleting the words "but only to the extent that the total of such deductions does not exceed the amount of the assessment and provided the assessment is for the period to which such payments relate under the provisions of section 29 of this Act";
- (b) in subsection (7) thereof by inserting the following new subsection (7), that is —
 - (7) Any excess payment arising from compliance with sections 78, 79, 80 and 81 of this Act over the assessment under section 29 of this Act shall be refunded by the Service within 90 days of the assessment if duly filed with the option to setoff against future taxes."; and (*Hon. Abdullahi Shuaibu*) — *Agreed to.*

Section 81 as amended, ordered to stand part of the Act.

Amendment of Section 82:*Committee Recommendation:*

Section 82 of the principal Act is amended by —

- (a) substituting for the words "thirty days" the words "twenty-one days"; and
- (b) substituting for the words "liable on conviction to a fine of 200 per cent" the words "liable to a penalty of 10 per cent per annum" (*Hon. Abdullahi Shuaibu*) — *Agreed to.*

Section 82 as amended, ordered to stand part of the Act.

Amendment of Section 86:*Committee Recommendation:*

Leave out all the provisions in the Section (*Hon. Abdullahi Shuaibu*) — *Agreed to.*

Amendment of Section 92:*Committee Recommendation:*

Section 92 of the Principal Act is amended —

- (a) in subsection (1) by substituting for the amount —
 - (i) "N200" the amount "N20,000.00",
 - (ii) "N40" the amount "N2,000.00"; and
- (b) in paragraph (d) of subsection (4) by deleting the word "whether" and the words "or after" (*Hon. Abdullahi Shuaibu*) — *Agreed to.*

Section 92 as amended, ordered to stand part of the Act,

Amendment of Section 93:*Committee Recommendation:*

Section 93 of the principal Act is deleted (*Hon. Abdullahi Shuaibu*) — *Agreed to.*

Amendment of Section 94:*Committee Recommendation:*

Leave out all the provisions in the Section (*Hon. Abdullahi Shuaibu*) — *Agreed to.*

Amendment of Section 95:*Committee Recommendation:*

Leave out all the provisions in the Section (*Hon. Abdullahi Shuaibu*) — *Agreed to.*

Amendment of New Section 95A:

Committee Recommendation:

Leave out all the provisions in the New Section (Hon. Abdullahi Shuaibu) — Agreed to.

Amendment of Section 100:

Committee Recommendation:

Section 100 of the Principal Act is amended to read as follows, The National Assembly may on the proposal by the President, impose, increase, reduce, withdraw or cancel any rate of tax, duty, or fee chargeable specified in section 40 and Second Schedule of this Act in accordance with section 59(2) of the 1999 constitution (Hon. Abdullahi Shuaibu) — Agreed to.

Section 100 as amended, ordered to stand part of the Act.

Amendment of Section 101:

Committee Recommendation:

Section 101 of the Principal Act is amended in subsection (4) thereof by —

(a) substituting for the existing paragraph (g) the following new paragraph, that is —
" (g) application for trade or business license;" and

(b) deleting the word "buying" in paragraph (I) thereof (Hon. Abdullahi Shuaibu) — Agreed to.

Section 101 as amended, ordered to stand part of the Act.

Short Title:

Committee Recommendation:

This Act is to be cited as the Companies Income Tax (Amendment) Bill, 2006 (Hon. Abdullahi Shuaibu) — Agreed to.

Short Title as amended, ordered to stand part of the Act.

Chairman to report Bill.

(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 Amend the Companies Income Tax Act 2004 and for Matters Connected Therewith, 2005. It approved Sections 1, 11, 16, 23, 25A, 31, 34, 35, 38, 40, 41, 55, 56, 57, 58, 60, 61, 81, 82, 86, 92, 93, 94, 95, 95A, 100 and 101.

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

(ii) *Committee on Capital Market:*

Motion made and Question proposed, "That this House do consider the Report of the Committee on Capital Market on a Bill for an Act to Provide for the Establishment of a Chartered Institute of Capital Market Registrars for More Effective Regulation and Control of the Practice of Share Registration and Connected Matters, 2005 and approve the Recommendations therein" (Hon. Ahmed Wadada).

Question put and agreed to.

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

(HOUSE IN COMMITTEE)

(Mr Deputy in the Chair)

A BILL FOR AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A CHARTERED INSTITUTE OF CAPITAL MARKET REGISTRARS FOR MORE EFFECTIVE REGULATION AND CONTROL OF THE PRACTICE OF SHARE REGISTRATION AND CONNECTED MATTERS

Committee Recommendation:

Clause 1: Establishment of the Chartered Institute of Capital Market Registrars.

(1) There is established a body to be known as the Chartered Institute of Capital Market registrars (in this Act referred to as "the Institute") which —

(a) shall be a body corporate with —

- (i) perpetual succession,
 - (ii) a common seal which shall be kept in such custody as the council may direct,
- (b) may sue and be sued in its corporate name; and
- (c) may, subject to the Land use Act, hold, acquire and dispose of any property, movable or immovable.
- (2) The Institute has the general duty of —
 - (a) determining who are capital market registrars for the purpose of this Act;
 - (b) determining what standard and skill are to be attained by persons seeking to become registered members of the institute and raising those standards from time to time as circumstances may permit.
 - (c) securing in accordance with the provisions of this Act, the establishment and maintenance of a register of fellows, associates, students and ordinary members of the institute and the publication from time to time, of list of those persons; and
 - (d) Maintaining, in accordance with this Act, discipline within the profession;
 - (e) Performing through the council established under section (4) of this Act, the functions conferred on it by this Act (*Hon. Ahmed Wadada*) — *Agreed to*.

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

Committee Recommendation:

Clause 2: Members of **the Institute**.

- (1) Subject to the provisions of this Act, persons admitted to membership of the **Institute** shall be registered as members in the category of—
 - (a) fellows;
 - (b) associates;
 - (c) students; or
 - (d) ordinary members
- (2) A person registered under this Act as a capital market registrar is entitled to be enrolled —
 - (a) as a fellow, if he satisfies the Council that he is a fit and proper person, and in addition he is the holder of an approved academic qualification and has 10 years post qualification experience in the industry and has exhibited excellence.
 - (b) as an Associate Member, if he is employed in a management capacity in a Share Registration outfit or related organization, and has passed examinations conducted by the Institute and is a fit and proper person to be enrolled in the Register;
 - (c) as a Student Member, if he is registered as a student of the institute, and has satisfied the Council that he is a fit and proper person to be enrolled in the register; and
 - (d) as an ordinary member, if he has been in continuous employment of a reputable capital market organization for a period of not less than 10 years preceding the date of his application to the Institute for registration as a student member.

- (3) A person shall, when enrolled or registered, as the case may be, receive a certificate in such form as the Council may approve for the purpose (*Hon. Ahmed Wadada*) — *Agreed to.*

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

Committee Recommendation:

Clause 3: Election of President & Vice President of the Institute.

- (1) There shall be a President and Vice-presidents of the Institute who will be appointed at the annual general meeting of the Institute, and each will hold office for a term of 3 years from the date of appointment and no more.
- (2) The President shall be the Chairman at meetings of the Institute. However, in the event of the death, incapacity or inability of the President, the Vice-President shall act as President for the un-expired portion of the term of office as Chairman, as the case may be, and references in this Act to the President shall be construed accordingly.
- (3) The President and the **Vice-President**, respectively shall be Chairman and Vice-Chairman of the Council of the Institute under this Act.
- (4) If the President or the Vice-President ceases to be a member of the **Institute**, he shall cease to hold any of the offices designated under this section (*Hon. Ahmed Wadada*) — *Agreed to.*

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

Committee Recommendation:

Clause 4: Council of the Institute.

- (1) There shall be, as the governing body of the Institute, a Council which shall be charged **with** the administration and general management of the Institution.
- (2) The Council shall consist of —
 - (a) 6 persons from the Association of Capital Market Registrars;
 - (b) 1 person from Securities and Exchange Commission;
 - (c) 1 person from the Nigerian Stock Exchange;
 - (d) 1 person from Federal Ministry of Education; and
 - (e) Any other organization that may be considered necessary by the council.
- (3) **First Schedule.**
The provision of First Schedule to this Act shall have effect with respect to the qualifications and tenure of office of members of the Council and the other matters therein mentioned (*Hon. Ahmed Wadada*) — *Agreed to.*

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

Committee Recommendation:

Clause 5: Power of the Council.

The Council shall have power to do anything, which in its opinion is calculated to facilitate the carrying on of the activities of the Institute (**Hon. Ahmed Wadada**) — *Agreed to.*

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

Committee Recommendation:

Clause 6: Principal Officers of the Council.

The Council shall appoint other principal officers as —

- (a) Director, Education and Consultancy,
- (b) Director, Finance and Administration; and
- (c) Director, Research and Development.

- (d) Any other position that may be deemed necessary (**Hon. Ahmed Wadada**) — *Agreed to.*

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

Committee Recommendation:

Clause 7: Treasurer of the Institute.

The Council shall appoint a Treasurer for the Institute (**Hon. Ahmed Wadada**) — *Agreed to.*

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

Committee Recommendation:

Clause 8: Objectives of Institute.

The objectives of the Institute are to —

- (a) organize and conduct professional examinations in share registration leading to the award of Associate of the Institute of Chartered Capital Market Registrar;
- (b) regularly organize evening and weekend classes for student members preparing for the institute's examinations;
- (c) facilitate effective rapport between practicing Registrars;
- (d) take desirable measures to further the interest of share registration in the country;
- (e) organise lectures, seminars and conferences on share registration and related fields;
- (f) uphold and ensure observance of professional ethics and tradition in the industry;
- (g) publishing in-house journal and professional share registration textbook;
- (h) promote general advancement of share registration practice in the country;
- (i) conduct research into the theory- and practice of share Registration in Nigeria;
- (j) disseminate information relating to share Registration to the public and to liaise with the Government and the regulatory bodies toward promoting and regulating the practice of share Registration in the country;
- (k) undertake any project or do anything which is deemed to be in the best interest of members, and
- (£) provide consultancy services in share Registration and related fields (**Hon. Ahmed Wadada**) — *Agreed to.*

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

PART II—FINANCIAL PROVISIONS

Committee Recommendation:

Clause 9: Fund of the Institute.

- (1) There shall be established for the Institute, a fund which shall be managed and controlled by the Council.
- (2) There shall be paid into the Fund —
 - (a) all fees and other moneys payable to the Institute in pursuance of this Act; and
 - (b) such money as may be payable to the Institute, whether in the course of the discharge of its functions or not.
- (3) **There** shall be paid out of the Fund of the Institute —
 - (a) **the** remuneration and allowances of the Registrar and employees of the Institute;

- (b) such reasonable traveling and subsistence allowances of Members of the Council in respect of the time spent on the business of the Council as the Council may determine; and
- (c) any other expenses incurred by the Council in the discharge of its functions under this Act.
- (4) The Council may invest moneys of the Fund in any security created or issued by or on behalf of **the** Federal Government or in any other securities in Nigeria approved by the Council.
- (5) The Council may, from time to time, borrow money, for the purposes of the Institute and any interest payable on moneys so borrowed shall be paid out of the Fund (**Hon. Ahmed Wadada**) — *Agreed to*.

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

Committee Recommendation:

Clause 10: Accounts, etc.

The Council shall keep proper accounts on behalf of the Institute in respect of each financial year and proper records in relation to those accounts and the Council shall cause it to be audited by an auditor and when audited, the accounts shall be presented to the Members of the Institute for approval at the annual general meeting (**Hon. Ahmed Wadada**) — *Agreed to*.

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

PART III—THE REGISTRAR AND THE REGISTER

Committee Recommendation:

Clause 11: Appointment of Registrar etc, and preparation of the Registrar.

- (1) The Council shall appoint a fit and proper person to be the Registrar, who shall be the Chief Executive Officer of the Institute for the purposes of this Act.
- (2) The Registrar shall, in addition to his other functions under this Act, be the Secretary to the Council and shall, on the instructions of the President of the Institute or any committee of the Council, convene and keep minutes of the proceedings at all meetings of the Council and committees thereof as the case may be.
- (3) The Council may appoint such other persons to be employees of the Institute as the Council may determine to assist the Registrar in the execution of his functions under this Act.
- (4) The Registrar shall —
 - (a) prepare and maintain, in accordance with the rules and regulations made by the Council, a Register of the names, addresses, approved qualifications and such other qualifications and particulars as may be specified in the rules, of all persons who are entitled, in accordance with the provisions of this Act;
 - (b) enroll all Fellows, Associate Members, Student Members; and Ordinary Members.
- (5) The Register shall consist of four parts of which the —
 - (a) first part shall be in respect of Fellows;
 - (b) second part shall be in respect of Associate Members;
 - (c) third part shall be in respect of Student Members; and
 - (d) fourth part shall be in respect of Ordinary Members;

- (6) Subject to other provisions of this section, the Council shall make rules with respect to the form and keeping of the registers and the making of entries therein, and in particular —
- (a) regulating the making of applications for enrolment or registration, as the case may be, and providing for the evidence to be produced in support of the applications;
 - (b) providing for the notification to the Registrar, by the person to whom any registered particular relates or any change in those particulars;
 - (c) authorizing an enrolled or registered person to have any qualification which is in relation to the relevant division of the profession, either an approved qualification or an accepted qualification, for the purposes of this Act, registered in relation to his name in addition to, or as he may elect, in substitution for any other qualification so registered;
 - (d) specifying the fees including any annual subscription, to be paid to the Institute in respect of the entry of names on the Register and authorizing the Registrar to refuse to enter a name on the Register until any fee specified for the entry has been paid; and
 - (e) specifying anything failing to be specified under the foregoing provisions of this section; but rules made for the purposes of paragraph
- (d) of this subsection shall not come into force until they are confirmed at a meeting of the Institute.
- (7) The Registrar shall —
- (a) correct, in accordance with the Council's directions, any entry in the Register which the Council directs him to correct as being in the Council's opinion an entry which was incorrectly made;
 - (b) make, from time to time, any necessary alterations in the registered particulars of registered persons;
 - (c) remove from the Register the name of any enrolled or registered person who has died; and
 - (d) record the names of Members of the Institute who are in default for more than six months in the payment of annual subscriptions, and to take such action in relation thereto (including removal of the names of defaulters from the Register) as the Council may direct or require.
- (8) If the Registrar —
- (a) sends by post to any enrolled or registered person a registered letter addressed to him at his enrolled address on the Register, enquiring whether the enrolled registered particulars relating to him are correct and receives no reply to the letter within the period of six months from the date of posting it; and
 - (p) upon the expiration of that period sends in the like manner to the person in question a second similar letter and receives no reply to that letter within three months from the date of posting it, the Registrar may remove the particulars relating to the person in question from the Register and the Council may direct the Registrar to restore to the appropriate part of the Register any particulars removed there from under this Subsection {*Hon. Ahmed Wadada*} — *Agreed to.*

Committee Recommendation:

Clause 12: Publication of Registrar and list of corrections.
The Registrar shall —

- (1) (a) cause the Register to be printed, published and put on sale to members of the public not later than two years from the commencement of this Act and thereafter, cause to be printed, published and put on sale as aforesaid, either a corrected edition of the Register or list of corrections made to the Register, since it was last printed;
- (b) cause a print of each edition of the Register and of each list of the corrections to be deposited at the principal offices of the Institute; and
- (c) keep the Register and lists so deposited and made available at all reasonable times for inspection by members of the public.
- (2) A document purporting to be a print of an edition of the Register published under this section by authority of the Registrar or documents purporting to be prints of an edition of the Register so published and of the list of corrections to that edition so published, shall (without prejudice to any other mode of proof) be admissible in any proceedings as evidence that any person specified in the document or the documents read together as being registered or enrolled was so enrolled or registered as at the date of the edition, or of the list of corrections, as the case may be, and that any person not so specified was not so enrolled or registered.
- (3) Where in accordance with subsection (2) of this section a person is in any proceedings, shown to have been or not to have been registered or enrolled at a particular date, he shall, unless the contrary is proved, be taken for the purposes of the proceedings as having at all material times thereafter continued to be or not to be so enrolled or registered {*Hon. Ahmed Wadada*} — *Agreed to*.

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

PART IV—REGISTRATION

Committee Recommendation:

Clause 13: Registration of Professional Capital Market Registrar.

- (1) subject to section 14 of this Act and to rules made under section 11 (6) of this Act a person shall be entitled to be registered as a capital market registrar if-
 - (a) he passes the qualifying examinations conducted by the Council under this Act and completes the practical training prescribed; or
 - (b) he holds a qualification granted outside Nigeria and for the time being accepted by the Institute and is by law entitled to practice for all purposes as a professional registrar in the country in which the qualification was granted and if the Council so requires, he satisfies the Council that he has sufficient experience as a capital market registrar.
- (2) Subject to section 13 of this Act and to rules and regulations made under section 11 (6) of this Act, a person shall be entitled to be registered as a capital market registrar if he satisfies the Council that immediately before the appointed day he had

* not less than 10 years experience as a capital market registrar.
- (3) An applicant for registration shall, in addition to evidence of qualification, satisfy the Council that he —
 - (a) is of good character;
 - (b) has attained the age of 21 years; and
 - (c) has not been convicted of any offence involving fraud or Dishonesty.

- (4) The Council may in its sole discretion provisionally accept a qualification produced in respect of an application for registration under this section or direct that the application be renewed within such period as may be specified in the direction.
- (5) Any entry directed to be made in the Register under subsection (4) of this section shall show that registration is provisional and no entry so made shall be converted to full registration without the consent of the Council signified in writing in that behalf.
- (6) The Council shall, from time to time, prescribe and publish in the official news letter and magazine of the Institute particulars of qualifications for the time being accepted as aforesaid (*Hon. Ahmed Wadada*) — *Agreed to*.

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

Committee Recommendation:

Clause 14: Approval of Qualification.

- (1) The Council may approve any institutions for the purposes of this Act and may for such purposes approve —
 - (a) any course of training at an approved institution which is intended for persons who are seeking to become or are already registrar and which the Council considers is designed to confer on persons completing it, sufficient knowledge and skill for admission to the Institute; and
 - (b) any qualification which, as a result of an examination taken in conjunction with a course of training approved by the Council under this section is granted to candidates reaching a standard at the examination indicating, in the opinion of the Council, that the candidates have sufficient knowledge and skill to practice as registrar.
- (2) The Council may, if it thinks fit, withdraw any approval given under this section in respect of any course, qualification or institutions, but before withdrawing such an approval, the Council shall —
 - (a) give notice that it proposes to do so to each person in Nigeria appearing to the Council to be person by whom the course is conducted or the qualification is granted or the Institution is controlled, as the case may be; and
 - (b) afford each such person an opportunity of making to the Council representations with regard to the proposal in pursuance of paragraph (b) of this subsection.
- (3) A course, qualification or institution shall not be treated as approved during any period the approval is withdrawn under Subsection (2) of this section.
- (4) Notwithstanding the provisions of subsection (3) of this section, the withdrawal of approval under subsection (2) of this section shall not prejudice the registration or eligibility for registration (either unconditionally or subject to his obtaining a certificate of experience) immediately before the approval was withdrawn.
- (5) The giving or withdrawal of an approval under this section shall have effect from such date, either before or after the execution of the instrument signifying the giving or withdrawal of the approval, as the Council may specify in the instrument, and the Council shall —
 - (a) as soon as may be practicable, publish a copy of every such instrument in the official news letter and magazine of the Institute; and

(b) not later than 7 days before its publication as aforesaid, send a copy of the instrument to the Minister (*Hon. Ahmed Wadada*) —
Agreed to.

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

Committee Recommendation:

Clause 15: Supervision of Instructions and examinations leading to approved Qualification.

- (1) The members of the Council shall keep themselves informed of the nature of —
 - (a) the instructions given at approved institutions to persons attending approved courses of training; and
 - (p) the examinations as a result of which approved qualifications are granted; and for the purposes of performing that duty the council may appoint, either from its own members or otherwise, persons to a visit approved institutions or observe such examinations.
- (2) It shall be the duty of a Committee appointed under Subsection (1) of this section to report to the Council on —
 - (a) the adequacy of the instructions given to persons attending approved courses of training at institutions visited by them;
 - (b) the adequacy of the examinations attended by them; and
 - (c) any other matter relating to the institutions or examinations on which the Council may, either generally or in particular cases request them to report, but no such person shall interfere with the giving of any instruction or the holding of any examination.
- (3) On receiving a report made pursuant to this section, the Council may, if it thinks fit, and shall, if so required by the institution, send a copy of the report to the person appearing to the Council to be in charge of the Institution or responsible for the examinations to which the report relates, requesting that person to make observations on the report to the Council within such period as may be specified in the request, not being less than one month beginning with the date of that request
(*Hon. Ahmed Wadada*) ~ *Agreed to.*

Question that Clause 15 stand pan of the Bill, put and agreed to.

PART V — PROFESSIONAL DISCIPLINE

Committee Recommendation:

Clause 16: Establishment of Disciplinary and Investigating Panel.

- (1) There shall be a committee to be known as the Chartered Institute of Capital Market Registrars Disciplinary Committee in this Act referred to as "the Disciplinary Committee") which shall be charged with the duty of considering and determining any case referred to it by the Investigating Panel, established under subsection (3) of this section and any other case of which the Disciplinary Committee has cognizance under the following provisions of this Act.
- (2) The Disciplinary Committee shall consist of the Chairman and three other members appointed by the Council.
- (3) There shall be a body to be known as the Capital Market Registrars Investigation Panel (in this Act referred to as "the Investigation Panel") which shall be charged with the duty of —
 - (a) conducting a preliminary investigation into any case where it is alleged that a person fully, provisionally or temporarily registered has misbehaved in his capacity as such, or should for any reason be the subject of proceedings before the Disciplinary Committee; and

- (b) deciding whether the case should be referred to the **Disciplinary Committee**.
- (4) The Investigating Panel shall be appointed by the Council and shall consist of two members of the Disciplinary Committee.

Second Scheduled.

- (5) The provisions of Second Schedule of this Act shall, so far as applicable to the Disciplinary Committee and the Investigation Panel respectively, have effect with respect to those bodies.
- (6) The Council may make rules not inconsistent with this Act as to acts, which constitute professional misconduct (*Hon. Ahmed Wadada*) — Agreed to.

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

Committee Recommendation:

Clause 17: Penalties for Unprofessional conducts, etc.

- (1) Where —
 - (a) a member is adjudged by the Disciplinary Committee to be guilty of infamous conduct in any profession respect; or
 - (b) a member, is convicted in any court of law having power to award imprisonment for an offence (whether etc. or not punishable with **imprisonment**), which in the opinion of the Committee is incompatible with the status of a member of the Institute; or
 - (c) the Disciplinary Committee is satisfied that the name of any person has been fraudulently enrolled or registered, the Disciplinary Committee may, if it thinks fit, give a direction, reprimanding that person, or ordering the Registrar to strike his name off the relevant part of the Register.
- (2) The Disciplinary Committee may, if it thinks fit, defer its decision as to the giving of a direction under subsection (1) of this section until a subsequent meeting of the Disciplinary Committee, but —
 - (a) no decision shall be deferred under this Subsection for any period exceeding two years in the aggregate; and
 - (b) no person shall be a member of the Disciplinary Committee for the purposes of reaching a decision which has been deferred, or further deferred, unless he was present as a member of the Disciplinary Committee when the decision was deferred.
- (3) For the purposes of subsection (1) (b) of this section, a person shall not be treated as convicted as therein mentioned, unless the conviction stands at a time when no appeal or further appeal is pending or may, (without extension of time) be brought in connection with the conviction.
- (4) When the Disciplinary Committee gives a direction under subsection (1) of this * section, the Disciplinary Committee shall cause notice of the direction to be served on the person to whom it relates.
- (5) The person to whom a direction given under subsection (1) of this section relates may, at any time within 28 days from the date of service on him of notice of the direction, appeal against the direction to the Federal High Court, and the Disciplinary Committee may appear as respondent to the appeal and for the purpose of enabling directions to be given as to the costs of the appeal and of proceedings before the Federal High Court, the Disciplinary Committee, shall be deemed to be a party thereto whether or not it appears on the hearing of the appeal.

- (6) A direction of the Disciplinary Committee under section (1) of this section shall take effect —
- (a) where no appeal under this section is brought against the direction within the time limited for such an appeal, on the expiration of that time;
 - (b) where such an appeal is brought and is withdrawn or struck out for want of prosecution, on the withdrawal or striking out of the appeal; and
 - (c) where such an appeal is brought and is not withdrawn or struck out as aforesaid, if and when the appeal is dismissed, and shall not take effect except in accordance with the foregoing provisions of this subsection.
- (7) A person whose **name** is struck off the Register in pursuance of a direction of the Disciplinary Committee under this section, shall not be entitled to be enrolled or registered again, except in pursuance of a direction in that behalf given by the Disciplinary Committee on the application of that person and a direction under this section for the striking off of a person's name from the Register may prohibit an application under this subsection by that person until the expiration of such period from the date of the direction (and where he has duly made such an application, from the date of his last application), as may be specified in the direction (**Hon. Ahmed Wadada**) — *Agreed to.*

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

PART VI — MISCELLANEOUS AND GENERAL

Committee Recommendation:

Clause 18: Application of the Act to un-rolled persons.

Any person not being a member of the Chartered Institute of Capital Market Registrars who, but for this Act, would have been qualified to apply for, and obtain membership of the Incorporated Institute may, within a period of three months from the commencement of this Act, apply for the membership of the Institute in such manner as may be prescribed by rules made by the Council, and if approved, he shall be enrolled or registered, as the case may be, according to his qualification (**Hon. Ahmed Wadada**) ~ *Agreed to.*

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

Committee Recommendation:

Clause 19: When persons are deemed to practice as Capital Market Registrars.

- (1) Subject to subsection (2) of this section, a person shall be deemed to practice as a Capital Market Registrar if in consideration of remuneration received or to be received and whether by himself or in partnership with any other persons he-
 - fa) engages himself in the practice of share registration or holds himself out to the public as a capital market registrar; or
 - (b) renders professional service or assistance in, or about matters of principles or detail, relating to the practice of share registration; or
 - (c) renders any other service which may, by regulations made by the Council, be designated as service constituting practice as a capital market registrar.
- (2) Nothing in subsection (1) of this section shall be construed as to apply to persons who, while in the employment of any government, are required, under the terms or in the course of such employment, to perform the duties or any of the duties of a capital market registrar (**Hon. Ahmed Wadada**) — *Agreed to.*

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

Committee Recommendation:

Clause 20: Rules as to practices, Fees, etc.

- (1) The Council may make rules for the —

- (a) training of suitable persons in share registration methods and practice; and
 - (b) supervision and regulation of the engagement, training and transfer of such persons.
- (2) The Council may also make rules —
 - (a) prescribing the amount and due date for the payment of the annual subscription and for such purpose, different amounts may be prescribed by the rules according to the category of membership;
 - (b) prescribing the form of license to practice to be issued annually, or if the Council thinks fit, by endorsement on an existing license; and
 - (c) restricting the right to practice as a capital market registrar if default continues for longer than such period as may be prescribed by the rules.
- (3) Rules made under this section, shall, if the Chairman of the Council so directs, be published in the official news letter and magazine of the Institute (*Hon. Ahmed Wadada*) — *Agreed to*.

Question that Clause 20 stand pan of the Bill, put and agreed to.

Committee Recommendation:

Clause 21: Confirmation of rules by the Institute.

Rules made for the purpose of this Act shall be subject to confirmation by the Institute at its next meeting, or at any special meeting of the Institute convened for that purpose, and if then annulled shall cease to have effect on the day after the date of annulment, but without prejudice to anything done in pursuance or intended pursuance of any such rules (*Hon. Ahmed Wadada*) — *Agreed to*.

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

Committee Recommendation:

Clause 22: Provisions of Library facilities etc.
The Institute shall —

- (a) provide and maintain a library comprising of books and publications for the advancement of the knowledge of share registration and such other books and publications as the Council may think necessary for the purpose; and
- (b) encourage research into share registration methods and allied subjects, to the extent that the Council may, from time to time, consider necessary (*Hon. Ahmed Wadada*) — *Agreed to*.

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

Committee Recommendation:

Clause 23: Offences and Penalties.

- (1) Any person who, for the purpose of procuring the registration of any name, qualification or other matter —
 - (a) makes a statement which he believes to be false in a material particular; or
 - (b) recklessly makes a statement which is false in a material particular commits an offence.
- (2) If on or after the coming into force of this Act, any person who is not a member of the Institute practices or holds himself out to practice as a capital market registrar for, or in expectation of reward or takes or uses any name, title, addition or description, implying that he is in practice as a capital market registrar, he commits an offence.

- (3) **In** the case of a person falling within section 19 of this Act —
- (a) the provision of subsection (2) of this section shall not apply in respect of anything done by him during the period of three months mentioned in the section; and
 - (b) if within that period he duly applies for membership of the Institute then unless within that period he is notified that his application has not been approved, the provision of subsection (2) of this section shall not apply in respect of anything done by him between the end of that period and the date on which he is enrolled, or registered or notified as aforesaid.
- (4) If the Registrar or any other person employed by or on behalf of the Institute willfully makes any falsification in any matter relating to the Register, he commits an offence.
- (5) A person who commits an offence under this section shall be liable —
- (a) on summary conviction to a fine not exceeding 10,000.00 Naira; or
 - (b) on conviction or indictment, to a fine not exceeding 10,000.00 Naira or to imprisonment for a term not exceeding two years, or to both such fine and imprisonment.
- (6) Where an offence under this section which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or be attributable to any neglect on the part of any director, manager, secretary or other similar officer of the body corporate, or any person purporting to act in any such capacity, he as well as the body corporate shall be deemed to have committed that offence and shall be liable to be proceeded against and punished accordingly (*Hon. Ahmed Wadada*) — *Agreed to*.

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

Committee Recommendation:

Clause 24: Rules as to Articles etc.

- (1) The Council may also make rules —
- (a) prescribing the amount and date for payment of the annual subscription and annual renewal of a studentship and for such purpose, different amounts maybe prescribed by the rules for fellow, associate student and ordinary member of the institute;
 - (b) prescribing the form of license to practice to be issued annually;
 - (c) restricting the right to practice as the member of the profession in default of the amount of the annual subscription where the default continues for longer than such period as may be prescribed by the rules;
 - id) restricting the right to practice as the member of the profession if the qualification granted outside Nigeria does not entitle the holder to practice as a member of the profession; and
 - (e) prescribing the period of practical training in the office of a member of the profession in practice to be completed before a person qualifies for a license to practice as a member of the profession.
- (2) Rules when made shall, if the chairman of the Council so directs, be published in the Gazette (*Hon. Ahmed Wadada*) — *Agreed to*.

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

*Committee Recommendation:***Clause 25: Interpretation.**
In this Act —

"Association" means the Association of Capital Market Registrars (*Hon.. Ahmed Wadada*).

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

"Council" means the Council established as the governing body of the Institute under section 4, of this Act (**Hon. Ahmed Wadada**).

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

"Disciplinary Committee" means (he Institute of Chartered Capital Market Registrars Disciplinary Committee established under subsection (2) of section 16 of this Act (*Hon. Ahmed Wadada*).

Question that the meaning of the words "Disciplinary Committee" be as defined in the interpretation to this Act, put and agreed to.

"Fees" includes annual subscription; Examination and consultancy fees (*Hon. Ahmed Wadada*).

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

"Institute" means the Chartered Institute of Capital Market Registrars established under section 1 of this Act (*Hon. Ahmed Wadada*).

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

"Investigation Panel" means the Chartered Institute of Capital Market Registrars Investigating Panel established under subsection (3) of section 16 of this Act (*Hon. Ahmed Wadada*).

Question that the meaning of the words "Investigation Panel" be as defined in the interpretation to this Act, put and agreed to.

"Capital Market Registrar" means any person registered to practice share registration under this Act (*Hon. Ahmed Wadada*).

Question that the meaning of the words "Capital Market Registrar" be as defined in the interpretation to this Act, put and agreed to.

"Member" means enrolled Fellow, Associate Member, Student Member or Ordinary Member as the case may be, and "membership of the Institute" shall be construed accordingly (*Hon. Ahmed Wadada*).

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

"Minister" means the Minister for Education (*Hon. Ahmed Wadada*).

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

"President and Vice-President" respectively mean the office holders under those names in the Institute (*Hon. Ahmed Wadada*).

Question that the meaning of the words "President and Vice-President" be as defined in the interpretation to this Act, put and agreed to.

"Register" means the Register maintained pursuant to Section 12 of this Act (*Hon. Ahmed Wadada*).

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

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

Committee Recommendation:

Clause 26: Short Title.

This Act may be cited as the Chartered **Institute** of Capital Market Registrars Bill, 2006 (*Hon. Ahmed Wadada*) — Agreed to.

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

SCHEDULES

FIRST SCHEDULE

Section 4 (2)

SUPPLEMENTARY PROVISIONS RELATING TO THE COUNCIL

1. (1) Subject to the provisions of this paragraph, a member of the Council shall hold office for a period of 3 years beginning with the date of his election or appointment.
- (2) Any member of the Institute who ceases to be a member thereof shall, if he is also a member of the Council, cease to hold office on the Council.
- (3) Any member of the Council may, by notice in writing under his hand addressed to the President, resign his office.
- (4) A person who retires from or otherwise ceases to be an elected member of the Council shall be eligible to become a member of the Council and any appointed member may be re-appointed.
- (5) Members of the Council shall at their next meeting before the annual general meeting of the Institute arrange for four members of the Council appointed or elected and longest in the office to retire at that general meeting.
- (6) Elections to the Council shall be held in such manner as may be prescribed by rules made by the Council, and until so prescribed, they shall be decided by secret ballot.
- (7) If for any reason a member of Council vacates office and—
 - (a) such member was elected, the Council may, if the time between the unexpired portion of the term of office and the next general meeting of the Institute appears to warrant the filling of the vacancy, co-opt a fit and proper person for such time.

Proceedings of the Council.

2. (1) Subject to the provisions of this Act, the Council may in the name of the Institute make Standing Orders, regulating its proceedings or proceedings of its Committee or of any Committees thereof.*
- (2) The Standing Orders shall provide for decisions to be taken by a majority of the members and in the event of equality of votes, the President or the Chairman, as the case may be, shall have a second or casting vote.
- (3) The Standing Orders made for a Committee of the Council shall provide for the committee to report to Council on any matter referred to it by the Council.
- (4) The quorum at any meeting of the Council shall be 6 and the quorum of a committee of the Council shall be determined by the Council.

Meeting of the Council,

3. (1) Subject to the provisions of any standing orders of the Council, **the** Council shall meet quarterly in a year.
- (2) At any meeting of the Council, the Chairman or in his absence the Vice-Chairman shall preside, but if the **Chairman**, the Vice-Chairman are absent, the members present at the meeting shall appoint one of their members to preside at the meeting.
- (3) Where the Council desires to obtain the advice of any person on a particular matter, the Council may co-opt him as a member for such period as the Council thinks fit, but a person who is a member by virtue of this subparagraph shall not be entitled to vote at any meeting of the Council, and shall not count towards a quorum.
- (4) Notwithstanding anything in the foregoing provisions of this paragraph, the first meeting of the Council shall be summoned by the President of the Institute.

Committees.

4. (1) The Council may appoint one or more Committees to carry out on behalf of the Institute or the Council, such functions as the Council may determine.
- (2) A Committee appointed under this paragraph shall consist of the number of persons determined by the Council of whom not more than one-third may be persons who are not members of the Council and 41 person other than a member of the Council shall hold office on the Committee in accordance with the terms of his letter of appointment.
- (3) A decision of a Committee of the Council shall be of no effect until it is confirmed by the Council.

Meeting of the Institute.

5. (1) The Council shall convene the meeting of the Institute once in every year at such time and place as may be determined by the Council, but, if the meeting is not held within one year after the previous annual meeting, not more than fifteen months shall elapse between the respective dates of the two meetings.
- (2) The Chairman of the Council shall convene a special meeting of the Institute at any time, if he receives a notice in writing, addressed to him by not less than 20 members of the Institute, setting out the objects of the proposed meeting.
- (3) The following members shall be entitled to receive notice of any meeting of the Institute—
 - (a) fellows;
 - (b) associate members; and
 - (c) ordinary and student members
- (4) The quorum of any general meeting of the **Institute** shall be 25 members and that of any special meeting of the Institute shall be 15 members.

Miscellaneous.

*

6. (1) The fixing of the seal of the Institute shall be authenticated by the signature of the Chairman or of some other members of the Council authorised generally or specifically by the **Institute** to act for that purpose.
- (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 Institute or of the Council, as the case may require, by any person generally or specially authorised to act for the purpose by the Council.

- (3) Any document purporting to be a document duly executed under the seal of the Institute, shall be received in evidence and shall, unless the contrary is proved, be deemed to be so executed.

Validity of proceedings.

7. The validity of any proceedings of the Institute or the Council, or of a Committee of the Council shall not be affected by any vacancy in the membership or any defect in the appointment of a member of the Institute, or of the Council, or of a person to serve on the Committee, or by reason that a person not entitled to do so took part in the proceedings.
8. Any member of the Institute or the Council, and any person holding office on a Committee of the Council, who has a personal interest in any contract or arrangement entered into, or proposed to be considered by the Council on behalf of the Institute or on behalf of the Council or a Committee thereof, shall forthwith disclose his interest to the President or to the Council, as the case may be and he shall not vote on any question relating to that contract or arrangement.
9. A person shall not by reason only of his membership of the Institute be treated as holding an office in the Public Service of the Federation (*Hon. Ahmed Wadada*) — *Agreed to.*

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

SECOND SCHEDULES

Section 15 (5)

SUPPLEMENTARY PROVISIONS RELATING TO THE DISCIPLINARY
COMMITTEE AND INVESTIGATIVE ON PANEL

1. The quorum of the Disciplinary Committee shall be 4 members.

Quorum of the Disciplinary Committee.

2. (1) The President of the Institute shall make rules as to the selection of members of the Disciplinary Committee for the purposes of any proceedings, the procedure to be followed and the rules of evidence to be observed in the proceedings before the Disciplinary Committee.
- (2) The rules shall in particular provide—
 - (a) for securing that notice of the proceeding shall be given at such time and in such manner as may be specified by the rules, to the person who is the subject of the proceedings;
 - (b) for determining who, in addition to the person aforesaid, shall be a party to the proceedings;
 - (c) for securing that any party to the proceedings shall, if he so requires, be entitled to be heard by the Disciplinary Committee;
 - (d) for securing that any party to the proceedings may be represented by a legal practitioner;
 - (e) subject to the provision of section 17 (5) of this Act, for the costs of proceedings before the Disciplinary Committee;
 - (f) for requiring, in a case where it is alleged that the person who is the subject of the proceedings is guilty of misconduct in any professional respect, that where the Disciplinary Committee adjudges that the allegation has been proved it shall record a finding that the person is guilty of such misconduct in respect of the matters to which the allegation relates; and
 - (g) for publishing in the News letter and magazine, notice or any direction of the Disciplinary Committee which has taken effect providing that a person's name shall be struck off the Register.

3. For the purposes of any proceedings before the Disciplinary Committee, any member of the Disciplinary Committee may administer oaths, and any party to the proceedings may sue out of the registry of the Federal High Court by writs of subpoena ad testificandum and duces tecum but no person appearing before the Disciplinary Committee shall be compelled—
- (a) to make any statement before the Disciplinary Committee tending to incriminate himself; or
 - (b) to produce any document under such a writ which he could not be compelled to produce at the trial of an action.

Assessor.

4. (1) For the purpose of advising the Disciplinary Committee on questions of law, arising in proceedings before it, there shall in all such proceedings be an assessor to the **Disciplinary** Committee who shall be appointed by the Council on the nomination of the Attorney-General of the Federation, and he shall be a legal practitioner of not less than ten years standing.
- (2) The Attorney-General of the Federation shall make rules as to the functions of the assessors appointed under this paragraph and in particular such rules shall contain provisions for securing—
- (a) that where an assessor advises the Disciplinary Committee on any question of law as to evidence, procedure, or any other matter specified by the rules, he shall do so in the presence, of every party or a person representing a party to the proceedings, who appear thereat or, if the advice is tendered while the Disciplinary Committee is deliberating in private, that every such party or person as aforesaid shall be informed of what advice the assessor has tendered; and
 - (b) that every such party or person as aforesaid shall be informed if in any case the Disciplinary Committee does not accept the advice of the assessor on such a question.
- (3) An assessor may be appointed under this paragraph either generally or for any particular proceedings or class of proceedings, and shall hold and vacate office in accordance with the terms of the letter by which he is appointed.
5. The quorum of the Investigation Panel shall be 4.
6. (1) The Investigation Panel may, at any of its meetings attended by all members, make Standing Orders with respect to the Investigation Panel.
- (2) Subject to the provisions of any such standing order, the Investigation Panel may regulate its own proceedings.

Reappointment of a person as a member of the Disciplinary committee

7. (1) A person ceasing to be a member of the Disciplinary Committee, or the Investigation Panel shall be eligible for re-appointment as a member of the Disciplinary Committee or Investigation Panel, as the case may be.
- (2) A person may, if otherwise eligible, be a member of both the Disciplinary Committee and Investigation Panel, but no person who acted as a member of the Investigation Panel with respect to any case shall act as a member of the Disciplinary Committee with respect to that case.
8. The Disciplinary Committee or the Investigation Panel may act notwithstanding any vacancy in its membership and the proceedings of either body shall not be invalidated by any irregularity in the appointment of a member of that body or subject to Paragraph 7 (2) of this Schedule, by reason of the fact that any person who was not entitled to do so took part in the proceedings of that body.
9. Any document authorised or required by virtue of this Act to be served on the Disciplinary Committee or the Investigation Panel shall be served on the Registrar.

10. Any expenses of the Disciplinary Committee or the Investigation Panel shall be defrayed by the Institute (*Hon. Ahmed Wadada*) — Agreed to.

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

*Chairman to report **Bill**.*

(HOUSE PLENARY)

Mr Deputy Speaker in the Chair, reported that the House in the Committee of Whole, considered the Report of the Committee on Capital Market on a Bill for an Act to Provide for the Establishment of a Chartered Institute of Capital Market Registrars for More Effective Regulation and Control of the Practice of Share Registration and Connected Matters, 2005. It approved Clauses 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and the First and Second Schedules to the Bill.

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

(Hi) *Joint Committee on Public Accounts and Justice:*
Motion made and Question proposed, "That this House do consider the Report of the Joint Committee on Public Account and Justice on a Bill for an Act to Provide for the Establishment of the Office of the Auditor-General of the Federation and for Matters Connected Therewith, 2005 and approve the Recommendations therein" (Hon. Adeyemi Oluwale).

Question put and agreed to.

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

(HOUSE IN COMMITTEE)

{Mr Deputy in the Chair}

A BILL FOR AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE OFFICE OF THE
 AUDITOR-GENERAL FOR THE FEDERATION AND FOR MATTERS CONNECTED THEREWITH

Committee Recommendation:

- Clause 1: Establishment of the Office of the Auditor-General for the Federation.
- (1) There is hereby established an office to be known as the Office of the Auditor-General for the Federation (in this Act referred to as "the Office").
 - (2) The Office shall be headed by the Auditor-General for the Federation (in this Act referred to as "Auditor-General") (*Hon. Adeyemi Oluwale*) — Agreed to.

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

- Clause 2: Appointment of the Auditor-General.
- (1) The Auditor-General shall be appointed by the President on the recommendation of the Federation Civil Service Commission subject to confirmation by the Senate.
 - (2) The President shall have power to appoint persons to act in the Office of the Auditor-General, and
 - (3) Except with the sanction of a resolution of the Senate, no person shall act in the Office of the Auditor-General for a period exceeding six months.

-Co

mmittee Recommendation:

*Leave out all the provisions in the Clause (**Hon. Adeyemi Oluwale**) — Agreed to.*

Committee Recommendation:

Clause 3: Qualification.

Subject to the appointment of the Auditor-General as contained in Section 86 of **the** Constitution, the Auditor-General shall be a professional in accountancy with a minimum of 15 years post qualification and cognate experience in audit in the public or private sector (*Hon. Adeyemi Oluwole*) — *Agreed to.*

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

Committee Recommendation:

New Clause 4: Procedure for Appointment of Auditor-General.

In recommending persons for appointment as Auditor-General, the Federal Civil Service Commission shall advertise the vacancy, interview the applicants and recommend three (3) successful candidates to the President (*Hon. Adeyemi Oluwole*) ~ *Agreed to.*

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

Clause 5: Tenure.

The Auditor-General shall be appointed for a non-renewable fixed term of eight years.

Committee Recommendation:

Leave out the provision in the Clause (Hon. Adeyemi Oluwole) ~ Agreed to.

Committee Recommendation:

Clause 6: Salary.

The Auditor-General shall be paid such salary, allowances, pension and severance pay as determined by the Revenue Mobilization Allocation and Fiscal Commission (*Hon. Adeyemi Oluwole*) — *Agreed to.*

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

Clause 7: Removal.

- (1) The Auditor-General may be removed from office by the President, acting on an address supported by two-thirds majority of the Senate, praying that he be so removed, for inability to discharge the functions of his office (whether arising from infirmity of mind or body or any other cause) or for misconduct.
- (2) The Auditor-General shall not be removed from office before such retiring age as may be prescribed by law, save in accordance with the provisions of this section.

Committee Recommendation:

Leave out all the provisions in the Clause (Hon. Adeyemi Oluwole) — Agreed to.

Clause 8: Independence of the Auditor-General.

In the exercise of his functions under this Act, the Auditor-General shall be independent and shall not be subject to the direction or control of any other authority or person.

Committee Recommendation:

Leave out the provision in the Clause (Hon. Adeyemi Oluwole) — Agreed to.

Committee Recommendation:

Clause 9: Structure of the Office.

The Office of the Auditor-General shall consist of departments, which shall include —

- (a) Ministries Audit Department
- (b) Project Monitoring and Evaluation Department;
- (c) Revenue Audit Department;
- (d) Extra-Ministerial Department
- (e) Federal Capital Territory and Area Councils Audit Department

- (f) Finance & Supplies Department
- (g) Treasury & Accountant-General's Department
- (h) States Department;
- (o) Personnel, Administration & Welfare Department
- (/) Annual Report and PAC Department (*Hon. Adeyemi Oluwole*).

Amendment Proposed:

Leave out all the words in paragraph (h) and insert the following instead thereof:
"Department of Research and Planning" (Hon. Geidamn Almajir).

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

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

Committee Recommendation:

Clause 10: Duties of Auditor-General.

In addition to the powers conferred on him in Section 85 of the Constitution the Auditor-General shall —

- (a) carry out quarterly audit and periodic checks on all revenues accruing to the Federation from **all** sources. The Auditor-General shall also have power to carry out periodic checks on donations, grants and loans accruable to Parastatals, corporations and commissions;
- (b) ensure mat Government business is effectively, efficiently and economically performed; and
- (c) report to the National Assembly if a person or organization fails to comply with subsection (a) of this section and the National Assembly may approve any reasonable sanction accordingly (*Hon. Adeyemi Oluwole*).

Amendment Proposed:

Leave out all the words in paragraph (c) and insert the following instead thereof:
"if any person or organisation fails to comply with paragraph (a) above, he shall on conviction be liable to imprisonment for two years or a fine of one hundred thousand Naira (N100,000.00)" (Hon. N. C. Uganze).

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

*Question that Clause 10 as amended, 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, resumed consideration of the Report of the Joint Committee on Finance and Justice **on** a Bill for an Act to provide for the Establishment of the Office of the Auditor-General of the Federation and for Matters Connected Therewith, 2005 and approved Clauses 1, 2, 3, New Clause 4, Clauses 4, 5, 6, 7, 8 and amended Clause 9. *It asked for leave to sit again.*

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

11. Adjournment:

That this House do now adjourn till Thursday, 28 September, 2006 at 10.00 a.m. (Hon. Abdul Ningi).

Adjourned accordingly at 4.27 p.m.

Aminu Bello Masari
Speaker

CORRIGENDUM

In the Votes and Proceedings of Tuesday, 26 September, 2006, page 230, *leave out* the provisions in the Sixth Schedule and *insert* the following instead thereof:

SIXTH SCHEDULE**Income Tax Table**

1. A consolidated relief allowance shall be granted on income at a flat rate of N200,000.00 plus 20 per cent of gross **emolument**.
2. After the relief allowance has been granted in accordance with paragraph **i** of this Schedule, the balance of income shall be taxed as specified in the following tax table provided that statutory deduction for National Housing Fund and National Health Insurance Scheme as may be provided for by the employer at the termination or expiration of employment shall be tax deductible.

<i>Income to be taxed</i>	<i>Per cent Rates of Tax</i>
N 1 - 150,000	@ 1%
N150,001 -200,000	® 3.5%
N200,001 -250,000	@ 5%

Graduated Tax Rates with consolidated Relief/Allowance of N200,000 + 20% of Gross Income, subject to a minimum Tax of 5% of gross income whichever is higher.

First N300,000	@ 10%
Next N300,000	@ 14%
Next N500,000	@ 18%
Next N500,000	@22%
Above N 1,600,000	@25%,